

# WHARTON

MAGAZINE



EDITION FOUR | SUMMER 2012

Measuring up Against Memories From Campus, p. 24

Alumni return to campus for Reunion, depart with Knowledge for Action.

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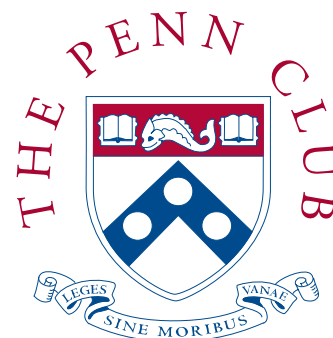
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PHIL FLYNN

The temperatures outside on May 13, 2012, reached into the 80s. But inside the Palestra during Wharton's Undergraduate Commencement, the members of the Class of '12 were not sweating their future, despite the expressions on some of their faces.



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## EDITOR'S LETTER



### Impressed by the Best

MBA Reunion was an eye-opening experience for me. This year's was my first. Leading up to it, I had heard about the rigorous learning

that is a defining facet of Wharton alumni, their appreciation for their peers and for Wharton's faculty, and their eagerness to share the wisdom gathered after years in a profession and grow by listening to the lessons of others' careers. After all, Wharton Lifelong Learning is designed with these qualities in mind.

At Reunion, I was able to see it all in motion, in educational session after session.

Sure, such homecomings are also about good friends getting together after long absences from each other's lives, about class picnics and cocktail parties under tents, about revisiting old haunts and exploring some of University City's newest restaurants and bars.

But Reunion at Wharton was also about a packed lecture room at 10 a.m. on Friday, where Professor **Karl Ulrich** discussed his research into innovation tournaments, about that same crowd then giving Dean **Thomas Robertson** a wholesale ovation after he played the School's new branding video on the room's big screen.

Alumni displayed that same enthusiasm and engagement at every session I covered over the weekend.

We hope to convey this energy in our cover story. Of course, we don't stop there. Innovation, social impact, running a major TV company, Zen Capitalism, owning an African animal farm—in all of their endeavors, relayed in the following pages, alumni put their heart, soul and Wharton knowledge into it.

Matthew Brodsky  
*Editor*

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Visit the *Wharton Magazine* website at [www.WhartonMagazine.com](http://www.WhartonMagazine.com) for expanded features and new content each week on the Wharton Blog Network.



# A MESSAGE FROM THE DEAN

When our graduating students crossed the finish line in May, Wharton's campus was in a period of high optimism. That is as it should be. The Class of 2012 came to us because they were determined to change their lives—and maybe even one day the world.

Now they are moving on, armed with new knowledge to be put into action throughout their careers. While they must leave our campus to do this, they certainly do not leave Wharton. Instead, they join our lifelong community: one of the largest and most

influential alumni networks of any business school.

Wharton alumni never cease to impress. They continue to share insights at gatherings such as Reunion and at our celebrated Global Alumni Forums, held this year in Milan from May 17 to 18 and in Jakarta from June 22 to 23. They remain connected via mentoring networks and affinity clubs, and with faculty via online educational offerings,

including the award-winning *Knowledge@Wharton*, now with 2 million subscribers across five international editions. Our alumni stay in the loop, and they stay hungry for new ideas.

Their lifelong engagement with Wharton knowledge and with each other is something that distinguishes them. It is thoughtful. It is forward-thinking and generous. Certainly, it is Wharton.

Ben Franklin knew that “an investment in knowledge pays the best interest,” and with that in mind we are proud to launch our newest graduates into a gratifying lifetime of learning. We are grateful because we know that they will be in good company—wherever in the world they may go.



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

**ON THE WEB**

**The Dean's Blog**

More from Dean Robertson at  
[whr.tn/FromTheDean](http://whr.tn/FromTheDean).

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# THE INBOX

## An Excellent Special Spring Edition

As a leader of the Wharton Club of Southern California and former Wharton Executive Board committee lead, I'd like to commend the *Wharton Magazine* staff for an excellent spring edition, showcasing alumni around the world (the "Special Class Notes Issue"). Finally, someone gets it! If you connect with alumni in a meaningful way and showcase how we're all continuing to network, have fun, reunite and support each other, we remember the value Wharton provided us ... and ultimately remember to pull out our checkbooks. Kudos!

**Meesh Pierce, W'93, WG'98**

## Class Conscious

Very much enjoyed the Spring 2012 Special Edition, notably the

photographs. Just want to share a very minor comment that might enhance viewing the array of photos, and that would be organizing them by class year. I am not sure about the rest of your readers, but I tend to have a laser-like focus on my year, 1989. Yes, a minor comment. Fantastic that you launched this new issue. Congrats!

**Bill Borrelle, WG'89**

## Early Entrepreneurship Education

In "Minding the Gap in Business Education" (Spring 2012, P. 10), **Keith Weigelt** (Wharton's Marks-Darivoff Family Professor) is on the right track. He should also know that entrepreneurship education in the public schools has been alive and well through the Network for Teaching Entrepreneurship (NFTE) since its founding in 1987, focusing on low-

income communities throughout the United States and throughout the world, with a major program office in Philadelphia.

**Stewart Merkin, W'65**

Corrections:

In *The Benjamin Franklin Society of the Wharton Fund* booklet that was mailed with the Winter 2012 issue of *Wharton Magazine*, **Ramya Murali, WG'11**, was omitted from the Young Franklin Society listing on P. 21.

On P. 7 of the Spring 2012 issue, we cited the incorrect article in the letter from **William Boyd Katz, W'60**. His letter referred to the Wharton Blog essay on P.11 of Fall 2011.

We apologize for these errors.

Send your letters via email to [letters@whartonmagazine.com](mailto:letters@whartonmagazine.com) or via traditional mail to: Letters, *Wharton Magazine*, Wharton External Affairs, 344 Vance Hall, 3733 Spruce Street, Philadelphia, PA, 19104-6360. Letters may be edited for clarity or brevity.



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# Debrief

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## Smoothing the Alumni Arrival

New Alumni Orientation gets graduating MBAs in gear with the greater Wharton community.

In the weeks before Commencement, this year's graduating MBA class sat down for a different kind of interview.

For the first time, 358 second-year students took part in one-on-one alumni orientation interviews with 40 staff members from across the Wharton School. It was in part "a strategic introduction of alumni resources and engagement opportunities," as Senior Associate Director of MBA Career Management **Cara Costello** called it.

Costello, who led the charge to establish the orientation, traces the planning stages back to a meeting of the Dean's Graduate Student Advisory Committee more than a year ago. The group did a study on the young alumni experience, which found that students "felt the process of exiting Wharton was somewhat disjointed," says Costello.

The resulting inaugural alumni orientation program, sponsored by the Graduate Division and External Affairs, instead sought to provide a "streamlined, consistent and positive departure."

The first component was a comprehensive graduation checklist, which was launched in March with an easy-to-use, electronic platform. According to Costello, more than 95 percent of the graduating class utilized this new tool.

The in-person interviews then took place from April 16 to 19 in the MBA Café Lounge. For those who did not participate in person, an online version of the orientation was offered. The interview began with a brief overview of the checklist and segued into a discussion of the student's most memorable Wharton experience. Responses varied from social events like Pub to Wharton Leadership Ventures.

"I got a couple of responses that were about how transformative the overall experience was," says Associate Director of Corporate and Foundation Relations **Amy Levine**, who worked closely with Costello and the Student and Young Alumni Engagement Committee to implement the program.

The interview next turned to informing the participants about the many alumni opportunities available to the soon-to-be graduates, such as regional clubs and Lifelong Learning programs. Individual interviews were customized to fit a student's regional plans or specific interests. Afterward, students had the chance to complete any outstanding checklist items and receive a parting gift from the School.

For students, the program was incredibly popular.

"One of the most satisfying pieces of the week is that, after the first day, we had tons of requests for walk-ins," says Costello, adding that she looks forward to seeing the program continue in years to come.

**Suzanne Schumer, WG'12**, who participated as both an interviewee and as a member of student focus groups who helped shape the orientation, lauds the new program for introducing students to the notion that "a Wharton experience is more than a two-year stint but instead a lifelong experience."

"As for me, I expect to remain involved with Wharton in the future. I have a lot of very positive memories of Wharton," she said.

Older alumni can confirm: New Wharton memories continue to be made even as those from campus recede into the past.

—By Paul Richards, C'10



THOMAS FUCHS

# Wharton MBAs Rank No. 1 in Soccer

Six games. 20 teams. 38 MBAs. And the one trophy they brought home from the Lone Star State.

It is said that Americans are not interested in soccer because it is a sport they cannot win. This cannot be said about Wharton's MBA students.

The Wharton Soccer Club pulled off a joyous and grueling performance in late February at the University of Texas Winter Classic, considered the premier B-school footballers' tournament.

"It is not easy to win this tournament," says defenseman **Tomas Gazmuri, WG'12**, the club's captain.

The Wharton Blue team battled to a 2-0-1 record during the group stage on day one. It was in fact the 2-2 score of its first game of the day versus Columbia that empowered the 18-man squad.

Yes, in soccer, a tie versus a highly respected opponent—Columbia won the Yale tournament in the fall—can lead to great things. In Wharton's case,

they dominated their next two group-stage foes, pouncing on NYU 6-0 and dispatching Chicago 4-0.

"We knew from the beginning we had the best team," says Gazmuri.

Yet Wharton needed to win three more games on day two. They pushed aside Stanford in the quarterfinal 2-0. In their next battle against Berkeley, they controlled the pitch but didn't put away the game-winner until 10 minutes remained.

The squad saved its most storied heroics for the final versus UCLA—the tourney's defending champs had been undefeated throughout the weekend.

Wharton left it all on the field. They ran the ball, pressing their advantage of endurance and a deep seven-man bench. Finally, in the last minute, it paid off. A long punt by **Xavi Genis, WG'12**,

with assists by then-first-year **Peter Gajdos** and co-captain **Aymen Mohib, WG'12**, ended with a dual between UCLA's goalkeeper and **Fabio Carrara, WG'12**, who subbed into the game just minutes before. Carrara beat the goalie with a brilliant header into the net.

"We celebrated like it was the World Cup," Gazmuri recalls.

His team, he says, showed not just fitness and talent after six games in two days, they also displayed grit, the "willingness to win." The Blue team—and the White team, a more recreational bunch who lost out in the group stage—took something home with them besides their trophy: memories and camaraderie that won't have to be defended at the next tournament.

—By Matthew Brodsky



# Student-Debt Venture Wins Startup Honors

A hotbed of Wharton-inspired entrepreneurship holds a competition as part of Startup Weekend.

**Amee Patel, WG'12**, and **Michelle Larivee, G'12, WG'12**, didn't get much sleep during Startup Weekend Stamford, but their wakeful hours earned them top honors.

The pair of recent Wharton graduates is in the process of building an early prototype of MyStuDebt, an entrepreneurial vision to help individuals manage and repay their student debt. They plan to test their hypotheses and launch a beta pilot of the Web-based platform by the end of the summer, they say.

In March, they took on the challenge of Startup Weekend Stamford.

The first stage of the competition on Friday evening, March 30, involved boiling down a business plan to a one-minute pitch, which took some practice, Larivee says.

She adds that they did not anticipate the “frenzy afterward,” when they and the other top teams sought to partner with some of the 120 or so Web developers and designers who attended to get in on the ground floor of a startup.

“It was a wild few hours,” Larivee says.

The 54-hour competition in Stamford, CT, culminated with 12 top teams presenting their fleshed-out concepts on Sunday, April 1, to a panel of judges comprising angel investors and seasoned entrepreneurs.

The Startup Weekend—which was presented by the Stamford Innovation Center—was one of a series of weekends held throughout the world. The purpose is to offer an environment to support and accelerate entrepreneurial visions.

It was that mission that inspired the founders of the Stamford Innovation Center, all of whom have ties to Wharton: **Barry Schwimmer, W'79**; **Edward Petner, WG'83**; **Bill Gordon, WG'86**; **Patricia Meagher, G'84**, who was a Ph.D. candidate; and **Ted Yang**, an MIT product who was part of the group that won first place in the Wharton Business Plan competition in 2000. In addition, **Gary Breitbart, W'79**, is director of the executive-in-residence program there.

Patel and Larivee—who were one of 48 groups that gave the initial one-minute pitch—won \$21,000 in prizes, including office space and legal and accounting services.

MyStuDebt will offer a place for students to aggregate all of their loan information—how much they owe, who their creditors are and when their payments are due. It will also allow them to analyze how much they are borrowing, compared with how much they need, and will offer personalized repayment advice and financial literacy tools.

“We are definitely excited about getting started on it full time,” says Patel, who notes that she and Larivee started talking about the concept earlier this year. “My



**ON THE WEB**  
More on the Stamford Innovation Center at [stamfordicenter.com](http://stamfordicenter.com).

RAFAEL RICCOY



## TEST YOUR MEMORY



How many of these 200 words can you memorize, in order, in 15 minutes of study? Then turn to Page 12 to see why.

only regret is we didn't start this sooner.” Schwimmer says that Patel and Larivee identified a problem with “far-reaching implications.”

“They were incredibly thoughtful. It was obvious from the second they got up on the stage, these were women who had really thought about the issue and had come up with some interesting solutions,” he says.

Victory would not have been possible, Larivee and Patel say, without the knowledge and experience they picked up in Wharton’s entrepreneurial and public-speaking classes—and the assistance of Wharton Founders Club members, all entrepreneurs before their MBAs, who helped them develop, fine-tune and passionately communicate their business plan.

MyStuDebt was also recently selected to join Wharton’s Venture Initiation Program, an educational incubator program managed by Wharton Entrepreneurial Programs.

—By Anne Freedman

## Big Year for the BPC

This was a year of firsts for the Wharton Business Plan Competition (BPC). Judges for Wharton Entrepreneurial Programs’ premier event considered the most ventures ever: 152. It was the first year that the winning team comprised students from Wharton’s MBA for Executives Program (WEMBA). RightCare Solutions—created by three members of the WEMBA Class of 2012, team leader **Eric Heil**, **Mrinal Bhasker** and **Matt Tanzer**—was awarded the \$30,000 Michelson Grand Prize for developing an algorithmic solution to help hospitals identify patients at risk at discharge of being readmitted, based on research by Dr. **Kathryn H. Bowles**, associate professor of nursing at the University of Pennsylvania.

“Since we’ve been on the road speaking to investors, speaking to customers for the last several months, we’ve

had an opportunity in very high-stakes, pressurized situations to perfect, to hear the pushback, to modify our plans, based on the challenges we’ve heard from professional investors and hospital administrators,” Tanzer told *Wharton Magazine* at the Venture Finals.

“We’re thrilled, we’re honored. The competitors today were fantastic,” Heil said about the BPC. “We’re excited about our opportunity, and glad that we were able to communicate our plan and vision.”

During the Venture Finals, each of the eight finalists had 20 minutes to present and respond to questions from the elite panel of judges: **Michael Burns, EE’95, GEE’95, W’95**, managing partner of Alara Capital; David A. Cohen, president of Karlin Asset Management; **Richard Perlman, W’68**,

chairman of Compass Partners LLC; and **Santo Politi, WG’97**, general partner at Spark Capital.

—By Matthew Brodsky

**ON THE WEB**  
Video coverage of the BPC at Web Exclusives on our website.

## Sharing Stories of Success

The third annual conference of the Wharton Women in Business Alumnae Group was about action and about how action translated into the successes of its attendees and speakers.

The two-day conference centered around the stories of alumnae who are in charge of their lives and have clear visions of where they're going and where they've been.

**Mindy Posoff, WG'86**, managing director of Golden Seeds—the fourth largest U.S. angel investor network—and managing director of the consulting firm Traversent Capital Partners LLC, told the story of how she moved away from Wall Street and focused instead on hedge funds and an angel investing operation largely devoted to giving women investors the chance to support women entrepreneurs.

And in certain cases, a clear vision can entail allowing oneself the time to rethink one's direction. **Priya Trauber, WG'97**, shared the story of her meteoric rise through the ranks of such top world banks as UBS and Morgan Stanley, and then of her decision last year to step off the corporate ladder.

"I've always had a plan, I've always had a vision," she said. "I have no plan right now."

She gave herself permission to live without a plan for a finite period of time, she added. In the meantime, she is

volunteering at a local school, mentoring fifth-grade girls in math and subbing as a pre-K teacher. Eventually, she knows she will come to her next professional path.

Events like the Wharton Women in Business conference provide professionals the opportunity to discover a network of people to contact for advice and support.

"Take the chance to just talk to people," Posoff advised attendees, noting that acquaintances and peers can help to connect the dots.

It is also by coming together and sharing stories, advice and encouragement that alumnae can build their presence in the business world. Posoff explained that earlier generations had just one woman at the proverbial corporate table, and that the current generation must "pay it forward."

Group leader **Ann Libby, WG'95**, exhorted attendees to consider: "How do I keep this going?" As examples, she pointed to her own group and the efforts of alumnae at certain Wharton alumni clubs—among those New Jersey and Boston—to establish subgroups for female members, as well as any effort by alumnae to take leadership roles among the Wharton community.

The Wharton Women in Business Alumnae Group held its annual conference on March 1 and 2 on the Philadelphia campus.

—By *Matthew Brodsky*

### Ground Broken for Steinberg-Dietrich Hall Renovation

An \$18.5 million renovation on Steinberg-Dietrich Hall was begun in May. Involving an estimated 31,100 total square feet, the new space will feature 32 new faculty offices, an entrance pavilion and glass tower, lawn area and two classrooms with enhanced technology. Part of the renovations includes the goal of earning Steinberg-Dietrich Hall a Leadership in Energy and Environmental Design (LEED) silver certification, thanks to two new green roofs and a "chilled beam system" heating and cooling mechanism. The entire project is estimated to be completed by the end of 2013.

### First-Ever Student-Run 5K Coursed Through Campus

An estimated 200 runners, mostly students and faculty, ran the first annual Undergraduate and MBA Charity 5K. Co-hosted by the Wharton Council and the Wharton Roadrunners & Triathletes Club, the race followed a course that was contained on campus, along 34th and 40th streets between Walnut and Spruce streets. All proceeds from the event went to the Jericho Project, a nonprofit organization that works to end homelessness.

### How Did You Score in the Wharton Magazine Memory Test?

In March in New York City, three Penn students competed at the USA Memory Championship. Wharton undergrad **Michael Mirski** took third place overall, out of a field of nearly 30 adults and a whole high school team from Hershey, PA. In an article in the *Daily Pennsylvanian*, the then-sophomore credited a 1,000-word memorization system that he developed. Mirski, along with the other two Penn contestants, were members of the UPenn Memory Team. One of the final championship rounds in New York involved the contestants having 15 minutes to memorize 200 words, which they then had to recite in order. Our word cloud on P. 11 contained 200 words. Start reciting them in order ... now.



**ON THE WEB**  
Video highlights at Web Exclusives on our website.

## FROM THE VAULT



### Honored at Hey Day

Can you name these Class of 1959 members? A hint: the Spoon Man and the Bowl Man were both Wharton men.

The Spoon is the oldest of the Honor Men Awards presented traditionally at Hey Day. Originally started in 1861 as a sarcastic joke, the Spoon became four years later an award to the most popular member of the senior class. The Bowl dates back to 1882, when it was given to a sophomore at the conclusion of the Bowl Fight. The third male Senior Award is the Cane, which began in 1891. The Spade, the fourth male Senior Award, is linked to Ivy Day, when a student used a spade to plant the class ivy.

Four leadership awards are given to female seniors. The first honor, given for “intellectual competence” and loyalty to the University, is the Althea K. Hottel Award, established in 1959 in honor of the first Dean of Women. Service to the University is recognized through the Gaylord P. Harnwell and David R. Goddard awards, both started in 1969. And the fourth honor is the R. Jean Brownlee Award, named in 1977 for a dean and champion of women’s equality.





**ON THE WEB**

Find itineraries of upcoming seminars and basic information at [whr.tn/BusinessJournalists](http://whr.tn/BusinessJournalists).

# Setting the Media Straighter

**T**he Wharton Seminars for Business Journalists, a time-honored 40-year tradition, took a new turn in 2012 with the first-ever program focused on public policy.

As usual, the event attracted top journalists from premier media outlets, such as Reuters, *Barron's Weekly*, the *Washington Post*, Associated Press, WSJ.com, Dow Jones, *Chicago Tribune*, National Public Radio and the *Financial Times*—as well as a number of attendees from international media and locations as far afield as Vancouver and Cameroon.

But unlike the Seminars for Business Journalists that occur every year on the Philadelphia campus, which instruct journalists on basic business concepts, this latest program, which took place

March 6 in Washington, D.C., provided world-class elucidation on two societal issues that currently confound U.S. business and government leaders: real estate and health care.

**Susan Wachter**, Wharton's Richard B. Worley Professor of Financial Management and professor of real estate and finance, along with Adam Levitin, professor of law at Georgetown University, delved into the causes of the latest real-estate bubble, its subsequent collapse and the current slow recovery, and then prognosticated the future of the market.

**Mark Duggan**, professor of business and public policy, shared his insider's view of the Patient Protection and Affordable Care Act. Duggan served as a member of the White House team that crafted the so-called Obamacare law. Health-care statistics, such as the data on uninsured rates for all 50 states, fascinate him.

"For me, it's like reading the sports page," he said.

Both Wachter and Duggan came across as optimistic, even as the journalists, as is their wont, peppered them with questions and challenges. Then again, Duggan warned of the then-impending Supreme Court decision on Obamacare and the challenges of implementing certain features of health-care reform, such as the state-based insurance exchanges due to launch in 2014. Wachter pondered how much damage the "American dream" of home ownership has suffered.

"The fact that it is a question is astonishing for America," she said.

The Wharton Seminars for Business Journalists have provided several thousand members of the media insight from Wharton faculty into topics such as financial markets, accounting principles, corporate strategy and the global economy. The next event, about online behavior, customer engagement and gamification, occurred on June 27 at Wharton | *San Francisco*.

—By *Matthew Brodsky*

## WHARTON FOLLY

### *A Playground of Lifelong Learning*



## Bottom Line

In our cover story on Lifelong Learning, you can find articles and photos that help to tell the tale of Wharton's MBA Reunion Weekend. These numbers provide another perspective.

750  
10

The number of meals served at the six family picnics.

The number of innovative Thought Teams that met during the weekend, Lifelong Learning opportunities that continue online and are open to all WGs and Ws.

The number of children allowed to be left unattended in the Family Room.

# THE BOOKSHELF

Just a few of the newer books on the market written by Wharton alumni.

## Say Nice Things About Detroit

BY SCOTT LASSER, WG'95

The fourth novel from former Lehman Brothers and National Steel Corp. employee (and previous *Wharton Magazine* Guest Commentary essayist),

this book takes off when its protagonist moves home to Detroit, only to find out about the murder of his high-school sweetheart. The book is as much about the decline and neglect of the former auto capital of the world as it is about the mystery surrounding the murder.



## Lead With a Story: A Guide to Crafting Business Narratives that Captivate, Convince and Inspire

BY PAUL SMITH, WG'93

Storytelling has been a part of business for millennia, but in recent times, technology has turned business communication into a technical, dry affair. But not for savvy companies,

# Debrief

who have relearned the art of storytelling over the past decades to manage their brand and inspire their employees. The author shows how stories can help business leaders through 21 of their most difficult challenges, while also providing the literary tools to create great stories that can teach, motivate and lead.

## The Almost Perfect Crime and Other Award-Winning Stories of New York

BY BOB NATIELLO, WG'56

From one of our most creative contributors on the Wharton Blog Network comes this collection of 22 award-winning, sometimes autobiographical short stories. The book features four stories that were nominated for the national Pushcart Prize. Others include "Dog Fight," a story about a rivalry between hot-dog vendors that turns into a romance, and "How Jiminy Cricket Helped Even the Score With the Dodgers," about lessons of honesty learned while working as a stiletto boy at a baseball park.

## A Ludacris Presentation on Campus

Rap star Chris "Ludacris" Bridges visited Wharton in April as part of the Lauren and Bobby Turner Social Impact Executive Speaker Series. **K. Robert (Bobby) Turner, W'84**, served as sponsor and interviewer.



SHIRA YUDKOFF

??

The number of attendees of the "Confidential CEO Council" Thought Team, which was confidential.

>45

Numbers of years an MBA alum must be out of Wharton before joining the Wharton Graduate Emeritus Society, which held a luncheon celebration during Reunion.

99 x 5.05

An estimate of the number of balloons decorating campus.



## Cappelli: Why Good People Can't Get Jobs

**What explains the paradox of companies claiming they can't find workers in a period of unusually high unemployment?**

Wharton Magazine sits down with **Peter Cappelli**, the George W. Taylor Professor of Management, to talk about his new book from Wharton



Digital Press, *Why Good People Can't Get Jobs*, published on June 1.

In response to the book's title, Cappelli says that the most common explanation one hears is a two-part story: jobs have changed and now require more skill than in the past and schools are failing and are not providing these skills. Though popular, this explanation is pure myth, he argues.

**Wharton Magazine: Why doesn't the common explanation have merit?**

**Peter Cappelli:** First, most of the people looking for jobs have been out of school for years, and the schools today are better than those they did go to. And in their postsecondary education, contemporary students are increasingly pursuing studies focused at getting them jobs. Take as an example a business degree in pharmaceutical marketing available in Philadelphia.

My second point is that no evidence exists that job skill requirements have spiked or that the jobs that are hardest to fill are necessarily high skill. Some jobs requiring high skill are growing in numbers, but so are some low-skill jobs.

Third and most important, the people who actually do the hiring are not complaining about a shortfall of academic skills, nor are they looking to hire people right out of school. What

they want and can't find are people with job experience, typically in very specific areas. To the extent that there is a skills problem, it has to do with the skills one learns on the job.

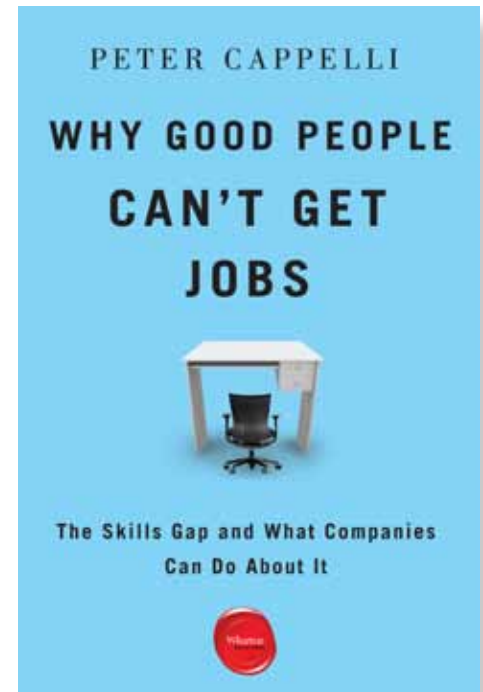
**WM: What then can companies do to fill their empty positions?**

**PC:** They have to rethink the way they go about hiring. At the moment, especially in larger employers, the hiring process has become very mechanical, without a lot of space for judgment. One employer told me that 25,000 people had applied for a reasonably standard engineering job in their company and that the hiring systems indicated that none met the requirements. The HR people who used to decide, "Are all these job requirements really necessary?" and, "Even though this candidate has never done precisely this job, I'm sure they can do it," have been replaced by software. If employers thought about their supply of talent as carefully as they thought about their office supplies, they could solve these problems easily.

**WM: Do you have any advice for job-seekers?**

**PC:** The first thing to remember is that this is not your fault. It is the worst job market in modern times, and the fact that you can't find a good job is largely bad luck—to be coming into the job market now or to have lost a job during the downturn. It's not fair, but we are stuck with it.

The second thing to remember is that it will get better. So the important thing to do is to position yourself now for



that better period. Ask yourself how someone interested in hiring you in the future will look at and assess what you did in this period.

The best thing you can do is show that you are building skills, that you are not letting the ones you have get rusty, and that you are demonstrating the personal attributes that employers like: resilience, self-motivation and conscientiousness.

If you have to take a dead-end job to make ends meet, it helps to be able to show that you are doing something else beyond that job. Employers disproportionately focus on the last job one held, so find some way to distract attention from it, such as by volunteering or taking classes.

**ON THE WEB**  
More about this book and other Wharton Digital Press offerings at [wdp.wharton.upenn.edu](http://wdp.wharton.upenn.edu).

## Reaping the Three Returns on Diversity

**Wharton's MBA program is diverse across traditional and intuitive boundaries, and gains benefits in team performance, innovation and alumni networking.**

Wharton MBA Admissions has long been focused on crafting a diverse class. We know the benefits of diversity—particularly, that diverse teams produce the best results. Indeed, at Wharton, we see this theory come to life: every year, we bring together students from countless professional and personal backgrounds to test this theory. The results are consistent, year after year: the diverse teams on which students find themselves in our program are more productive and have fewer blind spots; team members, most importantly, feel they learn more from each other's differences.

Our motivations for maximizing the level of diversity in our class are more than just to optimize team output, however. Business schools, like business environments, seek to foster innovation. Innovation is the lifeblood of successful organizations, whether they are companies attempting to increase profit or academic institutions educating students and producing research. A key driver of innovation is, in fact, diversity.

Significant research and academic thought exist on the topic of how progress and innovation are less a function of individual geniuses than of diverse teams capitalizing on their individuality, yet one need not look further than the world of business to see the power of diversity in fostering innovation. Donald Fan, senior director in the Office of Diversity for Wal-Mart



“ The diverse teams on which students find themselves are more productive and have fewer blind spots.

Stores Inc., addressed the topic of how diversity drives innovation in a widely publicized article in *DiversityInc Magazine* from Aug. 31, 2011. In his discussion, he cites examples of how Wal-Mart, with 2.1 million employees globally, leverages diversity through various programs to spur innovation within the company. By promoting a more inclusive culture, Wal-Mart essentially creates an incubator for creative thinking through its various efforts.

Likewise, Wharton strives to create an environment that nurtures innovation through diversity. What may not be entirely evident at first blush is the breadth of diversity in Wharton's class beyond the traditional measures. Wharton MBA Admissions works hard to attract applicants from various industries, countries and personal backgrounds. The result is diversity in dimensions that only become apparent when our students get to know each other. For example, more than two-thirds of Wharton students studied subjects other than business in undergrad;

### ON THE WEB

This article first appeared on the Wharton Blog Network at [whartonmagazine.com/blog](http://whartonmagazine.com/blog).

41 percent have prior experience in the government, military or not-for-profit sectors; and 75 percent of this year's first-year class fluently speak a language other than their native tongue.

The benefits of diversity go beyond inspiring better group results or encouraging innovation. Practically speaking, the more diverse our network, the more advantageous it is for students and alumni. Our students will have long careers after business school, and it is nearly impossible for them to predict which industry they will work in in 30 years—or even in 10. Hardly a better investment exists than the largest business-school network in the world, with 91,000 alumni in nearly 150 countries spanning dozens of industries.

These motivations—improving group results, fostering innovation and strengthening our alumni network—inspire us to craft the most diverse MBA class possible. ■

**Ankur Kumar, W'00, C'00, WG'07**, is director of admissions and financial aid in the Wharton Office of MBA Admissions and Financial Aid.

# FROM THE QUAD

BY ARIELLE LAFUENTE

## The Tailoring of a Wharton Suit

Every April during Penn Preview Days, Wharton Ambassadors welcome newly admitted students to campus to share insight into the unique Wharton experience and to convey the variety of interests that we as a student body passionately pursue. This year marked my fifth time at the event, and every year Penn Preview Days served as a time for me to look back on all my accomplishments.

As a prospective student attending my first Penn Preview Days, I felt nervous anticipation. I wasn't sure what my classmates would be like or whether I would fit in, but as soon as I set foot on campus I felt at home and couldn't wait to start school in the fall.

During my sophomore year, I was asked to speak about my experiences during the Wharton International Program's social impact trip to Brazil. To this day, my fellow classmates jest with me about how "AHMAZING" this trip was, imitating my uncontained enthusiasm. This was my first time seeing how our differences can unify us as students, how a group can come together to learn from each individual's unique perspective. I made lifelong friendships on this trip. Whether through reflecting about the families we had helped during the bus ride back after volunteering with Habitat for Humanity, bonding while swimming in the waters off Ipanema, discussing what "sustainability" means with Brazilian executives or being helped to overcome my fear of heights at the top of Christ the Redeemer at Corcovado, my new friends and I felt honored to share in each other's experiences.

Penn Preview Days during my junior year came after I had survived "the core." Once on the other side, I realized I had academic passions for OPIM and management, but finance? I was still unsure. To help find the answer, I participated in a



“ I wasn't sure what my classmates would be like or whether I would fit in, but as soon as I set foot on campus I felt at home.

into throughout your time here.” I know that after my four years at Wharton I wear my suit proudly, and I am confident that the next group of students will tailor extraordinary suits of their own. ■

***Arielle Lafuente, W'12**, graduated with a concentration in Operations & Information Management and Management. She was co-president of Wharton Ambassadors, a co-chair for Seniors for the Penn Fund and a research fellow for the Wharton Sports Business Initiative. She grew up in Santa Barbara, CA. In the fall, she will move to London to work for American Express in its strategic planning group.*

Global Modular Course in London. I was one of two undergrads in a class of roughly 50 Wharton Executive MBAs and MBAs, who took us in and mentored us. This was my first real taste of the camaraderie that exists among all Wharton students and alumni, and the MBAs helped me learn what would be the right career for me.

The last few months of my senior year were a fitting end to my time at Wharton. Not only because we seniors gallivanted throughout Philadelphia in the annual Feb Club tradition, but also because it was rewarding to be a part of this celebration of all that we accomplished.

I was able to close the semester with three of my closest friends as part of a case team at the Copenhagen Business School Case Competition. If only that shy, nervous, prospective student from Penn Preview Days five years ago could have seen me then, presenting to the CEO of Saxobank and many of Denmark's leading chairmen.

In my final days as a senior, I passed the torch to a new group of students eager to make a difference. As Vice Dean **Georgette Chapman Phillips** says each year at Penn Previews Days, “Wharton is a suit that you will grow

# FROM THE COHORT

BY JAMES TANABE



## The Arts Conservatory Student's Guide to Wharton

I was terrified to come to Wharton. After working professionally in performing arts for more than 15 years, I understood all too well the suspicion with which my colleagues at Cirque du Soleil

and at my own Asia-based production company regarded my decision to join forces with the evil capitalist empire.

The language of creative industries reflects their mistrust of business people. Artists that “sell out,” “go corporate” or “turn commercial” are never heard from again.

My girlfriend and business partner was very clear about her expectations of me: “Just don’t turn boring,” she pleaded, “that’s all I ask.”

Businesspeople do very little to help bridge that gap and have their own prejudices. Creative industries, some complain, are intrinsically unscalable, risky and difficult to monetize. Artists are financially illiterate and make decisions based on whim without developing a comprehensive strategy. The entire creative process seems like a liability: We can’t tell you what the result of our work will look like, how long it will take us, how much it will cost and if anyone will be happy with it. It’s all about the journey, after all.

My point of view is that both sides have a remarkable amount to learn from each other.

Thanks to my classes at Wharton, for example, I was able to model the cash flows of different “investment classes” of artists: the “high-level amateur,” the “arts conservatory student” and the “upcoming professional.” I’ve collected information through surveys of different populations of artists to determine certain benchmarks for the industry and analyzed the market size and competitive landscape across different geographies using the resources that are available to us through the University.

Wharton has helped me to revamp my production company’s business plans and our cost accounting, and inspired us to build a balance sheet and take on an appropriate amount of debt to fund our expansion into the Southeast Asian market.

We are rethinking our marketing plan and have started implementing a novel strategy that we hope will increase our visibility to artists, clients and potential investors.

We have always made our decisions based on gut instinct, and we plan to continue doing so—the only difference is that our gut instinct is now informed by Wharton’s business rigor. Artists typically shy away from money because it is seen as the antithesis of artistic ideals, but we now equate money with the infrastructure and time that artists require to do their best work. Our value proposition to our artist partners is improving by orders of magnitude because of it.

The Wharton Leadership Program has also been instrumental in helping me to refocus the leadership skills that I’ve developed through circus projects in more than 20 countries into a new skillset that will serve me better in the larger, more structured corporate and governmental entities that I hope to be working with immediately after

“The Wharton Leadership Office has also been instrumental in helping me to refocus the leadership skills that I’ve developed through circus projects.”

graduation. The Lauder Institute classes focusing on political economy and economic history have pulled back the curtain that had concealed the deeper geopolitical and economic forces at work behind the formerly opaque sea of headlines, sound bites and economic indicators.

The irony is that, in being immersed in the vocabulary and frameworks of business, I find that I spend far less time agonizing over financial and strategic decisions and more time on creations.

But I do not mean to suggest that all artists need to do is to get an MBA. I’ve realized that much of what business people do can benefit your average artist, but that much more of what your average artist—a circus artist in particular—does can benefit businesspeople. The first instance is simply in the finer points of public speaking: namely, an awareness of how body language translates into charm and how self-confidence combined with the right posture, eye-contact and dynamic speech can sell just about anything to anyone.

A second is simply having a sense of purpose that transcends profession, position and monetary compensation. No true artist gets into their business to become rich, famous

and powerful (and if they do, they are broken down and sent packing before they know it). Most artists offer the advice that if there is anything out there that an aspiring artist could be happy doing, they should probably be doing that instead. The result is that artists may suffer constantly through times of hunger and pain, yet always know exactly who they are and why they do what they do.

Finally, while artists may arguably occupy the lowest rung of the utility hierarchy—we would be the first ones eaten if our plane crashed in the Andes—they develop collective street-smarts, a community of need and responsibility to each other that is of a different flavor than the bonhomie here in the halls of Huntsman. I've come to think of it as a strength that grows out of weakness versus the insidious weaknesses that are too often borne of strength.

Wharton has surpassed my expectations in many ways. That said, nothing is perfect, and I still miss the ethical ambiguity and international, cross-cultural management mayhem of directing a transnational, entrepreneurial performing-arts business on five continents. That part of the business, as my colleagues at Cirque du Soleil and at my own company forewarned, might be impossible to teach in schools. ■

*James Tunabe is a second-year student in the MBA/MA Lauder Program. His pre-Wharton background includes education at MIT and the National Circus School, and employment as artistic director of Cirque du Soleil, in space physics at NASA and as founder of his own production company.*



## GUEST COMMENTARY

BY RICHARD J. SHINDER

# The Changing Culture of Wall Street

“Wall Street,” as popularly conceived, has rarely received as much negative attention as it is currently. The recent *New York Times* op-ed by a (former) Goldman Sachs employee of middling tenure, Greg Smith, asserted that the firm’s (and, by extension, investment banking’s and the broader financial services industry’s) culture has changed for the worse over the past dozen years. While the allegations carried a subtext of the “straw man” and more than a little caricature, does the charge have merit?

Having spent nearly two decades on Wall Street since graduating from Wharton in the early 1990s, my answer is a resounding “yes.” I take as a founding premise that human nature is, in the colloquial, the “same as it ever was” and that today’s practitioners are no more (or less) venal than their predecessors. However, structural changes in the financial services industry have led investment banking from a largely self-regulating quasi-profession working in service to the “real economy” to an industry unto itself, serving its own interests.

At the risk of channeling *Rolling Stone*’s Matt Taibbi and Smith (or perhaps the movie *The Lorax* based on the book by Dr. Seuss), I would define the Wall Street of today as a place where client loyalty (in both directions) is tenuous at best and a transactional ethos prevails. Worse, business conflicts—a linear consequence of the multiple business lines and practice areas of the modern financial services firm—abound, with only superficial regard for procedures created



to limit such conflicts. Outsized balance sheets have equated to the primacy of proprietary trading (at least prior to the Volcker Rule), placing firms directly across from their agency clients.

Of note is the idea that the sheer size of “too big to fail” financial services firms, and their constituent businesses, has fostered greater loyalty among the “tribe” of one’s product or craft, as opposed to one’s employer or clients. The notion of spending a multidecade career at a single firm has become quaint.

Perhaps most vexing for regulators and policy mavens is that the combination of growth in the “markets” side of financial services firms, including the proliferation of financial products—such as Warren Buffett’s “weapons of (financial) mass destruction”—along with increased specialization, complexity, and inability of risk managers and company officers to see the forest for the trees, has

created a confidence game in which it is no one’s interest to point out the small man behind the curtain. Hence, “too big to fail.”

In the wake of the financial crisis, clearly markets have repriced the risk inherent in the investment banking model (to the extent the model still exists, if only in bastardized form) and thus inhibited such firms’ scope of activity. Dodd-Frank, the Volcker Rule and the current era’s cavalcade of other “closing the barn door after the horse has escaped” policy actions have and will further constrain Wall Street’s activities and practices. Regulatory, market, political and cultural pressures will continue to reshape the industry’s compensation culture, with unpredictable impacts on the talent and culture of the industry’s human resources.

With the murkiest of crystal balls, one might predict what all of this means for the Wall Street of the next



decade—or two. One “cyclical” school of thought is that today’s shackled leviathan could be unbound by a future political and regulatory climate and return to the 1980s-2000s era of leverage, high ROEs and financial innovation (whether enduring or transitory). Another is that the regulatory hydra will bifurcate the industry into “utility” universal/commercial banks and more nimble, lightly regulated/unregulated firms that carry on the higher-risk activities required by modern capital markets with appropriately priced capital. A hybrid view is that a true “back to the future” world emerges, with well-stewarded private firms resuming the merchant banking functions critical to risk finance under clearly demarcated regulatory lines, with a healthy dose of capital and cultural restraint.

My own view is that, while markets and the larger communities in which they operate have short memories, a return to excess is likely not at hand. Of the latter two possibilities, much will be determined by near- and medium-term political outcomes. Regulatory structures, once created, take generations to dismantle (see Glass-Steagall). While perhaps not contingent on the outcome of a single election, the advance (or retreat) of state power will determine whether financial services is populated by public utilities (“Consolidated Morgan”?) or better-run, partially self-regulated reincarnations of the firms that prevailed during Wall Street’s “classical” glory years. ■

**Richard J. Shinder, WG’93**, is a partner at Perella Weinberg Partners in Manhattan. Previously, he was a senior founding member of the Distressed Principal Investing team within Goldman Sachs’ Americas Special Situations Group and held leading positions in distressed debt investing and investment banking at Avenue Capital, Merrill Lynch & Co., The Blackstone Group and Lehman Brothers.



# ALUMNI ASSOCIATION update

## Pride and Obligation

*Dear Wharton Alumni,*

As our former Chairman **Craig Enenstein, WG’95, G’95**, always says, we 91,000 Wharton alumni carry feelings of pride in our brand and a sense of obligation to ensure that Wharton maintains a reputation as the top business school in the world. These attributes of pride and obligation are critical to making us a world-class alumni network.

### Wharton Pride

We all enjoy sharing our pride in the Wharton experience. We do this by promoting the Wharton brand on our resumes, biographies and press outlets. The brand shines brightly on our T-shirts, golf towels and bumper stickers. We are quick to point out the Wharton credentials of successful people around us and in the news. And of course, we can always drop the “W-bomb” in a business conversation.



### Our Obligation

We give back to Wharton to help maintain the legacy and improve our School even further. To give back, we can of course donate our money, which the School counts on to remain strong. However, there is so much more we can do.

Hire Wharton students and alumni. Do business with Wharton alumni. Become a Class Ambassador. Join a geographic or affinity club. Speak at a Wharton conference or as a guest lecturer. Attend your reunion or, better yet, help organize it. Participate in a Wharton Global Alumni Forum. Take Executive Education courses. Read *Knowledge@Wharton*. Buy Wharton Digital Press books. Register on **WhartonConnect**. There are countless ways we can get involved and give back in our own way.

I hope you share this same sense of pride and obligation. The more this is demonstrated amongst our alumni community, the stronger our brand becomes, which in turn, benefits us all.

Lastly, I would like to welcome the following new members who join our Board in July 2012: **Rachel Cervantes, WG’11; Steve Dollase, WG’04; Robert Frost, WG’99; Ruth Golan, WG’01; Cathryn Ploger Taylor, WG’87; and Juan Urdaneta, WG’02**. These outstanding leaders have already contributed in many ways to earn their positions on the Board. We look forward to working with each of them going forward.

**Rob Newbold, WG’99**  
Chairman, Wharton Alumni Executive Board



**MAKING WAVES**  
KNOWLEDGE FOR ACTION



# MEASURING UP AGAINST MEMORIES FROM CAMPUS

## LIFELONG LEARNING

Alumni gained Knowledge for Action on campus, and continue to come back for more. MBA Reunion and other Lifelong Learning events are recent examples of this.

Reporting by Matthew Brodsky, Susan McDonnell, Amanda D'Amico and Paul Richards, C'10



Professor Karl Ulrich listens to alumni participants in the Implementing Innovation Thought Team.



SHIRA YUDKOFF

**W**harton alumni measure educational experiences against memories of their time on campus. The fascinating topics, dynamic instructors and engaged classmates made learning relevant and exciting. At MBA Reunion 2012, **Karl Ulrich** helped a lecture room full of alumni to create new memories. The topic: innovation tournaments, one which the CIBC Professor of Entrepreneurship and eCommerce and vice dean of innovation has mastered through research, teaching and practice.

Ulrich brought innovation tournaments, and the audience, to life.

“Right!” some alumni called out each time Ulrich made a point.

They clapped. They nodded their heads. They placed fingers on pursed lips, squinted at the teacher and contemplated the depth of what he was suggesting—and how it impacted their businesses. Then, at perfectly timed jokes from Ulrich, attendees erupted into laughter. It was as much entertainment as it was inspiration, as much revelation as education.

This year, Wharton put innovation practices to use,

### The 10 Thought Teams of MBA Reunion

Alumni voted for the following Lifelong Learning sessions in the innovation tournament. Each session took place on both Friday and Saturday of Reunion.

- Business in Africa
- Career Trajectory Assessment
- Confidential CEO Council
- Cultivating Relationships
- Health Care
- Implementing Innovation
- Managing Upwards
- New Technologies
- Social Media and the Enterprise
- Zen Capitalism

identifying the topics to be delivered at Reunion through an online tournament. It was a success. In the tournament, alumni suggested and voted for topics, and the resulting sessions resonated with alumni from all different industries and career stages.

Ten of the top 15 topics from the tournament were used to shape the intimate Reunion Thought Team Workshops. Panels and faculty presentations planned in a more traditional manner focused on the other five topics. By using innovation practices, Reunion organizers were able to identify more good ideas than they would have uncovered otherwise.

But alumni’s opportunity to engage in Lifelong Learning does not begin and end with MBA Reunion. It is available every

day for all Wharton alumni. The “Knowledge for Action” that Wharton delivers to all of its alumni has many facets that can help graduates continue to develop skills and insights so they can lead in an uncertain and complex global marketplace.

### A CONCEPT MADE TANGIBLE

To help make this concept more tangible, let’s return to Ulrich’s



SHIRA YUDKOFF

aforementioned keynote address about innovation tournaments, the practice by which an organization makes a call for ideas and solutions to a given problem or question and next filters those submissions until the most promising few remain.

To illustrate a point, Ulrich mentioned the process by which Wharton came up with its new branding message. Alumnus **Adam Stein, WG'06**, submitted seven of the top 50 ideas in a crowdsourced tournament, including the one that eventually evolved into “Knowledge for Action.” Ulrich’s lesson: Tournament organizers should specifically solicit ideas from individuals known for being innovative.

Then came the questions. One alumnus, who introduced himself as someone involved in innovation, asked how best to design filters during a tournament.

Ulrich explained that filters should be designed to be generous at first, when uncertainties are high and costs are comparatively low, and more aggressive later, when the situation is reversed. This ensures that promising but underdeveloped ideas are not prematurely excluded but instead can be cultivated to become not only viable, but exceptional.

The professor showed a graphic of how innovation tournaments work at pharmaceutical companies: with 10,000 dots representing prospective drugs on the left of the filters, and one dot on the right.

What if you are an entrepreneur who says, “I am that dot,” an audience member asked, pointing at one of the 10,000 on the left. The answer: Believe you can become that dot left standing.

## LEARNING FROM OTHERS

During the Zen Capitalism Thought Team Workshop, **Stewart Friedman**, Practice Professor of Management and director of the Wharton Work/Life Integration Project, and more than 30 Wharton alumni discussed the search for a more integrated, sustainable life.

As part of the exercise, Friedman asked participants to assess how much attention they proportionally give to each

sector—work, family, community and self—and how much they would like to give proportionally, as well as their level of satisfaction and performance in each domain. He encouraged alumni to follow up on this analysis at home, by speaking to the stakeholders in each sector about their performance.

“By inquiring of each of your critical stakeholders, you discover that what they actually expect of you is a little bit different—and often a little less—than what you thought they expected,” Friedman said.

He challenged participants to try an experiment: to make one small change that would have a positive, measurable

## Lifelong Learning in Italy’s Capital of Business

More than 300 alumni, faculty and international business leaders attended the Wharton Global Alumni Forum Milan, held May 17 and 18. The stimulating presentations and discourse ranged in topic from the retail and fashion industries to private equity, strategic sustainability to emerging markets. Master classes focused on analytics, universal health care, branding and the business lessons of sports.

Participating faculty included **Franklin Allen**, Nippon Life Professor of Finance; **Eric T. Bradlow**, K.P. Chao Professor, co-director of the Wharton Customer Analytics Initiative and vice dean of Wharton Doctoral Programs; **Felipe Monteiro**, assistant professor of management; **Arnold J. Rosoff**, professor of legal studies and business ethics and health-care management; **Kenneth Shropshire**, David W. Hauck Professor and director of the Wharton Sports Business Initiative; and **Patti Williams**, Ira A. Lipman Associate Professor of Marketing.

The Wharton School hosts annual Global Alumni Forums as a service to its alumni and friends, to provide networking opportunities, strengthen bonds between the School and its alumni, promote Wharton as a center for global business, allow faculty and staff the opportunity to learn more about economies around the world, and, as the Milan event demonstrated, to provide a Lifelong Learning forum in which global thought leaders can converse.



### ON THE WEB

Videos of Reunion sessions—online at Web Exclusives.

## Knowledge for Action: There Are Apps for That

Wharton launched two new apps in May. The **WhartonConnect** app, a mobile version of the powerful Wharton directory, provides alumni with unprecedented access to the Wharton network.

**WhartonConnect** allows alumni to create their own profiles and share achievements and status updates. Then they can browse the profiles of their peers, searching by profession, class year and industry, as well as connect with them through the Global Clubs Network and the schedule of worldwide School events.

The new mobile version allows alumni to carry all these capabilities on their smartphone. When alumni update their profile, the most recent changes appear on the homepage. Profile searches can be done by tapping on tags, including occupations, employers, titles, majors and interests. For alumni on the go, the app empowers them to find their peers wherever in the world life takes them. A full calendar of Wharton community events is also accessible, along with links to School news and other key social media.

For MBA Reunion, Wharton's techies created an app that anticipated all of the attendees' informational needs. Users could find all the essentials, such as details on parking, hotels, weather and Internet access. They could access the complete list of registered attendees, sorting by name or class, and follow the weekend's schedule of events—or personalize a schedule based on the particular sessions, receptions and meals they registered for. The app was continuously updated through a rolling Twitter feed and message system.

As technology and mobility drive alumni's lives more and more, Wharton is delivering knowledge and interactivity to match.



impact on all domains, to pursue what Friedman calls a “four-way win.” Simple examples might be daily exercise, delegating responsibilities or holding a weekly family meeting. Such experiments help them learn how to create sustainable change because these initiatives are deliberately designed to make things better not just for themselves but also for their family, community and work.

Friedman has run this course, which he calls “Total Leadership,” for companies like Ford, Target and UnitedHealth Group, as well as for Wharton MBA, Executive MBA and Executive Education classes. In one study with 300 participants, he found that, as a result of this program, participants shifted some of their attention away from work and toward the three other sectors, yet the counterintuitive outcome was that their performance and satisfaction improved in all four domains, including work.

Friedman told *Wharton Magazine* that most attendees were interested in “ideas for action” and came prepared for the session. After all, people self-selected into this particular Lifelong Learning seminar. The Thought Team was by no means homogeneous.

“The variety of ages and life stages made for a real interesting mix,” he said.

This diverse group enabled Friedman to run a peer-to-peer coaching exchange during the workshop, during which the participants broke into groups of three.

“I think it was instructive to hear other people speak about their aspirations,” Friedman said. “When you get a varied group like that to explore something that they all have an interest in ... [that] taps into fundamental aspects of who they are, it usually is pretty exciting.”

Indeed, it was so exciting that the first day's Thought Team Workshop created a buzz that led to higher turnout on day two. After the event, Alumnus **Eric Bohren, WG '97, G'97**, wrote to thank Friedman:

“For 15-year Wharton Reunion folks, many of us with young families and searching for more fulfillment as we hit midcareer,



The entrepreneurship panel featured OfficeDrop's **Prasad Thammineni, Healy Jones** and **David Mars** (all WG'07) and Professor **Tyler Wry** as moderator. And Professor **Stewart Friedman** talks Zen Capitalism. Friedman also serves as the executive director for the emergent coaching network called the Wharton Alumni Peer-to-Peer Exchange (P2PX), a major component of Wharton Lifelong Learning.



COURTNEY APPLE

PHIL FLYNN

this session could not have been [at] a better time,” Bohren said, adding that he had posted about the session on the WG’97 Facebook page and encouraged classmates to attend on the second day.

“It is a really good fit with my own therapy/consulting work with patients and businesses around managing stress in our lives,” **Patrick Meade, WG’97, Ph.D.**, said in an email to Friedman, “and also offers a great way of framing the discussion about how focusing on improving things for oneself can create improvements across multiple domains.”

### AN APPROACH FOR ALL

The lectures and panel presentations at Reunion provided content that was just as stimulating as the Thought Teams but on topics of broader interest and in larger venues. The entrepreneurship panel featured three alumni involved in OfficeDrop, a document-management service that helps small businesses manage their files using cloud storage. CEO **Prasad Thammineni, WG’07**; **Healy Jones, WG’07**, vice president of marketing; and **David Mars, WG’07**, their major early investor and board of directors member, shared lessons learned about launching a startup during an economic downturn. Thammineni got the idea for the company while at Wharton and launched its initial phase in the year following graduation.

To combat a poor economic climate, the trio touted the importance of adaptability and innovation. Just last year, they pushed 20 customer-driven updates to their product.

“What you start with is not what you end up with,” said Thammineni. “You are trying to build an idea that customers want, but you have to be ready to change that idea based on your customers.”

Mars advised future entrepreneurs to keep in mind that “raising money takes longer than you ever anticipated and goes more quickly than you ever anticipated.”

The presentation also ranged from OfficeDrop’s distribution strategy to how a company can know it has a good product, to new Internet strategies like minimum viable product and pivoting. And it was a conversation. The Q&A began soon into the session, Jones recalled, something that surprised and impressed him.

The audience consisted of self-professed corporate employees looking for guidance on how to break free with their own startups and active entrepreneurs.

“I think it was really neat that entrepreneurs were in the class and using it as a way to bounce strategies here off of each other,” Jones said.

It shows the strong desire of the Wharton community to get together and learn from each other. What was “phenomenal” in particular about his Lifelong Learning session, according to Jones, was that Assistant Professor of Entrepreneurship **Tyler Wry** moderated it. Professors know how to manage such interactive discussions and have deep insight into the given topics.

At Reunion, alumni also had an opportunity to explore topics they didn’t pursue while enrolled on campus, either because they were interested in other topics or the content was not part



of the curriculum at the time, especially those focused on cultivating relationships. During the real estate session taught by **Asuka Nakahara**, associate director of the Zell-Lurie Real Estate Center, many alumni revealed that during their time at Wharton they had not taken any courses that centered on the topic of real estate investment. Yet they packed a lecture room in Huntsman Hall to learn about it five, 10, 25 years beyond graduation. Some alumni noted that topics like social media and Zen Capitalism weren't even on the radar when they were enrolled.

And Wharton professors also shared with alumni their insights into current-day headlines and global trends. **Jeremy Siegel's** keynote address, which packed the Harold L. Zellerbach Theatre in the Annenberg Center on the Saturday morning of Reunion, was as newsy as it can get. The Russell E. Palmer Professor of Finance shared his optimistic view on the past, present and future of the stock market. On the fiscal situation in the United States, brought on in part by growing entitlement costs, Siegel was hopeful too. If emerging markets grow at the projected rate of 5 percent—driven by the rise of these markets' middle classes—it would create the value to allow Americans to live long, happy retirements if they index retirement to increasing life expectancies. Better yet, if emerging markets grow at India's and China's pace, then Americans would be able to continue to retire earlier as they live longer.

"I found that very encouraging," said **John "Jack" Smith, W'51, WG'52**. Smith related the "bright sides" of Siegel's lecture to the attendees of the luncheon for the 45th and 50th Reunion classes and the Wharton Graduate Emeritus Society, for which Smith is chairman of the steering committee.

Lifelong Learning is based on this premise: that Wharton alumni prize their continued interaction with their faculty and with each other.

Alumni want to experience the same rush of inspiration that they got as full-time students on campus. They want to be stimulated by new information and their peers, relationships and knowledge that they can carry back to their jobs and to their lives.

During his Reunion session, "Customer Centricity Essentials," **Peter Fader**, the Frances and Pei-Yuan Chia Professor and co-director of the Wharton Customer Analytics Initiative, conjured the kind of dynamic dialogue that illustrated how alumni are "students," as well as his and each other's peers. He so galvanized his audience that Fader mentioned that he teaches a whole MBA course on the topic if the alumni want to "come on back" for more.

The lecture room erupted in laughter. Who wouldn't want to return to the School?

Lifelong Learning and other components of Wharton's Knowledge for Action ensure that alumni enjoy the benefit of remaining Wharton students and learning with their peers, propelling their continued success and well-being for life. ■

SHIRA YUDKOFF



#### ON THE WEB

Learn more about upcoming Lifelong Learning events and opportunities at [whr.tn/WhartonLifelongLearning](http://whr.tn/WhartonLifelongLearning).

PHIL FLYNN



Professor Jeremy Siegel comments on the past, present and future of the stock market during his keynote presentation at Reunion.



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# *The* Olympians OF WHARTON

This year, the privilege of hosting the Olympic Summer Games goes to London. Although the Olympics last just a fortnight, countless days go into their preparation, from the athletes who train nearly every waking hour to the professionals and volunteers who strive behind the scenes for months to make the contest possible and perfect. Throughout the years, a surprising number of the Wharton community have dedicated themselves to the pursuit of Olympic glory.

BY ANDREW CLARK

SPORTS



## **Erinn Smart,**

a second-year MBA student, is deciding what she wants to do after graduation.

The tech world is a good possibility, she says, given she is spending her summer in San Francisco at an internship with Google.

Whatever Smart decides to focus on, it will be the second major profession to which she has dedicated her time. Before Wharton, the Brooklyn native competed as a fencer in two Olympics.

“All I did was train leading up to the Games,” recalls Smart, who earned a spot on the U.S. national



**Cliff Bayer, W'03, WG'03**

PETER MURPHY

team in Athens in 2004 and Beijing in 2008 (and served as an alternate in Sydney in 2000). Training usually meant two-a-day workout sessions, every day, at least three hours apiece.

A former number-one ranked fencer, Smart retired after Beijing, where she won a silver medal in team foil. She still fences occasionally and teaches the sport to kids.

One might imagine training for an event as storied and prestigious as the Olympics to be overwhelming for an athlete. In Smart's eyes, however, the Games really weren't much different than the rest of her fencing career. After spending years traveling around the globe to compete, the Games had an air of familiarity.

"I had grown up surrounded by the people I was competing against," says Smart, who has fenced since

she was 12 when her father got her involved in the sport. "Basically, I was going up against all of my friends."

Smart isn't the first Olympic fencer from the Wharton network. **Cliff Bayer, W'03, WG'03**, a fellow New York native, beat her to the lunge. In fact, Smart has known Bayer ever since her first riposte.

These days, Bayer is an executive director at UBS Investment Bank, but before he entered the financial sector, Bayer's life was also defined by two-a-day workouts and international travel.

He recalls the difficulty of taking on the greatest talents across the world.

"It's a very technical sport, which takes a lot of dedication and sacrifice," he says. "Actually, the biggest challenge was breaking the mold of being an American fencer. For years the

“To walk out for those opening ceremonies and know it came from all these years of hard work, it’s definitely one of my best memories.”

sport has been dominated by Europeans. However, that stigma has gradually changed.”

Bayer—who was a top-ranked fencer in the United States and recent appointee to the U.S. Fencing Hall of Fame, and who, according to Smart, set the bar for American male fencers on the international stage—competed in Atlanta in 1996 and Sydney in 2000. He retired when he was 22 and came to Wharton soon after. Now more than a decade removed from his last international competition, he regards his chance to compete in two different Olympics as an experience he will never forget.

“I’m incredibly patriotic, so it was amazing to have the chance to be part of the U.S. team,” Bayer says. “To walk out for those opening ceremonies and know it came from all these years of hard work, it’s definitely one of my best memories.”

## WELL BEYOND DABBLING

Wharton is also represented when it comes to competing in the Winter Games. In 1994 at Lillehammer, Norway, **Greg Boester, WG’98**, represented the United States as a ski jumper in the large-hill team event.

It’s not exactly a sport for the light-hearted. Competitors take off down a steep, snow-packed ramp and try to launch themselves as far as possible onto hills more than a hundred meters long, sloped at 30 degrees or greater. Distance counts, but points are also earned based on style.

Like Smart and Bayer, Boester says that preparing for the Games was a full-time, all-consuming pursuit, from multiple practice sessions to weight training.

“It’s challenging both intellectually and physically when you get to that level,” says Boester, whose team came in 11th at the games.

“You have to learn how to raise yourself to a new level. You are out there competing in front of 50 and 70 and 100,000 people. It’s important to learn how to focus on what you need to do,” he explains.

These days, Boester is a managing director at Barclay’s in Manhattan and lives in Rye, NY. The native of Colorado still skis with his three children. Jumping, however, is in his rearview mirror.

“Ski jumping isn’t exactly something you just want to dabble in,” he jokes.

## THE REPEAT ATTENDERS

**Kenneth Shropshire**, Wharton’s David W. Hauck Professor, has more than three decades of memories related to the Olympics. While he was a lawyer in Los Angeles, he was hired to work on the organizing committee for the 1984 Summer Games as an executive, a role he held for three years.

For him, it was the thrill of a lifetime. As an athlete in high school and college—not to mention a native of L.A.—two of Shropshire’s biggest loves had come together in the grandest of fashions.

“When the Olympics came to Los Angeles, there was a lot of excitement, especially after seeing the impact the games had on Mexico City in 1968,” says Shropshire, the faculty director of the Wharton Sports Business Initiative.

Following the success of the games in his hometown, Shropshire was bit by the Olympics bug. He has served since in a number of roles related to the Games, including helping to put together bids for Philadelphia to host the event.

**Bill Schlough, WG’98**, has been hooked on international athletics ever since he served as the technology manager at the Stanford venue of the 1994 World Cup. He’s been involved in multiple Olympics on the information-technology side of things, including at Atlanta, Salt Lake City in 2002 and Torino in 2006. He’s also had the honor of working on two different bids as part of the organizing committee to bring the Games to his hometown of San Francisco.

Trying to procure the rights to the Olympics is no simple task, Schlough says. In fact, it takes years of preparation just to submit to the United States Olympic Committee (USOC), with no guarantee of a happy ending.

“When you submit to the USOC, they are looking for the city that has the best chance to win the bid at the international level,” says Schlough, who is currently the senior vice president and chief information officer of Major League Baseball’s San Francisco Giants.

“When we prepared our bid, our bid book [was] almost a foot thick,” he adds.

Schlough continues his quest for his own personal gold as part of the team gearing for a potential bid for Reno/Tahoe.

“My dream is to be part of a bid from start to finish and go through the entire process. It entails drawing support from the

community. And there can be a lot of politics involved. But the whole process is a lot of fun," he says.

## ONCE-IN-A-LIFETIME ASSIGNMENTS

**Lining Mu, WG'09**, got her own taste of Olympics politics. Prior to the 2008 games in Beijing, the International Olympic Committee set up a representative office in the Chinese capital, and Mu took a position there servicing global sponsors for the Games.

It proved far more arduous than she imagined it would be.

"At first, I thought the Olympic brand is so popular and the marketing power is so massive globally and that we wouldn't incur lots of trouble in developing new sponsors," says Mu, who returned to Beijing after Wharton and established her own equity fund.

"On the contrary," she continued, "it needed so much efforts in coordination among the IOC, BOCOG (Beijing Organizing Committee of Olympic Games) and those global sponsors because [the] sponsors spend a huge sponsorship fee and develop an expensive marketing program during the short Olympic period."

Though her time involved in the Games was brief—just a year-and-a-half—**Polly Kelekis, WG'01**, relished the Athens Olympics on two levels. It was the first time the event was hosted in the place it debuted a century earlier. The locale also served as a celebration of Kelekis' Greek heritage. To make things even sweeter, the Games doubled as a professional opportunity.

Kelekis was manager of the volunteer department for the opening and closing ceremonies. It was a job that required the

When asked whether the Olympics always have a positive impact on the host city, Wharton's David W. Hauck Professor **Kenneth Shropshire** says that the presence of a measurable, positive impact is debatable. For an example, the faculty director of the Wharton Sports Business Initiative cites the Barcelona Games of 1992. A significant amount of construction occurred in advance of the Olympics on the city's waterfront. Barcelona became a major success and the model regarding economic impact, yet while in progress, there were no guarantees.

**Mauro Guillen**, the Dr. Felix Zandman Professor of International Management and director of the Lauder Institute, says that hosting the Olympics rarely pays off for a city. For nearly three years, Guillen has been studying the impact on the host city's long-term bottom line.

One of the major determinants of the ultimate benefits is the amount of necessary new infrastructure. In many instances, host cities invest millions of dollars in a new stadium, but after the Games, the site becomes forgotten and seldom used.

## Scoring the Economics OF THE OLYMPICS

Guillen points to Montreal to illustrate how bad it can get. It is still paying debts from its Olympics in 1976.

For cities that don't need much preparatory work, however, the Games can have great economic benefits. Guillen cites London as a prime example.

"Most of the improvements for the London Games were not for infrastructure, since they already had most of what they needed. Instead, they were for things like safety and security," he says.

Over the past few years, Guillen and fellow faculty member **Felipe Monteiro**, an assistant professor in the Management Department, have spent a week in Rio de Janeiro teaching the Global Modular Course "Managing in Emerging Economies: Energy & Infrastructure in Brazil."

As Rio prepares to host the games in 2016, students have witnessed firsthand the financial impact on a city.

"We're not looking at the sports being played, but instead we are looking at aspects of Rio such as energy and infrastructure," says Monteiro. "Those are the issues that will play a major role in the Olympics."

During the course, students have the chance to meet with the major players for the impending games, from the Rio Olympic Organizing Committee to a national development bank. In addition to the Olympics, Rio is preparing to host World Cup 2014, so the preparations may be history-making.

"With Rio, you really see how important it is to be united. When it comes to preparing for the Games, municipalities and businesses must be working together in order for things to come together," Monteiro says.

Will all the effort and expense pay off?

Sometimes the importance of hosting the Olympics goes beyond dollars and cents, says Shropshire.

"With the Los Angeles Games, it was a statement," he explains. "It showed that this wasn't just Hollywood. The Olympics showed that this city was a hub in the Pacific."

—Andrew Clark



“Ski jumping isn’t exactly something you just want to dabble in.”

**Greg Boester**, WG’98

Massachusetts native to wear many hats. She was responsible for recruiting thousands of volunteers and conducting countless interviews, and on a day-to-day basis she ensured that everyone got where they needed to be and that operations went off without a hitch.

“While I was there, I was struck by the sheer volumes of volunteers that came to work there,” says Kelekis, who is currently chief operating officer of MicroDreams, an NGO that aims to provide the poor with economic opportunities.

“To get everything up and running, you have to make sure to match the right jobs to people with the right skill sets,” Kelekis adds, regarding one leadership lesson she hurdled.

Like Kelekis, **Anne Bovaird Nevins, C’99, WG’07**, had an Olympic experience that focused on management. Following a coordinator post in the White House Office of Cabinet Affairs, Nevins earned a job with the Salt Lake Organizing Committee to help with the arrangements for the 2002 Winter Games. The crux of her position was simple: manage the logistics and

the hospitality arrangements for visiting U.S. dignitaries and government officials.

Yet it was a job replete with challenges, Nevins says, as she and her colleagues organized an event just months after 9/11.

“When we were doing our planning, there were so many different security aspects that we had to consider,” says Nevins, who now serves as vice president of market development for the Philadelphia Industrial Development Corp. “And you’re working with many different people in order to make things happen. You have to coordinate with customs. You have to coordinate with INS.”

Though she spent just over a year in her role in Salt Lake, Nevins will never forget the experience. In fact, taking part in the Olympics was something she always had her eye on.

“When I was younger, I had these dreams of being an Olympic gymnast, which had gone unfulfilled. But then to get to Salt Lake and to see everything that’s going on around you, it was a very inspiring experience,” she says. ■

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# Institutionalizing Entrepreneurial Urges

“Institutionalize” and “innovation” are two words that don’t go together often. But **Alberto Vitale, WG’59**, hopes the Wharton Innovation Fund will put a process in place to collect and direct a steady stream of students’ good ideas.

BY SUSAN MCDONNELL

**J**ohn Foye and Ryan Marschang are changing the way the world sees solar-power-generating windows—or, at least, the way the world sees through solar-power-generating windows.

In collaboration with two doctoral candidates from the Massachusetts Institute of Technology, the Penn seniors established Invisergy, a company that has developed a cost-effective, solar-energy-generating window that maintains the high transparency and aesthetic appeal of a standard window.

“That our windows generate energy while maintaining transparency is a breakthrough in the smart window or solar window space,” says Marschang, who like his partner is a candidate for dual Wharton and engineering degrees.

Helping Invisergy is the Wharton Innovation Fund.

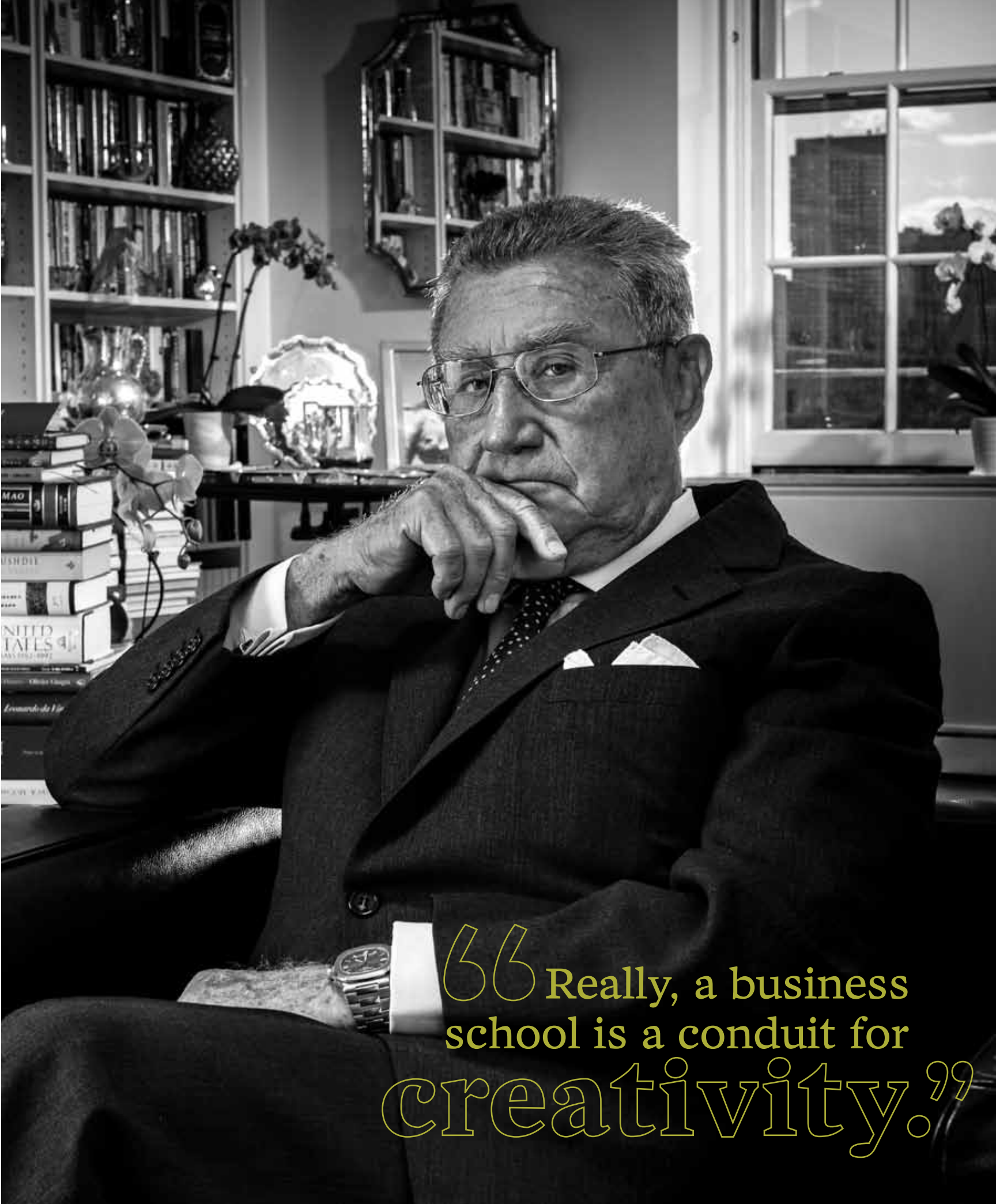
The Wharton Innovation Fund was established in the fall of 2011 with a founding gift by **Alberto Vitale, WG’59**. Through the fund, Wharton seeks to stimulate the creativity

and inventiveness of students across the University of Pennsylvania and support the early development of their ideas and inventions by providing direct grant funding. Grants start at \$1,000, and applicants can receive up to \$5,000 in funding if they meet benchmarks set forth by the Innovation Fund. About \$125,000 is available each year. Projects may begin in the classroom or be developed independently.

“Really, a business school is a conduit for creativity,” says Vitale, former CEO of Random House. “At Wharton and Penn, young people have a tremendous amount of initiative. The possibility of fostering that creativity in a practical way and allowing students to have ideas and expand them at the initial stages is very appealing.”

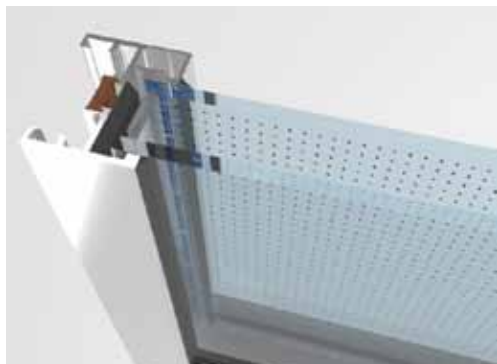
## ENGINEERS GO TO MARKET

As a project that ties engineering and green-tech innovation into a business, Invisergy has benefited from resources



“Really, a business school is a conduit for creativity.”

across Penn—from the Wharton Venture Initiation Program to the Weiss House Innovation Fund—but Marschang says that the grant from the Wharton Innovation Fund will be invaluable in helping the company focus on developing the business more holistically.



“We have a pretty good functioning prototype and we’re developing technically, but we really want to build our business in terms of marketing, getting a website together, maybe putting together some sort of promotional video—things will be pretty important for helping our customers visualize what we expect this to look like,” he says. “Right now, we’re more tech heavy than our actual business, so we want to bring that full circle and develop more of the business side of it.”

Invisergy’s solar-power-generating windows are currently geared toward office buildings. Consider the fact that a standard 15-floor commercial building typically has an envelope largely composed of glass. According to Foye, who is also pursuing a graduate engineering degree, Invisergy’s windows could provide about 5 percent to 10 percent of these buildings’ electrical load. In conjunction with rooftop solar panels and other green technologies, owners and occupiers could see significant reduction in energy cost—while having a positive environmental impact to boot.

“Currently, buildings consume over 70 percent of all the electricity in the United States, yet produce basically zero percent of their electrical load requirement,” Marschang says. “We want to change that.”

### THE POLITICAL MATCHMAKER

Established by **Keya Dannenbaum**, ElectNext is another organization that received grant support from the Wharton

Innovation Fund. The web platform works as a political educational tool and matchmaker, connecting voters with the candidate who best represents their beliefs and values. Users complete a survey of at least 10 questions to determine a candidate match. The online survey adapts each question based on the user’s previous responses, ensuring an experience that is unique to each voter.

Dannenbaum launched the project and put her Wharton MBA on hold to focus on its development. She conceptualized the first iteration of ElectNext during a modular course on innovation at Wharton | *San Francisco* with **Karl Ulrich**, the CIBC Professor of Entrepreneurship and eCommerce. Through the course, she was able not only to develop her idea, but also leverage support from Wharton Computing to create a rudimentary website, which allowed her to implement the idea and receive feedback from users.

“It gave me the confidence to say, ‘OK, I came to Wharton to be an entrepreneur, I have an idea that seems to have legs, and I have history and experience in the industry, so let’s run with it,’” she says.

When she returned to Philadelphia, she partnered with a Penn doctoral candidate proficient in web coding and development and began leveraging the entrepreneurial resources available at the School. The pair worked with faculty members in Wharton’s Statistics Department to refine the matching algorithm and earned acceptance in the Venture Initiation Program, the educational incubator managed by Wharton Entrepreneurial Programs. When ElectNext received a grant from the Wharton Innovation Fund last November—the same month that the newest iteration of site launched—the money represented about 20 percent of its funding. Dannenbaum counts it as a critical factor in helping her company of two grow to an organization of five.

As of April, ElectNext had received about 60,000 unique views. As the 2012 presidential election approaches, Dannenbaum anticipates that this number will increase

“It gave me the confidence to say, ‘OK, I came to Wharton to be an entrepreneur, I have an idea that seems to have legs, and I have history and experience in the industry, so let’s run with it.’”

dramatically. ElectNext is working on establishing media partnerships, particularly with online political publishers, so that the site can be integrated into coverage of the election.

The staff methodically collects, categorizes and structures data on issues, candidates and elections, which power the matchmaking—and fund the company. ElectNext generates revenue by providing licensed access to its data to such organizations as media outlets, educational organizations, larger data companies and even Philadelphia’s National Constitution Center. While several nonprofits have attempted to collect and house political data and numerous tech startups have come to the forefront to tie politics with social media, Dannenbaum says, ElectNext is different.

“We go out and actually structure data on elections and on districts and on issues and on candidates and where they stand on issues,” she says. “In order for us to connect users to that,



we have to do a whole lot of heavy lifting on the backend data piece. That is really a primary difference between ElectNext and anything else out there.”

The organization has already collected data on politicians and topics at the federal level and plans to create a database for state-level politicians. The company has also received requests

for international expansion into Canada, Australia, Israel, India and Argentina, just to name a few.

“We joke that we’d love to have an ElectNext world headquarters in Sydney and Paris and Mumbai, so that’s on the back of our minds,” says Dannenbaum.

## THE FUND’S FUTURE

ElectNext and Invisergy are just two of the 14 ventures that have received grant support in the short amount of time since the fund was established. The other student-developed companies range from an online course engagement system to a device that provides accessible and affordable hearing aids to the 35 million Americans suffering from hearing loss. Applicants must meet two criteria to be eligible for funding: the product must be a new service or new application of existing technology, and the problem addressed must be big enough for opportunity to scale.

“The fund helps develop a pipeline of projects and entrepreneurial activity on campus,” says **Don Huesman**, managing director of Wharton’s Innovation Group. “As students demonstrate the strength of their idea and their own passion in making it a reality, additional support can be provided.”

That support might come in the form of additional grants from the fund or support of the Venture Initiation Program and other entrepreneurial programs on campus.

The more student startups to which Wharton provides funding, the more likely the School is to fuel success stories.

The concept is based on the scholarly work that Ulrich, who also serves as vice dean of innovation, has done on innovation tournaments. Within organizations, one way to achieve innovation success is the solicitation of numerous ideas from a diverse pool of individuals. Over time, these ideas are filtered down to a few exceptional ideas that can have a significant impact.

Vitale alludes to Ulrich’s scholarly work when revealing his long-term hope for the fund.

“Let’s say we support 20 to 25 ideas every year—give or take a few—over five years,” he says. “Statistically, it stands to reason that three, four or five ideas will have real meaning, have real potential, and the fact that we are able to service that potential and help those ideas to develop is terrific.”

Beyond providing grants for student projects that could become the next exceptional idea, the fund also provides assistance to course-assigned team projects so that students can apply what they have learned in the classroom to problems beyond coursework. In addition, the fund supports initiatives and ventures that build upon and commercialize the School’s innovations, technologies or intellectual property that showcase Wharton thought leadership. These may involve students, faculty and staff.

“With this fund, Wharton has institutionalized the idea of allowing good ideas to develop within an academic environment,” says Vitale. “Penn has bright students, students who not only want to study and get a degree and do well at school, but who have entrepreneurial urges that should be supported.” ■

SOCIAL IMPACT

The Many

Roads

to the

**O**ne early morning nearly three years ago, **Barry Lipman, W'70**, realized the way that he could effect positive change in the world. Co-founder of law firm Goldfarb & Lipman LLC, Lipman spent his limited free time serving on the boards of San Francisco nonprofits, including the San Francisco Zoological Society and the Homeless Prenatal Program. But he sought to have a bigger reach.

At the core he wanted a prize for mission-driven organizations but knew it might not be simple. A prize would require the creation of an organization to administer it. A small prize couldn't generate the desired impact.

"I wanted the prize to be more than identifying and rewarding one organization," Lipman notes. "I hoped it could be a force for greater good in and of itself."

So on that early morning nearly three years ago, he got the idea of a partnership with the University of Pennsylvania, which would leverage its resources to formulate and operate the prize. The result is the Barry & Marie Lipman Family Prize. Administered by Penn through the Wharton School and given out for the first time this year, the award recognizes and amplifies the work of organizations creating sustainable solutions to significant social and economic challenges.

In a sea of prizes focused on social impact, the Lipman Family Prize is unique in its two-fold benefit and award

**In its inaugural year, the Lipman Family Prize helped Wharton to reach the rural areas of Cambodia, dry-land farms of Kenya and underfunded medical clinics around the world.**

BY AMANDA D'AMICO

approach. Not only does the winner take home \$100,000 to put toward its operations, but the prize also offers the unique opportunity of a lasting relationship with the University for all three finalists, such as a tuition-free Wharton Executive Education course and access to its extensive research and network of schools and centers. This year's finalists—iDE, Komaza and MedShare (see P. 66-67 for more information on each)—appreciate the benefits of this bond.

"We'd like to change the world with these ideas," says Michael Roberts, iDE Cambodia's country director. "We're never going to do that all on our own."

Wharton's **Umi Howard**, director of the Lipman Family Prize, believes in the great potential of these partnerships. With Penn's breadth of expertise and size, it's easy to see how the knowledge at the University and the creative energy of



Lipman

Prize

its students will be a game-changer for innovative projects addressing global social issues.

“If we as a staff can be facilitators and a conduit for [the finalists], then there’s more than enough resources for them to take advantage of,” Howard says.

According to Lipman, the prize is “an opportunity for academic research; a means for the University of Pennsylvania to expand its credibility ... most importantly, a vehicle to inspire well-educated, hard-working students to become interested in pursuing part or all of their careers in the social responsibility sector.”

With Lipman being a Wharton alumnus and with the student leadership opportunities during the planning and execution stages of the prize process, the Wharton School made a natural home.

“Barry and Marie were really quite thoughtful in outlining their vision for this prize, which ... tied into the three pillars,” Wharton Dean **Thomas S. Robertson** said during the prize presentation ceremony. Robertson affirmed the School’s three pillars—innovation, global presence and social impact—in 2007.

“I hoped it could be a force for greater good in and of itself.”

### From 290 to Three

Immediately after the announcement of the prize at the 2011 Wharton Global Alumni Forum in San Francisco, Wharton created a steering committee composed of faculty and administrators from the School, Penn’s Netter Center for Community Partnerships, the Center for High Impact Philanthropy, the Nonprofit/NGO Leadership Program at SP2 and Lipman himself. The steering committee discussed criteria and methodology for judging. They sought a way to highlight and reinforce the core themes of the prize: the impact and transferability of an organization’s methods.

After these questions were answered, Howard tackled the challenge of putting together the committees to evaluate applicants. In fall 2011, 12 students were chosen to serve on the student selection committee, representing a range of Penn schools, work histories and backgrounds. To these graduate and undergraduate students, even the composition of the committee presented an unusual experience.

“It’s been a great opportunity for me to meet students from all the different schools,” says **Kim Leichtner**, a Fels Institute

# Meet the

# Finalists



## MEET THE FINALIST: Komaza

A Google search and a three-month backpacking tour led to an organization that has changed thousands of lives with the potential to affect millions.

Tevis Howard spent a year after high school doing immunology research in Kenya. While a student at Brown University, Howard made frequent trips back to Kenya to continue this research. His path veered away from science after a three-month backpacking trip through Kenya and Tanzania. Howard returned home and began researching the extreme poverty of dry-land farmers found throughout Kenya. His studies spurred Howard to create dozens of business plans, but he decided to focus on what was unique, innovative and impactful: microforestry.

Howard founded Komaza in 2008 to create long-term relationships with dry-land farmers in

## MEET THE WINNER: iDE

The CEO of iDE, Al Doerksen, doesn't mince words as to why international development projects are important.

"Poverty sucks. There's nothing glorious about a roof that leaks ... about having your child ill and you can't afford the medicine," he says.

iDE is looking to change all of this, not by handouts, but by investments.

"Our mission has been not to give money to people, [but] to create opportunity for people to increase their income and their livelihoods," Doerksen explains.

iDE Cambodia's Sanitation Marketing Program, one of its ongoing projects, does this by working with local vendors to build and sell low-cost latrines. By utilizing the market, iDE has created a program that is sustainable and impactful: Local vendors profit from the sales and are able to better support their families, while local consumers have access to proper sanitation. More than 10,000 latrines have already been sold.

"One of the striking things we found about iDE is how they've really changed the mindset of the people they work with on the ground



in Cambodia," notes Allyson Davis, a Fels Institute master's candidate who visited iDE's sites in Cambodia

as a member of the Lipman Family Prize student selection committee.

Because of iDE, intergovernmental organizations and other independent development organizations "are on the same page: that handouts and subsidies don't work," according to Davis.

master's candidate who was part of the student selection committee. "I don't think there's any other setting in which I'd be able to do that."

The students served as the first evaluators, reviewing all 290 applications. Howard developed a rubric to help the students with their evaluations, and the students participated in several trainings. Each application was reviewed three times by the student committee and prize staff, and an average score was calculated. At the conclusion of this initial review, the student selection committee recommended its selection of 28 applications to the prize committee.

The prize committee—composed of two Lipman family representatives, a member of the Wharton faculty, a member of Penn's School of Social Policy and Practice faculty, and a

highly respected international development professional—next selected nine semi-finalists, which then had to complete an extensive due-diligence process, including queries about their financial stability, strategic direction, program model and organizational structure.

With this information in hand, the prize committee selected the three finalists for the 2012 prize. From the initial application to the due-diligence questions, a great deal of information had been collected on all three finalists, but the selection committees sought

even more information.

### Out-of-Site Visits

Three groups of students, each joined by a Wharton staff member, spent spring break in Cambodia, Kenya

"I don't think there's any other setting in which I'd be able to do that."



Kenya, helping them to plant and care for trees in arid regions where nothing else will grow.

Komaza plans to help these farmers get the most money for their product. Rather than have farmers sell their tree as a raw pole for \$40, Komaza will eventually be able to help that same farmer turn their tree into a processed electricity pole worth \$150.

“We want to get people out of extreme poverty, and that requires making huge amounts of money for them. Our aspiration is to triple people’s income,” Howard explains.

Komaza has already helped plant more than a million trees. **Jessica Simmons, SPP’12**, who visited Kenya as a member of the student selection committee, recalls a farmer who was able to afford electricity because of Komaza’s influence.

“Komaza is a game-changer,” she says. “Nothing short of unbelievable.”

## MEET THE FINALIST: **MedShare**

MedShare takes the adage “your trash is someone else’s treasure” seriously. The Atlanta-based organization collects surplus medical supplies and equipment in the United States and distributes them to qualified medical facilities



and personnel in the developing world.

The work results in a triple return on investment, according to MedShare CEO Meridith Rentz.

“You’re not only getting humanitarian aid because you’re shipping life-saving medical supplies and equipment to countries where they’re desperately needed. You’re providing a real significant impact on the environment here locally. MedShare has kept more than 2 million cubic feet of medical supplies out of the landfill since we started 14 years ago—and then you get this amazing community-building civic aspect of it,” she explains.

In 14 years, MedShare has shipped 750 forty-foot ocean containers—each with 1,000 boxes of supplies and 20 to 30 pieces of medical equipment—to 88 countries. About 18,000 volunteers and 37 staff members help organize these shipments and inventory in MedShare’s warehouses in Atlanta and San Francisco.

**Kim Leichtner**, a Fels Institute master’s candidate, was able to visit MedShare’s



warehouse in Atlanta and learned what “surplus” can mean.

She helped unpack and pack boxes of gauze, which were unusable stateside because of dents in the exterior packaging. These are the kinds of products MedShare keeps out of the landfill and puts to good use.

Several U.S. markets still don’t have a system to utilize surplus supplies.

“The ultimate vision that we have is that every health system in the United States—and I would say even globally—has a responsible, high-quality way for their surplus to be recovered,” Rentz says.

### ON THE WEB

More on the prize, including student videos, at [whr.tn/LipmanFamilyPrize](http://whr.tn/LipmanFamilyPrize).

and Georgia, the bases of operation for iDE, Komaza and MedShare, respectively. According to Howard, these visits accomplished three goals: to begin building a relationship with each of the finalists, expand the students’ educational opportunity and validate the data received during the due-diligence process.

“It really comes to life when you go on these site visits,” Leichtner says. “The site visits were so valuable because it gave us a chance to see firsthand the kind of impact these organizations were having, their leadership, their organizational culture and the community in which they work.”

The site visits and prize process were helpful not only to the student selection and prize committees, but to the finalists too.

Roberts praises the “real interchange” between iDE and the visitors from Wharton and Penn.

“I think maybe that’s the characteristic that was most interesting for us,” he says. “These smart people came to look

at our project, and we had a real chance to exchange with them, to get feedback, to get challenging questions, force ourselves to articulate what we were doing, what we were thinking.”

Meridith Rentz, CEO of MedShare, agrees.

“I think any time that you get to go through a process like this, you learn something about yourself as an organization, and it pushes you to be clearer and crisper about where you have strengths, where you need you to improve and why you make a difference,” she says.

The give-and-take between judges and finalists continued at the Lipman Family Prize Un-Conference, which took place on April 13 in Philadelphia the day after the prize was awarded. Led by **Jeffrey Klein**, Wharton’s Graduate Leadership Program director, and facilitated by **Linshuang Liu** of the School of Social Policy and Practice, **Andy Lamas, L’81**, a lecturer across multiple departments, and **Philip M. Nichols, HOM’93**,



**ON THE WEB**  
 The application process for the next prize is open until August 10 at [wharton.tn/LipmanFamilyPrize](http://wharton.tn/LipmanFamilyPrize).



### The Forming of Partnerships

Highlights from the inaugural Lipman Family Prize (counterclockwise from top): Barry Lipman, W'70, presents at the award ceremony; students enjoy the exchange among themselves and the award finalists; and the CEO of iDE, AI Doerksen, brainstorms about challenges and opportunities at the Un-Conference.

associate professor of legal studies and business ethics, the Un-Conference allowed finalists the chance to pose specific questions and their real challenges to groups of Wharton and Penn students, faculty members and industry professionals, to stimulate dialogue among attendees.

“The Un-Conference was born straight from the mission of the Lipman Family Prize,” Klein says. “The Un-Conference was a key first step in creating a community of practitioners, scholars and students.”

### And the Winner Is

At the conclusion of their site visits, the students presented all their insight and data to the prize committee. Armed with all of the information gathered throughout the year, the judges sat down in April in Philadelphia for in-person meetings with the CEOs of each organization.

The prize committee then finally named the winner of the inaugural Lipman Family Prize: iDE.

To all three finalists, Lipman reinforced the long-term commitment: “While the award culminates our search, it is, in reality, only a beginning.” ■



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# BROADCASTER

## With a Broader Mission

**CESAR CONDE, WG'99**, has turned heads with the speed with which he has ascended the ranks of Univision Communications Inc. Now president of Univision Networks, Conde, 38, also leads Univision Studios and oversees such corporate functions such as government relations, communications and community affairs. During our conversation with him, it quickly became apparent the passion that goes behind his work. As a leader at the top media company focused on the Hispanic community, he grasps how he and his employer are in a position to improve the lives of millions of individuals.

**WHARTON MAGAZINE: WHAT ARE YOUR SECRETS FOR BEING SO SUCCESSFUL AT A YOUNG AGE? ARE YOU ONE OF THESE PEOPLE WHO DON'T SLEEP?**

**CESAR CONDE:** No. My philosophy has been pretty straightforward. I really believe that I tried to find an industry, I tried to find an organization, I tried to find a passion that I felt very strongly about early on, and, fortunately, I was able to do that. I think once you identify that clear passion and you put yourself in a situation or organization where you're set up to succeed, as long as you apply yourself, I think we can all be extraordinarily successful.

The only other philosophy that I've always tried to pursue is the no-job-too-big-no-job-too-small frame of mind. In other words, proactively try to raise your hand and do the tougher tasks or the unpopular tasks that people don't necessarily gravitate towards, but if done

the right way, you can actually have a tremendous amount of impact; and vice versa, have the humility that no matter what level you are in a career, there are smaller roles, there are smaller tasks that are important to do as well.

**WM: YOU WERE ONE OF 12 WHITE HOUSE FELLOWS NOMINATED BY THE PRESIDENT IN 2002-3. DESCRIBE THAT EXPERIENCE.**

**CONDE:** The White House Fellows program is one of the more spectacular leadership and learning experiences available out there for anyone from all walks of life.

**WM: WHAT WERE THE TAKEAWAYS?**

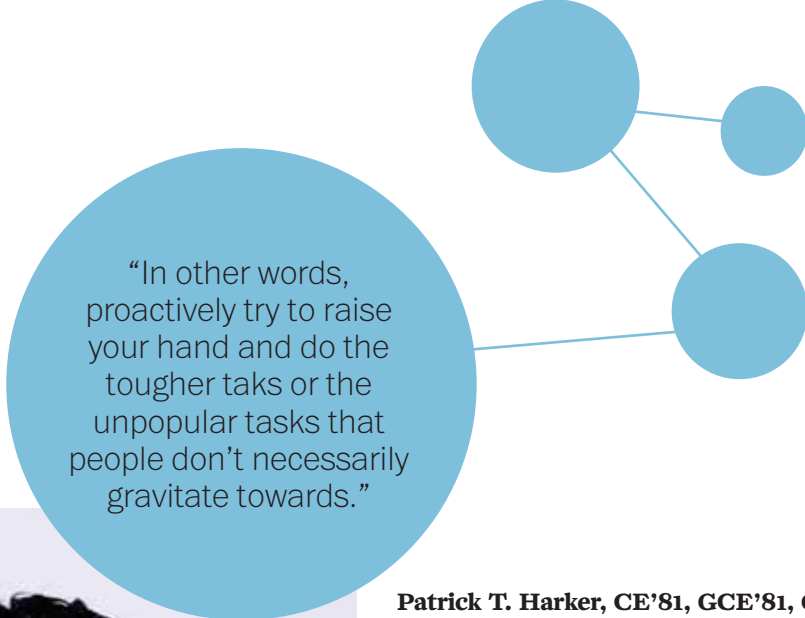
**CONDE:** Two things probably jump out. One is I was fortunate that I got the advice to make sure that you're always stretching yourself and investing in yourself at all points in your career. This was an unorthodox thing to do, to

sort of take yourself out of the private-sector track for a year to do this [he left Univision to participate]. But this was a philosophy of investing in oneself and looking at one's career over a longer-term horizon.

**WM: HOW DID THIS APPLY TO THAT CAREER?**

**CONDE:** From a business perspective, understanding how the public and private sectors interact and how they can potentially work closer together is something that was an invaluable lesson. And of course, I'm a private-sector person and came right back, and I have applied those lessons and that knowledge every single day.

I was particularly fortunate because I was assigned to be a special assistant to Secretary of State Colin Powell, and he had been a former White House Fellow. Dean Harker [former Wharton Dean



“In other words, proactively try to raise your hand and do the tougher tasks or the unpopular tasks that people don’t necessarily gravitate towards.”



**Patrick T. Harker, CE’81, GCE’81, GR’83, HOM’87]** was also a former White House Fellow. So that was also wonderful to have that affinity amongst the Wharton family.

**WM: SPEAKING OF WHARTON, HOW HAVE YOU APPLIED YOUR WHARTON KNOWLEDGE DURING YOUR CAREER?**

**CONDE:** Yes. I think the first is the network of people that one gets to know and one builds. To this day, I still have some of my closest friends who come from my experience at business school. A lot of the people whom I have received great advice from throughout the years are people I have met through the Wharton network.

Second, Wharton was the first place where I really began to understand how to work, to motivate people and peers, without having any sort of monetary incentives. I think the experience of finding common ground, finding common areas of interests, common passions, was invaluable.

**WM: IS THERE ANYTHING IN YOUR EARLY CAREER THAT YOU WISH YOU COULD DO OVER?**

**CONDE:** Early on in my career, I was an investment banker. I worked at Salomon Smith Barney in their M&A group, an incredible training ground and experience. Having said that, I was an indentured servant for two years and worked 100-plus hours. As you know, all the experiences in one’s career, you pick up the lessons from it and you only grow from them.

**WM: UNIVISION HAS HAD A BIG IMPACT IN THE EDUCATIONAL SPACE. THAT’S ALSO A PERSONAL PASSION, CORRECT?**

**CONDE:** My main passion outside of work is education. I have a small nonprofit that I run with my two younger brothers. I actually started it after I came out of Wharton. It’s a program called the Futuro Program. It works with inner-city, Hispanic, public-high-school students, helping them apply to college. Our program is a very humble program, but it’s consistent with a lot of the great work that goes on in our communities throughout the country. The challenge is how do you get that to scale, and that’s what all the organizations I think struggle with. ■

# life

{WHARTON}

# style

In success and in life, Wharton alumni fail to fit any one mold



BY MATTHEW BRODSKY • ILLUSTRATIONS BY OLIMPIA ZAGNOLI

Penthouse suites towering above the streets of Manhattan or Singapore. A vacation getaway to a colleague's Caribbean island. Professional sports teams and formula-one race cars that double as hobbies. What is the "Wharton lifestyle"?

True, many Wharton alumni live exciting, fast-paced lives glittering with the perks expected for the most successful people working in the vanguard of their respective professions. But they aren't all masters of the universe, at least not in the stereotypical sense.

Wharton graduates devote themselves to family, eschew the frenetic lifestyle that can come with a high-powered corporate position, and even spend time with their wildebeests and zebras.

Wharton alumni are far from easy to pigeonhole. *Wharton Magazine* interviewed but a handful of graduates whose work and lives have taken them on individual, and intriguing, courses.

## An RV With Sails

Children have a way of changing lives. **Mary Sauer, WG'80**, knows this firsthand. Her life was forever altered when her first daughter died of a rare pediatric liver disease. In 1986, Sauer and her husband, Bob Doris, founded Sonic Solutions. During their startup years, they worked seven-day weeks with a one-week vacation.

"I thought I could control anything, until I became a mother," Sauer recalls. When her second daughter was born in 1999, Sauer vowed to change tacks and carve out more family time. The favored family vehicle? The *Marianna*, a 57-foot sailboat.

First, the family did short trips up the East Coast from Rhode Island to Maine, then into Manhattan and as far north as Nova Scotia.

As their operating roles at Sonic became lighter, Sauer and family took longer, more exotic summer adventures. In 2008, they traveled along the entire west coast of Italy. The next year, they moved to Florence for a few months and enrolled their then-fourth-grade daughter in an all-Italian school. Their 2009 sailing trip took them from Athens to the Greek Islands, the east coast of Italy to Croatia. In 2010, they cruised the coast of Turkey to Istanbul and the Black Sea.

"One summer, we read Greek mythology and then stood at the Oracle of Delphi. Another summer, we climbed Stromboli and read parts of the *Odyssey* as we passed through the straits of Messina," Sauer says.

To escape the hot summers in the south, last year they headed to the fjords of Norway and the archipelago of Sweden. This summer, they laid a course from Barcelona and Costa Brava, across the French Riviera to Italy.

"It's a family life for which I'm very happy and grateful," she says. And sometimes very wet and salty.

## At Home, On the Road

When he has it, **John Amos Cooper, WG'05**, spends his downtime with his wife and two young daughters at their house on Sunset Island outside of Miami Beach. As a fine arts major at Cornell, Cooper might also be found relaxing in his studio painting—abstract is his current style of choice.

But Cooper is also an entrepreneur, and it just so happens that working hard sometimes involves partying hard. Cooper grew up around the family business, liquor distillation, so when he wanted to start his own business, it made sense to "pivot off of my professional

business experience," he says. His company currently markets two brands: a high-end ginger liqueur called *Domaine De Canton* and a hot-pink strawberry shooter called *Sweet Revenge*.

His job demands that he sometimes drink at 8 a.m., which might have been amusing the first day or two on the job, but then became a grueling duty.

"I don't even drink that much, that's the irony of it," he says.

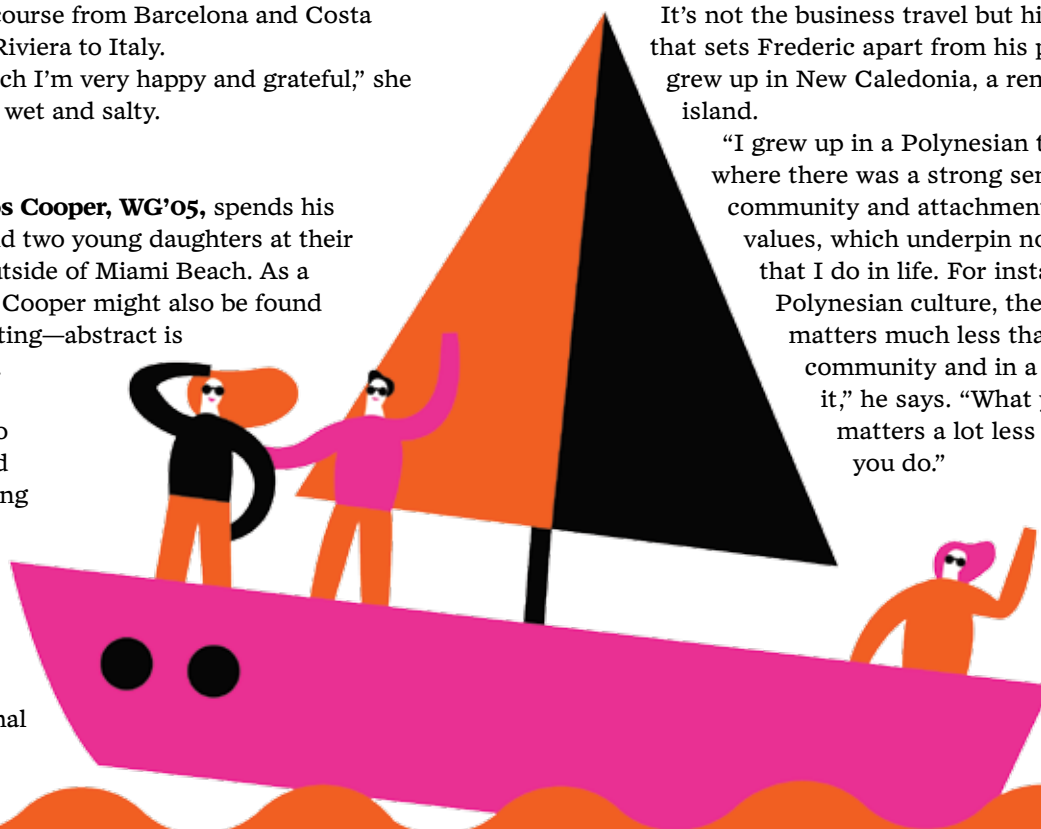
Work also takes him around the world. This past year, his company sponsored an eight-day press trip to Vietnam to find the source of his beverage's ginger. Along went his master distiller and Eric Ripert, executive chef at New York's *Le Bernardin*, who sought new ideas for his cuisine, which involved exploring such local delicacies as sauce-dipped beetle and fried dog.

Of his life, Cooper says, "It's a roller coaster of exciting, nonstop intensity peppered with moments of satisfaction and happiness."

For his work, **Frederic Lotti, WG'06**, is not hiking rainforest hills in search of the holy grail of rhizomes—he treks for resources. As a member of the physical commodity trading industry with the key goals of building supplies and developing natural resources, Lotti travels by whatever means necessary—4x4 truck or helicopter—to monitor the assets "and meet with employees, bankers, government officials and other stakeholders. He spends up to half the year outside the United States.

It's not the business travel but his philosophy that sets Frederic apart from his peers. He grew up in New Caledonia, a remote Pacific island.

"I grew up in a Polynesian tradition where there was a strong sense of community and attachment to ancestral values, which underpin now everything that I do in life. For instance, in the Polynesian culture, the individual matters much less than the community and in a way serves it," he says. "What you are matters a lot less than what you do."



## A Simple Dream

Living on an island in Victoria, British Columbia, far from the bustle of his former home of Montreal, **Karl-Eric Briere, WG'04**, needs a fence to keep the deer out of his vegetable garden. You might say that his former occupation had him fenced in. He worked nine years in Hong Kong, where six-day workweeks are the norm and he was on call in whatever time zone that his client was in. He had two children and a wife, but didn't see much of them.

The Wharton MBA for Executives program allowed him to put things in perspective, he says. He comes from a family of entrepreneurs, but decided to create a business his own way: the Zen Capitalism way. It is not a notion he takes credit for, claiming he got the idea from a conversation at a campus party and the wording from classmate **Rick Blackshaw, WG'04**. (Also read about Zen Capitalism in our cover story, P. 24-30.)

But he has applied it in real life and stuck to it. Zen Capitalism is about entrepreneurship without the stress over banks, employees and clients, without time constraints and strict schedules. In addition to the more natural pace, the core idea of working the Zen Capitalist way is to focus your action on "compassion-centered value creation."

"If you make the choice from the beginning that you want a quality of lifestyle," he explains, "there is a way around this and it can still be successful in a market economy."

Briere and his wife launched the boutique publishing company Simple Dream Publishing, built around the framework

**"If you make the choice from the beginning that you want a quality of lifestyle, there is a way around this and it can still be successful in a market economy."**

of flexible days and at most 20 hours of work per week (a limit they still strive for though don't always achieve).

"We said, 'If it does not really work, then we will try something else,'" he explains.

Today, the company is eight years old, three times the size and earning eight times the profits. It is 100 percent equity financed. Banks don't breathe down their necks, and they focus on partners who can appreciate long-term relationships.

"We've been putting on the brakes all the time," he says.

"The Zen approach doesn't mean you're slacking off. It just means you're letting things take their natural course. We end up being much more efficient and competitive and on the ball."

## A Father's Privilege

Perhaps a natural extension of this approach would be to stop working altogether. **Matt Schneider, W'97**, did just that: he left the workforce to become a stay-at-home dad. It was not an easy transition for a former tech-industry worker and

teacher. He faced the "Mr. Mom" stereotypes and experienced an isolation and loss of identity at first.

But seven years out, he is humbled by the honor of making sure his two sons are where they need to be, happy and healthy, knowing their friends and friends' families, and generally being present in the life of his family.

Now he spreads the gospel. He started a group for dedicated fathers—NYC Dads Meetup Group. At first an informal gathering, it picked up steam.

"At some point, it all caught fire," he recalls, adding that he devotes to it his free time when his children are at school.

Now the group has 600 "active" dad members and activities scheduled every weekday, including trips to parks and museums, music and gym classes, soccer games, and lectures and discussions for the fathers themselves. The group also

has a very active blog to discuss "the changing face of fatherhood."

"I actually don't think fatherhood should be a privilege," he says.

What Schneider believes is that the workplace hasn't changed for men in 50 years even though the home has changed—the man is expected to be dedicated to work and help out with the family and household more and more. Schneider and his group are calling for barriers to be broken for men, allowing them to have the work-life balance they desire.

"We have the audacity to think we can





change fatherhood by just being out in the world,” he says.

And be out in the world he has. The NYC Dads Group has gotten coverage in the *New York Times*, *USA Today*, *The Today Show* and *Nightline*, to name a few media outlets.

The group has become such a major project, and the writing and speaking opportunities so plentiful, that Schneider has to remind himself why he became a stay-at-home dad—to be devoted to his family, not to work.

### Car Sales and Zebra Tails

**Curtis Gunn, WG’64**, has appreciated travel his whole life. It’s fitting, then, that a man who loves exotic locales such as Africa brought a part of Africa to his home state of Texas. Unlike exotic sea life collected in an aquarium or a puppy, these creatures aren’t the type of animals you watch and play with regularly. He says of his “pets,” “They do hide a lot.”

Surely it helps his animals’ bashful natures that he’s got about 2,300 acres in Texas on which they can graze, thrive and, yes, keep out of sight. Out there in his very own safari-land, he estimates he has a couple hundred heads—25 to 30 zebras, 40 wildebeests, six or so springbok, 40 waterbucks, 15 kudu, to name a few. He used to have black buck antelope from India. The animals weigh 60 to 80 pounds when full grown and reproduce three generations in one year. Too prolific for his tastes.

“That’s more of a hobby than anything else, though sometimes it gets all-consuming,” he says of his farm, though he hints that “passion” is probably a better word than “hobby.”

And there is some money in it, though it’s not his primary source of income. That would be his family business, auto sales, which the San Antonio native joined in 1967 with his own, brand-new Chevy dealership. His grandfather owned his first Chevy store in 1916. His father bought an Oldsmobile store in 1956. At the peak, Gunn owned 30 dealerships. Now age 75, he acts as advisor to his son in the family business, oversees a portfolio of real estate investments, and participates in San Antonio charities such as the natural history museum and a support group for national parks.

He is also still a traveler. He took his first trip to Africa in ’66.

“I just fell in love with Africa,” he says. “Texas looks a lot like Africa.”

### Time-Lapse Living

While Gunn travels for leisure, and Lotti and Cooper for business, **Kien Lam, W’06**, discovered his profession by traveling the world.

For Lam, photography had always been a “pretty serious hobby,” and he shot for the *Daily Pennsylvanian* when he was on campus. But after attaining his four-year business degree,

Lam did not want to mix his passion and his profession, much like people do not want to borrow money from friends. Instead, he worked in finance, took his two weeks of vacation to explore the world when he could, and after each trip he’d yearn for more. Until he gave in.

He traveled the world for a year, only returning to the United States about a year ago. Since then, he transformed the thousands of photos he took into a time-lapse video, posted it online and launched a viral sensation—which propelled him to his new career as a photographer.

Ask him about his favorite stops, and he’ll mention the deserts of Morocco, Egypt and Jordan, or the beaches of Thailand and Indonesia where he “really just lost track of time.”

He did not chart his course ahead of time; rather, he would make decisions and allow his path to unfold when he got into a country.

“I rarely made plans more than a few weeks at a time at most,” he says.

With his video, though, he did have a plan. While he could not fully anticipate the global media attention it aroused, he did hope it would be a catalyst to launch his photography career.

“I kind of knew I had something pretty unique,” he says. “If the video got some exposure, it would be something that could inspire people to actually take that trip they’ve always dreamt about.”

Ask Lam if he is breaking the Wharton mold, and he’ll say he doesn’t think so.

“The underlying traits are students wanting to do something ambitious,” he says.

That may be the best definition if we had to come up with just one for Wharton alumni, whether they are climbing the corporate ladder or exploring careers and personal lives in unique, diverse ways. ■



# Promote, Don't Pass Over

Why external hires get paid more, and perform worse, than internal staff.

**H**ere is some research sure to rattle every employee who has applied for an internal promotion and been passed over in favor of someone brought in from the outside.

According to Wharton management professor **Matthew Bidwell**, “external hires” get significantly lower performance evaluations for their first two years on the job than do internal workers who are promoted into similar jobs. They also have higher exit rates, and they are paid “substantially more.” About 18 percent to 20 percent more. On the plus side for these external hires, if they stay beyond two years, they get promoted faster than do those who are promoted internally.

“Most jobs are entered into through a variety of different routes, sometimes by being hired from the outside and sometimes by moving up from inside the firm,” says Bidwell. “I was curious as to what the effect of these different routes would be” on an individual’s job performance. His research is presented in a paper titled, “Paying More to Get Less: The Effects of External Hiring versus Internal Mobility.”

The issue has significance for organizations, Bidwell says, as they think about where they source their employees, especially higher-level ones. Do they “grow their own” or do they

go out into the job market and hire outsiders? “My research documents some quite substantial costs to external hires and some substantial benefits to internal mobility,” he notes.

## Getting up to Speed

The context for Bidwell’s research lies in the increased mobility of workers over the past three decades as companies have turned away from offering lifetime employment in favor of relying on the external labor market to find experienced workers at all levels of the organization.

By comparing internal mobility and external hiring processes—looking specifically at performance and pay—Bidwell’s research can help employees learn more about “the consequences of their career decisions,” including the tradeoffs that characterize internal and external mobility, Bidwell writes in his paper.

Some of those tradeoffs are easily identified. In noting that external hires need about two years “to get up to speed” in their new jobs, Bidwell suggests it is because outsiders need that amount of time to learn how to be effective in their new organization—specifically, how to build relationships. Meanwhile, the risk of failure is substantial. Although external hires are paid quite a bit more than employees promoted into similar jobs, “this is not a free lunch for the external hires,” he

says. “There is a much greater risk of being let go during those first few years, mainly because they may not develop the necessary skills and thus will not perform as well as expected. Then, too, they might decide to leave voluntarily.”

While doing his research, Bidwell noted one particular difference between the external hires and those already in the company who are being promoted. “People hired into the job from the outside often have more education and experience [than internal candidates], which is probably some of the reason they are being paid more,” he says. “When you know less about the person you are hiring, you tend to be more rigorous about the things you can see”—such as education and experience levels listed on a person’s CV, or what Bidwell calls “externally observable attributes.” And yet “education and experience are reasonably weak signals of how good somebody will be on the job,” he notes.

Those tradeoffs might help explain why external hires earn so much more than internal employees promoted into the same jobs. If these hires have better resumes and are perceived as able to get a job more easily outside the company, then they can demand higher pay than internal people. Hires may also want higher pay to reflect the unfamiliar environment that they face on coming into a new position. Hiring managers confirm that they typically



NIGEL BUCHANAN

pay 10 percent or 20 percent more to pull people out of positions “where they already have some security and where people know them and know they are doing a good job,” Bidwell says.

He acknowledges that his research may frustrate an organization’s in-house workforce. “It is sadly the case that being more marketable, as external candidates are, is always going to be valuable and will generally lead to higher compensation. So the question is, should internal people threaten to quit to raise their pay?” It’s well known in academia, for example, that the only way to get a significant pay raise is to nail down an outside offer, Bidwell notes. “But in some organizations, that’s an easy way to get fired. People will take it as a signal that you are disloyal.”

Bidwell offers this career advice: “If you like where you are, stay there. Or

at least understand how hard it can be to take your skills with you. You think you can go to another job and perform well, but it takes a long time to build up to the same effectiveness that you had in your previous organization. You need to be aware that often your skills are much less portable than you think they are.” Bidwell is clearly a fan of internal mobility. “While the pay may be less, your performance is better, and there is more security.”

### “Let’s Make a Deal”

For his research, Bidwell analyzed personnel data from a U.S. investment banking division from 2003 to 2009. In that study, he documented twice as many internal promotions as external hires. Investment banking, Bidwell writes, represents “an interesting context in which to study the effects of internal

versus external mobility [because] organizational performance often depends on the skills of the workforce, [thereby] increasing the importance of personnel decisions.” In addition, workers in banking are “notoriously mobile, making this a context in which organizations regularly engage in external hiring at all levels.”

One important feature of investment banking jobs is that promotions tend to involve some measure of continuity with the prior job. Promotions often involve getting a higher title, such as vice president or director, while continuing to do similar work. In fact, as Bidwell notes, promotions in many organizations do not instantly lead into a very different job. Instead, responsibilities increase gradually, being recognized over time by a promotion. When considering their future staffing needs, though,

organizations still must think about how they will acquire the workers capable of operating at the higher levels: Will it be by hiring or promotion?

Bidwell found similar patterns for different kinds of jobs and within different organizations. He analyzed separately the investment professionals (traders, salespeople, research analysts and investment bankers) and the support staff at the research site. His findings about pay and performance were consistent across those groups. He also looked at another investment bank and a publishing company, and found the same results of “paying more for external hires while giving them lower performance ratings.”

He concludes, however, that the nature of the promotion mattered. Unlike other promoted workers, those who were simultaneously promoted and transferred to another group did not perform any better than external hires. Bidwell speculates that “the skills that are important to our jobs may be very specific to the positions that we are in. Even large changes in the nature of jobs within the organization were associated with performance declines.”

Yet overall, Bidwell says, external hiring has grown much more frequent since the early 1980s, especially for experienced high-level positions and especially in larger organizations. “It used to be that smaller organizations always did a lot of outside hiring while big ones focused more on internal mobility. But now the pendulum has shifted toward external hiring and away from internal mobility for large organizations as well.

“Companies should understand that it can often be harder than it seems to bring in people who look good on

paper,” says Bidwell. “In addition, there is a suspicion that ‘the grass is always greener’ attitude plays a role in some companies’ desire to hire from the outside. Managers see a great CV and get excited about playing ‘Let’s Make a Deal,’ even when it’s hard to know what weaknesses the external hires bring with them.”

On the other hand, “to promote more people internally also means that companies need to have a long-term perspective and know how big a pipeline of people will be needed in the

“Companies should understand that it can often be harder than it seems to bring in people who look good on paper.”

future,” notes Bidwell. It also requires managers to ensure that internal people are aware of the opportunities open to them. “Finally, there are clearly some costs to internal mobility—for example, the cost of training people in-house versus piggybacking on someone else’s training.”

Another variable in the mobility equation, he adds, concerns noncompete clauses which tend to complicate the movement of employees between competing firms. “Although these have not always been so salient in investment banking, noncompete agreements have become increasingly important in many states and many jobs, particularly in areas like technology where employers can plausibly claim that employees will take critical competitive knowledge with them.”

## “Involuntary Exits”

In his paper, Bidwell argues that the differences between internal and external mobility all ultimately stem from two factors: the skills workers bring from their prior jobs, and the amount of information that firms and workers have about each other.

He comments on the significant amount of new knowledge that external hires are required to learn, even in those jobs that demand “high levels of general skills, such as securities research, scientific research and surgery. ... Although such work depends on individual workers’ skills and knowledge, it can also require intense coordination with others in the organization.” Because internal movers have longer experience within the firm, “they are likely to have already acquired important firm-specific skills that new hires will lack,” Bidwell writes.

In terms of the process that takes place when firms and external employees are eyeing each other for a possible matchup, Bidwell writes that the task can be difficult because each side often has “highly incomplete information about each other. Firms struggle to evaluate the true qualities of applications, and workers struggle to know which of the jobs available will best suit their preferences and abilities.” But, as Bidwell notes, companies obviously have more information about internal job candidates, including how well they have performed in prior roles and how well they fit in with the current organization.

Bidwell suggests that his paper “provides unique evidence on the value to firms of internal labor market structures. Results show that internal mobility allows the firm to staff higher-level jobs with workers who have better performance but are paid less.” By detailing the strong advantage of internal mobility over external hires, he adds, “these findings help to explain the continued resilience of internal labor markets in the face of pressures for worker mobility.” ■



### ON THE WEB

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# Final Exam

## The Basics:

Assume a company has fixed-rate debt that matures in 10 years. During the year, general interest rates in the economy remain unchanged, but Standard & Poor's and Moody's decide the company's future prospects look worse and both downgrade the company's debt. The company does not repurchase, refinance or otherwise hedge this debt during the year.



## The Question:

Explain how it can be the case that having the company's credit risk get worse causes its accounting net income to go up. That is, what (legal) method of accounting would it have to be using and how would this work?

In each issue of *Wharton Magazine*, we'll test your knowledge with a question often straight from an actual Wharton exam or course, crafted by one of the School's esteemed faculty members. Submit the correct answer and you'll be entered into our drawing for a fabulous prize—tuition-free attendance at a Wharton Executive Education program. This Final Exam challenge comes from **Richard A. Lambert**, the Miller-Sherrerd Professor in Wharton's Accounting Department, based on a question he asked in his Accounting 742 course this spring.

Good luck!

Winner of the spring issue Final Exam challenge:

**Mary Filipek Lundstrom, W'87**

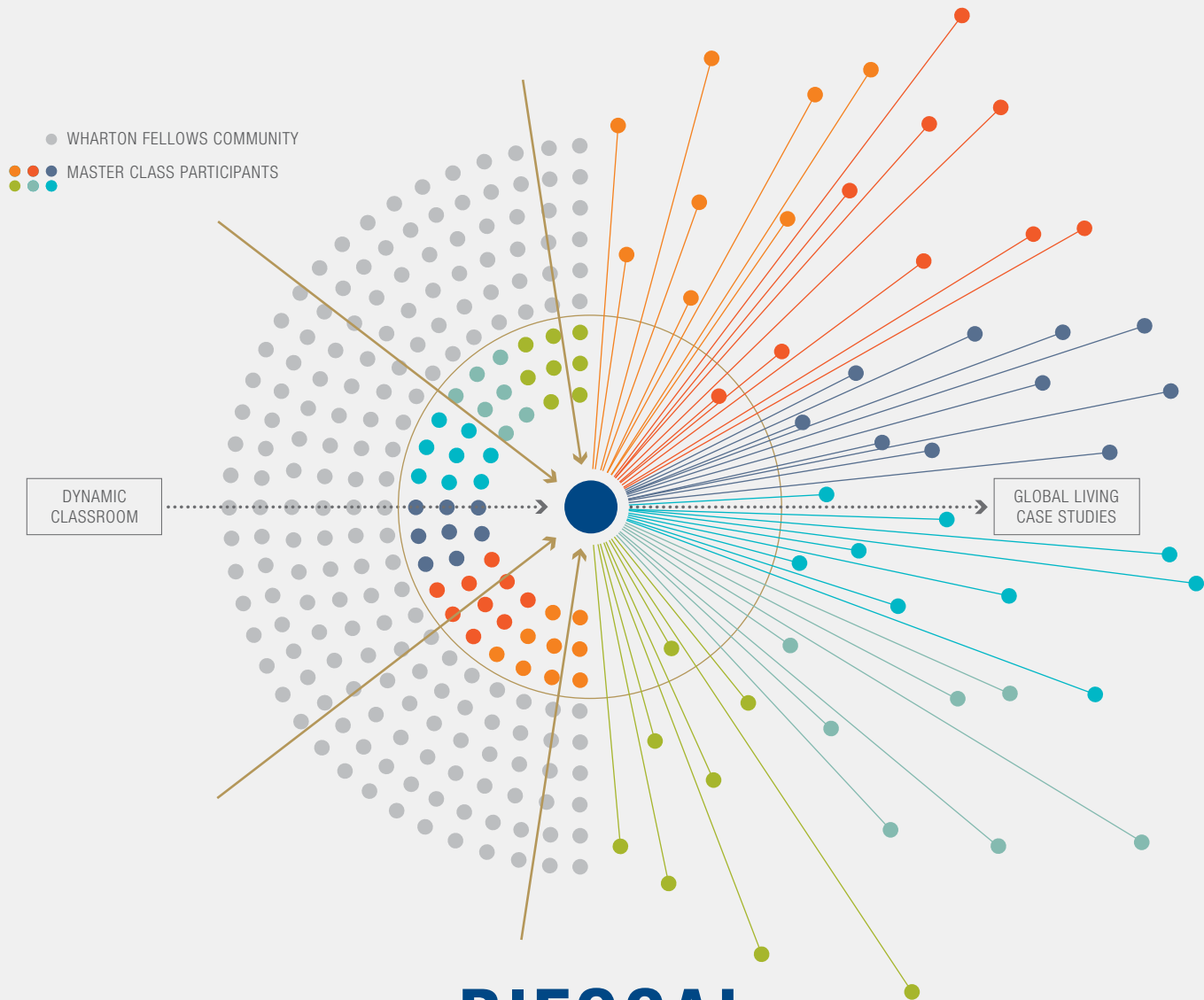
Congratulations, Mary!

### ON THE WEB

#### Think you know the answer?

Submit your response to [finalexam@whartonmagazine.com](mailto:finalexam@whartonmagazine.com) by Aug. 17. We will post the correct answer on Aug. 24. Out of all correct submissions, one winner will be randomly selected to attend, tuition-free, one Executive Education, 3- to 5-day open enrollment program.

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