There’s an (Alumni) App for That
Model Teachers
Poised for Impact

HERMES

A MAGAZINE FOR ALUMNI OF COLUMBIA BUSINESS SCHOOL • FALL 2011
FEATURES

**THERE’S AN (ALUMNI) APP FOR THAT**
by Amanda Chalifoux and Simone Gubar
Mobile apps spearheaded by Columbia Business School alumni are bringing a new level of customer interaction to business and connecting people with information—and one another—at lightning speed.

**MODEL TEACHERS**
by Amanda Chalifoux
Alumni executives who serve as adjunct professors offer students a practitioner’s expertise—and the inspiration of an instructor who has walked in their shoes.

**POISED FOR IMPACT**
by Simone Gubar
Scientist and TED Fellow Nina Tandon’12 (EMBA) plans to translate scientific breakthroughs in the lab into world-changing clinical remedies—and nurture the innovation economy along the way.

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   In June, alumni, current students, and newly admitted students gathered in more than 55 cities around the world to celebrate the Columbia Business School global alumni network as part of the fifth annual Worldwide Alumni Club Event.

JOIN THE CONVERSATION
Stay connected to the Columbia Business School community by viewing and sharing videos, photos, and updates. Learn more at www.gsb.columbia.edu/participate.
This month, Columbia Business School alumni and faculty and staff members are gathering in London for the School’s Pan-European Reunion. This landmark event marks the ninth global reunion since 1992, during which time the global economy has experienced cycles of decline and growth. But in the few short years since our symposium in Hong Kong, the world has shifted dramatically.

Recovery from the global financial crisis continues slowly, especially in European countries struggling with historic unemployment and government debt. This year’s Pan-European Reunion is centered around a question that business leaders, academics, alumni, and others the world over are asking: “What’s next?”

Great business leaders possess the ability to anticipate opportunities and to conceive of new possibilities. This issue of HERMES recognizes innovative alumni and students dedicated to finding answers to today’s challenges. You will read about alumni who develop innovative mobile applications (page 8); alumni who have returned to the School to teach a new generation of students (page 14); scientist and TED Fellow Nina Tandon ’12 (EMBA), who is committed to translating breakthroughs in the lab into practical insights and applications (page 18); Professor Hugh Patrick’s take on Japan’s economy following the devastating March earthquake and tsunami (page 22); and research by Professor David Gaddis Ross that reveals how having daughters affects the way CEOs compensate their female employees (page 24).

These stories reinforce the responsibility of business schools to help create whole business leaders with 360-degree views who are expert decision makers and problem solvers.
NEW YORK CITY GROCERIES: CHEAPER THAN YOU THINK

It’s a truth universally acknowledged: everything is more expensive in New York City.

But according to David Weinstein, a professor in the Finance and Economics Division, and Jessie Handbury, a doctoral student in the Economics Department, groceries actually cost less in New York City than in smaller cities like Des Moines and Indianapolis.

Analyzing data from the AC Nielsen HomeScan database, which used barcode scanners to track every purchase made by approximately 33,000 US households in 2005, Weinstein and Handbury compared the cost of identical products in 37 cities and found that New York products tended to be cheaper than identical goods in places like Birmingham, Memphis, and Milwaukee.

“There’s a common perception that prices are higher in New York,” says Weinstein. “What’s really going on is that shoppers in major cities have more choices and often prefer the more expensive ones. When I look at the cheese section in my local grocery store, for example, there are a lot of expensive cheeses to choose from—far more than there are at a store in Des Moines—but if I wanted to buy cheap cheese, I can easily find that here.”

The researchers also note that New Yorkers, on average, tend to be wealthier than people in smaller cities, and wealthier consumers systematically choose the more expensive varieties of the same goods. “Whereas poorer shoppers are price-sensitive, basing their purchases on what’s on sale,” says Weinstein, “wealthier shoppers buy what they want.”


FROM CHAZEN GLOBAL INSIGHTS: HOW TO HAVE A CAREER WITH STAYING POWER

INDA TSAO YANG, MS ’48, has served as US ambassador for the Asian Development Bank, savings and loan commissioner for the state of California, and vice president of California Public Employees’ Retirement System. At the Chazen Institute’s May 17 Sir Gordon Wu Distinguished Speaker Forum, Yang offered career advice, beginning with the recommendation to “consider culture”:

“I spent a lot of time understanding the mission and culture of the Asian Development Bank. I’d never worked in a bank with 58 member countries. I thought it was only common sense that the mission of a development institution is to work itself out of business. I was surprised to find that the board did not have a policy of private sector development in designing its assistance programs for member countries. I tabled this within the first two months when I took the job in late 1993. As a director you do not control the board agenda, so it didn’t emerge for board discussion until 1999. The joke was, “we’d better table this or Ambassador Yang will never retire.”

I did not understand the culture of the bank: it’s a development institution. The private sector, on the other hand, is about maximizing profit. Most of my colleagues on the board came from ministries or economic development. They came here for two or three years, and their brownie points were [earned by] how much in lending they brought back from the bank. Having the private sector involved is extremely messy—a lot of conditions and contradictions.

It took me a long time to understand why what I considered to be such a commonsense proposal met with such resistance. But I didn’t think from the perspective of the other people. Finally, the board approved the measure. Had I understood where each of the directors stood, I probably wouldn’t have had to wait for six years.

To read more of Yang’s career takeaways and to subscribe to Chazen Global Insights, visit www.gsb.columbia.edu/chazen/yang.
Q&A WITH MARK BROADIE: THE PGA TOUR’S NEWEST STAT

In May, for the first time in 15 years, the PGA Tour introduced a new methodology for analyzing putting performance. The stat, Strokes-Gained Putting, was initially developed by Mark Broadie, the Carson Family Professor of Business in the Decision, Risk, and Operations Division.

Q. How is Strokes-Gained Putting different from previous PGA stats?

A. It is a more accurate measure of putting skill because it takes into account the distance each putt starts from the hole. The number of putts taken is compared to the average of other PGA tour golfers from that distance and the result shows the number of putts gained or lost relative to the PGA tour field. The PGA Tour is now using Strokes-Gained Putting as their primary measure of putting ability on their website and in TV broadcasts. I hope that it helps amateur golfers think about putting a little better than before.

Q. How does the putting stat relate to your research on risk management and portfolio optimization?

A. The same tools that are used to analyze financial markets are also useful for analyzing the game of golf. For example, to determine if a portfolio manager has superior skill, we measure returns relative to a benchmark with a comparable risk profile. Similarly, we measure putting by comparing results to the average of all PGA tour putters taking into account putt distances. Performance attribution analysis is important in finance and in golf: we’d like to know what skills account for superior returns or scores.

BRUCE USHER NAMED CO-DIRECTOR OF SOCIAL ENTERPRISE PROGRAM

Bruce Usher, executive in residence and adjunct professor of finance and economics, has been named co-director of Columbia Business School’s Social Enterprise Program.

Usher joins Ray Fisman, the Lambert Family Professor of Social Enterprise, as co-director of the program, which enables the next generation of leaders to apply management and business thinking to social enterprise.

“Bruce exemplifies the School’s mission to bridge academic theory and real-world practice,” said Dean Glenn Hubbard. “He also has been an outstanding teacher of elective courses at the intersection of finance and social enterprise and has provided career advice to MBA students in his capacity as an executive in residence.”

Usher has taught at the School since 2001 and served as CEO of EcoSecurities Group through 2009. Prior to his work at EcoSecurities, he served as cofounder and CEO of TreasuryConnect, COO of the Williams Capital Group, and vice president at Lehman Brothers in New York and Tokyo.

As co-director, Usher will work with the Social Enterprise Program’s advisory board and the School’s External Relations and Development Office to build connections and support for the program, while also teaming with Fisman to design and implement program strategy.

EMBA-GLOBAL CELEBRATES 10 YEARS

On January 20, more than 150 alumni, students, and faculty members gathered together to celebrate the 10th anniversary of EMBA-GLOBAL, the Executive MBA program for globally focused executives and managers that is consistently ranked among the best Executive MBA programs in the world.

When EMBA-GLOBAL launched in 2001, it was the first Executive MBA program to combine the expertise of two leading business schools—Columbia Business School and London Business School—in an equal partnership. In 2008, EMBA-GLOBAL expanded to Asia with the addition of the University of Hong Kong as a third partner.

Speakers at the January reception, which took place at New York’s Opia Restaurant and Lounge, included Amir Ziv, vice dean and Samberg faculty director at Columbia Business School; Diane Morgan, associate dean of London Business School; and Janet Rossbach, executive director of alumni relations at Columbia Business School.

A second reception commemorating the program’s milestone will take place in London on October 12, 2011, prior to the School’s Pan-European Reunion, October 14–16, 2011.

To watch a video about EMBA-GLOBAL’s landmark anniversary, visit www.gsb.columbia.edu/emb-a-ten.

GRADUATING STUDENTS SELECTED JERRY KIM, an assistant professor in the Management Division, as the recipient of the 2011 Singhvi Prize for Scholarship in the Classroom. The award was founded by SURENDRAD SINGHVI, PHD ’67, a management consultant and the author of more than 100 articles and books including the recently published Laughter is the Best Therapy: One Thousand Jokes, which is available on Amazon.
ALUMNI IN THE NEWS

I-ELLA, a fashion website founded by ELLA GORGLA ’07 (EMBA), made Time Inc.’s “10 NYC Startups to Watch” list. The site enables members to buy, borrow, swap, sell, or lend new or barely-used haute couture while being charitable; a 10 percent transaction fee benefits the buyer’s favorite charity. To learn more, visit www.i-ella.com.

On June 10, OMAR HAROUN ’12 was named a “Champion of Change” at the White House in an event honoring the creators of mobile apps that utilize data sets made available by federal, state, and local agencies. Spontaneous, Haroun’s app, enables users to find and organize pick-up sports games. To learn more about the app, turn to page 11.

Start-up BestVendor and its cofounders MAGNUS VON KOELLER ’11 and BEN ZHUK ’11 were featured in the Next Web on July 25. The company aggregates social recommendations to help small businesses select the best business products and services. According to BestVendor’s “2011 Start-up Toolkit Survey,” Google Analytics is the most popular product used by small start-ups, followed closely by Gmail.

Crain’s New York ran a July 5 feature on JEREMY MILLER ’10 and his start-up, FSASotre.com, an e-commerce site which aggregates thousands of flexible spending account–eligible products that ship to customers within two to three days. The site also lists a roster of 300,000 healthcare professionals, from acupuncturists to dentists, indicating which of their services are FSA-eligible.

STEVE PELTZMAN ’99, the chief information officer of New York City’s Museum of Modern Art, talked to Information Week on July 20 about the museum’s long-term cloud project. “We’re out there trying to engage people and educate and share the collection in terms of modern art,” Peltzman said. “We’re not out there to run e-mail and do all those other things. Just in terms of the economics of cloud, it totally fits us.”

“In April, Fast Company ran a story on CURTIS RAVENEL ’01, Bloomberg’s sustainability director, and his push to add environmental, social, and governance data (ESG) to the company’s terminals. Thanks to Ravenel’s leadership, financial analysts using Bloomberg’s screens can now review such ESG data as greenhouse-gas intensity per sale, water usage, employee facilities, and toxic discharge. “I saw the potential for us to have an impact exponential to what we’d been doing on the operating side with making Bloomberg greener,” Ravenel said.

“Unlike most business books churned out by publishers these days, Army of Entrepreneurs: Create an Engaged and Empowered Workforce for Exceptional Business Growth (Amacom, 2011) actually lives up to—and exceeds the expectations of—its title,” reviewer Heather Huhman wrote in Business Insider in May. The book’s author is JENNIFER PROSEK ’99 (EMBA), founder and CEO of CJP Communications.

To learn more about the book, visit www.armyofentrepreneurs.com.

Nearly 2,200 alumni and guests—a record-breaking number—returned to campus in April to celebrate Reunion 2011. Highlights included Columbia CaseWorks sessions, industry-specific panel presentations, an update on the School’s planned Manhattanville campus, an all-class welcome reception at Cipriani 42nd Street, class dinners, and a family brunch at Gustavino’s.


To watch videos from the weekend, visit www.gsb.columbia.edu/reunion.

WWW.GSB.COLUMBIA.EDU/HERMES
THE SCHOOL IN THE NEWS

On April 12, the Financial Times featured LAURIE HODRICK, the A. Barton Hepburn Professor of Economics in the Faculty of Business and founding director of the School’s Program for Financial Studies, in its “10 Questions” column. “Being a professor is not something I do, it is who I am,” Hodrick said. “I am equally a professor when working at Columbia or when working as an investment banker.”

DEAN GLENN HUBBARD talked to the Wall Street Journal on July 7 about ethics, the MBA curriculum, and the rapidly changing business world. “One big change that affects us in the business school world is that people become leaders much faster,” Hubbard said. “Increasingly, within five years after business school, students are in significant positions of leadership.”

Research conducted by SHEENA IYENGAR, the S. T. Lee Professor of Business, was highlighted in an August 17 feature in the New York Times magazine. The study by Iyengar and co-researchers confirms that when “decision fatigue” sets in, customers often settle for default products rather than considering all their options.

On July 15, Forbes.com highlighted research by MICHAEL MORRIS, the Chavkin-Chang Professor of Leadership, suggesting that managers’ charisma is sometimes an illusion. “Winning in business and political endeavors comes not only from performing well, but also from managing the interpretations that others make of your performance,” said Morris.

BEN POWELL ’05 HONORED AS INAUGURAL SOCIAL ENTERPRISE ALUMNUS INNOVATOR

The Social Enterprise Program has honored BEN POWELL ’05 as the inaugural recipient of the Social Enterprise Alumnus Innovator award, which recognizes a graduate who has innovatively applied business ideas, principles, or tools to make a social or environmental impact.

Powell is the founder and managing partner of Agora Partnerships, a nonprofit that works with impact entrepreneurs—entrepreneurs whose businesses make strong, positive contributions to their communities—to fight poverty in the world’s poorest areas. Since 2004, Agora has provided business advice to more than 400 small businesses and has helped 25 companies obtain financing throughout Central America.

Powell launched Agora when he was a student at the School. “I was very honored to get the award because Agora has been such a joint effort of people at Columbia,” Powell said in his keynote speech at the 2011 Social Enterprise Conference, adding that the organization draws on the School’s natural strengths—finance, investing, and social enterprise.

The Social Enterprise Alumnus Innovator Award will be awarded at the Social Enterprise Annual Reception every year. The next reception will be held in February 2012; solicitations for nominations from fellow alumni, employers, and friends of the Social Enterprise Program will begin in October.

To learn more about Agora Partnerships, visit www.agorapartnerships.org.

“I am confident that if you believe in what you do, defend our values of freedom and choice, learn constantly, combat arrogance and complacency, embrace purposeful change and give back—always with integrity and loyalty—your world will be a better place,” HENRY KRAVIS ’69 told graduates at the MBA Recognition Ceremony on May 14, 2011.

Download a PDF of Kravis’s remarks at www.gsb.columbia.edu/kravis/commencement.

Hodrick said. “I am equally a professor when working at Columbia or when working as an investment banker.”

To read a feature about this research in Columbia Ideas at Work, visit www.gsb.columbia.edu/complicatingchoice.

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On July 15, Forbes.com highlighted research by RAN KIVETZ, the Philip H. Geier, Jr. Professor of Marketing, and ODEED NETZER, the Philip H. Geier Jr. Associate Professor, on July 22. Kivetz and Netzer’s study shows how consumers make some decisions harder than they may really be. “We feel like we want to investigate more and learn more before making [certain decisions],” Netzer said. “We have a need for deliberation.”

To learn more about Agora Partnerships, visit www.agorapartnerships.org.

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CAN DIGITAL JOURNALISM BE PROFITABLE?

According to the most recent study by the Pew Research Center for the People and the Press, 65 percent of people ages 18 to 29 get their news from the Internet. Among those 50 to 64, the Internet and newspapers almost tied. There is opportunity for news organizations in the digital space, no doubt—but also confusion.

A new report coauthored by Ava Seave, principal at Quantum Media and an adjunct professor both at Columbia Business School and Columbia Journalism School, offers a roadmap to digital media executives through a close analysis of how news organizations allocate resources—and how they might generate revenue more effectively. In *The Story So Far: What We Know About the Business of Digital Journalism*, Seave, Bill Grueskin, academic dean at Columbia Journalism School, and Lucas Graves, a graduate student at Columbia Journalism School, argue that digital journalism requires news organizations to adopt a faster and more consistent pace of innovation and investment.

“From the business side you literally don’t know which platform is going to survive,” says Seave, “so you have to be experimental and not put all your eggs in one basket. It’s about trying to keep abreast of everything but also taking some risks.”

In the report the authors draw on a series of interviews they conducted in late 2010 and early 2011 with executives and editors from both mainstream print and broadcast organizations (e.g., The Wall Street Journal) and new journalistic enterprises (e.g., Gawker).

Mobile digital devices represent a special challenge, says Seave. “For every successful new product or platform, there will be others that didn’t work,” the authors write. “If a company can place small bets on many ventures, the probability increases that one will win.”

“I’m optimistic that media companies will be able to figure out how to make digital journalism profitable,” says Seave. “But the revenue produced will be a smaller business than analog was.”

*The Story So Far* is available online at the Columbia Journalism Review at [www.cjr.org](http://www.cjr.org) or as a paperback or Kindle book through Amazon.

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**PAN-EUROPEAN REUNION LONDON 2011**


Learn more and register at [www.gsb.columbia.edu/paneuro](http://www.gsb.columbia.edu/paneuro).

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**SCHOOL LAUNCHES GEAR STORE**

In April, the School launched Columbia Business School Gear, an online store for School-branded merchandise. The store currently carries men’s and women’s T-shirts, zippered hooded sweatshirts, mugs, aluminum water bottles, baseball caps, umbrellas, and toddler tees. All profits will fund the addition of new items.

Alumni are directly involved in the Gear store’s creation: the School tapped Grossman Marketing Group, led by **Ben Grossman ’06**, to manage the store by maintaining the website, securing the merchandise, and handling credit card orders.

Visit the Gear store at [www.gsb.columbia.edu/gear](http://www.gsb.columbia.edu/gear).

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**PETER KOLESAR**

Emeritus and special lecturer in the Decision, Risk, and Operations Division, has been named a 2011 Distinguished Fellow by the Manufacturing and Service Operations Management Society (MSOM). The MSOM bestows the award annually for achievement in research and scholarship in operations management.

Garrett J. van Ryzin, the Paul M. Montrone Professor of Private Enterprise, and Awi Federgruen, the Charles E. Exley Professor of Management, are past recipients of the award.

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there’s an (alumni) app for that

BY AMANDA CHALIFOUX AND SIMONE GUBAR
ILLUSTRATION BY LEANDRO CASTELAO
In the time it takes you to read this sentence, Apple will have sold about 7,000 apps from its App Store.

You can learn Chinese through an app or find a parking space. There are apps that let you play a virtual kazoo or throw a virtual pie. The Monterey Aquarium Seafood Watch has an app. So does the White House and, as of this fall, Columbia Business School [see page 13].

The mobile apps featured here—each spearheaded by a Columbia Business School student or graduate—show how companies across industries are bringing a new level of customer interaction to their businesses, as entrepreneurs like Sportaneous founder Omar Haroun '12 prove that “all it takes is an idea and a developer.”

What’s most notable about this newest tech adoption story isn’t the sheer volume or variety of mobile apps; it’s the rate at which people are embracing them. In the App Store’s first three days, consumers downloaded more than 10 million apps. Less than three years later, as of June 2011, 14 billion apps had been downloaded. And with more than 5 billion apps downloaded from its Android Market, Google isn’t far behind.

“The question today is not what can you do with mobile apps,” says Brett Gordon, the Class of 1967 Associate Professor of Business. “It’s why weren’t you doing it months ago?”
She’s the executive vice president of Bravo Digital Media, but Lisa Hsia ’09 (EMBA) considers herself “extremely un-tech-savvy.” “I like to think of myself as the ultimate user,” says Hsia. “I ask the basic questions: Is the app easy to use? Is it fun? Would I recommend it to my friends?”

The app is Bravo Now, the very first “co-viewing app” available—one that’s designed to be used while you watch TV. Fans of Bravo’s shows—Top Chef, The Real Housewives franchise, and Bethenny Ever After, to name a few—can use the app not only to connect with fellow fans, but also to get instant reactions from “Bravolebrities” like Top Chef’s Tom Colicchio via Twitter. “This is a new way of watching TV,” says Hsia. “It’s a real-time social water-cooler.” Bravo Now also rolls out “companion content” like slideshows, videos, and quizzes synced with real-time programming, and enables users to watch instant replays of shows’ most popular moments.

Hsia’s beginner’s mind is paying off: research showed that when her team launched dual-screen initiatives last year, on-air ratings increased 10 percent. “Advertisers are intrigued,” says Hsia. “The digital business has started driving the analog business.”

**Number of apps on Hsia’s phone:** Between 75 and 100. “You have to categorize them in folders like ‘games’ and ‘references.’ Otherwise you’d need a photographic memory.”

**Her go-to apps:** “As someone in the business who has to get through a lot of blogs and feeds every day, I rely on news aggregation apps like FlipBoard and Pulse.”

**Bravo Now Availability:** iPhone, iPad, and soon to be on Android phones.

**Doctors on Demand**

Cyrus Massoumi ’03 had just landed in New York when he needed to find a doctor fast. He had left Seattle with a head cold and arrived on the East Coast with severe ear pain. Suspecting a ruptured eardrum, Massoumi went through his insurance company’s directory online but was only able to get a doctor’s appointment after four days of searching, “which I thought was a little ridiculous,” he says.

The experience led Massoumi to help people find medical treatment quickly, wherever they are. He teamed up with Nick Ganju ’08 and Oliver Kharraz, MD, to create ZocDoc, an online database and mobile application that allows users to search for doctors and dentists covered by their insurance plans and book appointments directly through their smartphone or the company’s website, ZocDoc.com.

ZocDoc launched in 2007. The free app, which was created in October 2010, quickly shot up to one of the top 10 apps in the App Store and is now used in 11 cities across the United States. Massoumi and Ganju plan to expand the service nationwide over the next 18 months and, eventually, globally.

“I imagine a world where you land in a new city but are able to find a doctor just by clicking on your app,” Massoumi says. “That’s where we’re headed.”

**What’s most exciting about the mobile apps industry:** “When the web first started, there was all this untapped opportunity,” Ganju says. “I think the same thing is happening with mobile now.”

**Dream app:** “I’m really good with faces, but sometimes I forget names,” Ganju says. “I would love to hold my phone up to someone and have it tell me the person’s name. It would save me so many embarrassing situations.”

**ZocDoc Availability:** iPhone, Android phones
Wang, a Columbia PhD student in engineering, to create TraveTrot, a company and line of mobile applications that use location-based technology to help travelers find museums, restaurants, and other tourist attractions nearby. Branco, who worked for Google before starting business school, is dedicated to making the apps as user-friendly as possible: TraveTrot apps are fully downloadable so users can access them offline to avoid phone-roaming charges when they’re abroad.

“Most of the travel guidebooks, websites, and apps already out there focus on helping you plan before you get to a destination,” Branco says. “There’s little that’s useful when you’re actually on the ground. We’ve set out to change that.”

**What’s most challenging about the mobile apps space:** “People pay hundreds of dollars for a license for Microsoft Office. But an app that they might use a lot more costs 99 cents. It’s a risk to make a business out of something so easily commoditized.”

**Apps she uses most often:** Yelp, Dropbox (a productivity app), and Tripit (a travel app that keeps track of all your itineraries for flights and hotels)

**TraveTrot Availability:** iPhone

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**The real reward of creating an app:** “My mission isn’t necessarily to get rich from this app but to give people an option to exercise together easily and in a fun way. If Sportaneous failed to make tons of money but succeeded in solving this problem, I think we’d all go home really happy.”

**Sportaneous Availability:** iPhone, Blackberry, and Android phones later this fall

**Searching for a Restaurant—By Dish**

**Stephen Baker ’07 (EMBA)**

was on his way to a Japanese restaurant with a friend when he realized he couldn’t remember the name of a dish he had really enjoyed there. “Wouldn’t it be great,” his friend asked, “if there was a way you could find out the most popular dishes at any given restaurant?” Baker agreed, and less than eight weeks later, he brought Dishling to the App Store.

You can use the app to search by dish, neighborhood, or restaurant to find the most popular dishes in the city. Dishling distills more than a million online reviews of New York City restaurants from popular review sites and blogs into a simple list of recommendations. If you find yourself at Morningside Heights’ Le Monde, for example, you could consult Dishling to see what’s available.

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**Omar Haroun ’12** was working for a Palo Alto law firm during the summer of 2010, he noticed that the firm’s intramural sports teams frequently forfeited games because of players’ unpredictable schedules.

“In the meantime, I was also discovering all these sports facilities that weren’t being utilized,” Haroun said. “In densely populated areas like New York City, there are probably always people nearby who feel like doing the same thing as you, but it’s difficult to reach them. I knew there had to be a better way to bring people together.”

With the help of the Eugene Lang Entrepreneurship Center, Haroun created Sportaneous, a geolocation app that helps people join pick-up games of basketball, soccer, or any other user-suggested fitness activity. Sportaneous launched in January in Haroun’s hometown of San Diego, where it quickly caught on not only among pick-up game enthusiasts, but also among personal trainers and yoga instructors looking for a new way to access potential clients.

Earlier this year, the app launched in New York City—and won both the Grand Prize Popular Choice Award and second place in the Best Overall Application category at the 2011 NYC BigApps competition. Sportaneous received $10,000, wide exposure, and a meeting with Mayor Michael Bloomberg. “The awards are a real validation after many months of hard work,” says Haroun.

**What’s most exciting about the mobile apps space:** “I can’t think of a time when it’s been so low-cost to have such a huge impact on society. All it takes is an idea and a developer.”

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**Connecting People and Play**

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You can use the app to search by dish, neighborhood, or restaurant to find the most popular dishes in the city. Dishling distills more than a million online reviews of New York City restaurants from popular review sites and blogs into a simple list of recommendations. If you find yourself at Morningside Heights’ Le Monde, for example, you could consult Dishling to see what’s available.

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**Connecting People and Play**

When MBA/JD student and former college basketball player **Omar Haroun ’12** was working for a Palo Alto law firm during the summer of 2010, he noticed that the firm’s intramural sports teams frequently forfeited games because of players’ unpredictable schedules.

“In the meantime, I was also discovering all these sports facilities that weren’t being utilized,” Haroun said. “In densely populated areas like New York City, there are probably always people nearby who feel like doing the same thing as you, but it’s difficult to reach them. I knew there had to be a better way to bring people together.”

With the help of the Eugene Lang Entrepreneurship Center, Haroun created Sportaneous, a geolocation app that helps people join pick-up games of basketball, soccer, or any other user-suggested fitness activity. Sportaneous launched in January in Haroun’s hometown of San Diego, where it quickly caught on not only among pick-up game enthusiasts, but also among personal trainers and yoga instructors looking for a new way to access potential clients.

Earlier this year, the app launched in New York City—and won both the Grand Prize Popular Choice Award and second place in the Best Overall Application category at the 2011 NYC BigApps competition. Sportaneous received $10,000, wide exposure, and a meeting with Mayor Michael Bloomberg. “The awards are a real validation after many months of hard work,” says Haroun.

**What’s most exciting about the mobile apps space:** “I can’t think of a time when it’s been so low-cost to have such a huge impact on society. All it takes is an idea and a developer.”

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**The real reward of creating an app:** “My mission isn’t necessarily to get rich from this app but to give people an option to exercise together easily and in a fun way. If Sportaneous failed to make tons of money but succeeded in solving this problem, I think we’d all go home really happy.”

**Sportaneous Availability:** iPhone, Blackberry, and Android phones later this fall

**Searching for a Restaurant—By Dish**

**Stephen Baker ’07 (EMBA)**

was on his way to a Japanese restaurant with a friend when he realized he couldn’t remember the name of a dish he had really enjoyed there. “Wouldn’t it be great,” his friend asked, “if there was a way you could find out the most popular dishes at any given restaurant?” Baker agreed, and less than eight weeks later, he brought Dishling to the App Store.

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Using a wireless barcode reader, the app Tiendatek (“tienda” means shop in Spanish) enables shopkeepers to track transactions and even sends alerts when an inventory is low. Store owners who hadn’t known how their products performed are better equipped to interface with large suppliers. Some even reported a 20 percent increase in profits since adopting the app, which is being rolled out in Colombia and Mexico. “They are regaining control over their businesses,” says Del Ser.

Del Ser met Pedersen, Frogtek’s cofounder and COO, through the school’s International Development Club and honed the business plan in the Greenhouse Program. The two aim to bring Tiendatek to 100,000 shopkeepers over the next three years. With a million shops in Mexico alone, “that’s just the tip of the iceberg,” says Pedersen.

The inspiration for the name of the company: “In a sense we’re empowering these shopkeepers to ‘leapfrog’ from the Middle Ages to the 21st century,” says Del Ser. Also, the frog is a symbol of good fortune in many parts of Latin America.

What’s most challenging: “Understanding this very unique customer who has no computer experience and very little education,” says Del Ser, who worked with his team to design Tiendatek so that customers can adopt features gradually by progressing through consecutive levels.

Columbia Caseworks has developed a case about Frogtek, mobile technology, and microretailing. To learn more, visit www.gsb.columbia.edu/caseworks.

Before most households had discovered the Internet, JOHN MAYO-SMITH ’90 was working with former news organization Knight Ridder on tablet technology—a precursor to today’s iPads and Kindles—as an alternative to print publications.

Two decades later, he is chief technology officer of R/GA, a global company that creates digital marketing and advertising products, including mobile applications, for such clients as Nike, Nokia, and Verizon. “It’s easier than ever to connect mobile devices and apps to each other,” Mayo-Smith says. R/GA’s Nike+ and Nike Boom apps, for example, track exercisers’ progress, store the information in a database, and allow them to compare their results with those of other users. The apps also connect to users’ Facebook and Twitter accounts so friends can cheer each other on in real time while they work toward their fitness goals. “Other than standing next to a person while they’re on the treadmill, there was no real way to have that type of interactivity until now,” says Mayo-Smith.

Nike+ has been so well embraced by consumers, Mayo-Smith says, that it is influencing the company on a larger scale. “The app is now a significant part of Nike’s business and...
will very likely point the way in terms of determining their overall business model in the next few years.”

On security of mobile devices, apps, and networks: “There’s nothing magical or new about smart devices that makes them particularly resilient against the same kind of attacks that threaten PCs and laptops. You have to be diligent.”

What’s most exciting about mobile apps industry: “What’s exciting now is the ease with which developers can leverage the cloud using mobile devices. A lot of the back-end components that used to be really expensive, difficult, and timely to set up are now almost commodities, so it’s much easier to create a multi-user experience and connect mobile devices directly to each other.”

Nike+ Availability: iPhone, iPod

Jeremy Fourteau ’10 was on a plane flying from San Francisco to New York when he noticed he was playing the same game on his iPhone as the teenager sitting next to him: Words With Friends, mobile’s 21st-century reincarnation of Scrabble.

Like all of the games owned by Zynga—the company behind Farmville—Words With Friends is highly social: you can play and chat about the game in real time with your Facebook friends or connect randomly with a player halfway around the world—all through your mobile phone. “It’s bringing a classic title to a whole new audience,” says Fourteau, who joined Zynga as a product manager two months after finishing his MBA.

It’s also part of a larger trend: According to the Nielsen Apps Playbook, games are by far the most popular category of apps in terms of the number of downloads. For Zynga, games enable connections that mimic relationships in the real world. “We incorporate various levels of social reciprocity and competition into all our games,” says Fourteau.

Zynga’s games mobilize fellow app developers to compete, too. Not long after Words With Friends hit 2.5 million daily users, Words With Friends Cheat, a “shadow app” that recommends your best moves, became a popular app among Words With Friends devotees.

What’s most appealing about working at Zynga: “Without a doubt, the culture. We’ve retained a start-up feel. There’s no dress policy, and you can bring your dog to the office.”

What’s most exciting about the mobile apps space: “There’s no market leader—it’s still a wide-open field. There’s a huge amount of opportunity.”

Words With Friends Availability: iPhone, iPad, and Android phones

Have you created an app you’d like to share with the School community? Send the details to hermes@gsb.columbia.edu. For related links and stories, visit www.gsb.columbia.edu/hermes/features.
Alumni executives who serve as adjunct professors offer students a practitioner’s expertise—and the inspiration of an instructor who has walked in their shoes.

BY AMANDA CHALIFOUX | PHOTO BY LESLYE SMITH

RON GONEN ’04 (EMBA) returned to the classroom after spending six years working day and night as an entrepreneur. “That’s like 24 dog years,” he jokes.

For Gonen, that time was spent creating and growing Recyclebank, a company that rewards residents in 29 states and parts of the UK with points for home recycling, electronic recycling, and learning about “green” topics through online videos and tutorials. Participants can then cash in their points for coupons and gift cards for a slew of retailers, including Macy’s and Home Depot.

Columbia Business School came calling at the right time: “I was working so many hours during those years that I was starting to lose perspective, and I felt like the best thing for me and for the company was to bring someone in who could take it to the next level,” says Gonen.

Gonen now serves as a director on Recyclebank’s board, where he votes on budgets and other options that can build value for shareholders. After transitioning out of his CEO role, Gonen was developing a class on social entrepreneurship when Murray Low, director of the Eugene Lang Entrepreneurship Center, asked him to teach the Introduction to Venturing course. The class aligned perfectly with Gonen’s skills and experience; besides Recyclebank, Gonen was also the seed investor in Lindhardt Design, an eco-friendly jewelry company, in which he is still a partner.

“I thought my experience in building two businesses, especially Recyclebank, provided valuable lessons that I could offer students,” Gonen says. “Also, I was not that far removed from my own Columbia Business School experience, so I could still relate to the students and their current knowledge base but also knew what they would need when they graduated.”

That unique alumni-practitioner perspective wasn’t lost on Gonen’s students. “Besides his practical experience as an...
entrepreneur, Professor Gonen could also relate to the student perspective, having been one himself,” AMANDA FREEDMAN ’11 says. “I really appreciated his honest portrayal of starting a new venture as a recent Columbia MBA graduate.”

Gonen holds the distinct vantage point of an alum who, in addition to leading a successful professional career, returns to Columbia Business School to teach. In fact, more than 100 alumni have served as adjunct faculty members at the School. These practitioners play an important role in helping students prepare for their post-MBA lives by offering not only expertise but also potential roadmaps for students to follow as they embark upon their careers.

THE PROFESSIONAL PERSPECTIVE

BRENDAN BURNS ’95 is an expert when it comes to starting and growing new companies. In 2003, after eight years spent building AdOne, a pioneer in classified online advertising (think precursor to Craigslist), Burns sold the company and was at a crossroads.

“I really didn’t know what to do; I hadn’t become a billionaire, but I didn’t have to work immediately. I was figuring out what was next,” Burns says. It was then that Cliff Schorer, the School’s entrepreneur in residence and one of Burns’ former professors, invited him to come back to the School and “hang out.” “That’s literally what happened. I came back about one day a week to sit in his class.”

Since then, Burns has co-taught with Schorer, focusing on entrepreneurial topics. He is also now a managing director at Stepping Stone Capital Partners, a consulting and advisory firm that helps grow and start new companies. This fall, Burns is teaching Launching New Ventures, which gives him an ideal outlet to impart his industry wisdom. To better illustrate abstract concepts, Burns often uses real-life examples of how Stepping Stone negotiates with clients, uses technology to reach customers, and launches new products.

“Students often confuse having a brilliant idea with success,” Burns notes. “But, almost always, the real idea—the unique insight that you build a business around—does not reveal itself until long after you’ve started a company.”

Unlike Gonen and Burns, some alumni adjuncts are drawn to teaching long before graduation day. While an MBA student, JEFFREY BARCLAY ’83 worked as a teaching assistant in the Business School’s Accounting Division, as well as in Columbia University’s Department of Economics. After graduating, Barclay did a brief stint on Wall Street before going into real estate, eventually working for ING Clarion Partners for 17 years. In 2010, he was tapped to manage Goldman Sachs’ investment management division’s new real estate group.

But academia never lost its appeal. Barclay taught at NYU’s Stern School of Business in the 1990s, and in 2004

Columbia Coaching Program Connects Alumni Mentors With Students

Alumni return to Columbia Business School outside of the classroom, too. In 2008, the School launched the Columbia Coaching Program, which connects full-time MBA and Executive MBA students with alumni practitioners for career advising. Twenty-seven alumni coaches currently participate in the program, offering guidance on a broad range of business areas and enabling the Career Management Center to help students refine their long-term professional goals. The percentage of students taking advantage of the program has increased by approximately 20 percent each year.

“I really enjoy working with students to determine the best career paths for their individual interests, skills, and previous work experiences,” says JENNIFER ANDERSON ’01, COO of Slated and an independent consultant. “I remember how useful I found similar conversations when I was determining my first job out of Columbia.”

Alumni interested in becoming coaches are invited to contact the Career Management Center at careermanagementcenter@gsb.columbia.edu for more information.
he was asked to teach an advanced seminar in real estate at Columbia Business School.

“Professor Barclay’s success in real estate afforded us the highest caliber speakers and case studies,” says KARIM HOODA ’11. “His class was one of the best I took in business school.”

Alumni adjuncts also take active roles in helping students launch their careers after business school. On the last day of class last spring, Gonen invited his students to go through all his contacts on LinkedIn, the professional networking website, and approach him about making any connections on their behalf. Barclay also takes an active interest in his students’ post-MBA job hunts, sometimes connecting students with recruiters—and jobs—at his own firm. “He has a vested interest in the success of each of his students,” Hooda says. “He would meet with each of us outside of the classroom to discuss our professional goals.”

Craig has found that the key to balancing a full-time career with teaching lies in integrating the two. “Bringing colleagues into class as experts makes the concepts of real estate come alive and turns a desktop exercise into a living, breathing project,” he says. RACHEL ABRAMOWITZ ‘11, who took Craig’s real estate development course, agrees: “Having someone who has managed real estate projects as a teacher painted a more detailed and realistic picture of the process than otherwise would have been possible.”

Even after years in front of students, though, teaching can still be daunting. “You have to show your own enthusiasm and passion for the subject,” Craig says. “It’s often the teacher who says, ‘the students aren’t interested,’” Barclay reports. “Well, if they aren’t interested, you should look in the mirror and say, ‘why not?’ As a teacher, it’s your job to get them excited.”

Indeed, alumni who return to the School to teach find they get as much from their students as they give. “Intellectually, my professional work is pretty similar to what I teach,” Burns explains. “If I’m in a board meeting with a company, I cite ideas or research I’ve used in class. And there have been tools that students have discovered that have made me say ‘wow, that’s better than what I’m using.’ It happens all the time.”

Barclay says he continues to teach because of the benefits he receives as a teacher and a professional. “I’m surprised at the level of sophistication, discourse, and expertise students bring. Many students who come to Columbia have been in industry before and have work experience. Some of them have experience in areas where I don’t, so I find their perspectives intriguing.”

For alumni who have returned to campus alongside demanding work schedules, teaching also sometimes pays off with less tangible rewards. Burns says he has experienced the benefits in his daily life. “I definitely think I have more patience as a direct result of my teaching,” he says.

Gonen agrees that he has found immense rewards in teaching, even alongside a sense of duty. “You can get up there and just talk about the material, but you have a responsibility to give students a good experience that they’re going to remember.” Adds Barclay, “They have a right to be instructed by teachers who know what they’re talking about and are fair, open, and honest. These students are the future of business.”

TOMMY CRAIG ’82, a senior vice president at Hines, leads a class on real estate development.

SHARED LESSONS, UNEXPECTED REWARDS

Alumni adjuncts often balance high-level careers with the time and energy required for effective teaching—and find unexpected benefits along the way.

TOMMY CRAIG ’82 found a lot to learn from his students, even after a long, successful career. Following graduation, Craig was hired at Hines, an international real estate firm that was just starting a New York office. Today, he is the company’s senior vice president. “I’m not sure how many of my Columbia classmates are still with the first company they worked for straight out of business school,” Craig laughs. During his time with Hines, the firm has worked on building projects for Bear Sterns, Goldman Sachs, and Morgan Stanley, among others. “When I got a call about the opportunity to teach real estate development, I really welcomed it. I thought it was a chance to share all my experiences, which I’ve felt extraordinarily lucky to have, with students.”
POISED FOR IMPACT

SCIENTIST AND TED FELLOW NINA TANDON '12 (EMBA) PLANS TO TRANSLATE SCIENTIFIC BREAKTHROUGHS IN THE LAB INTO WORLD-CHANGING CLINICAL REMEDIES—AND NURTURE THE INNOVATION ECONOMY ALONG THE WAY.

BY SIMONE GUBAR | PHOTOS BY MIKE MCGREGOR

The talk NINA TANDON ’12 (EMBA) delivered at the annual TED Conference in Long Beach, CA, in March was only four minutes long, but the conversations it inspired are ongoing.

Tandon is talking to biochemist and fashion designer Suzanne Lee about applying electrical signals to the bacteria Lee uses to make clothing—“for a smoother texture,” Tandon explains. With Future Food star and “molecular gastronomist” Homaro Cantu, Tandon is talking about growing “ethical meat” in the lab. And with ecological designer Mitch Joachim, she is talking about organic architecture—eco-friendly buildings built from lab-grown cardiac tissues.

Then there are the conversations with venture capitalists and seed funders who were so impressed by Tandon’s talk that they visited her in the lab to learn more about her work. If Tandon could do it again, she says, she’d conclude her TED talk with a quick demo of how to extract DNA from a strawberry. “It only takes three minutes,” she says animatedly amid the petri dishes, microscopes, and jars full of multi-colored solutions at Columbia’s Laboratory for Stem Cells and Tissue Engineering. It’s that infectious enthusiasm that probably led a little boy named Zack—a participant in a science camp for underprivileged kids in Lynn, MA, that Tandon co-taught last summer—to proclaim, “DNA looks like boogers!” “Hearing that made my heart explode in joy,” Tandon says. “Once these kids actually saw DNA, they were able to have high-level debates about the use of DNA evidence in trials.”

The lab experiments Tandon and fellow researchers are running on tissue engineering—the creation of living human tissues—are infinitely more complex than extracting DNA from a strawberry. But it is that passion for translating science into something that can be understood and put to use outside the lab that has led Tandon to Columbia Business School, where she is a third-semester student in the School’s Executive MBA Program.

Tissue engineering is part of the broader and relatively young field of regenerative medicine, which uses patients’ own cells to grow customized replacement tissues and organs. Scientists ultimately hope to eliminate both the organ shortage and
the use of risky immunosuppressant drugs that are typically administered following transplants. Simple tissues like skin and bone have already been regrown and transplanted, and in 2006, the first lab-grown bladders were successfully transplanted.

The sheer complexity of human organs means that the field is remarkably interdisciplinary. Tandon, who holds a PhD from Columbia in biomedical engineering, works regularly with biotechnologists, chemical and mechanical engineers, cell biologists, and medical doctors. Under the direction of Gordana Vunjak-Novakovic, a professor of biomedical engineering at Columbia’s Fu Foundation School of Engineering and Applied Science, Tandon is growing cardiac tissue using electrical stimulation. “The idea is to be able to make a little patch, or Band-Aid, that can cover the wound of a damaged heart after a heart attack,” says Tandon.

Tandon also hopes to be part of an effort to commercialize anatomically correct bone grafts that the lab is beginning to test in pigs. In the February issue of the Proceedings of the National Academy of Sciences, Vunjak-Novakovic reported that her team had grown one of the small bones of the jaw—the temporomandibular joint (TMJ)—using stem cells. The bone could be grown to order in the lab so that it is a perfect fit—a more reliable and less invasive solution for those who suffer from TMJ disorders than current bone grafts, which use bone from other parts of the body or materials like titanium.

Scientific breakthroughs in the lab are nothing new, especially at Columbia, whose researchers patent more than 300 inventions a year, bringing in more than $100 million annually in intellectual property revenues. But putting these discoveries into practice—what is increasingly referred to as translational medicine—is a path that is paved with uncertainty and, often, failure.

“What’s clear to me,” says Tandon, “is that we need people at the table who are bilingual in science and business.”

AN ELECTRIC CALLING

Tandon has always been fascinated by the electricity of the body. In college at the Cooper Union for the Advancement of Science and Art, where she now teaches a course on bioelectricity, she built a theramin—a musical instrument controlled by antennae that react to impulses created by the movement of the performer’s hands. While working in telecom after college, Tandon took a class at a local community college in physiology “for fun.” “When we were learning about DNA,” she says, “I was like, ‘it’s a hard disk!’ They would say, ‘and this is how nerves store voltage,’ and I was like, ‘wow, it looks exactly like telephone cables!’ I started seeing all these parallels, and I knew I needed to go to grad school.”

After working with scientists to develop an “electric nose” used to “smell” lung cancer on a Fulbright in Rome, Tandon earned a master’s degree in electrical engineering at MIT, where she worked in the lab of the legendary Robert Langer, who has more than 750 patents in tissue engineering and drug delivery systems issued or pending. When Tandon saw cardiac cells “dance” to electrical stimulation, she was spellbound. “I remember hooking them up to my stimulator circuit,” Tandon says, “and as I turned the dial to increase the frequency, they moved to the beat!”

As a woman in electrical engineering, where women make up less than 10 percent of the profession, Tandon also felt a sense of responsibility. She recalls her parents’ advice: “They said that as a woman you have an obligation to study in a technical field if you have an aptitude for it, because there are so few role models. It stuck with me, and to this day I take mentorship very seriously.”

There may be relatively few female electrical engineers, but there are even fewer women at the helm of biotech companies, as Tandon discovered when she began working as a consultant at McKinsey after finishing her PhD in biomedical engineering. “I was hungry to learn about the wider world of healthcare research and innovation beyond the lab,” says Tandon, who hopes to join the ranks of women who occupy the dual role of research scientist and executive.

When she fell in love with science again “from the outside,” it was with a renewed passion for entrepreneurship. “The EMBA Program was a major part of my decision to return to the lab,” she says, adding (with a scientist’s precision) that by the time she finishes the program she hopes to have gotten “some delta closer” to starting a company.

NAVIGATING THE VALLEY OF DEATH

Even though some of the world’s most successful scientific innovations have emerged from academia (take the MRI machine, which was developed and brought to market in the 1970s by SUNY Downstate professor Raymond Damadian), early-stage biomedical research is so notoriously difficult to fund that it has been dubbed the “valley of death.”

Potential investors often perceive the research as too risky. “Entrepreneurs need to convince skeptical investors that the technology can generate revenue within a reasonable time frame at a cost that provides some level of assurance that an investor will get a multiple on the investment—especially difficult today given the myriad of technological, regulatory, and economic risks,” says Cliff Cramer,
director of the School’s Healthcare and Pharmaceutical Management Program. In preparation for translational studies related to their grant from BioAccelerate NYC, a citywide competition that supports promising, early-stage biomedical research, Tandon and Vunjak-Novakovic met with Robert Essner, the former CEO of Wyeth and an executive in residence at the School, to discuss their potential bone product. Something of a legend for driving innovation at Wyeth—he led the company’s introduction of the only vaccine against meningitis in young children, among many other successes—Essner advised Tandon and Vunjak-Novakovic on the commercialization process.

Essner also talked about the synergy that often results when marketing experts connect with scientists. “When you connect scientists with people who have this great understanding of where a potential therapy might fit into medicine if it were on the market, that creates tremendous value that might not have occurred if the drug had been developed by scientists for regulatory approval,” Essner says. He cites the case of the antidepressant Effexor, which came to market first as a three-dose-a-day drug for significantly depressed patients but was then “recrafted”—with remarkable success—using insights from Wyeth’s marketing arm as a once-a-day drug, Effexor XR, which is useful for more typical depressed patients.

Tandon also sees value in honing her ability to be decisive in the face of difficult choices. “Scientists are often very concerned with incremental knowledge,” she says, “whereas a good business person will have a higher level of comfort with uncertainty and will be able to make complex choices decisively.”

Looking back, Tandon has realized that scientists aren’t trained to think entrepreneurially. “When I was younger it rarely occurred to me that an idea could be worth patenting,” says Tandon. “This is one of the things I always find myself harping on now as a scientist who is interested in scientific-based entrepreneurship.”

With many cancer diagnosis rates increasing and heart disease still killing more people than all cancers combined, it has perhaps never been so critical to streamline the biotech start-up process. Even at Columbia, where ties between the lab and the market have always been strong, there is an upswing. “We see a significant amount of interest from academics with translational technology who want to see their inventions change people’s lives for the better,” says Orin Herskowitz, executive director of Columbia Technology Ventures, which helps facilitate the translation of the University’s academic research into practical applications.

“The real challenge lies in creating institutions that support scientists and nurture two transformations,” says Tandon. “Turning the scientist into a leader and the discovery into something that can be applied to solve a problem.” While this means finding ways to ensure that academic success doesn’t just depend on publishing but also on societal impact, says Tandon, it also means translating technical scientific language into something widely understood that can spark excitement and collaboration.

A Grey’s Anatomy fan, Tandon was amused when Dr. Callie Torres, the character on the show played by Sara Ramirez, grew cartilage in a single episode. (“My friend Grace has been working on this for 10 years,” says Tandon. “I told her that she needs to hurry up!”) Tandon sent Ramirez an invitation via e-mail to her TED talk, and although Ramirez wasn’t able to attend, she responded immediately. The exchange got Tandon thinking about creating a panel for her bioelectricity class made up of scientists in translational medicine and the actors on TV who play doctors using their breakthrough products.

“We have a very similar challenge,” she says. “Translating the work for our next audience.”

If Grey’s Anatomy or House producers are on the lookout for new ideas, that’s another collaboration Tandon is thinking about, she’d love to serve as a consultant to the shows.

To watch a TEDx talk by Tandon and find other related links and stories, visit www.gsb.columbia.edu/hermes.
HUGH PATRICK
Japan’s Economy: Hope After Disaster

On March 11, Hugh Patrick was in his 35th-floor hotel room in downtown Tokyo when the building began to shake. He didn’t know then that he was experiencing the 9.0 Tohoku earthquake—what would be Japan’s worst natural disaster since World War II. Although the earthquake was the largest in Japan’s recorded history, the enormous tsunami that followed caused the most devastation, largely in northeastern Japan. At least 23,000 people were reported dead or missing. The threat of nuclear radiation loomed large as power companies and the government worked to ensure the safety of the country’s damaged nuclear reactors, which made it qualitatively different from other natural disasters.

In the days following the quake, Patrick, along with the rest of the world, was glued to the TV as details of the disaster spread. But as the Robert D. Calkins Professor of International Business Emeritus, director of the School’s Center on Japanese Economy and Business, and a senior scholar at the Jerome A. Chazen Institute for International Business, Patrick also has a scholarly perspective on the event. A longtime expert on Japan’s economy, he talked to HERMES about the economic effects of the earthquake and tsunami, which industries were hit hardest, what the recovery looks like, and the challenges the future holds.

Q. Do you think the media exaggerated the economic effects of the earthquake and tsunami in Japan?

A. The problem was that the American media, in particular, but also the European media, really didn’t know very much about Japan and couldn’t provide the context required to truly understand the economic effects. Clearly this was a major regional disaster, but only a very small share of the total Japanese economy—about 5 percent of the GDP—was directly affected. It’s regional, not national, in terms of its impact.

Like any disaster-hit area, you have to rebuild and find jobs for the people who lost their jobs and houses in the tsunami. Hurricane Katrina is not comparable, but it gives us a sense of the scope of a regional disaster because it didn’t directly affect people who weren’t in that region.

Are there certain industries or sectors that took a bigger economic hit than others as a result of the catastrophe?

A. One indirect effect that I don’t think people anticipated was the supply-chain interruptions, not just in the tsunami-hit area, but in the broader northeastern part of Japan. Factories that produced highly specialized components for cars or electrical equipment, such as consumer electronics, were damaged. One of the semi-conductor chips, called a microprocessor, is custom-designed for individual car models. For instance, microprocessors for certain Toyota

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models were only made in this one factory that was heavily damaged. That specific component is not easy to produce somewhere else, and certainly not quickly.

The electric power industry has also been significantly affected because of what I call the triple-disaster: first was the earthquake damage itself; secondly, and more importantly, was the tsunami; but the third and qualitatively different disaster was the damage to the Fukushima Daiichi plant.

What economic effects, if any, have resulted from the damage to the Fukushima Daiichi Nuclear Power Plant?

A. Nuclear power has provided a little under 30 percent of Japan’s total electric power. Nuclear reactor plants close down every 13 months or so for routine maintenance, reopening a few months later. The decision to reopen is not simply that of the company, but also of the prefecture and the national government. The governor of a prefecture, like a state governor, has to worry about the larger population and doesn’t want to see a repeat of the disaster that’s happened in Fukushima.

So what looked to be an electrical power shortage in Tokyo and the northern part of Japan has become a national concern because electric power companies are not yet able to reopen their nuclear reactors that have been closed for routine maintenance. If they stay closed for too long, transportation and business will be affected. Some factories might not have enough electricity to keep producing goods. This is the situation that people are worried about right now, especially in the urban areas. Rural areas are also affected. Most of these nuclear reactors are in small communities near the ocean and rivers so they have ready access to water. The local people, in order to get them to accept the reactor in the first place, were given all kinds of tax benefits, subsidies, and jobs, making these communities dependent on the continuing operation of these nuclear plants.

How has Japan recovered from these economic repercussions?

A. The surprising thing is that the supply interruptions, which people thought might take six to nine months to clear up, have been taken care of in three to six months. It has demonstrated the resilience of the Japanese economy and the flexibility of companies to solve problems.

There was a significant dip in the Japanese economy following the disaster; it’s now on the way up again. This fall, the economy will grow quite rapidly because a lot of government and other money is being spent in the recovery process. This means the economy will probably grow even faster than expected next year. Japan was recovering quite well from the Great Recession of 2008 prior to the quake, but wasn’t back completely. The Japanese have made huge efforts to conserve electricity this summer, and successfully avoided blackouts. The voluntary public spiritedness of Japanese households is really impressive.

What is Japan’s biggest economic challenge moving forward?

A. The fundamental problems that Japan faces have been there for some years now. Unlike many other industrialized countries, Japan has been in a period of mild deflation—almost continual declines in the consumer price index. That deflationary impact hasn’t been overcome yet and is related to the lack of aggregate demand in the economy. So its economy is growing but not as fast as it could.

Japan also has a huge budget deficit—it makes the US debt look modest. Government debt relative to GDP is much higher than American debt relative to GDP. What makes this all more difficult to solve is the fact that Japanese politics are gridlocked because the party in power doesn’t control both houses of the legislature, so they haven’t been able to get legislation through to tackle these things. One of Japan’s other major concerns in the next year or two is whether the American economy will slow down.

But frankly, because the Japanese save a lot, and almost all Japanese debt is bought by Japanese, I think the nation’s situation is more manageable than the US predicament. Personally, I would like to see Japan stimulate the economy more and get back to full employment and growth. Then it can go through the sort of fiscal tightening that all countries are going to have to do.
The gender wage gap is a well-documented, persistent, and worldwide phenomenon wherein women earn, on average, an estimated 9 to 18 percent less than men who have the same job descriptions and equivalent education and experience. After a steady decline that began in the 1970s, the gap has remained constant since the early 1990s. Remarkably, the gap persists even in otherwise highly egalitarian nations.
like Denmark. Despite its well-deserved reputation for egalitarianism in both the public and private sectors, particularly when it comes to questions of gender equity, Denmark has not been able to overcome the virtually universal phenomenon that is the gender wage gap.

That Denmark experiences wage inequities comparable to other countries makes it an ideal setting to study the wage gap, says Professor David Gaddis Ross, whose research on strategic decision making has included examining gender equity in corporate settings. “Not only does the Danish government keep comprehensive demographic statistics on its entire population, including every Danish company, but also, if the gap is still occurring in such an egalitarian society, that suggests the gap is not the intentional result of policy,” Ross says. “It suggests that the gap may arise due to social and psychological factors.”

What sort of social and psychological factors? A good deal of social science research supports the idea that men’s attitudes toward women and gender equity are affected by the gender of their children. “The idea is that a father who has daughters may become more sympathetic and understanding toward women’s issues—and that these issues may become more salient to a man who was already sympathetic to them,” Ross explains. It follows that if a male CEO has a daughter, he may be motivated to implement wage policies that narrow the wage gap.

Ross worked with Michael Dahl of Aalborg University in Denmark and Cristian Dezső of the University of Maryland to look at each employee of each firm in relation to that firm’s CEO both before and after that CEO had a daughter. The researchers excluded heavily regulated industries that might be subject to strict oversight that would minimize or eliminate the wage gap, and they excluded very small firms because of missing data. The study focused on male CEOs rather than female CEOs: men account for more than 90 percent of the CEOs in the authors’ study and an even larger proportion of the CEOs of large companies around the world, while female CEOs would presumably already be attuned to possible gender wage inequity, consciously or not, by virtue of being women.

Ross and his coresearchers found that, indeed, a short time after male CEOs had daughters, women’s wages rose relative to men’s, shrinking the gender wage gap at their firms. The birth of a son, in contrast, had no effect on the wage gap. First daughters who were also the firstborn children of a CEO had a bigger effect, decreasing the gap by almost 3 percent. First daughters who were not the firstborn children of the CEOs had a less dramatic but still significant effect, closing the gap by 0.8 percent. The overall reduction in the gender wage gap was 0.5 percent.

The effects were even stronger for employees with more education. “You would expect this given the potential for vicarious identification. Most CEOs went to college and have more formal education than the average person; they also expect their daughters to be educated,” Ross explains. It follows that CEOs may be more apt to see their more educated women employees as resembling a possible future incarnation of their daughters.

Because nature randomly determines the gender of each child and gender-motivated abortion is so rare in Denmark, the study approximated a randomized lab experiment in a way few studies can. And, the researchers applied research methods that allowed them to eliminate other variables in employer-employee relationships that could be behind the rise in women’s wages.

The research design does point to a causal relationship between the gender of a male CEO’s children and the gender wage gap at his firm. “There is something about a female child,” Ross says, “that makes these issues more salient to male CEOs.”

Read More

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In June, more than 2,000 alumni, current students, and newly admitted students gathered in more than 55 cities around the world to celebrate the Columbia Business School global alumni network as part of the fifth annual Worldwide Alumni Club Event. As diverse as the School’s alumni, events included receptions with faculty speakers, happy hours, dinners, panel discussions, and family outings organized by dedicated alumni club leaders.

**SAVE THE DATE:** The School’s sixth annual Worldwide Alumni Club Event will take place the week of June 6, 2012.

1. The Alumni Club of Taiwan boarded a sailboat over the Dan-Shei River and enjoyed a festive lunch.

2. The German-Speaking Alumni Association hosted their annual meeting in Prague.

3. The Alumni Club of South Florida met at the luxurious Conrad Miami Hotel for an evening of networking and socializing. From left to right: DONALD QUIST ’91, JOSH WEINRACH ’02, and JACQUELINE ZIMMERMAN ’95.

4. Alumni in Morocco gathered in Casablanca for a networking lunch. From left to right: IBRAHIM SLAOUI ’82, AMAL MEKOVAR ’04, YOUNES SBHI ’87, ANAS CHRAIBI ’86, and ALI BEBICH ’99.

5. The Alumni Club of Colombia celebrated with a wine tasting held in a private wine cellar in Bogota.

6. Alumni in Johannesburg gathered for drinks and a presentation on investing in Africa by THANDO MHLAMBISO ’92. From left to right: BRIAN JAMES ’65 and newly admitted student VARGHESE MATHEW ’13.

7. The Alumni Club of Singapore hosted a networking reception at Jerry’s BBQ & Grill, which is owned by AL HAKAM ’58.

8. The Alumni Club of Peru enjoyed cocktails and hors d’oeuvres. From left to right: AMERICO VALLENAS ’04, VICTOR BENAVIDES ’94, and ENRIQUE CORONADO ’08.

To learn more about volunteering with your local alumni club, visit www.gsb.columbia.edu/clubleaders.