

Thank you. Thank you Dean Hubbard, graduates, family and friends.

It is a privilege to be with you today. To be honest, this is my first Columbia Business School Commencement Ceremony. Despite having graduated in the class of 1964, I wasn't able to attend graduation. I'd accepted a position a few months before which required me to start work several days prior to graduation.

There must be a great deal on your minds today. I could be wrong, but I'd venture to guess that more than a few topics are vying for your attention right now. The economy, job losses, wondering if the job you've accepted is the right one, student loans, and the inevitable apartment search are probably all preying on your minds.

These are some of the same concerns I had back in May of 1964. Back then, the business climate was challenging, to say the least. The market was down, jobs were tight, and competition was fierce. America was also fighting a war that was polarizing the nation. Sound familiar? It was, like now, a challenging time. How do we go forward in challenging times?

That's what I'd like to talk to you about today, because I believe how you do that – how you cope with the inevitability of change, your outlook in tough times, and your approach to business and to life – will make all the difference.

I will talk about three ideas, three of my key principles.

1. The first idea is that change is an inevitable part of business and life. How you deal with change will make a big difference between success and failure

2. The second principle is that an optimistic outlook, when combined with action, will overcome the natural fear of failure. This idea has also been critical in my life.

3. The third idea I'd like to share with you is the notion that the relationships you forge and your reputation, both as an individual and as a business professional will follow you throughout your career.

We all know the economy is cyclical. And yet, as much as we can understand something intellectually, it's quite another thing to live it. So, how DO we live it?

How you deal with change will make all the difference. If you are nimble and creative you will be able to adapt and take advantage of change. As Peter Drucker said, "We know only two things about the future. It cannot be known, and it will be different from what exists now and from what we now expect."

I want to tell you how a friend of mine dealt with the devastating reality of change in his own life. One of my college roommates was Sandy Greenberg. He was a drycleaner's son from upstate New York, and a full scholarship student...and a truly brilliant scholar. Everybody loved and admired him.

During our third year of college, Sandy started having serious problems with his eyes. The doctor told him he had conjunctivitis. Time passed, but he kept on having problems, so he went to the doctor yet again. It turned out, it wasn't conjunctivitis.

Sandy had glaucoma! The doctor told him he was going to go blind within weeks. He did in fact lose his vision shortly thereafter, during a physics final. Sandy left school, and moved home to Buffalo.

It was tragic! In Buffalo, Sandy was advised he could learn to cane chairs.

Here's how he responded. The next semester, Sandy returned to school. He was blind and deeply afraid, but he said he had to try. He quickly developed techniques that allowed him to return to his former high standards of academic performance. He also deftly adjusted to his new life. Upon meeting someone for the first time, Sandy would extend his hand quickly, thereby avoiding searching for the other person's hand. He also wore a watch and glasses to make it easier for the rest of the world to bear the tragedy of HIS blindness.

One day, our other roommate Art asked Sandy if he wanted to join him to take the subway downtown to run an errand. Sandy went along, but when they got there, Art said, "Alright then Sandy, I'll see you back at the dorms." Art walked away. He'd not been on the subway alone since he'd gone blind. You or I cannot even imagine how Sandy felt at that moment, but he summoned something inside of himself, some untapped courage, and figured it out. Unbeknownst to Sandy, of course, was that Art never left him that day. When Sandy made it back to campus, Art tapped him on the shoulder and said, "I knew you could do it... I wanted to be sure YOU knew you could do it."

I'll leave out Sandy's exact words to Art in that moment, but suffice it to say, they laughed about it later.

Sandy went on to graduate Phi Beta Kappa and Summa Cum Laude from Columbia and to receive a Marshall Fellowship and a PhD from Harvard. He married his high school sweetheart, was appointed a White House Fellow, became the father of three, an inventor, a corporate CEO, a venture capitalist, an advisor to the president and the White House, and business manager for a goofy, long-haired singer named Art Garfunkel, who at that point he had forgiven for abandoning him on the subway.

I tell you this story because it has remained with me for over 48 years. I tell it because I am moved and inspired by perseverance in the face of setbacks. I tell it because it is a gorgeous example of something that I hold dear in life, and in business: Don't be afraid of failure, and dream big dreams, and most importantly, don't let adversity get in your way.

To quote one of my daughters at four years old, when I asked her what the key to her success was in catching frogs, she said with the intensity only a four year old can muster, "Never give up. NEVER give up." She was right.

When I finished business school back in 1964, jobs were difficult to come by. My first job, which as you know I started before graduation, was working at the Madison Square Garden Corporation, one of the early conglomerates. I picked the MSG job as assistant to the chairman over some top investment banks, because I knew I wanted to work in real estate, investment and development. By the way, just to put things in

perspective, I was getting paid 150 dollars a week. Believe it or not, that was a pretty good salary, and in fact nearly the top salary for my class.

Well, unfortunately, my new position didn't have the faintest connection to real estate. It took me about a week to figure out I had made my first BIG business mistake. What a disappointment!

I spent the next five months trying to make the best of it, but at some point I realized it was futile. I decided to quit, even though I didn't have another job. It was a Friday, I talked with the chairman, and explained how I felt. He was a very gracious man, and understood. He gave me good advice, and sent me off with a small bonus. Then I went home, and told my wife.

The next four weeks were pretty terrifying, I have to admit. It's one thing to quit on a Friday... and it actually felt pretty good, since I hated my job... but it's quite another thing to wake up without a job on Monday morning. You learn a lot about yourself in moments like that. I believed that if I worked hard enough, I could create the right opportunity. I spent the next weeks sending letters out and actually hand-delivering most of them myself – about 20 I think. I finally received a job offer, which I thought was perfect, in response to the 19th letter... appropriate for a golfer.

I was an optimist before this experience, but this job hunt reinforced the idea that even a setback can be a prelude to an opportunity. Sure, I was scared. But I was

optimistic that based on my education, training, instincts and my abilities I would figure out a way to fulfill my passion for real estate.

Failure is NOT a stop sign... It's just a yellow light! I wasn't going to settle, so I took action. Of course my friends at the time thought I was completely bonkers, not to mention what my wife thought.

I should tell you a little more about my other college roommate Art Garfunkel. You may have heard of him. He wasn't sure if he should study architecture, or pursue a career in music. His parents told him he'd never amount to anything in the music world, so he'd better study hard and become a great architect. Luckily for us, Artie dared to dream big, and has stayed with his music.

This week, after the celebrations, you will wake to your first day outside the world of this university, and face a different world, a more challenging world, and in many ways, a harder world. How will you face it?

Winston Churchill once said, which I've taken the liberty of editing, "Laugh a little, and teach your team to laugh... If you can't smile, grin, and if you can't grin, keep out of the way till you can."

This spirit of optimism and daring to dream big is the second of my key principles. It's not always easy, but it has been essential to attaining whatever success I've had in my career.

The final ideas I want to talk about today are reputation and relationships. You only have one reputation, and it's everything. I see it every day in my business, and in my personal life. What you say and what you do are never forgotten. This is a lesson people are slowly learning from Facebook, Myspace and YouTube, but it really is not a new idea.

In Shakespeare's play Othello, the character Cassio concurs when he says the loss of his reputation means he has lost, "the immortal part of myself..."

Mentors have been important to me throughout my career, and I owe much of my success to them. I had several mentors, and each was very different in terms of his personality and skillset. My mentors included David Rockefeller, Robert Tishman, Harry Helmsley, and my father. They each had different strengths, but they all shared one important thing. The one constant was their character and integrity. The WAY you will do business and the way you conduct yourself will always be more important than what you accomplish.

That means a deal is a deal, even if it's just made by a handshake, and not in a written contract, even a promise to a child. A deal is a deal. Honesty and integrity are

non-negotiable. You can be tough, and at the same time keep your principles intact. A transaction that compromises your integrity is not a transaction worth considering.

Reputation and relationships are interlinked and both are critical to business. People and companies with good relationships are the ones that will survive and thrive, even in difficult markets. Some people can get by for a short period of time without good relationships, but they will never make it in the long run. Good relationships are based on three simple principles:

1. Honesty, and keeping your word.
2. Cooperation and a willingness to collaborate with others.
3. Treating people the way you would like, and expect, to be treated.

Relationships are always important, and they become even more important when the going gets tough. I'm a big believer that character and reputation matter. Of course, brains help.

Look around today at your classmates. Some of them are probably close friends, some mere acquaintances or study partners, and some are perfect strangers. Who will you turn to in the future? Who will you remember? How will YOU be remembered? Who will you rely on? Who will you support? When it is your turn to speak at this graduation 44 years from today, which names will you drop?

The world needs you now. It's waiting to embrace you and your new ideas in the energy sector, in the protection of the environment, transportation, technology, healthcare, infrastructure, media, finance, and yes, even real estate. It needs your bold

ideas, your energy and your passion. It needs doers and dreamers and optimists. It needs people who believe that things can get better, and people who are willing to work to make them better. It needs you not merely when the market is up, when money is easy, when the banks are only too eager to lend, but now, ladies and gentlemen, in difficult, challenging times.

How do we live in difficult, challenging times? Well, that is where I leave you. It is your decision, for the future is yours to create. Thank you, and congratulations.