FROM THE DEAN’S DESK

Learning from Our Community of Leaders

We are at the very center of business, developing students with the knowledge and ability to make a powerful impact on the world. This issue of Columbia Business captures our unrivaled culture of academic excellence, our unmatched exposure to the pulse of business, our diverse entrepreneurial community, and our lasting impact on the business world.

In “Risk and Reward,” alumni CEOs of high-performing companies talk candidly about the risks they took that were critical to their successes. The knowledge they graciously share is applicable to leaders of any organization. And in “The Long View,” current student Uzayr Jeenah ’14 shares insights into finance and economics.

Glenn Hubbard
Dean and Russell L. Carson Professor of Finance and Economics

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DIGITAL EDITION
Now you can experience Columbia Business with integrated videos, photos, and updates. Search for “Columbia Business” at Google Play or the App Store to download the Columbia Business app for Android and iOS devices.
IN BRIEF

Picture This
Q&A with Neelam Brar ’14

Neelam Brar ’14 has a way with apps. In the last two years, the former investment banker and private equity consultant has brought two mobile apps to market. As a member of the inaugural class of the Innovation and Entrepreneurship at Columbia Program, an initiative led by the Eugene Lang Entrepreneurship Center that nurtures ideas and technologies from Columbia’s University, Brar teamed up with Columbia engineers to introduce WordsEye, a mobile app and website that translates typed descriptions into shareable images. The team won the New York State Business Plan Competition last year and will launch the app publicly this summer. Brar’s most recent app, ForeverNot, is also social—with a romantic twist.

IN BRIEF

School Mourns Professor Casey Ichniowski

Casey Ichniowski, chair of the Management Division and a faculty member at Columbia for 30 years, has died.

Ichniowski was a strong and tireless advocate for the faculty and for Columbia Business School. He was deeply committed to teaching and had recently developed a new elective, The Management and Economics of Professional Sports. He was instrumental to the development of the School’s popular Managerial Negotiations course. Ichniowski was often praised as the ideal division chair. He was also an exceptional and active researcher who authored several cases to enhance the School’s management and negotiations curriculum. His research was published in leading journals, including Labour Economics, American Economic Review, Management Science, and Industrial Relations.

A devoted, beloved family man, Ichniowski is survived by his wife, Anne, and children, Tim, Liz, and Carly. Tim graduated from Columbia College in 2010. Liz is a 2013 alumna of the School, and Carly is a student at Columbia College.

Condolence messages can be sent to Ichniowski’s family at casycondolences@gmail.com.

Can My Company, University, or Organization Change?

On November 8, the Sanford C. Bernstein & Co. Center for Leadership and Ethics hosted a research symposium on organizational change: “The Big, Big Questions: Can My Company, University, or Organization Change?”

The symposium featured opening remarks by Gita Gopinath, senior vice dean and the Meyer Foundation Professor of International & Development Economics, and by Phillips (right), the James P. Gorman Professor of Business Strategy. “It’s very hard to embrace change,” Ichniowski said. Phillips said, “But given today’s dynamic business environment, it’s imperative for organizations and individuals to evolve.” While modern leaders frequently anticipate change, Phillips said, efforts to adapt to it fail more often than they succeed. “We want to have a dialogue where we can tap into the richness of different perspectives and learn from one another,” Phillips said. “Can we get from the what of change to the how?”

Bruce Kogut, director of the Bernstein Center, moderated a faculty panel featuring Ray Fisman, the Lambert Family Professor of Social Enterprise; Elke Weber, the Jerome A. Chazen Professor of International Business; and Joseph Marx, a management professor at the NYU Stern School of Business.

In his afternoon keynote address, Anthony Marx, CEO of the New York Public Library, talked about driving culture change (“It’s a matter of reframing the problem”).

“Can you just assume that your current model will work?” Marx said. “You have to inform and try to feed the courage to separate the product from this stigma, swap artificial ingredients for healthy ones, and reposition it for today’s consumers—women. Since companies in this category had been doing the same things for decades, it was easy to jump to and disrupt the industry very quickly.”

Jon Sebastiani of Better Jerky

Better Jerky

Q. What was the greatest value of IE@Columbia for the WorldEye team?

A. The premise behind IE is that there is a tremendous amount of intellect, research, and innovation happening across the University that can be harvested. The program brought me together with engineers who had put in years of R&D. I was able to bring my business acumen to the table to help commercialize their work and bring it to scale.

Q. You still have a stake in WorldEye but have just launched another app. How did that new collaboration come about?

A. I joined a team in Steve Blank’s Lean LaunchPad class to develop ForeverNot. The app enables users to anonymously bet on the relationships of friends and celebrities. Entertainment gossip drives this fun and competitive game that uses social gambling. We launched on February 14, Valentine’s Day, and are live in the App Store. Our mission is to reduce the divorce rate by keeping had couples apart through anonymous feedback from their friends and fans!

Text from ForeverNot.

Better Jerky

Jon Sebastiani ’12 (EMBA) was snacking on jerky as he prepared for the New York City Marathon when he realized that the old-school snack had the potential to be healthy and popular—and that the industry was ripe for disruption.

From Liability to Opportunity

The meat snacks category has a negative stigma—people associate jerky with junk food. We had the courage to separate the product from this stigma, swap artificial ingredients for healthy ones, and reposition it for today’s consumers—including women. Since companies in this category had been doing the same things for decades, it was easy to jump to and disrupt the industry very quickly.

Don’t Say the M-Word

When we talk about our products, we focus on their health benefits compared to, say, a Cliff Bar. We almost never say the word “meat” because we see ourselves in the healthy snacks industry. We marinate our meat, use ferrules—cheesy barbecue, chili lime, and others—and our packaging all appeal to today’s health-conscious consumers.

Live Case Study

You don’t just wake up one day and aspire to be in the jerky category. If it wasn’t for Columbia, I probably wouldn’t have had the courage to take our idea seriously. The business evolved over the course of the MBA Program. The opportunity to have a new business concept and be in a room full of incredibly smart people from Microsoft to eBay to Apple and Goldman Sachs provided tremendous feedback. Steve Blank, whose entrepreneurship class I took, is still an advisor to the company.

What’s Next

We believe that over the next several years, protein-based snacking will be a large new industry. We expect to introduce meat-based bars with ingredients like oats, quinoa, and dried cranberries. We’re raised two rounds of institutional capital with ACG [led by Julian Steiner], and we’ve received tremendous feedback.

Visit us on the Web!

BetterJerky.com

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Inspired by Steve Blank’s insights, we’re sure you’ll enjoy another chance! Send her recommendation to gsp.columbia.edu/innovation.
Seeking Impact

Manmeet Kaur ’12 was first struck by the power of peer support when she was working with community health programs in India and Africa. While collaborating with the Mamelani Projects in Cape Town, Kaur saw that community health workers had more influence on patients than clinicians did. “Seeing how people hired locally could affect their neighbors’ health, and seeing the family-like relationships being formed, was incredible,” Kaur says.

Such experiences inspired her to start City Health Works, a nonprofit that helps people in East Harlem better manage their chronic diseases—diabetes, heart disease, asthma, and depression. The program pairs peer support when she was working with community health workers had more influence on patients than clinicians did. “Seeing how people hired locally could affect their neighbors’ health, and seeing the family-like relationships being formed, was incredible,” Kaur says.

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In Memoriam: Professor Nahum Melumad

Nahum Melumad, the James L. Deuel Professor of Accounting and Business Law and a faculty member in the School’s Accounting Division for more than 20 years, died on January 15. Melumad served as the chair of the Accounting Division from 2000 to 2006 and was an esteemed member of numerous School committees. In addition to his work with MBA students, Melumad supervised many doctoral students who have gone on to roles at leading universities and institutions around the world. He was recognized for his excellence in the classroom as the recipient of both the 2005 Dean’s Award for Teaching Excellence in a Core Class and the EMBA Class of 2013 Commitment to Excellence Award.

Melumad’s research was published in such leading journals as the Journal of Accounting Research and the Journal of Economic Theory. He was also highly regarded by industry leaders who often sought his counsel and rigorous analysis. He served on the boards of several for-profit and not-for-profit organizations that spanned two publicly traded companies—PhotoMedex and LabStyle Innovations.

He is survived by his wife, Maya, and four children, Shir, Yak, Gadi, and Yuval.

Robert Bobulski ’13

President of Connecticut Governor’s Office of Government 

Cyrus Massoumi ’03

CEO of Castlight Health 

Meyar Banakton Lerner ’10

Senior Vice President and Chief Marketing Officer of Gannett 

Alban Lee ’10

Managing Director of CDK 

Giovanni Castilla ’95

COO and CEO of Guarate Health

In Brief: Global Ideas on Duty

The Smithsonian Institution and the State Department have launched a new program—Global Ideas on Duty—that will allow professionals to work abroad and bring their expertise to government agencies to collaborate during 6- to 13-month “tours of duty.”

The program pairs clients with peer heath coaches who provide motivation and education about practical ways to improve diet, physical activity, and adherence to treatments. After creating the business plan at Columbia, Kaur secured $1.2 million from the Robin Hood Foundation and the Robert Wood Johnson Foundation—and a contract with the Mount Sinai Medical Center to launch an 18-month pilot program last September. She decided to focus on East Harlem, the neighborhood with the highest rate of diet-related diseases in New York City. Working closely with community health clinics and Mount Sinai Hospital, Kaur hopes to reach 500 patients during the pilot program—and to expand City Health Works to additional local communities in the future.

Power of Positivity

Kaur says that seeing people help them manage diet-related diseases— “For instance, saying ‘cut out sodium on salt or what’—doesn’t work. Instead, she says, it’s crucial to meet people where they are and develop practical, realistic guidelines that are easy to follow on a daily basis. “Some of our health coaches have diabetes themselves,” says Kaur. “Others have lost family members or struggled with chronic illness very closely in their families. So they really understand what that person is going through and can help guide them to achieve more sustainable behavior change.”

Hometown Help

Born in Queens, Kaur now lives near Central Park and jogs there every morning with her toddler son. “This is a lot of chaos in the city and my own life—managing both a small child and a new business—but I start every day looking at the beautiful park with him and taking a moment to reflect on my day,” she says.

Most of all, Kaur is proud to help people in her hometown. “If you can empower people to take clear control of their own lives and health, you can see the most inspiring, transformative change.”

“If you can empower people to take clear control of their own lives and health, you can see the most inspiring, transformative change.”

Alumni Named to Fast Company’s Most Creative People in Business 1000

Seven alumni are featured in Fast Company’s Most Creative People in Business 1000, an online resource launched in January that showcases “an influential, diverse group of modern Renaissance men and women across the economy and around the globe [who are] behind the world—changing, inspiring, and, yes, even whimsical, ideas that are moving business in new directions today.”

Keeping up with honorees’ projects and social impact by visiting Fast Company profile pages.

Shiri is a doctoral student at the School in the Marketing Division.

Deming Donaldson ’95, ’03, and Rebecca Ruffin ’95, ’03, are the Pew Center on the States’ Fostering Innovation Fellows program, which pairs top innovators from the private sector, nonprofits, and academia with government agencies to collaborate during 6- to 13-month “tours of duty.” At the Smithsonian, Mayer-Cantú is focused on digitizing curatorial information, photographs, 3-D scans of objects with historical significance, and similar materials. “We want to make these resources enriching and engaging for different audiences,” she says. The digital collections are also made available to education start-ups. “This work has prompted me to think about the opportunities that exist at the intersection of public-private partnerships.”

For Mayer-Cantú, one of the benefits of working with a large government agency is scale. “How many education and tech firms have a $2 billion annual budget that affects hundreds of millions of people worldwide? This kind of work,” she says, “fulfills my personal motivation for entrepreneurial activity that affects many people in meaningful ways.”

“It’s a great world to work in,” Cristina Montero Dusarte Schulman ’95, managing director of debt capital markets at Santander Global Banking and Markets, says about working in finance as part of our Engaging Leaders video series, where business practitioners who have visited campuses share insights about their leadership experiences. “Stick with it. Don’t give up,” Schulman says she’d tell her daughters if they choose to work in a male-dominated industry. “[As women], we’re used to taking care of everything . . . but you have to learn how to rely on your partner or on your family to help you.”
It’s a challenge that every executive faces at some point in his or her career: You have been promoted to a position with greater responsibilities and want to be successful, but you know that significant challenges lie ahead; according to leadership development firm Manchester, Inc., many executives transitioning to new roles fail in the first 18 months. What can you do to increase your chances for success?

I’ve coached many executives in new roles and have found that when they focus on four key areas, they enjoy greater success. Get to know these areas so that you can survive—and thrive—in your new position.

ADOPT A NEW MINDSET

In your previous role, you were probably valued as the expert or “go-to person” for one particular area. But in your new role, you may oversee a team of experts, with accountability for leading a number of different areas. To be successful, you may need to demonstrate breadth, not depth. This will require you to change your mindset from being individually responsible to overseeing a number of people or multiple areas.

To determine the mindset you’ll need to develop for your new role, consider these questions:

- What experiences are required in my new role?
- How do they differ from those required in my old role?
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O NISK AND ETHICS:
Your personal integrity and your organization’s integrity are really critical. If those are compromised, they’re extremely hard to repair. Ask yourself, does this conflict with my values? Am I compromising my agreement with my users or customers? You should avoid any risk that’s ethically questionable.

O BEING BOLD:
When I moved from the Bay Area to Washington, DC, I didn’t have a job. I had about a month’s worth of savings and a friend I could stay with. I got a job in three weeks. I found my business school without a full understanding of exactly what was involved, but I knew I wanted to do good, and I had an interest in technology. I never would have predicted that my life would come together the way it has. But following your passion pays off.

We spoke with four alumni CEOs of high-performing companies about their approach to risk. Get inspired to step outside your comfort zone.

Successful leaders are thoughtful risk takers. They understand that placing studied bets on an uncertain future—identifying innovative ways to do things and breaking new ground—is the only way their companies will grow.

“Who sets great leaders apart is not always the risks they take but how they take them,” says Daniel Ames, the Ting Tsung and Wei Fong Chao Professor of Business. “They move ahead with their eyes open, monitoring the world to see if it unfolds in the way they had anticipated. When it doesn’t, they adjust accordingly, rather than let ego and momentum drive them to double down on a losing course of action.”

Columbia Business spoke with four alumni CEOs of high-performing companies about their approach to risk taking—the unconventional decisions that paid off, the risks they avoid, and why a willingness to take chances is critical for success. Here’s what they had to say.

JULIE CHAPMAN ’83
CEO, 501cTech
Julie Chapman helped build 501cTech into one of the only nonprofit technology service providers in the country by convincing her board to take a risk. Although Chapman was confident from her background in technology that 501cTech could fulfill nonprofits’ critical need for tech support, board members questioned whether charitable organizations would pay for its services—and if 501cTech, a nonprofit itself, could even deliver them. “I told my board. ‘We have to jump off this bridge, but I’m not doing it alone,’” says Chapman. “I made them all stand up and say that they would jump, too. I would go first, but they had to come with me.”

Since that leap of faith in 1999, 501cTech has helped hundreds of nonprofit organizations fulfill their missions through technology assessment and planning, outsourced IT services, and other tech initiatives. “Now we’re moving from building technology infrastructures to optimization, like making the most of cloud computing,” says Chapman, who received the prestigious Fesperman Award from the Myers Foundation in 2008 for vastly increasing the impact of her organization’s work. “We’ve been successful, but in the technology world, nothing ever stays the same.

ON NOT ALWAYS BEING LIKABLE:
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Written by Amanda Chalifoux and Simone Silverbush | Photography by Don Hamerman
Michael Diamant ’93
Cofounder and CEO, Skip Hop

Michael Diamant has never been afraid to try something new. He had already started two dot-com businesses (with no background in technology) when he and his wife—new parents frustrated by the glut of overly cute, poorly designed baby gear—decided to create a functional and attractive diaper bag. “We looked at companies like Dypson and Simple Human that were making everyday items like kitchenware and vacuums more functional and attractive,” says Diamant. “We wanted to bring that same ethos to baby products.”

That first bag—which looks more like it totes iPads than Pampers—generated more than a million dollars in sales the first year. Nine years later, Skip Hop is a global business, in 24 countries, and generating an estimated $100 million in annual sales. Diamant and his wife, who later, in 2006, co-founded the infant brand Nook, have also started another company, LittleStuff, a line of natural baby and infant skin care.

ON BREAKING NEW GROUND:
In the consumer products business, a lot of companies make one thing really well but don’t extend their brand. Early on, we decided to apply our design approach and philosophy to as many products as we could. That said, we only make something if we see a need for it and are confident it will sell. Going into new categories is scary because there’s so much to learn. It’s the harder way to grow your business. But there are the risks that we take a lot.

ON GOING GLOBAL:
For a relatively small company, we have quite a global operation. We have eight full-time people in China and a distribution center in Shenzhen as well as in the United States. Our suppliers in China are critically important members of our global team. While other small companies that make things in China are comfortable staying far away from the actual production, we feel it’s critical to have our own team on the ground and available at all times. We embrace globalization.

ON BEING THE DUMBEST PERSON IN THE ROOM:
There are entrepreneurs who are intimidated by smart people and need to be the smartest person in the room. I like being the dumbest one, where people are talking circles around me—that’s how I learn or get things going somewhere. If you want to do something complex that requires expertise in many different areas, team up with as many people as you can who are smarter than you are.

JENNIFER VAUGHAN MANAVI ’00
Cofounder and CEO, Physique57

Within a week of finding out that her Broadway star was a</p>
Michael Gould attributes his remarkable success at Bloomingdale’s to a willingness to take one risk in particular: “I took chances on people who were maybe not quite ready for a job, but I hired them and gave them the support they needed to grow,” says Gould, whose 22 years as chairman and CEO marks one of the lengthiest tenures in retail history. “I stood down in February.” “There’s not much you can’t get written into the job of a CEO,” says Gould, “but 95 percent of it you can get something out of it.”

ON GOING WITH HIS GUT: 
- When you’re looking at merchandise that’s coming out, there’s no research you just need to have a gut feeling about it. I think Steve Jobs put it best: “The customer doesn’t know what they want.” The same is true for new business—do you do it based on research as you can about a new location, but the risk is in your gut feeling. I think taking prudent risks is one of the most important things a CEO can do.

ON ALWAYS MOVING FORWARD: 
- There’s a Chinese proverb that says that even if you’re on the right track, you’re going to get run over if you just sit there. In business, you’re always evolving, and some businesses evolve faster than others. But it’s about innovating, it’s about nurturing things, it’s about taking risks on both people and products.

ON WHICH COMPANIES NEW MBA SHOULD RISK JOINING: 
- Pick an organization that you’re passionate about that really believes they have a responsibility to help you grow in scope. I think that’s what Bloomingdale’s stands for and what I’ve always believed in, and I think that’s why we continue to get the best talent.

Michael Gould attributes his remarkable success at Bloomingdale’s to a willingness to take one risk in particular: “I took chances on people who were maybe not quite ready for a job, but I hired them and gave them the support they needed to grow,” says Gould, whose 22 years as chairman and CEO marks one of the longest tenures in retail history. “I stood down in February.” “There’s not much you can’t get written into the job of a CEO,” says Gould, “but 95 percent of it you can get something out of it.”

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ON ALWAYS MOVING FORWARD: 
- There’s a Chinese proverb that says that even if you’re on the right track, you’re going to get run over if you just sit there. In business, you’re always evolving, and some businesses evolve faster than others. But it’s about innovating, it’s about nurturing things, it’s about taking risks on both people and products.

ON WHICH COMPANIES NEW MBA SHOULD RISK JOINING: 
- Pick an organization that you’re passionate about that really believes they have a responsibility to help you grow in scope. I think that’s what Bloomingdale’s stands for and what I’ve always believed in, and I think that’s why we continue to get the best talent.

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Chris Hoeystrom ’08, chief strategy and commercial officer at WellDoc, which created Bluetail. “We must meaningfully use the information.”

Care from Anywhere
Don’t feel like going to the doctor? Soon you may be able to skip the waiting room, not to mention the ride to the doctor’s office. While rural hospitals are already accessing expert care via telemedicine—technology that enables doctors to care for patients remotely—start-ups are finding ways for everyone to benefit.

Zipcare, founded by Steve Weisblum ’08, connects patients to participating primary care doctors via an online portal. Patients can get a doctor’s advice on common ailments like a rash or pinkeye—without getting out of bed. “We offer access to a physician for less than half the cost of a traditional doctor in less than half the time,” Weisblum says. The fee: four-service site, which is in beta and will launch on several college campuses this fall, is an online version of the retail clinics that have recently sprung up in pharmacies. To expand the scope of ailments ZipCare can treat, Weisblum hopes to partner with companies developing diagnostic apps and devices—like an attachment that will turn an iPhone into an otoscope, the tool doctors use to diagnose ear infections.

Other start-ups are harnessing telemedicine’s potential to connect patients with specialized care. For Melissa Thompson ’04, that means getting patients the mental healthcare they need—removing the stigma associated with mental illness. “In the United States, about 90 million people are underserved by mental health care,” says Thompson, whose start-up, Talk Session, uses proprietary online counseling sessions. The company also uses a proprietary online diagnostic tool to help match patients with compatible practitioners.

“We want to expand access to mental healthcare, increase the relevance of the patient-provider match, and integrate mental health into our conversations about overall health and wellness,” says Thompson, who was chosen by GE Ventures and Start-Up Health Academy as a “Healthcare Transformer” last year. Since physicians must obtain multiple state licenses and adhere to different state laws to practice telemedicine across state lines, Talk Session’s online portal is currently open only to practitioners and clinics in New York. “We can’t scale healthcare efficiently without changing regulations,” says Thompson, who, in September, made a case for updating outdated policies at a White House conference on breakthrough technology in behavioral healthcare. “In this case, technology has outpaced regulation.”

In the meantime, the company is working with existing markets nationwide to make them more efficient. Talk Session is enabling residents at an impatient rehabilitation facility in Connecticut, for example, to receive remote treatment from their New Haven psychiatrists via tablet-based video twice a week—tripling their typical number of weekly sessions.

Beyond Expert Advice Online
As anyone who has Googled “antioxidant” or “omega 3 fatty acid” knows, there are hundreds of sites touting expert health recommendations. To stand out from the crowd, health media start-ups are developing diagnostic apps and devices—like an attachment that will turn an iPhone into an otoscope, the tool doctors use to diagnose ear infections. Other start-ups are harnessing telemedicine’s potential to connect patients with specialized care. For Melissa Thompson ’04, that means getting patients the mental healthcare they need—removing the stigma associated with mental illness. “In the United States, about 90 million people are underserved by mental health care,” says Thompson, whose start-up, Talk Session, uses proprietary online counseling sessions. The company also uses a proprietary online diagnostic tool to help match patients with compatible practitioners.

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Pretty soon, we’ll no longer ask if people are tracking their health, but rather, in a world where everyone is keeping tabs on their health and fitness, what innovations are next? – Omar Haroun ’12

Employees Who Are Healthy, Happy—and Productive
Community gardens, electric cars, sleep pods, healthy meals prepared by on-site chefs, an on-campus ergonomic center, even a chief happiness officer—by now you’ve probably heard about some of the perks Google offers its employees. As tech firms lure newly minted MBAs away from Wall Street, traditional companies are looking to lessons from Silicon Valley to compete for top talent.

“Thanks to companies like Facebook and Google, firms in every industry are realizing that they need to show people they care,” says Liz Wilkes ’10, the company’s chief revenue officer. “What makes Google special is that it’s not just the benefits that are employee-centric, but rather, in a world where everything is about the individual, Google has, as a company, put the whole employee experience at the center.”

In 2011, S2H launched the first phase of the Starbucks Challenge Worksite Walking program to a few hundred Starbucks employees in Seattle. The more participants walked, the more rewards they received. By the fall of 2012, the company had expanded the program to a few hundred Starbucks employees in Seattle. The more participants walked, the more rewards they received. By the fall of 2012, the company had expanded the program to several hundred participants across the nation to make them more efficient. Talk Session is enabling residents at an impatient rehabilitation facility in Connecticut, for example, to receive remote treatment from their New Haven psychiatrists via tablet-based video twice a week—tripling their typical number of weekly sessions.

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Framed on the wall behind Jon Steinberg’s desk is his “take-down piece”—the critical eviscerating that almost everyone who reaches the heights of the media world inevitably receives. The Adweek article, published in 2011 after a late-night meeting at a rooftop party in Cannes, portrays Steinberg as a hyperactive, constantly pitching salesman, the “anxious cocaine” to BuzzFeed cofounder Jonah Peretti’s “giddily nervous marijuana.” The article goes on to mock BuzzFeed itself, including its use of branded content, and speculates that the five-year-old site might eventually “do well, or not” with advertisers and readers.

“I put the story on the wall because it annoyed me so much at the time,” says Steinberg, who was named a Media Maven by rival publication Ad Age the following year. “It reminds me of how thin-skinned I was back then—and of how far we’ve come.”

As of the end of 2013, BuzzFeed was attracting 130 million visitors a month. It has 400 employees, most of whom are based in the company’s New York headquarters, just across the street from the Flatiron Building. When Steinberg joined in 2010, BuzzFeed was a 15-person shop with about 6 million monthly visitors and very little cash coming in. Today, branded content—articles, videos, and lists created by BuzzFeed staffers and sponsored by advertisers—accounts for 100 percent of its revenue. According to a Bloomberg news report, the company had a projected $60 million in sales in 2013 and is on track to double that in 2014.

BuzzFeed is a social news and entertainment company, combining popular viral content on the web with original reporting covering everything from politics to breaking news and foreign policy. A glance at its homepage on a given day might yield an article on an entertainment lawsuit, an on-the-ground report from the protests in Ukraine, and a feature on a campaign for domestic surveillance reform—as well as a few cat videos.

Though some critics have questioned the blend of news and branded content, Steinberg describes BuzzFeed’s model as no different from that of a TV network whose reality shows help support its news programs. The division between news and paid content is reflected in the layout of the BuzzFeed office itself, with editorial on one side and business the other. “We have a church–state divide,” Steinberg explains. “We’re just like a newspaper: our writers have complete editorial independence to write reviews of technology products and to criticize companies that include our advertisers.” Ben Smith, formerly of Politico, is its editor-in-chief; Mark Schoofs, a Pulitzer Prize–winning journalist formerly of ProPublica and the Wall Street Journal, was hired in late 2013 to head BuzzFeed’s new investigation team.
BuzzFeed’s expansion into hard news is particularly notable given the current state of the media industry. In a December 2013 New York Times article about New York magazine’s decision to cut back to two issues a month, the media writer David Carr cited BuzzFeed as one of the reasons the 46-year-old magazine was struggling in an increasingly competitive space. Steinberg, for his part, was not surprised when he learned of New York’s decision. That same week, he had watched a 60 Minutes feature on Zeitobi in which the founder of Amazon stated his belief that “companies come and go” and that even a 46-year-old magazine was struggling in an increasingly competitive world. Steinberg calls an ad revenue model that everybody mocked at the beginning. “In his view, the New York magazine’s decision was not surprising when he learned about BuzzFeed, Steinberg—who cites Bruce Greenwald’s class on the economics of strategic behavior as the most influential course in his education—was determined to compete and thrive. The site was founded on the brand or product stands for,” says Steinberg. He and Peretti experimented with the form, met with clients and agencies, and experimented a lot of engagement and interest from people who didn’t innovate in their ad products quickly enough survive?” BuzzFeed didn’t innovate. Should a print magazine that didn’t move online adequately and that even a 46-year-old magazine was struggling in an increasingly competitive world? BuzzFeed was one of many deals the company has.”

“Buzz’s the way disruption occurs,” Steinberg says. “You get a decade, and then you really have to reinvent yourself to get beyond that. Businesses that face fierce competition need to innovate. Should a print magazine that didn’t move online adequately and didn’t innovate in their ad products quickly enough survive?” BuzzFeed took a very different route than traditional news sites, he notes. “We chose an ad revenue model that everybody mocked at the beginning.” In his view, branded content harkens back to the great storytelling of famed ad exec David Ogilvy. “Both are story-driven and speak to the aspirations of what the brand or product stands for,” says Steinberg. He and Peretti experimented with the form, met with clients and agencies, and experimented some more. “Now everybody’s trying it.”

With BuzzFeed, Steinberg—who cites Bruce Greenwald’s class on the economics of strategic behavior as the most influential course in his education—was determined to compete and thrive. The site was founded on the notion that social media is essential to a media company’s growth and success and that social media generates traffic. Most of the site’s readers don’t access content through its homepage, but through their friends’ Facebook pages and Twitter accounts—and that’s fine with BuzzFeed. Steinberg calls Facebook the new cable system and BuzzFeed the new TiVo. He insists this was not the case. “All I’ve done is make mistakes and get lucky,” he says. “I try to give people advice on how to plan their careers because I made so many mistakes with my own path.”

One of the highlights of his early, pre-Columbia career was the two years he spent working for Jerry Speyer ’64, co-founder of real estate company Tishman Speyer and member of Columbia Business School’s Board of Governors. Steinberg regrets leaving Speyer as soon as he did. “I wish I’d been working in the real estate industry with Jerry” during the slump before the 2000 bubble, he says. “Tishman Speyer continued to thrive. And Jerry was a tremendous mentor, one of the most influential mentors of my career.”

After graduating from Columbia, he went to Ross Allen Hamilton. “I sort of meandered and tried different things,” Steinberg says. He enjoyed a later stint at Marist Research, which specializes in research through data mining. “I loved that place, but then I got stuck on Wall Street and didn’t find my way out until I started at Google,” he says. At Google, he was a strategic partner development manager on the company’s Small Medium Business Partnerships team, a position he credits with putting his career back on track. “Then I was working for Polaris Partners, a venture fund. I am the partner opened their New York office, Dogpatch Labs, which offered space to start-ups. BuzzFeed was one of many deals the fund considered, Polaris passed, but Steinberg was intrigued. “I had seen what Jonah and Ken Lerer had built at Huffington Post, and I knew they would do something incredible,” he says. “They took a bet on me.” He joined BuzzFeed a couple of months later.

Steinberg’s passion for innovation is as strong as ever. Last fall, BuzzFeed announced its partnership with Duolingo, a language-learning app. For exchange for the app’s free language lessons, users translate BuzzFeed’s stories into their native language. That came shortly after BuzzFeed announced a partnership with one-time media disrupter CNN to launch a jointly branded YouTube channel with clips that are designed, like all BuzzFeed content, to be shared. “CNN has great content from around the world,” Steinberg says. “BuzzFeed brings the sentiment to remix it for our social mobile audience.” Partnerships can be hard, he concedes. BuzzFeed looks for opportunities in which what each partner brings to the table is “simple, clear, and almost obvious.”

Even amid the new partnerships and expansions, BuzzFeed is planning to increase its international news coverage this year. While newspapers are shuttering their foreign bureaus at a record pace, BuzzFeed has found a way to extend its reach across the globe. This doesn’t surprise Steinberg. “The Internet allows us to do more with less, to be more nimble and connected as a company.”

Meanwhile, BuzzFeed’s sponsored videos continue to reach new heights. A few months ago, its most successful sponsored video ever—“A Cat’s Guide to Taking Care of Your Human,” brought to you by Tidy Cats—received 3.8 million page views within a week. “Almost four million page views,” Steinberg says, marveling at the success of a business model that many thought would never work. “That’s insane.”
Do Diverse Teams Work Harder—
and Better?

Individuals who view their colleagues as different from themselves focus less on getting along and more on getting to work.

Many organizations just assume that creating wonderful social relationships among staff is a boon. But that’s shortsighted. It’s better to consider how much fostering social relationships will help or hurt.

Sizing up coworkers and colleagues is a normal, fairly automatic, and sometimes unconscious part of working. According to new research from Professor Katherine Phillips, that everyday act—and in particular, whether you view yourself as mostly similar to or mostly different from your colleagues—can have major implications for how well you each prepare for and tackle the work you share.

Phillips’s past research hinted that people might be less worried about getting along with those different from them and more preoccupied with preserving relationships with those most like them. “When we started with the idea that diversity impacts individual cognition—before we enter a meeting, we anticipate by asking ourselves, ‘Will these other people be like me or will they be different?’ we explained,” Phillips and her co-researchers, Denise Lewin Loyd of the University of Illinois, Urbana-Champaign, and Robert B. Lount Jr. of Ohio State University, wanted to understand the mental processes that occur before individual cognition—before we enter a meeting, we anticipate by asking ourselves, ‘Will these other people be like me or will they be different?’

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Phillips felt that her results had implications for understanding how individuals might be nudged to focus more and less on the task at hand. “What is really the optimal level of connection? Perhaps what is naturally fostered in diverse work, both because that diversity welcomes differences but—as the researchers found in the first of these studies, once participants wrote their statements they were told the experiment was over, without actually meeting their partner. Why lead people to anticipate a meeting that would never happen? Because the researchers needed participants to believe—and act—as if they really were about to meet, as they would at work. The researchers assessed participants’ statements to determine pre-meeting elaboration, a measure of how deeply a participant was thinking about the problem at hand. Are they considering multiple perspectives? Are they generating multiple reasons? Are they considering multiple suspects? How much thought goes into preparing for the meeting? The researchers found that both Democrats and Republicans wrote considerably less detailed statements when they anticipated meeting someone of a different party. This finding was striking partially because the murder mystery task had nothing to do with political perspective, so one might not expect political affiliation to matter at all for this situation. This is one of the powers of similarity and difference—it usually matters for good or for bad. In the second study, prior to the writing exercise the researchers told some participants that having a positive interpersonal relationship with their partner would help smooth interactions and be helpful in solving the murder mystery. They told other participants that concentrating more on the task than on interpersonal relationships was most important for a productive meeting. As the researchers hypothesized, participants who focused more on relationships wrote less detailed and thoughtful statements, while those who focused on the task wrote more detailed and thoughtful statements. This shows that individuals in both diverse and homogeneous settings can be nudged to focus more or less on the task or the relationship. It also confirmed for the researchers that relationship focus explains why similar people weren’t elaborating much. In the third variation of the study, the pairs really did meet after writing their statements, combining efforts in an attempt to solve the murder mystery. The more the team members had individually elaborated in their essays prior to the meeting—the more evidence they’d laid out—the more likely their team was to solve the crime. Phillips acknowledges the irony of these findings in a world where so often questions about diversity and diversity training center on the assumption that organizations should foster strong relationships among diverse staff. “But even in a pre-study survey people told us they really were more concerned about getting along with the other person when the person was similar to them than when the person was different,” Phillips explains. “Those in a homogeneous group put much less effort into the task at hand in part because they were more interested in avoiding conflict. Diverse environments allowed people to focus on the task instead of their social relationship.”

These insights matter for group outcomes—if people aren’t preparing before they go into a meeting, their ability to be effective is hindered, Phillips points out. And, even when people are in the same social category, they can have different perspectives but—as the researchers found in the study—similar people are not as effective in using their differing knowledge to benefit the team. Phillips’s message for managers: diversity can make your team more effective in its work, both because that diversity brings multiple perspectives but also because individuals in a diverse group are more effective at processing the task at hand. That also means managers need to attune themselves as much as ever to the workplace culture they create, and in particular the balance they strike between social relationships and focusing on work. “Many organizations just assume that creating wonderful social relationships among staff is a boon,” Phillips says. “But that’s shortsighted. It’s better to consider how much fostering social relationships will help or hurt. What is really the optimal level of connection? Perhaps what is naturally fostered in diverse environments is too much—it gets in the way of task focus.”

Race, gender, and political affiliation are among the clearest signals of social category difference. Do other, less historically charged social categories offer a similar opportunity to focus teams on task? “It’s tricky, but I think it’s malleable,” Phillips says. “While people in an organization may look the same, they may not share the same perspectives. Plus, people do vary in their perceptions of how diverse or homogeneous any given group is—which means it is possible to shape how a group perceives itself—diversity welcomes more diversity. That suggests we can try to get the benefits of diversity out of all contexts because there are always some important differences amongst us.”
Maxing Out on Primary Care

THE IDEA
The projected physician shortage can be averted by tapping nonphysician medical staff and electronic communications.

THE RESEARCH
With an aging US population, greater prevalence of chronic diseases, and more than 25 million Americans expected to receive health insurance through the Affordable Care Act by the end of the decade, many experts anticipate a severe primary care physician shortage on the horizon. Most of these estimates are based on simple and commonly used ratios, such as one physician for every 2,200 patients.

But Professor Linda Green knew from previous research that the number of patients cared for by a physician—the patient panel size—depends on not only who the patients are—for example, their ages and prevalence of chronic disease—but also how physicians practice and the desired level of access to timely medical care. Green, along with Sergei Savin of Wharton and doctoral student Yina Lu, applied an queuing model they developed to create a more realistic estimate of the predicted primary care physician shortage based on new patient care models that are already being implemented by many practices and assuming that 80 percent of patients can get same-day or next-day appointments.

THE APPLICATION
Medical Practice Office Managers, Operations Managers

While previous estimates of the shortage assumed all primary care practices operate as solo practitioners, only about 18 percent of physicians currently practice alone. Instead, large practices where doctors share the patient load are becoming the norm, and other medical professionals, like nurse practitioners and physician assistants, are increasingly being used to provide care that doesn’t require a physician. Practices are also using more electronic communications—including answering non-urgent patient questions, such as how to treat a common cold or a pulled muscle, or even managing routine aspects of a chronic condition—through personal health records and e-mail, so that office visits aren’t necessary.

Green and her co-researchers demonstrated that combining the pooling effects of physician teams with off-loading demand to nonphysicians and utilizing the less time-consuming process of answering patient questions electronically has the potential to increase the number of patients per physician from the current average of about 2,200 to up to 5,000, while assuring timely access to appropriate care. The researchers found that in order to totally eliminate, in the aggregate, the predicted primary care physician shortage, patient panels just need two physicians who can cover for each other when a patient’s primary physician isn’t available and 20 percent of the total care provided by nurse practitioners or addressed by electronic communications.

1

Physician

2,200

Patients

1

Physician

5,000

Patients

Physician to Patient Ratio

With the current structure and typical methods of medical offices, the current average patient panel size is 1 physician for every 2,200 patients in the United States.

With structural and methodological changes to medical offices, Green and her team argue that the patient panel size could increase to 1 physician for every 5,000 patients in the United States.

To subscribe to the Columbia Ideas at Work monthly e-newsletter, or the semiannual print issue, go to gsb.columbia.edu/ideas-at-work/subscribe.
or many investors today, financial returns are only part of the picture. They also want to make a positive social and environmental impact—to align their individual gains with broader goals like improving energy efficiency, ending unfair labor practices, and reining in oppressive regimes worldwide.

Among investors there is a growing belief that these investments are good for both their bottom lines and society. According to the Forum for Sustainable and Responsible Investment, the number of assets invested in the United States based on socially responsible factors jumped 22 percent between 2009 and 2011 to more than $3.3 trillion—or more than one out of every nine dollars under professional management.

With this feature we are inaugurating our At the Center Q&A series, where Columbia Business invites a student or young graduate to talk candidly with an established alumni business leader about opportunities, trends, and career insights.

Here we asked Uzayr Jeenah ’14, a native of South Africa and active participant in the School’s Social Enterprise Program, to chat with Mary Jane McQuillen ’07, head of ClearBridge Investments’ Environmental, Social, and Governance (ESG) Investment Program, about how do you carry out this approach?

How long has ClearBridge been involved in ESG investing and how do you carry out this approach?

Mary Jane McQuillen ’07 (EMBA): The nomenclature is something we have been discussing in the investment management industry. The older term that most people are familiar with is socially responsible investing. But, over time, there developed a fair amount of pushback [to this term] from the capital markets and the private sector could have a tremendous influence in reining in oppressive regimes worldwide. In the corporate world, technology, sustainable finance, microfinance, community investing, green real estate, green product design—the list goes on.

There are a lot of terms out there for doing this are even more available today than when I started. There are jobs in social enterprise, the traditional financial sector, the corporate world, technology, sustainable finance, microfinance, community investing, green real estate, green product design—the list goes on. It’s a very exciting time for new Columbia graduates.

McQuillen and Jeenah were also joined by Neal Austria ’09, vice president and research analyst for consumer discretionary, who spoke about how difficult it can be to determine whether certain firms are good actors by ESG criteria. “There are nuances to socially responsible factors jumped 22 percent between 2009 and 2011 to more than $3.3 trillion—or more than one out of every nine dollars under professional management.”

“We are inaugurating our At the Center Q&A series, where Columbia Business invites a student or young graduate to talk candidly with an established alumni business leader about opportunities, trends, and career insights.”

Why do you think ESG investing is on the rise, both in the United States and around the world?

I think there are a number of reasons. One is that investors are increasingly interested in both their financial returns and in making a positive impact. They see this is possible from the increasing availability of ESG products with long track records of solid performance. We also emphasize using ESG considerations to contribute to the analysis around risk mitigation or return opportunities. That’s supported today by expansive academic literature around the value of integrating ESG into the investment process.

“Mary Jane McQuillen ’07 (EMBA) talks with Uzayr Jeenah ’14 at ClearBridge Investments.”

McQuillen and Jeenah were also joined by Neal Austria ’09, vice president and research analyst for consumer discretionary, who spoke about how difficult it can be to determine whether certain firms are good actors by ESG criteria. “There are nuances to socially responsible factors jumped 22 percent between 2009 and 2011 to more than $3.3 trillion—or more than one out of every nine dollars under professional management.”

“We are inaugurating our At the Center Q&A series, where Columbia Business invites a student or young graduate to talk candidly with an established alumni business leader about opportunities, trends, and career insights.”

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When did you begin your career in ESG investing and what attracted you to it?

My first exposure to environmental issues and societal impact was when I was a national park ranger in the early ’90s. This was before the transition from single- to double-hulled oil tankers, when there were still a number of small oil spills near harbors and ports. I was asked to help clean up a few of those spills near the shores. This was a memorable—and exhausting—experience: manually scooping up massive volumes of heavy oil at dawn, before the sun rose and melted the oil into the soft sand (which would make it very difficult to pick up), and before the seagulls ingested the oil or the tides pulled it back out to sea. I remember thinking that the damage could have been mitigated if there were stronger regulations and that more resources needed to be invested in this area.

Then, when I studied finance in college and at Columbia, I realized that capital markets and the private sector could have a tremendous influence in setting business standards, public policy, and investment flows. I officially began working on ESG portfolios with ClearBridge 17 years ago (though it wasn’t called ClearBridge then).

I believe that people can combine their values with their career goals—opportunities for doing this are even more available today than when I started. There are jobs in social enterprise, the traditional financial sector, the corporate world, technology, sustainable finance, microfinance, community investing, green real estate, green product design—the list goes on. It’s a very exciting time for new Columbia graduates.

How long has ClearBridge been involved in ESG investing and how do you carry out this approach?

ClearBridge and its predecessor firms established the ESG Investment Program in 1987. We were among the first mainstream investment firms to recognize—and explicitly offer in our portfolios—the opportunity to factor ESG issues into our investment theses and long-term investing views.
Most of our clients—both institutions and high-net-worth individuals—are long-term investors who are attracted to our commitment to sustainable investing. We emphasize the investment attractiveness of the stocks we buy for our actively managed long-term equity portfolios. Our fundamental analysts integrate the material and relevant ESG factors into their investment analysis—and the quality of their ESG research and company engagement is part of their compensation structure. For our eight ESG equity strategies, our portfolio managers consider ESG factors in the stock-selection process.

Are institutional investors able to pursue ESG investments and still fulfill their fiduciary duty?

This is a really important question. To help answer it, I worked with our asset manager partners at the United Nations Environment Programme Finance Initiative and we commissioned global law firm Freshfields Bruckhaus Deringer to create a legal framework for the integration of ESG issues into institutional investment. The overall conclusion was that as long as the ESG considerations do not replace the rigor of the investment selection process, but are used to enhance the investment analysis, then such considerations would not be considered a violation of fiduciary duty. The report also states that “integrating ESG considerations into an investment analysis so as to more reliably predict financial performance is clearly permissible and is arguably required in all jurisdictions.” This was a significant legal conclusion, as there was not much in terms of legal opinion published on this question at the time.

What is your track record? Do you measure only competitive returns, which we have been pretty successful at over time. We place a role in this by working with the companies we invest in on ESG issues, such as CO₂ emissions or human rights. Most of our clients are seeking the so-called double or triple “return” from their investments with us—financial, social, and environmental.

There still aren’t a lot of women in senior leadership positions in finance. What’s the one piece of advice you’d give other women in this field who are looking to advance?

One of the top priorities you often hear at conferences like the Columbia Women in Business conference or Women on Wall Street is to find a mentor—and that a predominance of males in leadership positions means women will have more difficulty finding one. But I don’t think that you have to have a female mentor if you’re a young woman. I’ve had more male mentors than female mentors. Not by my own design, but those were the people I reported to, and I believe that they treated me as well as my peers. What’s most important is that you find a good mentor.

What do you find rewarding about this work personally?

There are many careers where you can make an immediate impact—animal rescue, being a doctor or a teacher, etc. Personally, I find the longer-term gratification in the ESG investing space to be rewarding. I believe that many of the investment decisions our clients make with us today will encourage better corporate practices, make a social impact, and lead to more sustainable performance by businesses.

What do you think about the program we just heard about?

New Fellowship Fosters Sustainable Investing

Last fall, Columbia Business School and Morgan Stanley created the Morgan Stanley Sustainable Investing Fellowship. Morgan Stanley Chairman and CEO James Gorman ’87 announced the new program during the keynote address at the School’s annual Program for Financial Studies Conference. “Morgan Stanley is pleased to partner with Columbia Business School to accelerate the research and innovation that advances the field of sustainable investing,” said Gorman. “Increasingly, our clients are searching for market-based strategies that support sustain- able approaches to energy, food, water, and shelter, and we are committed to building the next generation of leaders who will help meet these challenges.”

The fellowship will give a select group of Columbia students the opportunity to combine research and practice to design efforts that seek to drive capital toward investments that promote sustainable economic growth. Fellows will conduct supervised research with faculty members and participate in an internship at Morgan Stanley to gain hands-on experience in product innovation, thought leadership, and investment strategy.

To watch the announcement of the program, visit the School’s on-campus address, go to https://www.morganstanley.com/.

Are you interested in participating in our At the Center Q&A series? We’d love to hear from you. E-mail us at columbiabusiness@gsb.columbia.edu.

“Publically listed corporations can have enormous effects on the environment and on society. That impact can be devastating or incredibly beneficial.”

Mary Jane McQuillen ’07