THE NEW YORK CITY INVESTMENT FUND: A NEW MODEL FOR DOING GOOD
Eleanor Foa Dienstag
Henry R. Kravis ’69 and his fund put a new spin on philanthropy.

AN AMERICAN DREAM: ENTREPRENEURSHIP IN THE MAKING
Marsha Doeblin
Entrepreneurship classes are hot, and they’re no longer just for entrepreneurs.

VIEWPOINTS: SOCIAL SECURITY FIRST?
Frank R. Lautenberg, BS ’49, and economist Stephen P. Zeldes join in the current debate.

SPRING 1998
Jerome A. Chazen '50 is one of a new breed of philanthropist in New York City, page 14.

Features

14 THE NEW YORK CITY INVESTMENT FUND: A NEW MODEL FOR DOING GOOD
   by Eleanor Foa Dienstag
   The brainchild of Henry R. Kravis '69, the fund combines philanthropy and canny investment strategies to create jobs and promote economic growth in New York City.

20 AN AMERICAN DREAM: ENTREPRENEURSHIP IN THE MAKING
   by Marsha Doeblin
   A look at the School's burgeoning Entrepreneurship Program and its effect on students and curriculum.

27 NURTURING A GREEN COMPANY
   by Marguerite Holloway
   Guillermo Suéscum '95 is busy transforming the Panamanian landscape into teak plantations. It is good for the country, good for the environment and promises a tidy profit as well.

30 VIEWPOINTS: SOCIAL SECURITY FIRST?
   by David J. Sainsbury '71
   Frank R. Lautenberg, BS '49, U.S. Senator from New Jersey, and Professor Stephen P. Zeldes discuss securing Social Security.

ENDPAPER
   Social responsibility and business profitability are not mutually exclusive—at least not at Sainsbury's, a chain of U.K. supermarkets dating from 1869.
Dear Friends:

I am extremely happy to report that this spring Columbia Business School reached a milestone—U.S. News & World Report cited it as the No. 3 business school in the nation, up from No. 7 last year (see story, page 3). The climb in the rankings reflects the dynamic momentum of the School. This progress is the result of enormous dedication and energy—a collaborative effort by faculty members, students, alumni, administrators and staff continually to refine all aspects of academic life.

One area of ever-expanding interest at the School is entrepreneurship—a focus of this issue of Hermes.

A unique venture designed to foster both entrepreneurship and economic development in New York City is examined in “The New York City Investment Fund: A New Model for Doing Good.” The fund is spearheaded by a cadre of some of the School’s most distinguished alumni.

“Realizing the American Dream” reports on the meteoric growth of the Entrepreneurship Program and the integration of entrepreneurial thinking throughout the curriculum.

Our in-depth profile for this issue, “Nurturing a Green Company,” features an alumnus who is partnering entrepreneurship with environmentalism in his native Panama. Several more stories of entrepreneurial ventures can be found among the profiles in the Class Notes section.

Hearing these—and the myriad other—success stories of our alumni is one of the most gratifying aspects of my job as dean. I invite all of our graduates to share their stories, especially by participating in our alumni reunion events. Plans are well under way for 5-, 10- and 25-year reunions for the classes of ’92/’93, ’87/’88 and ’72/’73, respectively, to be held on campus on November 13, and for the Fourth Pan-European Reunion, to be held in Venice, Italy, on October 16–18 (see pages 49 and 51 for details).

Again, thanks to all alumni, faculty members, students and friends who have helped boost the School to new heights.

Sincerely,

Professor Meyer Feldberg ’65
Dean

Hermes welcomes letters to the editor and Class Notes updates, sent by mail or electronically to the addresses at left.
According to U.S. News & World Report’s 1998 America’s Best Business Schools, Columbia Business School now ranks No. 3. In the annual study of the country’s leading business schools, Columbia soared from the No. 7 slot it held last year. The School shares the No. 3 ranking with the University of Pennsylvania and Massachusetts Institute of Technology. Harvard and Stanford are tied for first.

In the 1998 survey, U.S. News rates the School No. 1 in placement success and starting salaries for graduates and No. 3 in student selectivity. The Executive MBA program ranks No. 5. For this survey, U.S. News determines rank based on a school’s reputation (worth 40 percent), placement success (worth 35 percent) and student selectivity (worth 25 percent). Corporate recruiters, deans and directors help score reputations, while statistics, grade-point averages and graduate admissions test scores help determine placement success and student selectivity.

Columbia Business School has climbed in the U.S. News ranking from No. 11 in 1989, the year Meyer Feldberg became dean. By 1997, the School had moved all the way to No. 7, at which point the dean publicly set a goal of having it rank among the top five business schools by the year 2000. He credits the School’s steady rise to the ongoing, collaborative effort of the faculty, administration and staff, as well as to the phenomenal successes of alumni.

Despite this advancement, the dean always cautions his team about the dangers of complacency. “In my first few years at Columbia Business School, as we moved up in the rankings, I kept saying, ‘We are just getting started,’” he wrote in a congratulatory letter to the School community after receiving the good news. “This time I do not say that we are just getting started, but I will say that we are not yet done.”

This year’s annual dinner, once again held in the Waldorf-Astoria’s grand ballroom, was not only sold out by April 1, but hopeful diners were requesting seats right up until six o’clock on May 4.

According to Marilyn Kohn, the School’s associate dean for external relations, “the evening was an extraordinary success, due in large part to Lionel Pincus ’56,” this year’s Distinguished Leadership in Business Award recipient. Jerry I. Speyer ’64, who chaired the 1998 Annual Dinner Campaign, noted that he accepted the chairmanship because of Pincus’s commemoration. “This is the first time Lionel has agreed to accept an honor of this kind,” said Speyer, who is also a member of the School’s board of overseers, a University Chair Emeritus Trustee and president of Tishman Speyer Properties, “and it made this year’s annual dinner very special for alumni and friends.” In addition to the TK alumni who attended, a few of the more prominent corporate donors were Goldman, Sachs & Co., Merrill Lynch and Lehman Brothers. Pincus, who is chairman and CEO of E. M. Warburg, Pincus & Co., LLC, a member of the School’s board of overseers and chair emeritus of the University’s Trustees, said in his acceptance speech: “To be or not to be, that is question. Whether tis nobler in the mind to suffer the slings and arrows of outrageous fortune or by taking arms against a sea of.”

The other award traditionally presented at the dinner, the Distinguished Leadership in Government, went to William J. McDonough, president and CEO of the Federal Reserve Bank of New York. McDonough
WOMEN WHO MAKE IT HAPPEN

A ct like a leader in all things that you do,” the keynote speaker, Heidi G. Miller, told an audience made up almost entirely of women during Columbia’s Fifth Annual Women in Business Conference. The conference, held on campus on February 13, was co-sponsored by the Committee of 200 (C200) and Columbia Women in Business (CWIB).

“Don’t let a career just happen to you. Proactively select it,” advised Anne M. Buesquett ’78, president of American Express Relationship Services and winner of the 1998 Distinguished Alumna Award. “Go after what you want.”

ROAD TO CEO
Members of C200, a network of some of the nation’s top businesswomen, inspired the audience with accounts of unity, strength and leadership. Titled “Reaching New Heights: The Road to CEO,” the event offered speeches and sessions on strategic planning, global business, entrepreneurship, Wall Street—and women. About 370 people attended, including current students, alumnae, School administrators and faculty members, prospective students and members of the business community. Other participating schools included Fordham, NYU and Yeshiva. Panelists included Grace Shafir, founding president of the Dare to Dream Foundation, Sherry S. Handel, founder, publisher and editor in chief of blue jean magazine, and Leila Heckman, managing director at Salomon Smith Barney.

Shafir, an entrepreneur and C200 member, says: “I like to do things my way. I might be working at midnight, but at four o’clock in the afternoon I may have been watching a tennis match.” Dare to Dream is a nonprofit corporation that creates videos of interviews with prominent female role models, such as Sandra Day O’Connor, Hillary Rodham Clinton and Diane Sawyer, and then plays them at school assemblies.

Panelists at other sessions explored nuances leading to success. Connie K. Duckworth, a managing director at Goldman Sachs, told the audience to “keep learning. A career is a long time.” Ronna G. Lichtenberg, author, lecturer and president of Clear Peak Communications, noted that when it comes to office politics, “Even nice people have their own agendas,” and women should “accept that you won’t always know the score.”

JUGGLING IT ALL
Many speakers conceded that personal demands such as spouses and children burden working women with guilt about their careers. But Miller, senior vice president and CFO of Travelers Group, asserted that there is no single right way to do it all. “The course is open, and there are many ways to be a good employee, a good mother, a good worker,” she said.

“You women have the ability to shape your own course, and I hope you all do it with great success.”

Regardless of the industry, Miller added, whether a corporate employee or an entrepreneur, success comes from owning one’s work. “Do what you like, and I don’t care what that is,” she said. “You will find opportunities because you make them for yourself.”

The conference cochairs for CWIB were Aimee Bickel ’98 and Lisa Greenberg ’99. The C200 event cochairs were Irene Cohen, CEO of Corporate Staffing Alternatives Inc., and Doris Meister, executive vice president and managing director of the Private Clients Group for Fleet Bank.

CWIB works with the School and the greater business community to further the role of women in business. The organization is one of the most active and successful on campus. And with women making up more than 37 percent of the School’s class of ’99, CWIB’s future looks bright.
I believe there is a great deal of opportunity in corporate America today for African Americans, even in light of the recent attacks on affirmative action," Joyce M. Roché ’72, president and COO of Carson Products, told the Black Business Students Association at its 16th Annual MBA Conference in November. “Corporate America is in need of us, and we have proved we can succeed.”

THE CONFERENCE

The three-day event was titled “Beyond the Glass Ceiling: The Ascension of Blacks in Business.” About 300 people from Columbia and other business schools, including Wharton, Kellogg and Stern, attended, says Erika M. Irish ’98, conference cochair. More than 75 alumni also attended, as did other professionals from companies that sponsored the event.

Held on campus, the conference included team-building workshops, a career fair, an open forum with students, a book signing with author George C. Fraser and an awards banquet to honor Roché, the George A. Owens ’50 Award recipient, and E. Stanley O’Neal, recipient of the Pioneer Award and recently named CFO of Merrill Lynch & Co. Speakers also included H. Carl McCall, New York State comptroller, and Thomas W. Jones, chairman and CEO of Smith Barney Asset Management and vice chairman of Travelers Group.

Panelists included Oliver R. Sockwell ’72, executive-in-residence at the School and former president and CEO of Conn Lee; Meredith E. Marshall, founding member and principal of Musa Capital Advisors, Ltd.; Lawrence C. Manson, Jr., ’85, cofounder and general partner of PENMAN Partners and PENMAN Asset Management, LP; and Warren Shaw ’73, consultant and senior adviser to Chancellor LGT Asset Management, Inc.

THE CAREER FAIR

At the career fair, students filled Low Rotunda to meet with recruiters from about 30 companies, including Goldman Sachs, Fitch Investors Service, Coopers & Lybrand, McGraw-Hill and Kraft. About 450 people attended. The career fair was open to all minority students, Irish said, not just conference participants.

Arshia F. Tala, a representative from Chase Manhattan who notes that diversity is a huge issue at her company, was recruiting first-year students. “It’s great marketing for our corporation,” she says. “We get a good feel of our first-year MBAs and the different types of areas that they’re interested in.” Nicole McIntosh, a prospective student, says she liked the exposure to various companies: “You get a chance to meet a lot of people and to prepare.”

Those who’ve made it confirm that preparation leads to success. In describing her journey, Roché praised the merits of a strong foundation. “It is absolutely essential that African Americans receive top-notch educational training while at the same time maintaining our strong values and sense of self-worth,” she said. “While that glass ceiling may continue to be a presence, we know how to move it, we are beginning to put some cracks in it and we are learning how to find paths around it.”
A NEW TEAM AT CHAZEN

Dean Feldberg has appointed new leadership to take on the challenges of expanding the global reach of the Jerome A. Chazen Institute of International Business, the academic center of the School’s international focus. The new team—a new Faculty Advisory Committee, a new academic director and new operational leadership—will guide the institute into the next century.

FACULTY LEADERS
Nomura Professor of International Finance Robert J. Hodrick is the new Chazen academic director and faculty committee chairman. Professor of accounting Trevor S. Harris, who previously served as codirector of the Accounting Research Center and academic director of the Chazen Institute, in December was named Jerome A. Chazen Professor of International Business and now serves on the new committee. Thomas E. Fernandez will lead the institute operationally as assistant dean for the Chazen Institute and MBA Career Services.

Hodrick joined the Columbia Business School faculty in 1996. A winner of the Chazen International Prize for innovation in teaching, he has conducted international finance research for the past 22 years and values the opportunity to coordinate the School’s efforts to internationalize research and the curriculum. “These are issues that I care about deeply,” he says. “I think we’re doing an excellent job here, and we’re more international than other business schools. But we can always improve, and we should make sure that we stay on the cutting edge.”

Harris’s appointment as Chazen professor reflects his distinguished career both at Columbia and in the greater business community. Among his many accomplishments, Harris has received a Chazen International Prize for innovation in teaching, a Singhvi Prize for excellence in teaching and a Robert W. Lear Award for service to MBA students. He has conducted groundbreaking international research and last year was nominated by his students for the Presidential Teaching Award—a nomination his accounting and finance colleagues endorsed, notes the dean. Harris has consulted for Daimler-Benz and the U.S. Post Office and is on leave this year conducting research at Morgan Stanley, Dean Witter, Discover & Co.

FACULTY RESEARCH
The new faculty committee also includes Nelson Fraiman, professor of operations management and codirector of the W. Edwards Deming Center for Quality, Productivity and Competitiveness; Kathryn R. Harrigan, Henry R. Kravis Professor of Business Leadership and an expert on international strategic management; Ann Harrison, assistant professor of finance and coordinator of the International Business Program; and Bernd Schmitt, associate professor of marketing and an expert on international marketing.

Led by Hodrick, the group is planning a conference on international valuation for winter 1999 that will draw on disciplines across the School. The committee also oversees the Chazen Institute’s academic development and integration with the international
business community. It will further international innovation in the classroom, provide the School with academic leadership in international business and spearhead conferences. Support of faculty research will be directed to issues such as the appropriate cost of capital for an international project, the effect of international marketing strategy on sales and the accuracy with which stock prices reflect international accounting information.

The Chazen Institute has helped to secure the School’s reputation as a top educator of business leaders who have an international perspective.

RECRUITER RESOURCE
On the administrative side, Fernandez is committed to broadening Chazen’s reach and reputation as a resource for recruiters and other schools. “There will be more international recruiters and companies with an international focus that want to come to the Chazen Institute—not only because they want to hire people but because of the research and the work that Hodrick’s committee is doing,” Fernandez says.

Businesses today need employees with global backgrounds—“I don’t think there is a company that does not want that,” he adds. “When I ask companies why they come to Columbia, they come because Columbia students are the most sophisticated globally. Our students tend to be individuals who have traveled, who have lived and worked in countries other than their home country, who see the world in global terms and are comfortable in different countries.” The School now holds admissions forums in almost 20 countries, and about one-third of its students are international.

Jerome A. Chazen ’50 will remain active with the institute as its work progresses. Former chairman of Liz Claiborne, Inc., Chazen founded the institute in 1991 with Feldberg to internationalize the School and its students and to promote innovative thinking on global issues.

The Center for International Business Education (CIBE), funded by the Department of Education, will continue to play a critical role in the School’s internationalization strategy. “With the combined resources of Jerome Chazen and the Department of Education, Columbia Business School can contribute to the nation’s international competitiveness and provide a solid educational foundation for future international business leaders,” Fernandez says.

JAPAN CENTER FORUM: ASIA’S BUMPY ECONOMIC ROAD

Some of the most prominent business, political and academic leaders from the United States and Asia came to the Columbia campus on March 6 to discuss Southeast Asia’s financial crisis. About 180 people from some 80 organizations attended the event.

Hugh T. Patrick, R. D. Calkins Professor of International Business and director of the School’s Center on Japanese Economy and Business, led the one-day conference, titled “Challenges and Opportunities of the Southeast Asia Crisis: Implications for American and Japanese Business.” Supachai Panitchpakdi, Thailand’s deputy prime minister and minister of commerce, traveled from Thailand to attend.

The Asia crisis occurred “mainly because of the overenthusiasm of the private sector to expand,” said Supachai, the keynote speaker. He cautioned that global action is crucial to Asia’s rebound.

Panelists and other speakers included Noboru Hatakeyama, president of the Japan External Trade Organization; Do Duc Dinh, head of the Developing Economies Study Department, Institute of World Economy, Vietnam; and Joseph Kim, president and CEO of Equinox Capital Pte Ltd., Singapore. Discussions focused on international trade and finance, foreign investment and the changing political economy of Southeast Asia. Dinh noted that a balance of money supply and demand with local currency depreciation could help a recovery at the end of 1998.

Patrick said attendees were confident: “There was a general consensus that, once they get through these difficulties, rapid growth would be restored.”
OLIVER SOCKWELL, NEW EXECUTIVE-IN-RESIDENCE

Oliver R. Sockwell ’72, former president and CEO of the Construction Loan Insurance Corporation (Connie Lee) and continuing member of the School’s board (which he joined in 1993), accepted the position of executive-in-residence this spring.

Over the years, Sockwell has maintained close ties with the School, first as alumnus, then as board member and now as professor. “I am very excited to be involved with the School in a new role—that of teaching and counseling students,” he says.

Dean Feldberg says of Sockwell’s appointment: “Oliver will be a tremendous resource to students who use his insights on career strategy and to faculty members and administrators who use his extensive experience in both the private and public sectors.”

Sockwell founded Connie Lee in 1987, ultimately raising $130 million through a private placement led by First Boston. As part of the funding strategy, he persuaded the U.S. government to become an investor and to purchase $19 million of common stock in Connie Lee. Under his leadership, the company—now an AAA-rated, shareholder-owned, for-profit municipal bond insurance company—guaranteed more than $13 billion of principal and interest without defaults in its primary insurance portfolio.

Prior to Connie Lee (which enabled schools, hospitals and municipal governments to build new facilities), Sockwell was executive vice president for finance, administration and planning of the Student Loan Marketing Association (Sallie Mae). He forged links between banks and minority communities during his Sallie Mae tenure, thereby significantly expanding the number of low-income students who could afford a college education and also helping stabilize the financial condition of some historically black colleges. Before joining Sallie Mae, Sockwell earned an MBA and became an investment banker with Smith Barney. After receiving a BA in physics from Howard University, he was a communications engineer for what is now Bell Atlantic.

Sockwell offers expertise in areas as diverse as entrepreneurship and investment banking. He draws on his background to offer the School’s students “an array of experiences both positive and negative that could prepare them for various career challenges.” He continues: “I would like to offer real-world experience as well as insight into the political and social components that come into play over the course of a successful career.”

CERIA RECEIVES CAREER AWARD

This prestigious award (offered to promising young scientists in the first five years after the PhD degree) will be in the amount of $200,000. In addition, the National Science Foundation will match industrial gifts up to $25,000 per year, allowing the School potentially to double the grant amount.

Awi Federgruen, senior vice dean and Charles E. Exley Professor of Management Science, states: “In 1997, only 18 percent of nominees received NSF awards, and only 13 percent in engineering-related fields. The NSF has no business studies category, making it all the more difficult for business faculty eligibility.”

Ceria’s CAREER award is the third extended to management science faculty. Professors Julien Bramel and Fangruo Chen were previously honored.

Sebastián Ceria, associate management science professor, has been selected by the National Science Foundation for a four-year CAREER award. Ceria’s research will focus on “solutions to several types of decision problems arising from real-world applications. These problems,” Ceria says, “are frequently used to provide managers and decision makers in business, industry and government with sophisticated decision support systems.” The resulting case studies will ultimately be incorporated into the School’s curriculum.

Sebastián Ceria

Ceria’s CAREER award is the third extended to management science faculty. Professors Julien Bramel and Fangruo Chen were previously honored.

This prestigious award (offered to promising young scientists in the first five years after the PhD degree) will be in the amount of $200,000. In addition, the National Science Foundation will match industrial gifts up to $25,000 per year, allowing the School potentially to double the grant amount.

Awi Federgruen, senior vice dean and Charles E. Exley Professor of Management Science, states: “In 1997, only 18 percent of nominees received NSF awards, and only 13 percent in engineering-related fields. The NSF has no business studies category, making it all the more difficult for business faculty eligibility.”

Ceria’s CAREER award is the third extended to management science faculty. Professors Julien Bramel and Fangruo Chen were previously honored.

Sebastián Ceria

Ceria’s CAREER award is the third extended to management science faculty. Professors Julien Bramel and Fangruo Chen were previously honored.

This prestigious award (offered to promising young scientists in the first five years after the PhD degree) will be in the amount of $200,000. In addition, the National Science Foundation will match industrial gifts up to $25,000 per year, allowing the School potentially to double the grant amount.

Awi Federgruen, senior vice dean and Charles E. Exley Professor of Management Science, states: “In 1997, only 18 percent of nominees received NSF awards, and only 13 percent in engineering-related fields. The NSF has no business studies category, making it all the more difficult for business faculty eligibility.”

Ceria’s CAREER award is the third extended to management science faculty. Professors Julien Bramel and Fangruo Chen were previously honored.
A TRIBUTE TO LEAR AND HIS LEGACY

Bob Lear’s having fun—lots of it. In fact, during the past two decades that he’s devoted to the School pro bono, Lear has enjoyed his work here more than any other full-time job.

During his tenure, Robert W. Lear, board of overseers member and executive-in-residence at the School, author, teacher, adviser, consultant and former CEO, has received numerous tokens of esteem and affection from students and colleagues, in the academy as well as the business world.

HONORED BY FRIENDS

The latest recognition of Lear’s ongoing contributions to the School is the Robert W. Lear Classroom, a state-of-the-art room in the soon-to-be-completed joint Business and Law School building. “This honor grew as a groundswell of support from Bob’s admirers,” says Dean Feldberg. “He has touched thousands of lives at Columbia Business School. The classroom named for him is a way to recognize his enormous contribution to the School.”

Private and corporate donations have been pouring in as testament to Lear’s contribution in the business, academic and social spheres. Leading the list are Russell L. Carson ’67, James L. Dowd ’81, Robert S. Evans ’68, Daniel S. Jones ’66, Sabin C. Streeter ’67 and Dorothy Lear and her sons. Streeter, a cochair of the committee raising funds for the room and a former managing director at Donaldson, Lufkin & Jenrette Securities Corporation, says: “Bob’s made a difference in the lives of so many, and there’s an extraordinarily deep roster of them. That’s why campaigning for this room is so much fun.”

After a life of corporate governance and being CEO of F & M Schaefer, “he decided to do something completely different,” says Carson, a member of the School’s board and general partner at Welsh, Carson, Anderson & Stowe. “After a very successful business career, Bob turned to academia. It was a great choice for him—because he loves young people—and a boon for the School.”

SELFLESS DEVOTION

Lear arrived at the School in 1977 at the invitation of then dean Boris Yavitz as the first executive-in-residence. “It’s forever to our benefit,” says Streeter, who is also a fellow executive-in-residence and member of the School’s board, “that Lear did come here and wound up staying for 20 years.”

In discussing his contributions to the School and its students, Lear is extremely modest. “I have seen my job here as one that serves students,” he says, “teaching and counseling them about the business world and their careers.”

It is his “selfless devotion to the School,” says Ehud Houminer, executive-in-residence and member of the School’s board, “that makes him so unique.”

Houminer, who has worked closely with Lear as a member of Lear, Yavitz & Associates, LLC, a consulting group specializing in corporate governance, says, “Lear has a one-track mind for doing good for the School.”

In any given week of the academic year, Lear on average counsels 15 to 20 students on careers. Add to that the 60-odd students in his course (Executive Leadership, which focuses on corporate governance and the CEO’s role) who have questions on assignments, readings and so on, and Lear is offering wisdom and expertise to most of the student body in any semester. Says Michael Zampardi ’98, this year’s Graduate Business Association (GBA) president and a student with whom Lear works closely, “Bob Lear is an invaluable asset. He offers an unusual combination of dedication, enthusiasm and energy, both inside the class and with career counseling. It makes him irreplaceable.”

Lear has also had two awards created by students in his name: the Robert Lear Korean Scholarship Fund, founded by students from Korea, and the Robert W. Lear Award, created by the GBA to acknowledge a faculty member, administrator or staff member committed to assisting the School’s students.
STUDENTS TUNE IN TO THE MEDIA AT CAREER DAY

The School’s first Media Management Career Day, held in March, drew 19 high-profile companies from across the media spectrum, including the New York Times, NBC, New Line Cinema, EMI Music and Alley-Cat, a print and online publication focusing on Silicon Alley’s investment opportunities.

Well over 100 students attended and had an opportunity to speak with media recruiters about their companies, pass along résumés and interview. Companies were invited to provide information or to interview students for full-time and summer positions.

The Media Management Association, among the most active of the School’s 80 student organizations, planned the event, which will take place annually. The association’s past vice president of finance, Ashley Ehmer ’98, developed the idea with her co-chairs. They were actively supported by Gina Resnick, associate director of MBA Career Services, Amy Kanarios, manager of Outreach Services, the rest of the MBA Career Services team and Associate Dean for Special Projects Jace Schinderman.

“Our students are such self-starters,” Schinderman says. “People are still talking about the alumni who participated from their companies, coming back to Uris Hall and being remarkably impressed by student talent.”

Ehmer and her team put together the event as part of the School’s ongoing efforts to further strengthen recruiting opportunities for MBA students with media organizations.

“It was an incredibly successful event, especially as measured by the number and caliber of attendees,” says Associate Professor Safwan Masri, vice dean of students and the MBA programs. “This is part of a comprehensive, long-term strategy to distinguish Columbia Business School in the area of media and entertainment.”

Students, Ehmer notes, were thrilled with the event because “it saved them from some of the pavement pounding required to get a job in media.”

Q: WHAT’S IT WORTH?  A: $5,000

On the evening of April 1, the first Cluster Challenge competition attracted just about the entire graduating class (600 students), the deans, faculty members and many School administrators. Sponsored by the dean’s office, the Graduate Business Association and The Bottom Line, the event, held in the University’s Faculty House with complimentary gourmet meal, was described by students as a “blowout” cluster reunion for fourth termers. Conversation, laughter, hootin’ and hollerin’ were de rigueur as clusters competed in answering trivia and arcane questions about the School. The winning cluster received $5,000 and the runner-up $2,000, for future reunion events.
Four top business leaders made their way to Columbia Business School this year to speak to students as part of the General Motors Distinguished Leader Lecture Series. Douglas "Sandy" Warner III, chairman, president and CEO of J. P. Morgan; Deryck C. Maughan, cochairman and co-CEO of newly created Salomon Smith Barney (SSB); Richard Lambert, editor in chief of the Financial Times; and Dave Checketts, president and CEO of Madison Square Garden, spoke at Uris Hall.

Sandy Warner kicked off the series on January 28 by warning students that today’s merger frenzy might cripple tomorrow’s financial institutions unless companies begin planning for new technology five years in advance. On a more optimistic note, Warner is confident about Asia’s ability to rebound with a vengeance: “Economics and markets will stabilize in a way much stronger and robust than anything we have seen to date in Asia,” he said.

On February 4, Deryck Maughan discussed the merits of Travelers Group’s purchase of the bond powerhouse Salomon Brothers late last year and Salomon’s subsequent merger with Travelers’ Smith Barney. The move, he said, has put SSB in 66 countries and created the world’s third-largest investment bank. Citing the companies’ shared “high-performance cultures,” he called the marriage a good one. Maughan played down Salomon’s loss of key managing directors and advised students to get in on SSB’s ground floor.

Richard Lambert of the Financial Times spoke on February 25 about the Economic and Monetary Union (EMU) and its potential impact on Europe’s economy and relations with the United States. While advocates insist the euro, which is the EMU currency, will bring Europeans together as the dollar does in the United States, critics contend that the diverse languages and identities of Europe’s countries, as well as individual governments, are only some of many factors that will impede the euro’s success and potentially lead to catastrophic economic and social consequences, including rampant unemployment.

At least one thing is certain, he noted: the euro will bring about substantial changes, for better or worse, in financial institutions and other businesses throughout the Continent as well as the United States, Europe’s “most important commercial partner in promoting world markets’ openness,” he said.

“Great leaders have a way of imposing their will on other people,” Dave Checketts told students as he wrapped up the series on March 25 with a talk on leadership.

In 1984 at the age of 28, the NBA’s youngest chief executive became president of the Utah Jazz and promptly fired over 60 percent of upper management. “When you don’t know much, it’s good when you think you do,” he said.

Checketts sparred with Mayor Rudolph Giuliani of New York City in the summer of 1995 when the media demanded accountability for a riot at a Garden boxing match.

From top: Richard Lambert, editor in chief, Financial Times; Dave Checketts, president and CEO, Madison Square Garden; Sandy Warner, chairman, president and CEO, J. P. Morgan; Deryck Maughan, cochairman and co-CEO, Salomon Smith Barney.
EXECUTIVE EDUCATION TEAMS WITH SONY

During a 1996 restructuring of Sony Electronics, the North America-based subsidiary of the Japanese powerhouse Sony, Sony MobileComm America became an autonomous company. But it was also a company that was rapidly losing money because of inventory problems.

So Columbia Business School’s Executive Education division teamed with the company, which markets and sells automotive OEM, mobile electronics and telecommunications products, and presented it with an intensive think tank approach spearheaded by Professors Christina L. Ahmadjian, Eric Abrahamson and William Klepper. Professors Murray Low, Joel Brockner and Michael L. Tushman were also involved.

“Executive Education presented a problem-solving process, a way of thinking and looking at things different from Sony’s traditional methods,” says Martin Homlish, Sony MobileComm America’s driven and affable president.

It worked. By the end of fiscal year 1996, the company’s inventory was the healthiest in Sony Electronics’s portfolio. And by the end of fiscal 1997, company profits had increased by almost $20 million, sales had increased by over $50 million and inventory management was optimized.

But while the School’s faculty was the catalyst for Sony MobileComm’s new problem-solving process, Columbia and company officials stress that in-house collaboration made it a success. “Our team leaders believed in the process,” Homlish notes, adding that staff members regularly received report cards, which led to rewards for good performance. “Senior management has to absolutely, positively embrace it and believe in it and has to be willing to disclose to the entire organization the state of the business, the good news and the bad news.”

Columbia Business School is now writing a case study about Sony MobileComm America, which may be used in the School’s MBA program. The partnership has also strengthened faculty connections with the company, furthering research opportunities there.

One of the fundamental objectives throughout the project was the continued improvement of the overall quality of the business—that builds on the recent accomplishments and help Sony MobileComm achieve even greater success.

CITIBANK SUPPORTS HIGHER EDUCATION

In support of higher education for future employees, Citibank is sponsoring a course at Columbia Business School.

The global financial institution is backing Emerging Financial Markets, taught by Professors David Beim and Charles Calomiris. The course examines foundations of countries’ financial markets and explores what distinguishes emerging from developed markets. To put developing markets in perspective, a historical overview at the beginning leads up to modern-day privatizations. Privatization cases in El Salvador, the former Czechoslovakia and Hungary illustrate different settings.

Students also study legal structure, limited information, inflation and financial crises.

Citibank is making this commitment because it needs MBA graduates who are knowledgeable about emerging markets. Students have flocked to the class. The course was originally slated for 60 students; demand was so high that the enrollment was capped at 80.
BOARD OF OVERSEERS ADDS FIVE

Heinz Dürr, chairman, Dürr Beteiligungs AG

G. G. Michelson, former senior adviser, R. H. Macy & Co., Inc.

Lionel I. Pincus ’56, chairman & CEO, E. M. Warburg, Pincus & Co., LLC

Jerry I. Speyer ’64, president, Tishman Speyer Properties

Sue Brock Toigo, chairman, Institute for Fiduciary Education

Five prominent executives have joined the School’s board of overseers, from areas as diverse as financial services and not-for-profit.

HEINZ DÜRR
Heinz Dürr is chairman of the supervisory board of Dürr Beteiligungs-AG, a German holding company in which he and his family have a majority interest. Dürr AG is a leading manufacturer of car varnishing systems, supplying the primary car manufacturers of the world. A member of numerous industry boards, Dürr also serves as the chairman of the supervisory board of Deutsche Bahn AG, Berlin, and president of the Community of European Railways.

G. G. MICHELSON
G. G. Michelson rejoins the board of overseers after a five-year hiatus. Michelson has had a distinguished career with R. H. Macy & Co., Inc. She joined Macy’s New York in 1948 as a member of the executive training squad and went on to serve in a succession of management positions, ultimately becoming senior vice president for external affairs. The recipient of several honorary degrees and awards, she maintains posts on many prominent foundations and boards. Michelson has long been committed to Columbia and served as chairman of the University’s board of trustees from 1989 to 1992.

LIONEL I. PINCUS ’56
Lionel Pincus is chairman and CEO of E. M. Warburg, Pincus & Co., LLC, a financial services organization principally involved in venture banking and asset management. As president and CEO of the firm, formed by a merger between E. M. Warburg & Co. and his own firm in 1966, Pincus has emphasized venture banking and was a founding director of the National Venture Capital Association. A chairman emeritus of the University’s board of trustees and past board member of the School and numerous public and private corporations, Pincus currently serves as trustee or director of several civic, educational and philanthropic institutions.

JERRY I. SPEYER ’64
Jerry Speyer is president of Tishman Speyer Properties, the real estate development company responsible for developing Europe’s tallest skyscraper and whose Manhattan portfolio includes the Credit Lyonnais building. A patron of the arts and supporter of New York City, Speyer is an active member of many community, business and cultural organizations. Among other positions, he currently serves as a trustee of the Museum of Modern Art and is a member of the New York City Partnership and the Council on Foreign Relations. He is also a chairman emeritus of the University’s board of trustees.

SUE BROCK TOIGO
Sue Brock Toigo is chairman of the Institute for Fiduciary Education, an organization she cofounded to provide educational and informational data to investors. She is also founder and president of the Robert A. Toigo Foundation, which works in association with top business schools to provide minority MBA fellowships, internships and mentors. Long an advocate for children, she has served on numerous task forces and has received a dozen awards, including being named one of 10 “Outstanding California Lobbyists” by the California Journal.
Henry Kravis’s New York City Investment Fund is boosting many aspects of the city’s economy. By investing in Gun For Hire Films, a full-service film production center in Soho and subsidiary of The Shooting Gallery, the fund is helping to create an infrastructure that is essential if New York City is to rival Los Angeles and Toronto as a film town.
HENRY R. KRAVIS ’69, founding partner of Kohlberg Kravis Roberts & Co., is a financial innovator who thinks big. Not just when it comes to leveraged buyouts but when it comes to leveraging New York City’s assets—talent, money, diversity, ideas—to create what the city needs most: more jobs and diversified economic growth.

That is good news for New York City, which despite being the financial, cultural and intellectual capital of the United States still lags behind the rest of the country in job creation. Indeed, its unemployment rate of 9.4 percent last year was almost twice the national average (New York Times, March 5, 1998).

It is particularly good news for the city’s entrepreneurs, a hardy bunch struggling to succeed in a high-cost, high-reward environment. In fact, Kravis’s innovative organization, the New York City Investment Fund—part philanthropic, part canny investment vehicle—open for business since September 1996, is the answer to an entrepreneur’s prayer.

The idea for the fund, recalls Kravis, seated in shirtsleeves in a KKR conference room with a breathtaking view of Central Park, had been kicking around in his head for some time. “I’d often thought about cities around the U.S., such as Minneapolis, where the private-sector leadership pulled together to make things happen. New York was not on that list.”

So when Jerry Speyer ’64, president of Tishman Speyer Properties, Inc., then chairman of the New York City Partnership, asked Kravis to come up with new ideas to make the partnership more effective, Kravis presented

Illustrations by Joan Hall
his concept: to form a $100 million fund, a number that would get people’s attention, by raising $1 million each from 100 individuals, corporations and foundations. The mission of the fund, a for-profit operation—albeit one that returns investors their principal in 15 years without interest—is to invest in projects that create jobs and promote economic growth in the five boroughs, especially in disadvantaged neighborhoods.

Says Kravis, with passion and energy, “I want to show the outside world and those who live in New York that we who have our businesses and headquarters here care about this city and want to pull together to make it a better place to live.”

“… I want to show the outside world and those who live in New York that we who have our businesses and headquarters here care about this city and want to pull together to make it a better place to live.”

— Henry Kravis ’69, founder, New York City Investment Fund
Indeed, one of the great successes of the fund has been its ability to mobilize the business community’s best and brightest to apply their business knowledge and education to up-and-coming entrepreneurs, thereby giving back to the city that supported and nurtured them.

Executives actively involved in the fund are a Who’s Who of movers and shakers. The board includes, in addition to Speyer and Chazen, Russell Carson ’67, general partner, Welsh, Carson, Anderson & Stowe; Lionel I. Pincus ’56, chairman and CEO, E. M. Warburg, Pincus & Co., LLC; and David H. Komansky, chairman and CEO, Merrill Lynch.

O
bserves Komansky: “The Investment Fund is a testament to Henry Kravis’s vision and leadership. He’s created an entirely new model for uniting and mobilizing a city’s business community in the cause of economic development. And the true genius of the effort is that the fund is not simply making philanthropic grants—we’re identifying profitable investment opportunities that will also have a positive impact on the economic climate and quality of life in New York City.”

Not only does the fund’s board include a cadre of School alumni and members of the board of overseers—Wylde laughingly refers to them as “the Columbia mafia”—but last semester, six business school students in Associate Professor Murray Low’s Inner-City Consulting class, part of the Entrepreneurship Program (see page 20), evaluated the fund’s inner workings and pinpointed areas for improvement.

Actually, it was Kravis’s idea. While on campus to talk to a group of Executive MBA students, “It dawned on me we should be using Columbia’s students to help us assess what we’re doing.”

The fund is a complex organization, divided into six sector groups—retail; manufacturing; health care and sciences; education and information services; media and entertainment; and finance, insurance and real estate—staffed by volunteer experts in each area. These 100 to 125 volunteers, in turn, work closely with Wylde’s staff of six professionals, evaluating and developing deals as well as providing ongoing advice, contacts and support.

According to Todd Dubner ’99, one of the students who presented to Kravis and the board, the flow of communications—given the size and complexity of the information loop—works well. “But there were...
For Dubner, who hopes to work in New York’s private-equity world, it was a unique experience. “First, I had a chance to contribute to an amazing undertaking and add value to New York City; second, I saw the Russ Carsons of the world in action, which is better learning than any class; third, I found looking for strategic advantage in the inner city an interesting challenge.”

Dubner also is “impressed that Kravis would take an hour out of his day to see what these Columbia Business School students had to say about his fund.”

To date, the fund, with a pool of $62 million, is considerably shy of its $100 million goal. “The reason we aren’t further along,” admits Kravis, “is because I raise money when I have time, and unfortunately I haven’t had much time lately.”

However, it’s clear from his enthusiasm for the fund’s projects—reflected, among other things, in his total recall of names, dates, places and such minute details as a company’s street address—that the fund is a source of great pride and receiving his affectionate attention. “One of the best rewards in life,” says Kravis, “is seeing somebody else prosper as a result of your efforts.”

Particularly satisfying is the network that has been pulled together. “Seeing everybody excited about it has been just phenomenal,” he admits. “I’m amazed at the number of people who come to the board and executive committee meetings and who are always available when we need them.”

Russel Carson ’67, general partner at Welsh, Carson, Anderson & Stowe, championed the fund’s first project, an investment of $2 million in Royal Health Care, a managed care organization.

“Some simple steps that could be taken to close the loop and reduce some demands on the fund’s staff.”

“They made very good suggestions, which we’ve implemented,” says Wylde. Kravis and others are eager to maintain an ongoing relationship with the class.

“The biggest issue for the fund as it expands and makes more and more investments,” says Carson, “is how do we keep track of all the different investments and how do we try and provide advice and value to a number of relatively small, relatively unsophisticated businesses. That’s a real challenge, and I think the Business School can be a sizable resource in helping us meet that challenge, both through its students and faculty.”
In truth, the power of the network, along with the high-level intellectual capital being provided to entrepreneurs—even those whose projects are not quite ready to be funded—is a key part of what makes the fund special. It is especially invaluable to smaller entrepreneurs who sometimes need to rethink strategies in order to grow. Chazen, for example, encouraged a small, minority-owned company that makes knitwear for dancers to expand its horizons and potential customer base, then followed up with an introduction to the president of Saks Fifth Avenue.

To date, out of 275 projects that have come to the attention of the fund, only 11 have received major financial support, although 30 others are under active consideration. Nevertheless, it is encouraging to see the wide range of ventures, which cut across key sectors of the city’s economy. They include: Partnership Plaza, which is building new retail space in six inner-city neighborhoods; Opportunity America, helping employers and government agencies design and implement new welfare-to-work programs; Ericsson CyberLab, a collaborative Internet facility, sister to a Silicon Valley lab; StarMedia Network, Inc., an Internet company targeting Latin America, which offers five information and entertainment channels in Spanish and Portuguese; and New York Site Management Organization, a new company launched by four academic medical centers to carry out clinical trials of new drugs and medical devices.

“They are a dream investor,” says Larry Meistrich, president and CEO of The Shooting Gallery, an independent-film production company in business since 1990, which produces low-budget films, including the Academy Award-winning Sling Blade. Its subsidiary, Gun For Hire Films, a film production center in Soho, which provides people, facilities and equipment to other studios making movies in New York, just received $1.5 million to expand its facilities.

“What I really like about the fund,” says Meistrich, “is that it’s not just, ‘Here’s some money, hope you do well, see you around.’ What is extraordinary is pooling together all these people who then say, ‘How can we be helpful as a group to make this work out? Who do you need to know, and how can we get to them?’”

“Basically,” says Carson, “the sophistication and power of the resources being brought to bear go way beyond the money that’s involved. That’s been one of the huge successes of the fund, to energize people and mobilize the business community to contribute time and people to make this thing work.”

Carson championed the fund’s first project, an investment of $2 million in Royal Health Care, a managed care organization. It’s a model deal in that it expects to create between 500 and 850 jobs over the next four to five years, is sustaining two nonprofit hospitals in Brooklyn and Queens that are totally dependent on Medicaid admissions for their survival and is improving the health of Medicaid recipients. Also, it’s economically healthy and full of promise.

Kravis envisions a perpetual life for the fund. “It will stay in place, in my view, as long as people participate. So our job is to make it interesting and fun and get enough people involved who want to give back to the city.

“You know,” he reflected, “when people think about entrepreneurs, they think about Silicon Valley, Route 128 in Boston, Oregon, Washington, California, Texas. Yet, the number of people we have met who have little businesses in the city is staggering.”

Clearly, Kravis wants to put New York City on the entrepreneurial map. It may take some time to succeed, but as a new model for doing good, especially for galvanizing top business talent, it is already a remarkable achievement.

Eleanor Foa Dienstag is a New York-based author, journalist and award-winning corporate writer. Her work has appeared in the New York Times and the New York Observer, among others. Her latest book is In Good Company: 125 Years at the Heinz Table (Warner).
Owning a business, being self-sufficient, achieving independence—these are all part of the American dream. Today, 16 million sole proprietors are engaged in entrepreneurial activity, some of whom have become household names and made fortunes. Interest in owning or starting a small business has never been greater—and, over the past three years, the number of new enterprises launched has surpassed all previous records.

This burgeoning of entrepreneurs is clearly reflected in graduate business school curriculums today. Murray Low, associate professor of management and director and initiator of the School's Entrepreneurship Program, says: “In 1990, I offered one entrepreneurship elective. Now we have a program with 11 courses, 15 sections and around 1,000 students. We’ve had an incredible trajectory.”

Why are these programs so alluring? They offer pragmatic alternatives to downsizing, outsourcing and vanishing corporate careers—paths that had been inviolate through the late ’70s and early ’80s. Also, today’s start-ups are touted as economic stimulators—moneymakers for owner and economy.

As Low explains, “The School’s Entrepreneurship Program discusses dimensions of wealth creation, not just for the entrepreneur but for society as well. Creating wealth at the micro level translates, at the macro level, into wealth for society at large.”

Virtually all new jobs from 1991 to 1995 were generated, according to Dun & Bradstreet, by enterprises with fewer than 500 employees. And this trend will continue, projects the Bureau of Labor Statistics, with small firms creating about 60 percent of new employment in the future.

The School’s Entrepreneurship Program continues to attract more and more students—and as a

BY MARSHA DOEBLIN • ILLUSTRATIONS BY CRAIG FRAZIER
result, faculty and financial support. Entrepreneurship is the third-largest area of interest among MBA applicants (just three years ago it was fifth), and according to the Admissions Office, between 60 and 70 percent of applicants each term indicate an interest in starting their own companies—either immediately after graduation or as a long-term goal. In the Executive MBA Program, about 18 percent of entrants are sole proprietors of a business. “And the number is growing,” says Dina Consolini, assistant dean and director of the Executive MBA and Summer MBA Programs.

Elaine Beitler ’98, a vice president at Joseph E. Seagram & Sons and an EMBA student, is applying, within the Seagram corporate structure, management techniques from classes originally designed for entrepreneurs. Launching a new product, she finds, is similar to launching a new business. Thinking creatively, or thinking like an entrepreneur, is an unexpected benefit of the School’s entrepreneurship classes.

It is the opinion of Nina McLemore ’95 that “the most successful corporations today are the ones encouraging an entrepreneurial spirit and, similarly, the most successful entrepreneurs are the ones able to build large organizations with strong management teams.” As a former intrapreneur for many years within two major corporations and now president of her own entrepreneurial venture, Regent Capital Management Corp., McLemore says: “Entrepreneurial studies, especially start-up plans, should be an integral part of the core MBA.”

Like international business, which runs throughout the curriculum, so should entrepreneurship, comments R. Glenn Hubbard, the Russell L. Carson Professor of Finance and Economics. “Students should be able to apply what they learn in other courses to entrepreneurship, as well as the reverse.” It is from this perspective that Hubbard is structuring his new entrepreneurial course slated for spring 1999. “The class,” he says, “will be taught from the entrepreneur’s viewpoint and will discuss how financial and economic tools used in the corporate environment can be brought to bear on entrepreneurship.”

Similarly, Rita McGrath, assistant management professor, who received the 1996 Entrepreneurship Theory and Practice Award for a paper on entrepreneurial wealth creation, suggests that “entrepreneurship will be an increasingly important part of the School’s curriculum. Our graduates should have the kind of tools they could acquire in entrepreneurship classes—regardless of career paths.”

As entrepreneurial classes continue to have broader application, student interest is skyrocketing. This academic year, these classes have been overregistered by record-breaking numbers. A basic course like Introduction to Venturing, with a cap of 55, attracted 120 students last term. A new course, Entrepreneurship and Technology, enrolled 40 students this fall and 30 this spring—and 50 percent of the total were from Columbia’s Law and Engineering Schools.
Supertron’s first product, an ultrasensitive MRI using HTS technology,” says DeVries, “is nearing commercialization with support from a variety of partners, including Cornell University Medical College, Harvard Medical School, Duke University Medical Center and GE Medical Systems.”

Like DeVries, students who want to move a technology-focused business plan—written during the Managing New Ventures course, for example—one step closer to start-up take the Entrepreneurship and Technology course. And conversely, students with well-researched ideas take Managing New Ventures to refine their business plans.

Entrepreneurship and Technology unites students and researchers from disparate University disciplines and schools and becomes a prism through which legal, technical and business insights can be applied to intellectual property rights. “This class,” says Low, “takes University research a little further along to make it a more attractive investment to outside companies or financiers.”

When entrepreneur and adjunct professor Jack Kaplan was researching and organizing Entrepreneurship and Technology last year, he found a couple of peer schools offering something similar. “But,” he says, “this course is unusual because it brings together transfer technology and commercialization of intellectual properties to create a successful venture.”

Jon DeVries ’97 has been working with Kaplan for about one year trying to refine a business plan that capitalizes on scientific advances made by a University engineering professor and researcher. The research in high-temperature superconductor (HTS) technology has been patented, and DeVries calls the project Supertron Technologies, LLC. A hairbreadth from financing, DeVries has been busy this year working with venture capitalists and shopping the business solo.

“Supertron’s first product, an ultrasensitive MRI using HTS technology,” says DeVries, “is nearing commercialization with support from a variety of partners, including Cornell University Medical College, Harvard Medical School, Duke University Medical Center and GE Medical Systems.”

Like DeVries, students who want to move a technology-focused business plan—written during the Managing New Ventures course, for example—one step closer to start-up take the Entrepreneurship and Technology course. And conversely, students with well-researched ideas take Managing New Ventures to refine their business plans.

COMMUNITY COLLABORATIONS

Inner-City Consulting, an elective in which students roll up their sleeves for hands-on, pro bono projects for inner-city businesses, is a “logical extension of the Entrepreneurship Program,” says Murray Low, associate professor and the program’s director. “The School connects inner-city businesses with the mainstream economy in a way that no other institution can. We’re sort of a node in the network of overcoming what I call informational redlining.”

The course is cosponsored by Booz·Allen & Hamilton and cotaught by Greg Fairchild and Bonita LloydNettles ’80. LloydNettles is the conduit for inner-city enterprises and the School’s consulting teams; she also just happens to be a fashion and finance entrepreneur and financial consultant to the Harlem Loan Fund, a division of the Central Harlem Local Development Corp. Committed to improving local business in the Harlem and Washington Heights communities, LloydNettles identifies potential clients and puts them through a fairly rigorous screening. Although the service is free, clients must be willing and able to commit time and resources.

With clients this year including Afri Art Works, Dee’s Card Shop, Harlem Renaissance Local Development Corp., Harlem Shoe Manufacturing, La K Fashion, Show Digital and the New York City Investment Fund (see page 14), it is no wonder, as LloydNettles points out, that “students have a real impact within the community.”

In addition, the School also sponsors the Milken Young Entrepreneurs Program. That program, now in its eighth year and funded by the Milken Family Foundation, is designed to teach 35 inner-city high school juniors and seniors each summer about owning and operating a small business.
In addition to an ever-expanding entrepreneurial curriculum, awards and competitions continue to be added to the School’s program. Most leading business schools here and abroad offer various awards for MBAs who create feasible business plans. But Columbia is the only business school to establish an in-house $1 million venture capital fund. In 1996, the Eugene Lang Entrepreneurial Initiative Fund was created with a $1 million gift from Eugene Lang, MS ’40. The Lang Fund is a venture capital fund, giving seed money in amounts of $50,000 to $250,000 to students with viable business plans. It has propelled the School’s Entrepreneurship Program from theory to practice and, in doing so, has attracted much attention.

According to Lang, who describes himself as a “dyed-in-the-wool entrepreneur;” his purpose in launching the fund was “to add a hands-on, activist component to the program and to make it a dynamic part of the School’s curriculum.”

Last year the Lang Fund made its first investment. Yael Alkalay ’97 (see page 25) was awarded $250,000 to start up her StudioLika Project Lab. Her concept is to replicate museum art in three-dimensional wax candles that would be sold in museum gift shops. The Lang Fund Board (which reads like a Who’s Who of the business world) and the Lang Fund Alumni Advisory Panel (composed of 18 alumni) initially reviewed 30 business plans, of which 10 were selected; of those 10, three were asked to refine their plans, but only one was funded.

The Lang Fund award is structured on debt, equity and royalties—and the combinations and percentages fluctuate to suit entrepreneur and enterprise. “In this particular case,” says Low of StudioLika Project Lab, “the investment is staggered and repayment is mostly debt and royalties. If it had been a company with a prospect of going public, then we would have taken more equity. Philosophically, it is important for us to have equity; after all, we’re not a bank.” And should there be profits, as both he and Lang note, they would be reinvested in the fund for future recipients.

“Entrepreneurship and Technology . . . is unusual because it brings together transfer technology and commercialization of intellectual properties to create a successful venture.”

—Adjunct Professor Jack Kaplan, Entrepreneurship and Technology course
Similar to the Lang Fund but of smaller scope are the Business Plan Competition and, new this year, the Real Estate Entrepreneurship Competition, each of which carries a $5,000 award. The Real Estate award is funded by the Seevak Family Foundation and modeled on the Business Plan Competition. For the third consecutive year, entrepreneur A. Lorne Weil ’71, the Business Plan Competition’s initiator and chairman and CEO of Autotote, provides the prize money, and two student organizations, the Columbia Entrepreneurs Organization and the Venture Capital Club, work out the logistics. Additional funding is supplied by James McCullough ’95, a member of the Lang Fund Alumni Advisory Panel and president of Renwick Capital. McCullough has a strong interest in promoting entrepreneurial activities at the School, since he and fellow alumnus Raj Bhatia ’95 started Renwick, an investment boutique, while students.

Another unique aspect of the School and its Entrepreneurship Program is the number of women teaching courses and the number of women enrolled in them. In the Entrepreneurship Program alone, 25 percent of those who teach are women.

As Columbia Business School continues to enroll the highest percentage of female students—more than 37 percent—among its peer institutions, its entrepreneurship courses are attracting an

As an aside and with a broad smile, Yael Alkalay ’97 queries: “Where are you supposed to go to view art these days?” One answer lies in her new business venture—StudioLika Project Lab—conceived by the first recipient of the School’s Eugene Lang Entrepreneurial Initiative Fund.

Alkalay proffers a heady mix of the artistic and the practical, the creative and the businesslike. In fact, this charismatic woman, who speaks four languages, just happens to be a seasoned entrepreneur and retailer. StudioLika is the means by which Alkalay can manufacture aesthetically pleasing objects marketable to a museum gift shop clientele. Her vehicle? Candles that replicate—three dimensionally—museum art and, paradoxically, underscore art’s ethereal nature.

The linchpin in Alkalay’s business plan is the development—in wax—of discrete, stand-alone reproductions of a museum’s holdings to be sold in that museum’s gift shop for exclusive distribution. “Experiencing a museum is a visual activity,” she says. “We concentrate on looking. These candle objects feed the tactile senses. They make art accessible and offer a chance to live with and use museum pieces—pieces we would normally be distanced from.”

Creating candles for museums satisfies Alkalay’s requirements for a business of her own: It is creative, it assists artists and museums and, because of the tremendous profit margin (around 60 or 70 percent), it tenders a tidy profit. Yet the viability of StudioLika is grounded in solid market research. In 1996, consumers spent $2.5 million on museum-related products, and research reveals they are willing to pay over $30 for items such as StudioLika candles. This entrepreneur is affixing a $15 to $65 retail range, with a 50 percent margin for both her company and the museum.

Alkalay is already envisioning expansion: “It’s not just a candle company,” she says, “but a product-development company.” As such, she’s looking for a broader client base and can see herself in time expanding to any organization marketing its identity through aesthetically distinct products. For now, however, she’s targeting one museum and developing “something beautiful and valuable to all.”
enrollment that is also 37 percent female. And that number is steadily increasing. According to the Census Bureau, women are becoming entrepreneurs at twice the rate of men. This finding makes women entrepreneurs one of the fastest-growing segments of the U.S. economy. As of 1996, nearly eight million women-owned businesses in the United States employed over 18.5 million people and generated close to $2.3 trillion in sales, according to the National Foundation for Women Business Owners.

What drives women to be entrepreneurs? McLemore referred to a recent research collaboration among three leading businesswomen’s organizations: The National Foundation for Women Business Owners (a Washington, D.C.-based nonprofit research organization), the Committee of 200 (a professional organization of preeminent businesswomen) and Catalyst (a nonprofit research and advisory services organization). McLemore, a member of the Lang Fund Alumni Advisory Panel and the Committee of 200, says that (according to the study) the primary reason women are launching new businesses is because “they recognize opportunities to implement entrepreneurial ideas or do for themselves what they were doing for their employers.” The number of women who hold management positions prior to venturing has doubled over the past 10 years, which means that today’s female entrepreneur has unprecedented access to human resources and financing, and greater opportunity to launch a start-up.

In a parallel NFWBO study, supported by IBM, researchers found that technology has an increasingly vital role in the growth and development of women-owned businesses internationally. However, the Web’s impact on entrepreneurs of both genders has been profound, as more and more companies seek foreign-based employees, clients and markets. Microbusinesses are becoming macrobusinesses with the click of a mouse.

All of which makes entrepreneurship a very attractive option, fueling an already heightened interest by students, alumni and faculty members in entrepreneurship programs like the School’s.

According to Lang, who describes himself as a “dyed-in-the-wool entrepreneur,” his purpose in launching the fund was “to add a hands-on, activist component to the program and to make it a dynamic part of the School’s curriculum.”
Deforestation has been as relentless in the Republic of Panama as it has been in many places the world over. Most of the country used to be forest; today, only 34 percent of that cover remains intact. During the 1980s, the country lost 305 square miles of forest a year—and, consequently, some 2,000 tons of topsoil—according to the World Resources Institute in Washington, D.C. In 1992, to forestall complete deforestation, the Panamanian government passed a Reforestation Law, which offered, among other incentives, a 25-year tax break to companies undertaking sustainable forestry.

Suéscum, who also has a degree in engineering, was aware of the legislation when it was enacted, but he did not immediately see it as a business opportunity. He was busy with other plans: at various times he tried to start a firm to import used medical equipment and one to supply Panama hats to J. Crew. Neither of those ventures was successful. In the summer of 1994, however, he was working as an intern in a bank in Panama City when he heard about a mahogany plantation owner seeking to sell his land. The bank decided to invest in the plantation. Suéscum was intrigued and began to look into sustainable forestry management as a new business venture. While still a student at the Business School, he flew to Panama, trying to find people to collaborate with. After one false start—and on the day before he was going to give up and go home—Suéscum found partners, including forester Enrique Balsevicius.

CAOBO’s ultimate goal is to buy a total of 5,000 hectares of abandoned or unused pastureland and to plant teak seedlings. The company chose to focus on teak because the trees grow extremely quickly—as much as 18 feet in a year-and-a-half—and because they are not plagued by insect pests in Panama. Although teak is indigenous to Southeast Asia—Myanmar contains 75 percent of the world’s supply—the tree is well suited to the climate of Central America. Suéscum and his colleagues also chose teak because its market...
value rises about 11 percent annually. Part of this increase is due to the fact that the forests of Myanmar are rapidly being felled; a 1993 study estimated that the country’s teak would be gone within a decade.

Suéscum plans to have the Rainforest Alliance—one of two American eco-wood certification organizations—give his teak a green stamp of approval. For an annual fee, the organization’s SmartWood team would certify that CAOBO’s plantations are being managed sustainably: that, among other things, watersheds and soil are protected. The harvest would then be labeled and purchased by companies seeking to buy “eco-friendly” wood. (The other U.S. group that certifies sustainably harvested wood is Scientific Certification Systems in California.)

Although the market for such timber remains small, it appears to be growing steadily. Environmental Advantage, a consulting firm based in New York City, estimates that demand is increasing by as much as 25 percent a year. According to the Forest Stewardship Council, foreign markets are largely driving this trend. “U.S. companies are feeling the pressure from the U.K.,” says Stacey Brown of the council. “They are worried that their products are not going to get carried.” The Rainforest Alliance says it has already accredited 80 companies; about 40 of them are American. And several prominent companies, including B & Q, the British home furnishings store, Gibson Guitars and Home Depot say they purchase certified wood for certain uses.

Having an environmental edge and seeing the importance of these new markets is important, says Suéscum. He believes that most businesses remain unaware of the benefits of investing in the environment or of following environmentally sound practices. “People think that if you are in business, you can’t be an environmentalist,” he scoffs.

Envisioning a greener future, Suéscum has ensured that CAOBO has another environmental asset in hand as well: carbon credits. In the future, these would allow Suéscum to sell the carbon that he...
has tied up in his trees—that is, carbon that will not be emitted to the atmosphere and, thereby, not contribute to global warming—to a country or company that wants to emit more carbon than it is permitted to. To position CAOBO so that it could participate in such a carbon market, Suéscum applied to the U.S. Initiative on Joint Implementation. Born at the 1992 Earth Summit in Rio de Janeiro, the strategy of joint implementation encourages developing and developed countries to reduce overall greenhouse gas emissions by working together to build cleaner factories or to develop other business ventures.

Working with the Center for Clean Air Policy in Washington, D.C., Suéscum got a 500-hectare reforestation project accredited as a USIJI pilot project. The plantation is anticipated to sequester an estimated 220,000 metric tons of carbon dioxide over 25 years. (For context, the United States emits 5,229 million tons of carbon dioxide a year, or about 19.9 metric tons per person; France emits 362 million metric tons annually, 6.2 metric tons per person.) The designation of this plot as a pilot project does not ensure CAOBO investment funds. It simply means that if an international carbon trading scheme is established, a country or company could purchase CAOBO’s credits—which may value as much as $600,000, depending on the market, says Suéscum—in order to have the legal right to release that same amount of carbon dioxide.

The United Nations meeting in Kyoto, however, left joint implementation somewhat up in the air. Never popular with some developing countries—which viewed it as a way to allow developed countries to continue polluting as long as they helped developing nations pollute less—joint implementation was not mentioned in the Kyoto protocol. A “clean development” mechanism was described instead. The specifics of this approach as well as the future of joint implementation and the trading scheme for carbon will be hashed out at a U.N. meeting in Buenos Aires in November.

Nevertheless, it seems likely that sequestering carbon dioxide will reap financial rewards in the future, as will teak trees and certified timber. So Suéscum continues to search for far-sighted investors who want to make a long-term investment. They are elusive. According to Suéscum, timberland investments are very secure, but they also take a long time to come to fruition and, to some investors, have too low a rate of return. “It is hard to find people who will invest outside the United States and who are interested in trees,” he notes. Indeed, to satisfy one investor—and all the partners—Suéscum and Balsevicius just created a sister company, Tecal Hardwoods, to manage a 50-hectare plot with 38,000 trees.

But Suéscum is persevering. While CAOBO continues to seek investors, he works part-time as an engineering consultant. And he continues to envision a Panamanian countryside more like the one he knew growing up. “CAOBO’s system is highly duplicable,” he notes. “If we make more money than the cattle farmers do, maybe we will offset the demand for deforestation.”

Marguerite Holloway is a freelance writer based in New York City.
President Clinton is making a historic move by placing Social Security reform at the top of the national agenda—a spotlight it well deserves. Even though Social Security is currently running a surplus, the system is facing insolvency. By 2029, according to the best forecast, the Social Security trust fund will be depleted, and system revenues will cover only three-quarters of promised benefits. But declaring that the country should "save Social Security first" is a long way from solving the problem. And before a solution can be crafted, the country must make a fundamental decision about whether citizens should be given more choice and control over their Social Security portfolios. The policy question is whether to move away from a government-run, defined benefit plan toward a system in which workers and retirees have ownership and control over their individual retirement accounts.

Many fail to understand what a move toward privatization would entail. Some supporters of individual accounts argue, for example, that these accounts would pay a much higher rate of return than the current social security program. Proponents compare the 9 percent historical real rate of return achieved in the U.S. stock market over the last 50 years, with a projected 1 to 1.5 percent real return under the current Social Security system and conclude that a move toward privatization would be advantageous for all. But this argument is faulty. Social Security is a pay-as-you-go system, which means that retiree benefits come almost exclusively from workers' payroll taxes. If the government simply shut down the current system, there would be insufficient money to cover promised benefits. Indeed, benefits accrued but not yet paid are huge: the unfunded value of future benefits comes to about $9 trillion. If the country switched to a system of private accounts and smoothed this $9 trillion across all current and future generations, the necessary additional taxes needed to cover past promises would wipe out
It also is important to remember that Social Security is not the only looming federal liability that should encourage us to maintain fiscal discipline. Medicare is in financial trouble. There are contaminated nuclear waste sites to be cleaned up. And the government remains at risk for a burgeoning of insurance commitments, including bank deposit insurance, national flood insurance and private pension insurance.

Clearly, we face sobering future costs. Planning for them won’t be easy. But the longer we wait, the harder that task will be. The opportunity to begin solving the problems is now at hand.

I applaud the president for beginning the important commitment toward long-term solvency for Social Security. He and Vice President Gore will participate in several public forums this year, culminating in a White House Conference on Social Security. And next January, the president will sit down with members of Congress to begin ironing out a plan for the long-term security of the program.

My hope is that the president and members of Congress will work together on a bipartisan basis to make any needed changes and to prepare for the demographic challenges that lie ahead. Making sure that Social Security will be there to protect young workers, just as it’s there today for their parents and grandparents, is among the most important challenges we face in the coming century.

The anticipated budget surplus will give the American people a much-deserved “bonus” for hard work in restoring the nation’s fiscal health. But this is not a bonus we can afford to waste.

Frank R. Lautenberg, BS ’49, is a U.S. Senator from New Jersey. The ranking Democrat on the Senate Budget Committee, he is the Democratic Party’s chief budget negotiator in Congress.

Stephen P. Zeldes is the Benjamin Rosen Professor of Finance and Economics at the School. He is a member of the National Academy of Social Insurance, Panel on Privatization of Social Security, and a past member of the Technical Panel on Trends and Issues in Retirement Saving for the 1994–96 Advisory Council on Social Security.
CNBC-TV
April 10, 1998
CNBC’s show The Squawk Box took an in-depth look at the budget surplus and invited Professor R. Glenn Hubbard to participate in the discussion with other experts and viewer calls. Hubbard, a specialist in public finance and financial markets and institutions as well as a former deputy assistant secretary for tax policy at the U.S. Treasury Department, argued for careful control of the surplus and encouraged policy makers to link the surplus to the inevitable costs associated with Social Security reform.

CNN FINANCIAL NEWS
April 6, 1998
As the largest merger in history unfolded, the media explored all aspects of the Citicorp/Travelers deal. One obvious angle: joining financial fortunes is often easier than merging management. Professor Donald Hambrick’s significant expertise in this area led CNNfn to ask him whether the shared power will remain friendly. Hambrick’s view—to achieve synergies, the CEOs will have to make some tough decisions, and “we should expect some of the cordiality to start fraying.”

BOSTON GLOBE
Sunday, March 22, 1998
President Clinton launched a national debate over how to save Social Security from bankruptcy, and in a Page One story, the Boston Globe explored the options, including the lure of Wall Street’s big returns. The Globe highlighted Professor Stephen Zeldes’s argument that it is inappropriate simply to compare stock market returns with projected Social Security returns and conclude that shifting to a system of individual accounts would be a painless cure. This comparison ignores both adjustments for risk and the approximately 25 percent commission on every Social Security tax dollar that would need to be paid to cover benefits already promised under the current system.

FORTUNE
March 16, 1998
In reporting on what MBA students across the country really want in an employer, Fortune turned to the School’s assistant dean for MBA Career Services, Thomas Fernandez, to get some inside information. Fernandez confirmed that the School’s students are enthusiastic about strategic jobs that make a quick impact, offer broad exposure and affect the big picture.

FINANCIAL TIMES
February 9, 1998
Looking to explore business education for women, the Financial Times headed straight to Columbia Business School for comment. Associate Dean Jace Schinderman and Professor Kathryn Harrigan outlined the School’s integrative approach to teaching women. Also mentioned in the article was entrepreneur Nina McLemore ’95, a Committee of 200 (C200) member. C200, a group of prominent women executives and entrepreneurs, runs programs at business schools. McLemore discussed the impact they can have on young, successful women.

WALL STREET JOURNAL
February 2, 1998
When telecommunications leaders gathered at the World Economic Forum in Davos, Switzerland, telephone services via the Internet was a technology many believe would remake the telephone industry. Eli Noam, professor and director of the Columbia Institute for Tele-Information, told the Wall Street Journal that consumers will be seeing a blurring of the division between Internet and classic telephony in the future, as providers cross industry lines.

NEW YORK TIMES
January 22, 1998
In a New York Times article about large companies capitalizing on marketing their in-house services rather than their products to
customers, John O. Whitney, professor and codirector of the W. Edwards Deming Center for Quality, Productivity and Competitiveness, cautioned against diluting business focus. Whitney stated, “If it can’t be significant or strategically important, it’s probably a diversion for management.”

CBS-TV
January 14, 1998
As part of its extensive coverage of the Asian financial crisis, CNBC consulted with Vice Dean Safwan Masri to help evaluate the effect of the crisis on students attending top business school programs in the United States. In an on-camera interview, the vice dean explained that the entrepreneurial business ethic of many Asian countries will push the economies in a positive direction, while continuing to stress education. In the short run, he continued, the School is not significantly affected, and it is still too early to see a long-term effect.

CNN Financial News
January 7, 1998
Students de Winter Stewart ’00 and Joe Espinal ’00 shared a moment in the spotlight on CNNfn. The show focused on the increasing number of students applying to business schools. Stewart and Espinal were interviewed during preterm Math Camp, which prepared them for their first-term courses.

Wall Street Journal
December 31, 1997
When the Wall Street Journal needed an expert opinion for a year-in-review real estate article, they looked to Lynne Sagalyn, professor and director of the School’s Real Estate Program. Sagalyn noted that although the present real estate market boom is reminiscent of the 1980s, development has remained fairly modest. According to Sagalyn, this current restraint may be a positive harbinger for the market’s future.

Newsweek
December 22, 1997
In an article with the headline “M.D.’s go for MBA’s,” Newsweek highlighted a trend as the medical industry reshapes itself through cost cutting, mergers and managed care. Executive MBA student Dr. John Keyser is set to get his degree in May 1998. When Newsweek asked him why he is back in school, Keyser stated that he feels he has to understand the business of medicine.

Business Week
December 8, 1997
Business Week’s annual “Best and Worst Boards” cover story included a discussion with Robert Lear, executive-in-residence, that explored individual commitments companies make to improving their boards. Lear’s expertise in corporate governance is also highlighted when he publishes his own annual list of the best and worst boards in CEO magazine.

Wall Street Journal
November 24, 1997
The Eugene Lang Entrepreneurial Initiative Fund was in the spotlight when the Wall Street Journal took a look at business school venture capital funds. Yael Alkalay ’97, recipient of the fund’s first investment, discussed the rigorous funding process culminating in $250,000 in start-up money for her business. Murray Low, associate professor and director of the Entrepreneurship Program, explained that the goals of the program and the fund are to attract additional contributions for future recipients.
ALUMNI CLUBS

INTERNATIONAL CLUBS

ARGENTINA
Daniel Hirsch ’84, Morales-Ruas & Associados, Cerrito 1294, Piso 5, Buenos Aires 1010, Argentina
(o) 54-1-816-2735
fax: 54-1-816-6127

AUSTRALIA
Paul Rankin ’91, 25/204 Jersey Rd., Woollahra NSW 2025, Australia
(o) 61-2-9363-0718
mobile: 61-418-310721
paulrankin@mail.onaustralia.com.au

AUSTRIA/GERMANY/SWITZERLAND
Kaspar Speckle ’64, Management Zentrum St. Gallen, Rittmeyerstrasse 13, CH-9014 St. Gallen, Switzerland
(h) 43-55-74-43943
(o) 41-71-274-3400
fax: 41-71-274-3493

BRAZIL
Carlos Vitor Strougo ’79, Kadan Consultores Associados, Rua Visconde de Inhauma 134, GR 1427, 20091 Rio de Janeiro, Brazil
(o) 55-21-263-6151
fax: 55-21-253-8210
kadan@embratel.net.br
www.embratel.net.br/infoserv/online/wce/nter/kadan.html

João-Pedro Flecha de Lima ’92, ABN AMRO Bank, Rua Alexandre Dumas 1711-2nd, 04717-004 São Paulo, Brazil
(o) 55-11-5188-2645
fax: 55-11-5188-2658
joao.pedro.flecha.de.lima@abnamro.com

ENGLAND
George Budden ’91, 37 Stirling Rd., London SW9 9EF, England
(h) 44-171-738-7706
(o) 44-171-931-5010
fax: 44-171-931-4104

FINLAND
Raimo Morefield ’88, Kyllikintie 3A1, SF-04200 Kerava, Finland
(h) 358-9-294-2745
(o) 358-9-613-141
fax: 358-9-613-14200

FRANCE
Jean-Yves Rostoker ’71, OCML, 10 Rue Chardin, F-75016 Paris, France
(h) 33-1-4527-2084
(o) 33-1-4224-6262
fax: 33-1-4520-7006

GREECE
John Kalafatides ’85, Container & Cargo Services International, Kanari 5, P.O. Box 80187, 18537 Piraeus, Greece
(h) 30-1-800-0438
(o) 30-1-428-4000
fax: 30-1-428-4005

HONG KONG
Wilson Chan ’73, Flat 2C, Blk 1, Joy Garden, 3 Alnwick Rd., Kowloon Tong, Hong Kong, China
852-9083-6210

INDIA
Ashok Patel ’70, Gujarat Machinery Manufacture, Churchgate House 32-34, Veer Nariman Rd., Fort Mumbai 400 001, India
Columbia University Club of India, Post Bag 11420, Bombay 400 020, India
(o) 91-22-204-7470
fax: 91-22-204-9408

CANADA
Gerald Segal ’92, Merrill Lynch Canada, Inc., 200 King St. W., 5th Fl., Toronto, Ont M5H3W3, Canada
(h) 416-789-2046
(o) 416-586-6047
fax: 416-586-6076
gsegal@banmail.ml.com

COLOMBIA
Fernando E. Suescun ’84, Carrera 5 No. 108A-67, Bogotá, Colombia
tel./fax: 571 2134553

DENMARK
Lawrence B. Landman ’90, Roskilde University, Department of Social Sciences, P.O. Box 260, DK-4000, Roskilde, Denmark
(o) 45-46-75-77-11, ext. 2504
fax: 45-46-75-59-86

EGYPT/MIDDLE EAST
Soheil Galal ’95, 20 Park Ave., #16B, New York, NY 10016
(h) 212-779-9649
(o) 212-515-6539
fax: 212-515-6791
galal_soheil@bah.com
98 Mostafa-el-Nahas St., Nasr City, Cairo, Egypt
(h) 202-274-3-120

FRANCE
Jean-Yves Rostoker ’71, OCML, 10 Rue Chardin, F-75016 Paris, France
(h) 33-1-4527-2084
(o) 33-1-4224-6262
fax: 33-1-4520-7006

GRECE
John Kalafatides ’85, Container & Cargo Services International, Kanari 5, P.O. Box 80187, 18537 Piraeus, Greece
(h) 30-1-800-0438
(o) 30-1-428-4000
fax: 30-1-428-4005

HONG KONG
Wilson Chan ’73, Flat 2C, Blk 1, Joy Garden, 3 Alnwick Rd., Kowloon Tong, Hong Kong, China
852-9083-6210

INDIA
Ashok Patel ’70, Gujarat Machinery Manufacture, Churchgate House 32-34, Veer Nariman Rd., Fort Mumbai 400 001, India
Columbia University Club of India, Post Bag 11420, Bombay 400 020, India
(o) 91-22-204-7470
fax: 91-22-204-9408
ISRAEL
Edward Frank ’84, Acorn, P.O. Box 474, Ra-anana 43500, Israel
(o) 972-9-742-2771
fax: 972-9-742-3272
acorn@netvision.net.il
Ron Plotkin ’86, Softcare Interfaces Ltd., 6 Eliyahu Hakim St., #21, Ramat Aviv Gimel, Tel Aviv, Israel
(o) 972-3-566-5616
fax: 972-3-566-5615
acorn@netvision.net.il

ITALY
CBS Club of Rome, Francesco De Paolis ’83, Via del Tempio, 1/A, 00186 Rome, Italy
(h) 39-6-689-6434
(o) 39-6-686-1458
fax: 39-6-686-1592

JAPAN
Yuzaburo Mogi ’61, Kikkoman Corporation, 2-1-1, Nishi Shinbashin Minato-ku, Tokyo 105, Japan
(o) 81-3-5521-5005
fax: 81-3-5521-5019

MEXICO
Jesus Berumen Cantu ’87, Banco Nacional de Mexico, S.A., Act. Roberto Medellin No. 800, 1er Piso Norte, Col. Santa Fe, 01210 Mexico DF, Mexico

NORWAY
Rune Thoralfsson ’84, Managing Director, Sande Papermill, A.S., 3070 Sande, Norway
(o) 47-3-377-9010
(h) 47-6-758-1649
fax: 47-6-758-1929

PHILIPPINES
Benjamin D. Domingo ’70, SGV & Co., 6760 Ayala Ave., Metro Manila, Philippines
(o) 63-2-819-0307
fax: 63-2-819-0872

SINGAPORE
Richard Stanley ’90, Citibank Tower, 82 N. Sathorn Rd. -17th Fl., Bangrak, Bangkok, 10500 Thailand
(o) 662-232-2699
SPAIN
Valentin Perez de Heredia ’70, Equipos Nucleares S.A., Velasquez 130, B1.1-3rd, Madrid 28006, Spain
(o) 34-1-563-1112
fax: 34-1-564-0640
Carlos Canivell Cretchley ’88, Technidor, Torre Dels Pardals 23, 08041 Barcelona, Spain
(h) 34-3-453-6866
(o) 34-3-456-0200
fax: 34-3-347-9787

SWEDEN
Per H. Borjesson ’80, Foretagspartner IBP AB, Nybrogatan 7, 5tr, S-11434 Stockholm, Sweden
(o) 46-8-678-0335
fax: 46-8-678-3737

SWITZERLAND
Stephen Richards ’79, Coutts & Co., SA, 13 Quai de Isle, CH-1211 Geneva, Switzerland
(h) 41-21-691-4979
(o) 41-21-691-4979
fax: 44-22-310-3857

TAIWAIN
Tayafun Bayazit ’83, Yapi ve Kredi Bankasi, Yapi Kredi Plaza, Buyukdere Caddesi Levent, 80620 Istanbul, Turkey
(h) 90-216-332-5179
fax: 90-212-270-4797

TURKEY
Joaquin Mir ’94, Av. Mirador Edy Hadamir PHB, La Campina, Caracas, Venezuela
Andres Lavarte ’97, 7004 Kennedy Blvd. E., Apt. 23B, Guttenberg, NJ 07093-5023
(h) 201-854-3795

DOMESTIC CLUBS

ATLANTA
Denise Quinlan ’91, 400 Silverthorne Point, Lawrenceville, GA 30243
(h) 770-339-1559

BALTIMORE
John Cammack ’79, T. Rowe Price Associates, 100 E. Pratt St., Baltimore, MD 21202

BOSTON
Todd Randolph ’91, 247 Walnut St., Brookline, MA 02146
(h) (617) 232-9183
(o) (508) 875-5600, ext. 1395
(800) 775-5600, ext. 1395
fax: (508) 370-9008

DALLAS
Carmen DeJesus ’96, American Airlines, P.O. Box 69616/MD5635, Fort Worth, TX 75261
(o) (817) 931-6415

DENVER
Harold Logan ’70, 1488 Wazee St., Apt. 3D, Denver, CO 80202-1335
(o) (303) 626-8225
fax: (303) 626-8228

(303) 460-8449

Marie Hueston ’92
(303) 692-0650
David Borie ’85
(303) 486-5998
HAWAII
Brad Nichols ’87, Mythic Images, 1051 Kalihiwai Pl., Honolulu, HI 96825-1362 (h) 808-595-6411

HOUSTON
Mark J. Ripka ’96, P.O. Box 460626, Houston, TX 77056 (h) (713) 627-2119
Hines, 2800 Post Oak Blvd., 49th Fl., Houston, TX 77056 (o) (713) 966-7843 fax: (713) 966-2087

LOS ANGELES
Bill Robbins ’88, 10604 Wilkins Ave., Apt. 302, Los Angeles, CA 90024 (h) (310) 470-6654 billr@convergentventures.com

MIAMI
Steve M. Ketover ’73, Steve M. Ketover CPA, PA, 351 S. Cypress Rd., Ste. 410, Pompano Beach, FL 33060 (954) 283-1919

MINNESOTA
Bruce G. Cornelius ’92, 2716 W. 44th St., Apt. 203, Minneapolis, MN 55410-1943 (h) (612) 938-5224 brucc@webfeet.com

NEW YORK
David A. Waite ’92, ILX Systems, 111 Fulton St., New York, NY 10038 (o) (212) 510-3345 davidw@ILX.com
CBS Club of New York, 822 Uris Hall, New York, NY 10027 (o) (212) 854-8821 fax: (212) 678-0825

PHILADELPHIA

PORTLAND
Annette Mulee ’79, Stoel Rives LLP, 900 S.W. 5th Ave., Ste. 2300, Portland, OR 97204-1268 (o) (503) 294-9666 fax: (503) 220-2480

PUERTO RICO
James P. Connor-Cerezo ’93, 651 Fernandez Juncos Ave., Apt. 901L, San Juan, PR 00907 (h) (787) 725-4046 (o) (787) 723-7820 fax: (787) 754-3135 cceef.jconnor@capital.GE.com

SAN FRANCISCO BAY AREA (NORTHERN CALIFORNIA)
Rick Rosensweig ’68, Dean Witter Reynolds, Inc., 1010 El Camino Real, Ste. 200, Menlo Park, CA 94025 (o) (800) 755-1311 fax: (415) 324-1920

TAMPA
Edward Hackett ’69, Edward V. Hackett, CPA, 3301 Bayshore Blvd., Ste. 1007, Tampa, FL 33629-8843 (h) (813) 837-2151 (o) (813) 839-8845 fax: (813) 831-5084 evhcpa@aol.com

WASHINGTON, D.C.
Mark Jacobson ’89 or Michaela Zinty, 6008 Melvern Dr., Bethesda, MD 20817-2512 (h) (301) 564-5719 fax: (301) 564-0887

THE SAN FRANCISCO BEAT
During the January interterm break, Dean Feldberg, Regina Resnick, associate director of MBA Career Services, and Madge Nimocks, director of Alumni Relations, headed to the Bay Area with more than 60 students and faculty members Rajeev Kohli and Kamel Jedidi of the marketing division and Geoffrey Heal of the finance and economics division. The group was geared to reinforce the School’s connections with the high-technology firms on the West Coast and lend support to the growing Alumni Club of San Francisco.

The trip was spearheaded by the student-run High-Technology Club, led by its president, Brad Kirby, working in collaboration with alumni and the administration. Bill Gaylord ’96, a member of the San Francisco club and director of industry strategy for the consumer sector worldwide at Oracle, is pictured above with the dean at an Oracle reception for Bay Area alumni and current students. With career services, the students also arranged a breakfast meeting for recruiters and students that included such companies as Guidant, Intel and Sun Microsystems.

With more than 700 members, the San Francisco club is becoming more active, in part due to the diligence of its president, Rick Rosensweig ’68. The events hosted by the club over the seven days also served to introduce prospective MBAs to current students and faculty members as well as alumni.
The Fourth Pan-European Reunion will bring together Columbia Business School alumni from around the world for an enriching forum that includes world-class speakers and festive social events.

Friday, October 16     Evening: Reception in Piazza San Marco at Ala Napoleonica, Museo Correr.  
Sponsored by Schroder Italia

Saturday, October 17    Dean’s Breakfast Symposium and Seminar at Scuola Grande di San Rocco, Dean Meyer Feldberg ’65
Guest Speaker:  Mario Draghi, Director General of the Italian Treasury.  Sponsored by Benetton Group
Evening: Gala black-tie dinner at Palazzo Pisani Moretta
Guest speaker:  Umberto Agnelli, President, IFIL (Agnelli Group).  Sponsored by IFIL (Agnelli Group)

Sunday, October 18   Optional half- and full-day tours of Venice and the surrounding countryside

Leadership Committee
Benetton Group, S.p.A.  
Daniele D. Bodini ’72  President, American Continental Properties, Inc.
Gabriele Galateri di Genola  
Leadership Committee

SAVE THE DATE
OCTOBER 16–18, 1998
VENICE, ITALY
David J. Sainsbury ’71 is chairman of J Sainsbury plc, a 129-year-old family business that owns one of Britain’s most profitable supermarket chains as well as Shaw’s Supermarkets in New England. Sainsbury was awarded the School’s 1997 Botwinick Prize in Business Ethics this past fall. The following excerpt is from his acceptance speech.

IT IS A COMMON PRACTICE today for large companies to set themselves corporate objectives of an inspirational nature. It is not easy, however, to turn such corporate objectives into practical policies. The manager in a large corporation today is faced with a mass of conflicting demands from customers, investors and other interested groups. Many decisions are posed in simple terms of right and wrong, but often they raise difficult questions which require technical expertise and judgment.

Sainsbury’s prides itself on a long record of social responsibility. To illustrate how we look at such issues, I would like to discuss three areas: the environment, animal welfare and developing countries.

We use around 6,500 suppliers, and we recognize that their environmental performance contributes to our environmental impact. We have, therefore, developed with them a system of Integrated Crop Management Strategies, which reduce the need for pesticides by traditional methods, such as crop rotation, by using disease-resistant crop varieties and by special training for growers in the use of the most up-to-date monitoring techniques.

A second issue of intense public interest in the U.K. is animal welfare, with concerns about safety and health closely linked to the morality of animal treatment in modern intensive farming systems. Good animal husbandry and farming practice is in the best interest of the livestock and the consumer (and makes sound business sense). We have progressively developed our welfare strategy and standards based on the practical application of the principles of the Five Freedoms, originated by our National Farm Animal Welfare Council: freedom from hunger and thirst, from discomfort, from disease and injury, from fear and stress and freedom to express normal behavior.

A third area of concern is the Developing World. Concerns among Western consumers that the products they buy may be produced by workers who are being exploited has prompted Sainsbury’s to work with the Fairtrade Foundation to develop a Code of Conduct for socially responsible trading. This code will be used to monitor our brand suppliers worldwide on social concerns such as employee health and safety, pay and illegal child labor. Our intention is not to drop suppliers but to work with them to achieve improvement.

The question which is always asked is whether it is right to adopt such socially responsible policies if they conflict with the creation of shareholder value. This is not, I believe, such a major issue as many people suppose. The overlap between what is good for business and what is good for society is often much greater than people think. For example, we have saved large amounts of cost by conserving energy. Also, over the long term our customers are more likely to shop with us if they feel that we are not polluting the environment, exploiting people in the developing world or treating animals badly. Finally, our employees share the same concerns as our customers, and they will only be enthusiastic about selling food to our customers if they believe we are adopting a socially responsible approach to producing it. We can recruit high-caliber people, I believe, because we give them high-quality objectives.

The match between what is commercially profitable and what is good for society is not, however, perfect, and there is a huge difference between saying, “I will protect the environment because I think it is the right thing to do” and, “I will protect the environment because it is in my financial interests to do so.” While there is not so often a conflict between ethical behavior and shareholder value as people would suppose, when there is a conflict I believe that ethical considerations have to prevail. I believe passionately in wealth creation and the importance of creating shareholder value, but they must take second place to ethical considerations in a civilized society.