EARTH, WIND AND SUN  Alumni respond to the global demand for sustainable energy
• The School’s new leadership curriculum fosters “social intelligence”  • Ran Kivetz
on the paradox that sometimes a self-indulgent choice is better for you than the
responsible alternative  • Londoner Juliet Kennard ’07 delights in her class’s diversity
Manhattanville Planning  Explore plans for a vibrant urban center aimed at not only education and academic research—including a new home for the School—but also expanded economic opportunity, enriched cultural offerings and enhanced civic life.

www.columbia.edu/cu/neighbors/pages/mplan

Columbia Ideas at Work  This online knowledge bank of faculty research brings the School’s intellectual capital to bear on your business challenges.

www.gsb.columbia.edu/ideas

BANC: The Alumni Web Site  Visit this online community for networking, submitting class notes, career tools and updates on the School’s ongoing identity work.

www.gsb.columbia.edu/alumni
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Dear Alumni:

Columbia Business School is on the cusp of a transformation, one that will change the footprint of the School in years to come while maintaining all that has made it great since its inception. Today, the School is focused on developing curricular innovations, building our network and conveying to the larger world who we are: a premier institution for graduate business education and business research.

One aspect of this attention to our identity will be changes in the design of the School's Web site, the feel of Uris Hall and the look of our publications—including HERMES—and creating a consistent look, feel and tone in all that we do. My hope as we go through this process is that the interconnectedness of faculty, students, staff, alumni and centers will become even stronger.

In this issue of HERMES, you will find a feature on the Program on Social Intelligence (PSI), a new curriculum led by Michael Morris, the Chavkin-Chang Professor of Leadership. PSI focuses on ways to manage individuals, teams, organizations and networks from the perspective of psychology and related social sciences. It is a testament to the new ways in which the School is thinking about learning for our students and the practical applications of their business education. Another feature on alumni who have used their education to build renewable energy resources underscores the importance the School places on bridging theory and practice. And Professor Ran Kivetz talks about his recent study on long-term regret, looking at an issue that we all can relate to: how the choices we make each day affect our overall happiness.

The central focus of all the School’s work and efforts is to create an educational experience that applies to today’s rapidly changing world, one that creatively explores seizing today’s opportunities and tackling tomorrow’s challenges. I’m confident that Columbia Business School is well positioned to meet this charge with its community of scholars and its exceptional network of students, alumni and global business partners. This is just the beginning of an extraordinary journey.

With regards,

Glenn Hubbard
Dean and Russell L. Carson Professor of Finance and Economics
EMBA-Global, CJEB, INM and Lang Center Mark Milestones

EMBA-Global, the pioneering dual-MBA degree program of Columbia and London Business Schools, celebrated its fifth year last June with a reception in London. Vice Dean Amir Ziv and Dean Laura Tyson of London Business School discussed globalization and education at a dinner marking the anniversary. “Given the success of the program to date, it’s hard to believe that the EMBA-Global program was considered quite revolutionary when it was introduced,” Dean Glenn Hubbard said in a video address.

New York to capitalize on the dual advantages of the world’s financial and business capitals.

Several other programs and institutes at the School also marked important milestones in 2006. Last May, the Center on Japanese Economy and Business (CJEB) celebrated its 20th anniversary with a conference in Tokyo on the development of Japan’s markets, policy, and financial and business institutions. A second conference held at the School in October featured Timothy Geithner, president of the Federal Reserve Bank of New York.

Meanwhile, the Lang Center for Entrepreneurship celebrated its 10th anniversary at a reception at the Metropolitan Club. A. Lorne Weil ’71, CEO of Scientific Games Corporation and a member of the School’s Board of Overseers, hosted the event, which was also attended by the center’s founder and Board of Overseers member Eugene M. Lang, MS ’40. Guests were treated to an array of products created by alumni entrepreneurs, including Juara Skincare, Tami Chuang ’06; XO Blow Styling Salon, Julie Klingenberg ’99; Schneider Vineyards, Bruce Schneider ’00; and Peeled Snacks, Noha Waibsnader ’02.

Mishkin Sworn in as Fed Governor

Frederic Mishkin, the Alfred Lerner Professor of Banking and Financial Institutions, was sworn in last fall as a governor of the Federal Reserve Board.

“Professor Mishkin brings sharp intellect, insight and a deep understanding of complex economic issues,” said Dean Hubbard. “He will make a significant contribution to the Fed in the years to come.”

The School boasts a unique connection to the national institution: H. Parker Willis, professor of banking (1917–37), was named secretary of the first Fed Board in 1914 and served as its research director until 1922. Mishkin, who joined the School’s Finance and Economics Division in 1983, has headed the New York Fed’s research department, was an associate economist of the bank’s Federal Open Market Committee and is an academic consultant to the bank. He also has served as a visiting scholar at Japan’s Ministry of Finance and the Reserve Bank of Australia.

Mishkin is the author of the No. 1-selling textbook The Economics of Money, Banking and Financial Markets.

With two other coauthors, he cowrote Inflation Targeting: Lessons from the International Experience with Fed chairman Ben Bernanke, whom he has known for more than 25 years.
**Quotable:** “It is your lessons students remember when their professional careers confront them with challenging problems in finance, copies of your course materials that remain on their bookshelves, dog-eared from frequent use.”

From the 2006 Presidential Teaching Award citation honoring Laurie Simon Hodrick, professor of finance and economics—the fourth faculty member at the School to receive the University’s most prestigious teaching award since 2000.

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**NEWSMAKERS**

**A New Leader for Executive Education**

**Troy Eggers ’05** was named associate dean for executive education in January.

A graduate of Columbia’s Executive MBA Programs (EMBA), Eggers joined the School’s administration in 2000. He served as a director of administration in Columbia Business School Executive Education for five years before becoming assistant dean of EMBA.

“With his creative spirit and energy, Troy is a welcome addition to an already outstanding team,” said Dean Hubbard.

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**NEWS MEDIA**


In an op-ed, Professor Green contends that the Commission on Health Care Facilities for the 21st Century’s recommendations to downsize dozens of local hospitals is simplistic and potentially dangerous.


A feature on socially minded business education includes a quote by Professor Horton and a description of the School’s increasingly popular Social Enterprise Program.


Dean Hubbard comments on the value of public companies in an article on the impact of ownership structures on corporate performance and health.


Research by Professor Johar and a coauthor is the subject of an article that suggests that people are more receptive to happy advertising when they have just made an impulse purchase at a moderate discount.

**Charles Jones, Washington Post**, December 19: “Now Competing on a Global Scale, NYSE, Euronext to Vote on Merger”

Professor Jones draws on his research on trading cost trends in an article on the proposed NYSE-Euronext merger.

**Chris Mayer, WSJ Econoblog**, October 18: “How Could the Housing Slump Affect the Nation’s Economy?”

Professor Mayer participates in an online discussion of the nation’s economy in light of the current state of the housing market.


Professor Noam’s research on telecommunications services in different countries is highlighted in an article that questions a proposed federal broadband policy.

**Jonah Rockoff, Boston Herald**, November 25: “Excellent Teaching Trumps Licensing”

Professor Rockoff’s finding that certified and uncertified teachers demonstrate similar performance levels is the subject of an article on teacher effectiveness.

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**In recent months, the School’s faculty members were featured in a range of media outlets. A select few are highlighted here.**


Professor Ames discusses the challenges faced by women navigating the workplace in a feature that explores why women in science routinely receive less research support than their male colleagues.

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**Troy Eggers ’05**

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Cramer Leads New Healthcare and Pharmaceutical Management Program

Cliff Cramer has been named director of the School's new Healthcare and Pharmaceutical Management Program. The program draws on the University’s strengths in medicine, social services and law and its location in New York, home to some of the world's largest healthcare organizations as well as investors in the industry.

“This multidisciplinary initiative builds upon Columbia’s outstanding core MBA curriculum to prepare students to become effective leaders, builders, investors in and advisers to this large and growing sector,” says Dean Hubbard.

Cramer, who has more than 25 years of experience in the pharmaceutical and financial services industries, has served as managing director in the healthcare investment banking groups of Merrill Lynch and JPMorgan and as vice president of corporate planning and development at Merck & Co. He also cofounded American Health Capital/VHA Enterprises, a healthcare financial services firm.

Select Recent Speakers on Campus

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<tr>
<th>Name</th>
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<tr>
<td>Joseph Azrack ’72</td>
<td>President and CEO, Citigroup Property Investors</td>
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<td>John Browne</td>
<td>Group Chief Executive, BP</td>
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<td>Thomas Burchill ’80</td>
<td>CEO, Venaca</td>
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<td>Leon Cooperman ’67</td>
<td>Chairman and CEO, Omega Advisors</td>
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<td>John Coyle ’94</td>
<td>Managing Director and Global Head, Financial Sponsor Group, J. P. Morgan Securities</td>
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<td>David Epstein ’97</td>
<td>President and CEO, Novartis Oncology</td>
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<td>Carly Fiorina</td>
<td>Former Chairman and CEO, Hewlett-Packard Company</td>
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<td>Bob Diamond</td>
<td>President and Chief Executive, Investment Banking and Investment Management, Barclays</td>
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<td>Edward Ludwig ’75</td>
<td>Chairman, President and CEO, The Hershey Company</td>
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<td>John Whitehead</td>
<td>Chairman, Goldman Sachs Foundation</td>
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<td>Doug Lattner</td>
<td>Chairman and CEO, Deloitte Consulting</td>
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<td>Shelly Lazarus ’70</td>
<td>Chairman and CEO, Ogilvy &amp; Mather Worldwide</td>
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<td>Roy Lennox ‘80</td>
<td>Senior Managing Director, Caxton Associates</td>
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<td>Rick Lenny</td>
<td>Chairman, President and CEO, The Hershey Company</td>
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<td>Nina McLemore ’95</td>
<td>CEO, Nina McLemore</td>
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<td>Michael Odrich ’93</td>
<td>Head of Lehman Brothers Private Equity and Managing Director, Lehman Brothers</td>
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<td>Tom Potter ’83</td>
<td>Cofounder, Brooklyn Brewery</td>
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<td>Janet Rollé ’91</td>
<td>Vice President and General Manager, AOL Black Voices</td>
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<td>Ernest Higa ’76</td>
<td>President and CEO, Higa Industries</td>
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The School’s entrepreneurial mindset makes it well positioned to play a leadership role in this sector. “New frameworks and business models are desperately needed for the industry to continue to innovate and deliver higher-value healthcare to a diverse and increasingly price-sensitive customer base,” says Dean Hubbard.
Schmitt Leads Experiential Marketing Series on FT.com

Bernd Schmitt, the Robert D. Calkins Professor of International Business and executive director of the School’s Center on Global Brand Leadership, led an executive education series on experiential marketing on FT.com.

In the first of five video installments, he guided viewers on a walkabout through his New York apartment, pointing out hot “experiential” brands like Red Bull, Herbal Essences and Evian. The online series included five short videos, suggested reading lists and links (including one to Schmitt’s blog at www.meetschmitt.typepad.com), an interactive discussion forum and a live Q&A session with Schmitt.

“Experience is one of the hottest topics in marketing management today,” says Schmitt. “Managers feel it is no longer enough to have just great functional features, benefits and quality; you need to provide a great experience for your customers.”

Schmitt is widely recognized for his unique focus on the customer experience. He has published more than 50 articles in marketing, management and psychology journals, in addition to appearing on the BBC, CNBC, CNN and The Daily Show with Jon Stewart.

Participants in the FT series also competed to win a seat in the School’s executive education course on experience marketing taught by Schmitt. Congratulations to Karthick Palaniswamy of Nashville, who correctly answered a set of questions about the online seminar and submitted the winning essay on the topic of experience.

To learn more about the course and Columbia Business School Executive Education, visit www.gsb.columbia.edu/execed.

Blend of Private and Social Enterprise Nets 2006 Botwinick Prize for Costco’s Sinegal

James D. Sinegal, president and CEO of Costco Wholesale Corporation, received the 2006 Botwinick Prize in Business Ethics at the fourth annual Social Enterprise Conference on October 6.

“Jim fuses private enterprise and social enterprise in the running of Costco,” said Ray Horton, director of the Social Enterprise Program (SEP) and the Frank R. Lautenberg Professor of Ethics and Corporate Governance.

Three hundred students, alumni, academics and business professionals—a record number—gathered together for the sold-out conference, which had as its theme “Raising the Bar.” Participants explored innovative ways to create sustainable value for society across sectors, discussing global health, corporate social responsibility, renewable energy and private equity in emerging markets, among other topics. Sinegal gave the keynote address.

“We have a mission to constantly strive to bring goods and services to the markets at the lowest possible price,” said Sinegal. “We cut the cost out of everything, and we take care of our employees.” The company’s code of ethics calls for taking care of customers, suppliers and shareholders as well as employees.

Students in the Social Enterprise and International Development Clubs organized the day’s events, with support from the SEP and the Sanford C. Bernstein & Co. Center for Leadership and Ethics.

Founded in May 2003, the center also supports the School’s Individual, Business and Society curriculum (IBS), which equips students to critically consider workplace conflicts and tradeoffs.

The Botwinick Prize recognizes an outstanding leader who exhibits the highest standard of ethical conduct in business or the professions. Established in 1989 with a generous endowment from the late Benjamin Botwinick, BS ’26, and his wife, Bessie, the prize has been affiliated with the SEP conference since 2005.
In Memoriam: Neil W. Chamberlain

Professor Emeritus Neil Chamberlain, a valued member of the School community for nearly 25 years, died September 14.

Chamberlain came to the School in 1954 after earning his PhD from Ohio State University. Between 1959 and 1965, he directed the Program in Economic Development and Administration at the Ford Foundation, returning to the School in 1966, when he was appointed the Armand G. Erpf Professor of the Modern Corporation. He held this position until his retirement in 1980.

He was a prolific economist and writer who penned 20 books, contributed to and edited more than 15 others and published numerous scholarly articles.

“Over his 88 years, Neil produced work of great importance to the greater business community, always with an active and curious mind,” said Dean Hubbard. “We have been privileged to count him as part of our School family.”

School Community Mourns Former Assistant Dean

Scott Cagenello, remembered by many in the School community as a devoted friend to students, died on August 25 from injuries sustained in a car accident. He was 49 years old.

Cagenello came to the School in 1990, not long after earning his doctorate in education from Teachers College. He served as assistant dean of student affairs from 1993 to 1998. Since 2000, he was dean of students at the Mason Gross School of the Arts at Rutgers University.

Cagenello’s specialty was student counseling. “Scott was one of the most agile, caring and quick-witted people I’ve ever worked with,” says Jill Parchuck, head of the Watson Business and Economics Library. Contributions may be made to the Scott Cagenello Memorial Commencement Award by sending a check, made out to the Rutgers Foundation–Cagenello Fund, to the following address: c/o Charlotte Mitchell Office of the Dean Mason Gross School of the Arts 33 Livingston Ave. New Brunswick, NJ 08901.

Defining Columbia Business School

In spring 2005, Dean Hubbard convened a task force of marketing experts, business leaders, scholars and students to identify key factors underlying the School’s success.

Led by Board of Overseers member Charles Strauss ’67, retired president and CEO of Unilever United States, the task force partnered with branding consultancy Sterling Brands to unearth and analyze perceptions of the School.

Sterling’s research—including a survey completed by more than 600 respondents, from prospective students to alumni to recruiters—showed that the School is recognized for its global perspective, commitment to connecting business research with practice, world-class faculty, diverse student body and influential alumni network.

John Kiker, who has worked as a senior marketing and corporate communications strategist with United Airlines, Cendant Corporation and Edelman New York, joined the School in January 2006 in the newly created position of associate dean of marketing and communications.

He led a selection committee to choose an agency to help the School articulate its identity clearly and compellingly. The committee chose advertising agency Gardner Nelson & Partners of New York, which is partnering with Pentagram, the renowned design firm, and public relations powerhouse Fleishman-Hillard.

The Marketing and Communications team has begun to share key visual elements of the School’s emerging identity with the community. Logo, Web site and collateral treatment proposals are now being presented to the faculty, staff, students and alumni; the feedback gathered will help refine the designs.

The logo and visual identity, including how print materials look, will serve to underscore Columbia Business School’s identity as the business school for today’s rapidly changing world, one with a diverse intellectual community and talented network of alumni and faculty.

The Web strategy encompasses three areas: ease of use; a consistent home for all members of the community; and a showcase for thought leadership at the School.

Look for more updates about the progress of this key initiative at www.gsb.columbia.edu and in the next issue of HERMES.
School Welcomes Five New Faculty Members

Daniel Beunza
Assistant Professor
Management
Professor Beunza’s research interests include the social studies of finance, technology in organizations, actor network theory, strategy process and identity in organizations. A native of Spain, he joins the faculty from the Universitat Pompeu Fabra in Barcelona. He started there in 2003 after receiving his PhD from NYU’s Stern School of Business in the same year.

Jerry Kim
Assistant Professor
Management
Professor Kim studies economic sociology, innovation management and technology strategy, biopharmaceuticals and network theory. A native of Korea, he earned his PhD from Harvard University in 2006.

Leonard Lee
Assistant Professor
Marketing
Professor Lee’s interests include consumer judgment and decision making and the psychology of preferences, shopping and promotion. A native of Singapore, he earned his PhD from MIT in 2006.

Catherine Thomas
Assistant Professor
Finance and Economics
Professor Thomas focuses on industrial organization and international trade. A native of the UK, she earned her PhD from Harvard University in 2006.

Gabriel Weintraub
Assistant Professor
Decision, Risk and Operations
Professor Weintraub studies the economic analysis of problems in operations, industrial organizations and computational economics. A native of Chile, he earned his PhD in management science and engineering from Stanford University in 2006.

For more on research done by the School’s faculty members, visit Columbia Ideas at Work, www.gsb.columbia.edu/ideas.
More than 700 alumni and guests from throughout Europe and around the world gathered together in Rome in October for the School’s Pan-European Reunion 2006. Paolo Scaroni ’73, Board of Overseers member and CEO of Eni, chaired the two-day symposium, which had as its theme “The Changing Face of Europe.”

The symposium featured presentations on business topics ranging from international value investing and innovations in healthcare to biotech and Ferrari’s success as a global brand. Among the almost 40 speakers, the reunion boasted three top Italian business leaders: Giuliano Amato, Italy’s minister of the interior; Luca Cordero di Montezemolo, chairman and CEO of Ferrari; and Mario Draghi, governor of the Bank of Italy.

Board of Overseers members Wolfgang Bernhard ’88, Russell Carson ’67, Leon Cooperman ’67, Lew Frankfort ’69, Mario Gabelli ’67, Henry Kravis ’69, Vikram Pandit, PhD ’86, Arthur Samberg ’67, Sidney Taurel ’71 and Massimo Tosato ’80 also served as panelists.

Among the faculty members who participated, Charles Calomiris, academic director of the Chazen Institute and Henry Kaufman Professor of Financial Institutions, moderated a panel on global entrepreneurship, and Jonathan Knee, director of the Media Program, presided over a discussion on reshaping global business.

Bruce Greenwald, director of the School’s Heilbrunn Center for Graham & Dodd Investing, moderated a discussion on global opportunities for the value investor.

Alumni from the executive-search firm Egon Zehnder also presented a panel on international career advancement strategies.

In his State of the School address, Dean Hubbard detailed what he calls the School’s primary advantages: ideas, talent and network. Noting recent efforts in teaching quality, curricular innovation and branding, the dean said, “Columbia Business School is poised to become the preeminent global business school in the world.”

The weekend also included a private tour of the Vatican Museums, a welcome reception at the Palazzo Colonna, a gala dinner and fashion show at the Villa Medici and special tours of the Colosseum, Tivoli and the Borghese Gallery. The Alumni Clubs of Rome and Milan also hosted a dinner for nearly 120 alumni at the home of Tomaso Radaelli ’96 after the welcome reception on Friday evening.

The reunion was made possible by the generous support of its corporate sponsors, especially its Benefactors: Enel, Eni, Generali, Mediobanca and Telefónica.

This year, the School will participate in the University’s global alumni program, scheduled for September in Paris. The School’s inaugural Pan-Asian Reunion—open to all School alumni—is set for October 2008. The next Pan-European Reunion will take place in October 2009 in a yet-to-be-selected city. If you have a suggestion or recommendation, please e-mail alumni@gsb.columbia.edu.

Friday night’s welcome reception at the Palazzo Colonna was hosted by Schroders.
A TRANSFORMATIVE VISION FOR COLUMBIA BUSINESS SCHOOL

Last fall, Dean Glenn Hubbard announced that Columbia Business School will play a major role in Columbia University’s planned campus in the Manhattanville section of West Harlem. The campus would resolve the University’s need for additional space while providing the neighborhood and the city with a vibrant center not only for education and academic research but also for expanded economic opportunity, enriched cultural offerings and enhanced civic life.

The move also offers Columbia Business School a once-in-a-lifetime opportunity to realize its potential. Dean Hubbard’s e-mail to the community on November 16 about the significance of this opportunity is excerpted below. To learn more about the full scope of the University’s Manhattanville planning, visit www.columbia.edu/cu/neighbors/pages/manplanning.

Dear Colleagues:

This week, Columbia University President Lee Bollinger and I announced a move for Columbia Business School, among others, to the University’s proposed Manhattanville campus.

The area of development for the expanded University campus comprises approximately 17 acres (half as large as the entire Morningside campus) and extends roughly from West 125th Street to 133rd Street and from Broadway to 12th Avenue. The University will continue to expand into Manhattanville over the next 25 to 30 years; we expect the new Business School building to be completed in the initial phase, pending necessary approvals, in the next five to seven years.

Manhattanville gives us options unmatched in any alternative proposal. It will provide us with the opportunity to design state-of-the-art facilities that dramatically transform our environment, strengthen our programs and match our status as a premier business education institution. Empowering faculty research through research centers and facilities for collaboration will advance our capacity to generate cutting-edge ideas. And bringing together our talented people and offering ways to connect them with the business resources around us are big plusses.

The new site also puts us on a scale more comparable with our peer institutions: Wharton and Chicago have built exceptional new facilities, and many other schools have plans to expand.

While a new physical space is tremendously important, the new campus is really a part of an overall transformation that calls for other fundamental changes to position us not simply in the context of our competitors but as the preeminent leader in the world of business education.

I look forward to keeping you informed about new developments and invite you to contact me at Manhattanville@gsb.columbia.edu, designed specifically for this issue.

I am looking forward to working with you as this process—and the School—moves forward.

With regards,

[Signature]

Glenn Hubbard
WHEN ‘SMART’
Broadening the Definition of Intelligence

CAROLYN KOCHER
IN NURTURING “SOCIAL INTELLIGENCE,”
A NEW INITIATIVE AT THE SCHOOL
BRINGS THE CONCEPT FULL CIRCLE

BY JOHN F. KELLY

If you are reading this, there are two assumptions that can be made about you: as a graduate of one of the world’s leading universities, you are highly intelligent, and your high IQ has undoubtedly had an impact on your career path, at least in the beginning. While abstract intelligence is critical, what can determine the long-term arc of your career is your “social intelligence.” Your capabilities with people—whether reading a client’s key concerns, harnessing the diverse talents of a team or inspiring a demoralized division—can have a greater influence on your ascent to the highest ranks of leadership than your abstract intelligence alone.

That is the concept behind the Program on Social Intelligence (PSI), a new initiative at the School headed by Michael Morris, the Chavkin-Chang Professor of Leadership.
The program, which draws upon emerging research in psychology to help students through the combination of assessment, experiential learning and coaching, is being integrated throughout the MBA experience, from new-student orientation to alumni reunions.

PSI emerged out of a strategic-planning process in which faculty members spent a year interviewing alumni, recruiters and other business leaders. In developing the program, they looked to the internal training programs in firms admired for their management development, such as Cisco, GE, Lehman Brothers and UBS. This contact with industry is ongoing, as firms have stepped forward to sponsor activities and partner in the development of programs.

While the program to teach social intelligence is new, the theory behind it was introduced decades ago—on the Columbia campus. In 1920, psychology professor Edward Thorndike proposed that social intelligence, “the ability to understand and manage men and women,” involves different mental faculties than the abstract intelligence measured by IQ tests, a controversial position in the dawning age of standardized tests (see “Roots at Morningside Heights, page 16).

While the distinctiveness of social intelligence, and how to measure it, was debated in psychology for decades, contemporary research techniques, including fMRI measures of brain processing, have increasingly corroborated Thorndike’s claims. In studies at Columbia and elsewhere, researchers have found that our social faculties draw on different parts of the brain, follow different rules and are learned in different ways than our faculties of abstract reasoning.

Last fall, psychologist Daniel Goleman, who in his latest book, Social Intelligence, offers a popular summary of this recent research and spells out its implications for leadership and other important relationships, came to Columbia as part of PSI’s guest speaker series. Goleman explained how the capabilities needed in contemporary organizations are better captured by the framework of social intelligence than emotional intelligence, about which he had written previously. He also noted that Columbia’s PSI is the world’s first academic program dedicated to social intelligence. In response to a question, he maintained that social intelligence can be learned only through instructive experiences, not through lectures or books (including his own!).

While the program to teach social intelligence is new, the theory behind it was introduced decades ago—on the Columbia campus. In 1920, psychology professor Edward Thorndike proposed that social intelligence, “the ability to understand and manage men and women,” involves different mental faculties than the abstract intelligence measured by IQ tests, a controversial position in the dawning age of standardized tests (see “Roots at Morningside Heights, page 16).

PSI is designed to help students realize their talents and draw out the talents, energy and best intentions of the people they touch, whether subordinates, partners, clients or even counterparts in a negotiation.
Four Streams: Extracurricular Activities in PSI

• NAVIGATING CAREERS: “This stream of activities focuses on the career search,” says Morris. Some are delivered by faculty members during orientation, and others through the School’s Career Services office, which offers coaching and workshops to first-year students before the interview season. To help students focus their learning goals for the summer internship, external executive coaches review 360 degree feedback with them in one-on-one meetings.

• LEADING TEAMS: This set of activities focuses on the study group experience. Starting during orientation and continuing through the fall term, students are given assessment feedback to raise their self-awareness and coaching from peer advisors about their team’s dynamics. “We give them feedback not only at the level of their teaming habits but also at the level of the study group,” says Morris. “Often a group, no matter how smart its members, has a weakness in that it lacks a necessary ingredient of teamwork, such as a devil’s advocate to expose flaws in a plan or a consensus builder to bring people together on a decision. With more awareness of what a team needs at each phase of a project and what habits and strengths each member brings to the table, a team can fill its gaps by adding members or asking members to take on roles that they don’t spontaneously gravitate toward.”

• MANAGING ORGANIZATIONS: These optional activities, open to the entire Columbia community, take place in the middle of the fall term. They consist of a guest speaker series and small-group workshops led by faculty members (sometimes jointly with executives or consultants) on topics related to leading organizations: decision making, navigating corporate politics, persuasive speaking and managing diversity, among others.

• ADVANCED LEADERSHIP: These activities are for second-term and second-year students who elect to take on a leadership role, such as serving as a peer advisor or a club officer. The Student Life office organizes training workshops run by faculty members and external leadership consultants. “Second-year students who have been trained by consultants in the art of executive coaching act as peer advisors,” says Morris. “They guide their group through orientation exercises and provide feedback in follow-up meetings. This is invaluable training for anyone who aspires to lead in firms that use team-based structures.”

A firm that has integrated these techniques into its culture. We have a real advantage in teaching the social side of management because our cosmopolitan New York location gives us access to rich talent in journalism, theater, psychology and many other relevant professions.”

The other two streams are optional and come later in the year. One consists of workshops for groups of students led by faculty members and New York–based thought leaders outside academia. Last fall, the program featured workshops on harnessing collective intelligence by Jim Surowiecki, “The Financial Page” columnist for the New Yorker, and on leadership development by Steve Kerr, chief learning officer at Goldman Sachs. The final stream consists of programs for second-year students who are advancing their leadership skills by serving as peer advisors or club officers.

Next fall, a program that centers on the somewhat different experiences and needs of EMBA students will be launched. There will be more emphasis on developing a broad professional network, which is important to the value proposition of the EMBA Programs.

Also in the works are programs that continue beyond commencement. PSI plans to reach out to alumni through workshops at reunions and “lifelong-learning” executive education programs keyed toward important career transitions. “We also want to fill the gap with events for younger alumni who have been out 5 or 10 years, are moving into more leadership-oriented roles and are seeking to expand their skill set as well as their professional networks,” says Morris.

Further, the proximity of the School’s many New York–area alumni offers the potential for networking events that could benefit both alumni and current students. Finally, a resource center is planned to enable alumni to benefit from the faculty’s work in identifying reliable assessment tools and assembling a roster of School-certified executive coaches.

“Social intelligence captures much of what leading means to students in today’s business environment,” says Morris. “PSI is designed to help them realize their talents and draw out the talents, energy and best intentions of the people they touch, whether subordinates, partners, clients or even counterparts in a negotiation. Some students will draw on these capabilities when serving as CEOs or politicians; others will use them when interacting with others while leading their teams, deals, careers or simply their lives.”

Morris adds that the program’s agenda will continue to evolve. As businesses and organizations change, Columbia Business School will be at the forefront in helping its students—and graduates—navigate those changes.
Roots at Morningside Heights

It’s not surprising that Columbia is leading the social intelligence revival, as Morningside Heights is where the concept was born. In 1920, at a time when IQ tests were first being widely used in schools, industry and the military, Teachers College psychologist Edward Thorndike argued that social intelligence, a key to “acting wisely in human relationships,” is distinct from the abstract reasoning ability tapped by IQ tests—and an equally important driver of success.

“Social intelligence shows itself abundantly in the nursery, on the playground, in barracks and factories and salesrooms, but it eludes the formal standardized conditions of the testing laboratory,” Thorndike wrote in a 1920s issue of Harper’s Monthly Magazine. He emphasized the role of social intelligence in success in many occupations, particularly those involving management: “The best mechanic in the factory may fail as a foreman for lack of social intelligence.” Perhaps not coincidentally, these ideas emerged shortly after the founding of Columbia Business School in 1916, which brought the issues of management into the campus discourse.

Since Thorndike’s initial explorations, Columbia has carried on its charge of being an institution where social science research meets real-world problems. The University’s location in New York, rather than the idyllic countryside or a quiet provincial city, keeps researchers at the forefront of the real world. New York’s profile as a center for relationship-based industries, like private equity, investment banking and consulting, make Columbia a natural place for research on the dynamics of social judgment and interaction in business.

The plans for a new leadership curriculum at Columbia Business School based on social intelligence resonated strongly with Arnold L. Chavkin ’77 and Laura Y. Chang ’77, who are spouses as well as classmates. “I think that anybody in business long enough understands that leadership is about interacting with various constituencies, convincing people to do things and building coalitions within organizations,” Arnie says. “It’s about working with CEOs and managers to implement solutions—analysis and numbers alone are not enough.” To support the fledgling PSI, the couple generously endowed the Chavkin-Chang Professor of Leadership chair, now occupied by Michael Morris, the program’s architect.

Morris says that besides the world-renowned psychologists in Columbia Business School’s Management Division, the School’s ability to draw upon the University’s other resources lets PSI explore such areas as neuroscience, social network analysis and decision making. For example, the program draws on Teachers College’s strong programs in organizational psychology and executive coaching. These ties to the scientific disciplines have enabled Columbia to develop a more contemporary approach than other top business schools.

“At some top business schools, the management department is made up of scholars who write case studies and management books but are not active researchers in scientific disciplines, and this of course is not without its advantages,” Morris says. “Yet Columbia has taken a different route of building a management department of researchers actively working in disciplines like psychology and sociology. Our advantage lies in innovation—when there are new insights in these fields, we get them first and can be the first to apply them to management and share them with our students.”
FRIDAY
All-Class Cocktail Party

SATURDAY
Faculty Presentations and Discussions
Dean’s State of the School
Alumni Luncheon
Class Cocktail Parties, Dinners and Dancing

SUNDAY
All-Class Family Brunch

For more information or to join your reunion committee, please contact the Alumni Relations office at 212.854.8815
Earth, Wind
Alumni are tackling one of the biggest problems facing the world today: the need for renewable energy

by Jennifer Itzenson

Just a few years ago, the notion of driving a car powered by vegetable oil was considered preposterous, if not dangerous. Biodiesel was the fuel choice of the fringe, personified by celebrity endorser Willie Nelson. (He has his own brand, BioWillie.) But biodiesel, an alternative to petroleum-based diesel fuel, has caught on surprisingly fast. Estimated production in the United States jumped to 75 million gallons last year from just .5 million in 1999, according to the National Biodiesel Board.

Biodiesel is just one of the many ways that renewable and clean energy have entered the mainstream. Concerns about dwindling supplies of coal and oil have sparked interest in alternative sources, such as solar and wind power, that aren’t depleted through use. And forecasts of climate change—with many scientists predicting the Earth’s temperature will rise about four degrees this century—have led several states, including New York and California, to take the lead on regulating emissions.

With this growing acceptance—even embrace—of renewable energy, the School’s alumni are entering the industry, often by joining start-ups or launching their own firms. “Anyone who has the ability to create renewable energy to replace fossil fuels should do so,” says Nicholas Oppenheim ’73, chief executive of Beinn Mhor Power, which plans to open a 160-megawatt wind farm in the Hebrides. “A wind farm is like a power plant that doesn’t need fuel. How much would you pay for a car that never needed gas? It’s time to change the way people think about renewable energy.”
**EARTH**

In 2001, Jeremy Dockter ’99 founded the Kinetic Group, a New York–based firm that capitalizes and develops renewable energy projects. Starting up the firm allowed Dockter to reconnect with his home state of North Dakota. “North Dakota is on a renewable energy tear right now, with ethanol and biodiesel and wind power,” Dockter says. “There’s huge potential in that state, and that’s been a motivator for me.”

His firm is now working on a project called Dakota Skies Biodiesel. When construction is completed, this biodiesel plant will be one of the largest in North America. Biodiesel is often derived from soybean or waste vegetable oils, but Dakota Skies is basing its product on canola oil, which it will produce on site. “It will be all renewable energy from homegrown crops,” Dockter says. “And we’ll do all the integrated manufacturing within our own facilities.”

In addition, the project will produce almost no waste.

Biodiesel can be used like any standard petroleum diesel fuel but is nontoxic and biodegradable. Dakota Skies’s primary target customers, Dockter says, are large fuel distributors. “In the United States and Europe, it’s becoming increasingly common for distributors to include a fair amount of biofuels, including biodiesel, in their standard product mix.” Biodiesel is typically blended with petroleum diesel, because the mix can be used in most vehicles without having to modify the engine. Many vehicle manufacturers have approved using a blend with up to 10 percent biodiesel and are testing to see if the percentage can be raised. (Pure biodiesel is occasionally used in cars and agricultural equipment, but very cold weather can cause the fuel to congeal.) The fuel can also be used to replace home heating oil.

Dockter’s firm is also working on other renewable energy projects, from ethanol to waste-to-energy projects. One effort involves converting abandoned or underutilized chemical-processing facilities around the United States into biodiesel production plants. “It’s a way of redeveloping brownfields to produce green fuel,” Dockter says.

The Kinetic Group also functions as a boutique investment-banking firm that specializes in renewable energy projects. “We saw there was a need for a small and fairly flexible development firm to serve this space, because often these projects are small by the standards of the energy industry,” Dockter says. “So we’ve been able to carve out a niche that serves that segment of the market—projects that require between $20 million and $200 million of capital. That isn’t large enough for the major energy players, but there happen to be a lot of investors out there who are interested in projects of that scale. We believed that this sector was set to mushroom, and so far, we’ve been proven right.”

**WIND**

Thomas Conroy ’87 considers energy one of the greatest challenges facing the United States. “It’s an issue because of the security of supply and because there are tremendous environmental concerns around the world,” he says. “There is no question that renewable energy needs to be introduced more rapidly.”

Conroy, who also has a degree in engineering, worked for 18 years in the high-tech sector before deciding it was “becoming a commodity-based business.” He started researching different types of renewable energy and found that utility-scale wind power was the most cost competitive. He found a business partner who had devoted three years to designing an innovative, commercially viable wind turbine tower, and in 2005 Conroy became president of Wind Tower Systems, based in Heber City, Utah.

Conroy’s background in high tech helped ease his transition. “A major goal in the high-tech sector is to design an innovative product. But you only make money if you successfully commercialize it,” he says. “In many ways, the business knowledge of how to be successful in the marketplace that I gained at the School and have used ever since is what I’m bringing to the party.”

Wind Tower Systems specializes in towers for multi-megawatt wind turbine generators, which convert the kinetic energy in wind to electricity. The firm is working on a tower for a 2.5 megawatt generator in California that will produce enough energy for 2,500 households.
“Energy is one of the underpinnings of our prosperity, but we’re highly vulnerable,” Conroy says. “There are many parts of the world where people are still generating electricity from liquid fuels.” Many rural villages have had to face the prospect of turning off the lights because they can’t afford to buy fuel, he says. Fossil fuel–based electricity also contributes to the greenhouse effect. “There’s a big groundswell for renewable power in the United States and great opportunity in the renewable energy space around the world. There is no question that this sector is going to continue to grow.”

SUN After earning her MBA, Andrea Lally ’01 spent five years working as an investment banker in London. She became interested in solar power through her work with semiconductor companies, several of which were developing products for use in photovoltaic panels. Unlike traditional solar thermal panels, which collect solar energy to heat water or air, photovoltaic panels generate electricity. Convinced that the demand for renewable energy would continue to grow, given the world’s needs, Lally carved out a cleantech sector within her banking group.

As she became more familiar with the intricacies of semiconductors and solar power, Lally decided to work directly in the renewable energy sector. Last April, she became the head of business development for Solarcentury, a London-based firm that develops both solar thermal panels and photovoltaic panels. One of the firm’s most notable undertakings was designing photovoltaic panels for the Eden Project, a sprawling horticultural utopia in Cornwall, England, that contains the world’s largest environmentally controlled greenhouses. Many of the project’s more than one million plants live in climate-controlled biomes that are heated by the panels.

“I always hoped to use the experience I’d gained in investment banking to join a company that was mission driven,” Lally says. “I hate to sound ‘save-the-world,’ but that really was the reason,” she adds with a laugh. At the same time, she wanted to remain in the for-profit sector. “That’s our fundamental mission, but we have investors, and we’re very much a profit-seeking company.”

Lally expects the solar-power market to accelerate quickly in the United States and elsewhere over the next two decades now that the industry has achieved a critical mass and is becoming more cost-competitive with fossil fuels. “We’re seeing private equity investors and venture capitalists putting money into all parts of the solar energy value chain,” she says. “People are thinking long term about the industry and identifying opportunities to generate attractive returns. That investment wouldn’t happen without some degree of confidence that this is a feasible form of energy for the future. It’s a real market now; it’s no longer just enthusiast engineers or environmentalists.”

THE FUTURE With about a quarter of all incoming students expressing interest in the energy industry, many are finding new ways to translate their environmental goals into business ventures. Last year, Arnold Leitner ’06 received an investment from the Eugene M. Lang Entrepreneurial Initiative Fund for his plan for SkyFuel, a firm that is planning to develop and operate solar thermal power plants.

Alumni are starting new ventures every year. In 2004, Yuki Yamamoto ’92 founded Oceanwind Technology, which has designed and developed a floating platform for offshore wind farms. In 2002, Neil S. Suslak ’86 helped found Braemar Energy Ventures, a venture capital fund that finances companies that invent new technologies for the sector, including one firm that developed a process to make ethanol from waste materials from plants and wood.

And Carlos Martins ’92 launched Ecoinvest Carbon, which develops renewable energy projects that help reduce carbon dioxide emissions, in 2000. One of its projects is a plant in Brazil that turns sugarcane waste into electricity.

Still, as alumni such as Jerry Robock ’05, founder of Community BioFuels, remind us, some alternative energy sources are merely a transition. “Biofuels offer an alternative to petroleum-based fuels but only reduce greenhouse-gas emissions; they don’t eliminate them,” says Robock, whose firm, a consulting company specializing in sustainable, community-based alternative energy projects, helped create the solar-powered Hudson Valley Biodiesel Cooperative.

“Cleaner isn’t necessarily clean. The most significant short-term solution is energy conservation.”

Given the forecasts for global energy needs, perhaps it isn’t surprising that alumni are taking on these challenges. “The price of oil, climate change and security issues are driving investment and innovation in renewable energy,” says Ray Horton, the Frank R. Lautenberg Professor of Ethics and Corporate Governance and director of the Social Enterprise Program. “The growing global demand for sustainable energy sources is creating enormous opportunities in this sector.”
Let Them Eat Cake
Imagine you’re having dinner at a restaurant. As you eye the dessert cart, you are tempted by the double chocolate layer cake. “You’re going to waste 500 calories on that?” a disapproving voice in your head asks. Directly behind the cake is a delicate bowl of fresh fruit. “Choose the fruit,” counsels the voice. “You won’t regret making the healthy choice.”

Or will you?

Research by Ran Kivetz, professor of marketing, and Anat Keinan, a doctoral candidate in marketing, shows that—in the long run—you’ll regret it more if you choose the healthy fruit salad over the rich chocolate cake. As the Chicago Tribune urged readers soon after the authors’ findings appeared in the September issue of the Journal of Consumer Research, “Give yourself a break.” (A front-page headline in a Canadian newspaper was even more to the point: “Dump the guilt and go for it!”)

“We found that in day-to-day self-control dilemmas in which the ‘right answer’ isn’t always clear—such as chocolate cake versus fruit salad or working versus going to the movies—people felt better in the long run about choosing to indulge,” says Kivetz.

The research—highlighted by the New York Times Magazine in its 6th annual “Year in Ideas” issue—offers particularly welcome advice to consumers who tend to exercise what the authors call hyperopia, or excessive farsightedness, depriving themselves of pleasurable experiences in an attempt to act responsibly.

In one study, Kivetz and Keinan asked participants to choose between two desserts: a “delicious, three-layer chocolate cake” (the universal symbol of indulgence among researchers of self-control) and a “low-calorie, healthy fruit salad.” Subjects were asked to imagine that they had chosen the cake and to describe what they thought they would feel about their choice one day or 10 years into the future. Participants were more likely to mention guilt when the evaluation was to take place the next day rather than 10 years later.

“Indulgence regret tends to be immediate and intense but short-lived,” says Kivetz. But as time passes, people begin to feel lasting regret about making virtuous choices. The authors call this “self-control regret”—the wistful sense of missing out. Kivetz and Keinan describe guilt, or indulgence regret, as an acute, “hot” emotion that quickly subsides, but they see self-control regret as a contemplative feeling that increases over time.

In another study, the authors quizzed university students about regret experienced during recent and past winter breaks. They also quizzed alumni from the same school reflecting on a winter break 40 years ago. A clear pattern emerged: the more removed students were from the winter break, the more likely they were to regret not enjoying themselves—not shopping, traveling or doing less work. Similar results were found for businesspeople choosing between work and pleasure.

The findings are also useful to marketers of luxury goods: if consumers are prompted to consider their long-term regret, they’re more likely to purchase pleasurable products and experiences. Indeed, in a yet-to-be-published follow-up study, Kivetz and Keinan found that Thanksgiving-holiday mall shoppers who were instructed to anticipate long-term regret bought more pleasurable items and spent more money than those who didn’t pause to consider long-term regret.

“When we make day-to-day choices, we are so focused on local goals like saving money, working hard or doing well in school that we forget about the broader goals of being happy and enjoying life,” says Keinan. “The key is to think about what you’ll regret in the long term.”
An Education Without Borders
by Juliet Kennard

A Columbia Business School student on the cusp of graduation revels in the diversity of her class and the rewards of cross-cultural collaboration.

If the truth be told, I was utterly bemused. Just 15 hours earlier I’d been drinking a cup of tea in Heathrow, and now here I was. In front of me was a woman in a shocking-pink suit, and behind me were 40 frisky men and women in blue T-shirts who—as far as I could fathom—were cheerleaders. It would not have surprised me remotely if the blueshirts had backflipped onto the stage or the woman had broken into song. “Class of ’07,” she told us, “you are a the best incoming class ever. A NASA engineer, an opera singer, an adviser to the Afghan minister of finance, a producer for NBC.” And there I was thinking I would be surrounded by bankers and consultants.

Even a cynic cannot help but be impressed by the incoming Columbia Business School class. In the class of ’07 alone, there are students from 46 countries who among them speak 50 languages. As I meekly raised my hand on Day 1 to introduce myself, I decided not to draw attention to my GCSE French. Instead, I opted to highlight my (very) basic Mandarin. Big mistake, I realized, as my future roommate, Ya Zhu from Hunan, stepped forward.

It is this experience as much as anything that has changed me most to date. Back in London most of my friends are English. Only two of my friends out here are from Britain. In my study group last year I had Marc, an investment banker originally from Lebanon; Mili, a marketer for the Gap from California; and Kartik, a financial analyst from India, as well as myself with a media background in Britain.

Fortunately, the School makes every effort to create a welcoming environment for students from around the world. Take the new lobby, for example, with its airport-lounge style. Or the Survival 101 Guide for International Students at Columbia, which recommends, “Americans like to shower daily.”

So what will this international experience add to me as a future business leader? Obviously, it has provided me with a global network of friends and potential business colleagues that I feel I could call on anytime for help or advice. If I want to work outside the UK, then I know now that I can. Many of my peers are going on to work in different countries from the ones they lived in before B-school, whether it is working in the U.S. for the first time or moving elsewhere for the first time.

But more than that, I have learnt to build working relationships based on common goals as much as common ground. And I have seen firsthand that it really is true that the most diverse teams go on to be the most successful.

If this were the only learning from Columbia Business School, it would have been worth it. Add to this, however, a greatly increased level of enthusiasm and belief in oneself. The School has given me a skill set more sophisticated than I ever knew I wanted. It has made me want to get back out there and use these skills to make a difference—soon. And it has helped me realize that I can actually achieve this.

Last semester as I called alumni on behalf of the School’s Annual Fund, I couldn’t help but be impressed with the list of job titles. It was proof enough that thousands of Columbia Business School graduates all over the world are making a difference. This year, 600 more of the best-ever graduates will go on to join them.

Juliet Kennard ’07 is an editor of the Bottom Line, the School’s student newspaper. She plans to work in strategy for the Times of London after graduation.