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Contact Jennifer Quintana, Assistant Director of Alumni Relations for the School of Business, at jquintana@miami.edu
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Achieving the Vision Together

TODAY’S BUSINESS SCHOOL GRADUATES enter a world where business is global and leadership, innovation and responsible business practice are at a premium. The School of Business is uniquely positioned to equip students for success in this challenging milieu. What better place to learn about global business than Miami — the cultural, economic and intellectual crossroads connecting the world and Latin America?

In this issue, you’ll read about the School’s new vision and the strategy our community has crafted to pursue it. At its heart is the commitment to advance the School as a leader in global management — especially in high-growth economies and particularly in Latin America. We have an extraordinary opportunity to distinguish ourselves by engaging managers and organizations throughout South Florida, Latin America and high-growth markets worldwide in our research and educational programs. The School is nimble enough to quickly take advantage of the opportunities presented by South Florida’s rising importance on the world stage.

Preparing students for success in the global economy will require augmenting great classroom teaching with transformative experiential learning opportunities. The best way to develop an understanding of global business is to experience it.

We cannot accomplish our goals alone. The School needs support from alumni, partners, parents and business leaders. Momentum2, the University-wide campaign that aims to raise $1.6 billion by 2016, offers a tremendous opportunity to build resources for the School of Business. Please help us with a gift to the campaign. Funds will help to expand experiential learning opportunities at home and abroad, provide support for exceptional students and bring outstanding faculty from around the world to the School. Gifts to Momentum2 will also help us enhance our distinctive programs in accounting, entrepreneurship, health care and real estate, as well as develop new facilities to support our strategy.

Just as financial gifts are important, so are gifts of your time and expertise — speaking to students in classrooms, mentoring them, sharing your experiences with faculty, hiring students as interns and more.

I invite and encourage you to renew your commitment to the School, in recognition of the impact it had on you and the impact it will have on the leaders of tomorrow.

— Gene Anderson
gene@miami.edu
KETAN RAHANGDALE just wanted a better way to DJ. The UM entrepreneurship student never dreamed he’d be launching a million-dollar consumer technology company before graduating. Yet his company, EarTop Technologies, has earned recognition from the U.S. Chamber of Commerce, the White House and Inc.

EarTop designs wireless solutions for audio products, and Rahangdale’s innovation has landed the company on lists including the 2012 Empact 100 Showcase. The Empact 100 is a compilation of the top entrepreneurs in the country, age 30 and younger, whose companies have revenues of more than $100,000. Rahangdale, just 19, is running a business that will see its first product hit shelves in January, and he projects more than $1.2 million in revenue. In September, he was recognized in a ceremony at the White House.

“I never expected my idea to get to this point,” says Rahangdale. “I never expected this product to be anything but my toy.”

Rahangdale’s “toy” is called Flow. It’s a device that plugs into the 3.5-mm jack on Beats by Dr. Dre headphones and then connects wirelessly to a music player using enhanced Bluetooth technology. The innovation means DJs won’t get tangled in wires and break their headphones while they spin.

Flow and EarTop have also earned Rahangdale recognition on Inc. magazine’s list of Coolest College Startups and 7 Hot Dorm Room Inventions. He presented at the Huffington Post Entrepreneurship Expo, which took place at the Republican Convention in August. The Kairos Society, an international network of student and professional leaders, named the company to its list of 50 Most Innovative Student-Run Companies in the World. Rahangdale was recently elected president of the society’s southeast region. Furthermore, he was a semi-finalist at the Massachusetts Institute of Technology’s Elevator Pitch Competition and a 2012 ACC Startup Madness finalist. The Greater Miami Chamber of Commerce also named him a finalist in the student entrepreneurs category at its Technology Leader of the Year Awards.

With all his travel — including cross-country jaunts to pitch venture capitalists — Rahangdale has relied on supportive professors at the School. He says they have helped him balance classes for his entrepreneurship major with his entrepreneurial adventures. Just as importantly, they’ve shared their own experiences with him.

“I’m in Management 454. The class is writing a business plan. I wrote my first business plan a year ago, and I’m executing it now,” Rahangdale says. “I’m taking Marketing 301, but I’ve already been developing a progressive branding campaign that uses celebrity endorsements. For me, the actual real-world experience of the professors is often more valuable than textbooks.”

Rahangdale is hoping to work with other entrepreneurs to help establish South Florida as a technology hub, and he sees the School playing a big role in that.

“Networking opportunities at the University and across Miami are huge,” Rahangdale says. “I don’t think any successful entrepreneur became a successful entrepreneur without an expansive network. I’ve made connections at UM and The Launch Pad that have helped me foster my business. I never would have made those connections if I hadn’t gone to UM.”
Taxing Choices

OWE TAXES? EXPECT A REFUND? YOUR YEAR-END TAX POSITION COULD SKEW YOUR INVESTMENT DECISIONS

Your end-of-year tax situation influences how much financial risk you will assume, studies show. For example, people who owe taxes tend to take more aggressive tax deductions. But what happens when people make financial decisions that don’t affect their taxes? Do they still keep taxes in mind?

In many cases, yes, suggests research by Diana Falsetta, associate professor of accounting. Falsetta found that an investor’s year-end tax position — whether he or she expects to make a payment or get a refund — can influence that person’s investment strategy, even when the investment has no effect on taxes.

Falsetta conducted two experiments. In the first, participants could either hold or sell a $5 stock in a nontaxable account. If they sold the stock, they cashed out for the $5 value. If they held the stock, they rolled a die to determine the sale price, which could range from $2 to $7, or an average of $4.50. Because participants who held the stock had a greater chance of earning less than those who sold, they revealed a preference for risk.

Half the participants in the experiment owed $2 in taxes, and the other half got a $2 refund. Among those who owed taxes, 92% chose to hold the stock — the riskier option — while 8% sold. For those who got a refund, 28% held the stock and 72% sold.

Overwhelmingly, those who owed taxes chose the riskier option — even though the result had no impact on their tax position.

In the second experiment, participants could also hold or sell a stock in a nontaxable account. The stock had a purchase price of $1,000 and a current value of $750, $1,000 or $1,250. If a participant sold the stock, he or she would cash out for whatever the current value happened to be ($750, $1,000 or $1,250), which meant either a $250 loss, breaking even or a gain of $250. If a participant held the stock, he or she cashed out at a random price, drawing a poker chip that dictated a sale price ranging from $500 to $1,500.

In both cases, the average sale price was $1,000. “This feature is central to our design,” Falsetta explains. “It exhibits that the decision to hold the stock is purely a decision to assume risk, because the expected value of the stock is the same.”

In this experiment, participants randomly owed $200 in taxes or received a $200 refund. For those who owed taxes, 87% chose the risk-seeking option and held the stock. Among those who got a refund, 54% made this risk-seeking choice.

“People tend to mentally group tax and investing transactions in the same category, even when the two aren’t economically related,” Falsetta explains. “As a result, they can engage in … suboptimal trading strategies.”

Falsetta believes this has implications for tax policy.

“Tax policy can influence behavior in areas that have no tax consequences, such as investments that are held in tax-deferred accounts” — for instance, a 401(k).

Likewise, it could apply to other kinds of decision making. One example is a manager investing in a project when the company faces a net loss.

“If a similar psychological process is at work,” Falsetta says, “then the manager will be more likely to escalate commitment to the project, even if the project is failing.”

Falsetta’s findings, which recently appeared in Contemporary Accounting Research, were co-authored by Brad Tuttle, professor of accounting at the University of South Carolina’s Moore School of Business. — Eric Schoeniger
Let’s say you have to evaluate information from official and other sources to make an important decision. You might be a stock trader reviewing details from the SEC and rating agencies to decide whether to invest in a company. You might be a regulator analyzing data from internal studies and external research to determine the likelihood of environmental change. Or you might be a homeowner figuring out whether to evacuate from the path of a hurricane. It’s this last case that David Kelly, professor of economics at the School, looked at to answer an interesting question: How do decision makers weigh official and private information sources that are correlated but differ in accuracy and bias?

To conduct their research, Kelly and colleagues at the University of Miami and the University of Iowa established the Hurricane Futures Market. It allowed participants to trade securities — an instrument representing financial value — based on where a hurricane would make landfall.

The securities each pay $1 if the hurricane lands in a particular region. The exact price was set by the buyers and sellers. If traders believed a hurricane was likely to make landfall in a particular region, buying drove up the price. If they believed the hurricane wasn’t likely to make landfall there, selling forced the price down. Therefore, the price gives an indication of the traders’ beliefs that the hurricane will make landfall in the region.

“In short, participants needed to figure out how likely it was for a hurricane to hit a particular region,” Kelly explains. “The more accurate they were, the more money they earned.” Traders made their decisions by analyzing hurricane-tracking forecasts from the National Hurricane Center, run by the National Oceanic and Atmospheric Administration (NOAA), and from other sources. The forecasts often differ and use different methods.

How did the securities market participants do? Quite well — in fact, better than NOAA. “The prices predicted where a hurricane would make landfall with 90% accuracy,” Kelly reports. “The National Hurricane Center was right only two-thirds of the time.”

Why did the traders fare so much better? They were less biased. Traders quickly figured out that official sources erred on the side of caution when a hurricane was expected to make landfall in a densely populated area. Traders took that bias into account, and as a result they were more accurate.

Kelly notes that firms are beginning to recognize the practical applications for such prediction markets.

“Organizations face all kinds of risk, but risk can be difficult to quantify,” he explains. “If you can use a securities market to better quantify risk, you can more effectively figure out how to respond.”

Best Buy, for example, has used prediction markets to determine whether new stores will open on schedule.

“Managers in charge of launching a store are often overly optimistic about whether it will open on time,” Kelly says. “But traders can effectively weigh different information sources to make a more accurate prediction.” That can enable the company to uncover problems and take actions to address them.

Kelly’s findings, which recently appeared in the Journal of Economic Behavior & Organization, were co-authored by Forrest Nelson, professor of economics at the University of Iowa’s Tippie College of Business, and by faculty from UM’s Rosenstiel School of Marine and Atmospheric Science: David Letson, professor of marine affairs and policy; David Nolan, associate professor of meteorology and physical oceanography; and Daniel Solís, assistant scientist.

—Eric Schoeniger
Failing at Math
BARGAIN SHOPPERS WANT DEALS, BUT NEW RESEARCH SHOWS MOST CONSUMERS LACK THE ABILITY TO COMPARE DISCOUNTS

Your local grocery store has two competing products, normally sold for the same price, on special. Product A offers 50% more product for the regular price. Product B is 35% off the price for the regular size. Which is the better deal?

If you chose Product A, you would be in agreement with the average consumer. You would also be wrong. However the product is measured, Product B is the more cost-efficient purchase.

Here’s an example: Let’s say a 20-ounce container of laundry detergent normally sells for $10. If you get 50% more detergent (30 total ounces) for the regular price, you would pay 33.3 cents per ounce. But if the regular-sized container was sold for 35% off and you paid $6.50 for those 20 ounces, your price would be 32.5 cents per ounce.

Given a choice, though, consumers favor larger units, known as “bonus packs.” Some researchers believe shoppers are making an emotional decision — increases are positive, reductions are negative.

Michael Tsiros, chair and professor of marketing at the School, and his fellow researchers — Howard Marmoestein, associate professor of marketing, also at the School; Allan Chen, associate professor of marketing at Texas A&M University; and Akshay Rao, professor of marketing at the University of Minnesota — thought there was more to it. In an article published in the July issue of the Journal of Marketing, the researchers describe how, after interviewing hundreds of consumers and test subjects in shopping malls and research laboratories, plus reviewing the sales records of a Miami retail store, they came to their own conclusion: consumers can’t do the math. Percentages and fractions stop shoppers cold — especially when mixed together. For example, most consumers don’t know that a 50% increase in quantity is the same as a one-third decrease in cost.

But it’s more than just basic arithmetic, Tsiros says. “It’s really about having the analytical reasoning skills to think through the problem. You can do the math correctly and still get the wrong answer because you didn’t structure the problem correctly.”

The cause, he says, is “base value neglect” — not knowing how to calculate the unit cost when price and quantity are both shifting, so you choose the offer that sounds good.

Take the example at the beginning of this article. Assume the product is a beverage normally sold in 12-ounce containers for $1 each. Dividing $1 by 12 ounces yields the regular unit price of 8.3 cents per ounce. The same math reveals that Product A’s bonus pack price is 5.5 cents per ounce, and Product B’s discount price is 5.4 cents per ounce.

Paying an extra tenth of a penny per ounce for a cold drink on a hot day may not sound like a lot, but making the same kind of mistake over decades when choosing among stocks or 401(k) funds can cost you plenty. For instance, says Tsiros, “if the share price of two funds is the same, it doesn’t mean they had the same return.”

The message for marketers is that bonus packs will generate more sales than discounts will, unless the bonus quantity is perceived as too small to be a purchase incentive, or the product is expensive, in which case a discount is the better strategy.

The implication for policy makers is that consumer confusion may be serious enough to require regulatory intervention, such as required unit pricing signage for specials. And Tsiros offers one simple bit of advice to shoppers: take a calculator.

—Robert S. Benchley
Founder Matchmaking

EXPERT ADVICE ON FINDING THE BEST PARTNERS — FROM INVESTORS TO TECHNOLOGY CREATORS — WHEN STARTING A BUSINESS

Most entrepreneurs need partners to build a successful business — whether that means an investor, a technology guru, an expert at raising funds or even a more experienced chief executive to run the company. Whatever type of partner an entrepreneur needs, finding one requires a great idea paired with a great business opportunity — along with quick communication of the opportunity. And, if your company has a technology component, an understanding of programming is also important.

Those were some of the key pieces of advice shared at “Founder Matchmaking: Finding Your Tech/Biz Partner,” a forum hosted by the School’s MBA Entrepreneurship Club, club president Mark Slaughter and Refresh Miami founder Brian Breslin. Nearly 300 people filled Storer Auditorium for the Aug. 29 event to hear from panelists Charles Irizari, director of product development and information architecture at Rokk3r Labs; medical entrepreneur and angel/venture capital investor Stewart Davis (BS ’00, MD ’00) CEO of Bioceptive; Ed Toro, senior engineer at startup Inversiones.com; and angel/venture investor Steve Repetti, CEO of RadWeb.

How important are partners? While an entrepreneur can sometimes successfully go it alone, good partners up the odds of success. Davis, who has founded several successful medical-device companies, said he looks to bring three things together in a startup: a business person who will run the company each day, a technology expert and someone who will be the face of the company and raise money. In his experience, it works best when a different person focuses on each of these areas.

Great Idea, Great Business Potential, Great Communication

While the panelists said they look for different things when collaborating with a company founder, they all noted the importance of a great idea and a great business opportunity. “It’s always about the deal … and fundamentally, is it a sound business? Ideas are great, but ideas are not companies,” Repetti said.

Even with a reputable company and a quality business plan and idea, you won’t snag a partner or an investor without effective communication. “Be able to articulate your idea and business plan,” Repetti said. The panelists recommended practicing your pitch on anyone who’ll listen and providing a short executive summary of any plan.

To NDA or Not to NDA?

When you’re articulating your idea, be prepared to do so without a non-disclosure agreement. “[At] initial meetings, there’s not a chance that I’m going to sign an NDA,” Repetti said. “You need to be able to convey your idea in such a way that you’re not compromising [confidential information].” Toro agreed: “If you’re forcing me to sign an NDA, then you’re afraid continued on page 8

Know When to Fold ‘Em

“Sometimes the best deal you make is the one you don’t. ... Knowing when to back out is just as important as knowing when to buy in. For a lot of people, the thrill is in the deal, but as CFO, you need to look past that.”

— George Pita (BSA ’83), COO and CFO of Stuart Weitzman Holdings, during a February discussion co-hosted by the School of Business and the South Florida Chapter of the CFO Alliance
that your idea is so simple that anyone can do it,” he said.

Finding a Technology Partner
Regarding technology co-founders, while some companies just need a good programmer or to outsource to a development shop, others need an in-house partner. For those aiming to start the search, Toro, who has filled this role with startups in the past, suggested, “You want to approach a tech co-founder as if they were a business partner and not some guy you’re hiring to write code.”

Also, be sure you have some understanding of that code. “Learn what good code looks like, what good practices are, without having to know how to write code,” Toro advised. Irizari added that learning about code shows that someone with a business background is willing to step outside his or her comfort zone and that quality technology is a company priority — important aspects to potential tech co-founders and investors alike.

Finding an Investor
Angel and venture investment money is certainly an option, the panelists noted, but people willing to try their luck in the tech space aren’t easy to find. Talk with other startup founders and ask for introductions.

Finally, Repetti noted that getting investments shouldn’t always be a company’s main goal. “I see so many startups focused on raising capital, and they should just figure out how to make money from their business,” he said. “That will really attract money from guys like us.” — Rochelle Broder-Singer

Planning Ahead Can Make Things Worse
WHEN A GOAL SEEMS FAR OUT OF REACH, MAKING GRAND PLANS TO REACH IT MAY NOT BE YOUR BEST BET

It may sound counter-intuitive, but if you’re struggling to reach a long-term goal, making concrete plans can actually lead you in the wrong direction. According to research by Claudia Townsend, assistant professor of marketing, it’s about the stress that planning can induce and how that stress can influence behavior — whether it’s eating when trying to lose weight or spending when trying to save money.

People who perceive themselves to be doing a poor job of reaching a goal find planning stressful, and thus it can lead to less goal-consistent behavior. Those who feel they’re making progress toward their goal don’t find planning to be stressful, and thus planning does improve behavior.

Townsend and Wendy Liu, assistant professor of marketing at the University of California, San Diego, examined how planning influenced participants’ use of 2008 Economic Stimulus Tax Rebate checks. For those who had good-sized nest eggs, the effect of planning was as one might expect: Those who planned ahead ended up using the money more wisely — putting it into savings, investing, and paying debts. However, the effect of planning among those who did not feel they were in a good position in terms of their savings was the opposite: Planning made these people more likely to spend the rebate than in the absence of planning.

So does that mean you shouldn’t try to plan for long-range goals that you feel you’re far away from meeting? No. Townsend and Liu stress that planning simply can’t be done in isolation. Research suggests you can harness both your emotions and planning ability to progress toward a goal by actively engaging in positive thinking and highlighting your accomplishments and positive qualities with respect to the goal. By making yourself feel good about the relevant area (e.g., your weight or financial status), you can ensure that planning helps — rather than hinders — your behavior.

— RB

Web Poll:
Which growth market will expand the fastest in 2013?
Vote at bus.miami.edu/magazine
New Alumni Relations Leadership

Paula Jensik Joins the School as Associate Dean of Alumni Relations and Development

This summer, Paula Jensik joined the School of Business to lead its alumni relations and development team. She moved to South Florida from Chicago, where she had been senior director of global development at the University of Chicago’s prestigious Booth School of Business. Jensik heads all of the School’s advancement efforts, including the Momentum2 fundraising campaign.

Jensik spoke with BusinessMiami between trips to visit with alumni, donors and partners.

What most excites you about your new position?

I am excited to be joining a school that not only has a distinctive academic culture but is also in the midst of a remarkable period of achievement and growth. It’s an incredible opportunity to be part of this historic Momentum2 campaign. Plus, I’m thrilled to be part of the Canes family. The warmth and affability I’ve experienced so far from the School’s partners and alumni around the country has been moving and incredibly heartwarming.

How do you see the trajectory of the job?

It will be important to build on the progress we’ve made as we reach toward the next level of excellence and service. Helping the School progress will take energy, effort and creativity from everyone: my team and me, faculty, the entire School staff – and, of course, our alumni and supporters.

What’s the biggest challenge?

Facing tough resource challenges, we must rely more and more on the support of alumni, donors, friends and the parents of our students and expand those vital networks and relationships.

You’ve talked about engaging alumni in new ways. What can they expect?

With close to 45,000 alumni representing more than 150 countries, engaging our global alumni network remains a top priority. We plan to invite a cadre of alumni volunteer leaders to help us establish alumni clubs worldwide that will provide a host of opportunities to network, learn and stay connected with each other and with the School. Soon, we’ll begin creating industry-specific alumni forums, which will include presentations by members and guests with expertise on relevant trends or issues. We’re also exploring new ways to re-unite School of Business alumni, along with recognizing our alumni leaders through a Distinguished Alumni Awards program.

How can the School step up engagement with the greater business community?

For one, we need to more fully leverage the School’s outstanding intellectual resources. It will also be important to identify key markets where we would like to have greater impact on management thought, practice and education, and then serve these markets with high-impact programs and activities. Given our strategic and enviable location, it will be especially critical to examine ways to strengthen our ties to Latin America. —RB

New Accelerated MBA Program with Real Estate Concentration

The School of Business has partnered with UM’s School of Architecture to create an accelerated MBA with a concentration in real estate. The 18-month program, which draws on UM’s strengths in new urbanism, is designed to prepare students for careers in commercial real estate.

In addition to courses at both schools, the program includes two paid industry internships: one in South Florida and a second in one of a number of real estate markets across the United States.

Members of the School’s Real Estate Programs Advisory Board, who were heavily involved in designing the new program, have committed to helping all participants obtain internships. The internship component is so crucial to the program that each student begins with a six-month paid internship before classes begin.

In addition to the new accelerated MBA program with a concentration in real estate, the School offers a bachelor of architecture/MBA (BArch/MBA) program in partnership with the School of Architecture, an MBA concentration in real estate and an undergraduate real estate major.
School Launches Advanced Marketing Strategy Certificate

NEW EXECUTIVE EDUCATION PROGRAM OFFERED IN BOTH ENGLISH AND SPANISH

TO HELP executives apply modern, strategic marketing concepts in competitive global environments, the School of Business launched a five-day Advanced Marketing Strategy Certificate Program this fall. The program is taught in both English and Spanish.

Designed for professionals ranging from experienced marketing managers to sales managers to entrepreneurs, the program focuses on the knowledge and skills required to improve the dynamics of relationships with customers, suppliers, stakeholders and competitors.

Anchoring the course is a simulation called INDUSTRAT. At the start of the simulation, each participant is placed on the management team of a company competing for business against other teams. They then must make competitive strategic decisions — and INDUSTRAT shows them the results of those decisions. A variety of case studies, debates, lecture-discussions and mutual benchmarking round out the course.

For more information about the program, visit bus.miami.edu/execed.

Doing Business in the U.S.

THE SCHOOL SHARES BUSINESS TRAINING WITH COLOMBIAN MBA SEEKERS

THE SCHOOL OF BUSINESS hosted 21 Colombian executives for a one-week executive education certificate program in June. The executives, who are earning MBA degrees at Peruvian university CENTRUM Cátolica, earned certificates on “Doing Business in the U.S.” for the international component of their global MBAs.

The School and CENTRUM have been partners in a number of programs since 2009. “This is a collaboration between two premier schools and a perfect example of the School’s strategic goals of strengthening our ties with Latin America and bringing the region’s professionals into our classrooms,” says David Lecón, director of the School’s executive education programs.

The module included interactive courses taught by the School’s professors on topics such as strategic planning, ethics and law, globalization versus localization, intellectual property and innovation in technology.

Participants visited the Miami offices of Chilean airline LAN Cargo and joined a panel discussion featuring two Miami-based Colombian CEOs: Gabriël Becerra of Golden Flowers and German Leiva of MFZ Management. Joseph Ganitsky, a research professor of management and director of UM’s Center for International Business Education and Research (CIBER), hosted the panel.
A Healthy Outlook

THE SCHOOL PARTNERS WITH LEADING HEALTH-CARE ORGANIZATION TO EXPLORE PERSPECTIVES ON THE INDUSTRY

The School of Business joined the Florida chapter of the Healthcare Financial Management Association (HFMA) in March as the academic partner for HFMA’s South Region Education & Networking Session. The session, titled “The Healthcare Industry: Trends and Outlook — A National and Florida Perspective,” was held at the School.

Steven Ullmann, director of the School’s programs in health sector management and policy, spoke about the Affordable Health Care Act, the federal health-care reform legislation. He was joined by Jill Canino, director of federal public affairs at the Washington, D.C., office for Humana, one of the largest publicly traded health-benefits companies in the country, and Gary Scott Davis, a partner with the Health Law Group of McDermott Will & Emery.

The March event was the latest in a series of initiatives that have further solidified the School’s position as a leader in health-sector-management education and research. In 2010, the School established a Center for Health Sector Management and Policy, which has spearheaded initiatives including the successful 2011 Global Business Forum, which drew nearly 1,000 industry leaders to discuss the business of health care.

In February 2013, the Center will host “The Business of Health Care Post-Election,” examining health care policy’s impact on business in the wake of the 2012 elections. Learn more at bus.miami.edu/healthcare2013.
Outstanding Technology Entrepreneurs

STUDENTS SWEEP CHAMBER OF COMMERCE TECH STUDENT ENTREPRENEUR NOMINATIONS AND WIN TOP PRIZE

Students from the school swept the three finalist nominations in this year’s Greater Miami Chamber of Commerce Annual Technology Leader of the Year Awards “Technology Student Entrepreneur” category. The GMCC’s awards honor individuals, teams, organizations and companies that are leaders in the South Florida technology community. The awards were announced at an April luncheon and marked the organization’s sixth annual awards.

Tyler McIntyre, CEO of Lucid Technologies, won the category. His company develops software for the mobile application market and has launched applications including LuciD messenger, which allows for cross-platform communication among BlackBerry Messenger and iPhone and Android phones. The other two finalists, both from the School of Business, were undergraduate Ketan Rahangdale, CEO of EarTop Technologies, and MBA student Mark Slaughter, CEO of Cohealo. EarTop makes a device that turns wired headphones into wireless ones, while slaughter’s Cohealo enables hospital systems to effectively share and manage expensive equipment. (Read more about Rahangdale on page 3, and read more about Cohealo on page 17.)

The Launch Pad at the University of Miami won the “Technology Organization” category at the awards ceremony.

Responding to Growth in the Galapagos

UNDERGRADUATES HELP BUSINESS OWNERS ADDRESS CHALLENGES IN THE EXPANDING HOSPITALITY INDUSTRY

Eight undergraduate students from the School’s Hyperion Council spent part of their summer helping small business owners in the Galapagos Islands’ nascent hospitality and eco-tourism industry. The students, who were based on the archipelago’s largest but least-developed island, Isabela, helped implement best practices in the areas of accounting, marketing, social media and customer service.

Although most of the businesses the students worked with have been around for decades, a rapid increase of visitors to the island’s ecologically sensitive animal habitats has produced unexpected challenges. The businesses must deal with far more visitors than they’re used to while still protecting the island.

Students worked in small groups as business consultants for eco-tourism guide agencies, hotels and hostels, focusing on specific ideas and processes that would enhance the owners’ skills in customer communication and cost tracking. For example, they helped one woman reorganize her accounting system, which enabled her to forecast sales and in turn determine when she would be able to purchase a hybrid vehicle. This vehicle will not only help her transport high-end customers but will also reduce the carbon footprint of her business.

The students — Carlos Lovera, Olga Terezi, Shannon Nurse, Sara Varghese, Colby Meyers, Michael Natalizio and Zachary Bernheimer — also recommended an umbrella marketing campaign to help the island’s public sector build awareness about the importance of an environmentally friendly and economically sustainable tourism sector.

“This was an invaluable experience that taught me the importance of committing to a worthwhile cause while simultaneously allowing me to learn about a unique culture,” Bernheimer says. “The business owners were so appreciative and grateful for everything we did, it felt as if we were part of the community.”
Exploring Business in China
MBA STUDENTS GAIN EXPOSURE TO ONE OF THE WORLD’S MOST POWERFUL AND FASTEST-GROWING ECONOMIES

The group visited companies – both Chinese and foreign – in Beijing and Shanghai, where they learned about China’s consumer market, the challenges for foreign companies of joint ventures with Chinese firms, the difficulties of dealing with provincial and municipal Chinese governments and more. Companies, including Chinese consumer-borrowing researcher CreditEase and U.K.-based Credit Risks, shared their experiences in the growing market.

Explores the country's consumer market, the challenges for foreign companies of joint ventures with Chinese firms, the difficulties of dealing with provincial and municipal Chinese governments and more. Companies, including Chinese consumer-borrowing researcher CreditEase and U.K.-based Credit Risks, shared their experiences in the growing market.

Visits to Baosteel and Volkswagen gave students the chance to see firsthand how giant Chinese manufacturing plants work. Baosteel is one of the biggest steel refineries in the world. The experience in the city-sized plant, where steel begins in 2-foot-thick blocks and ends as rolls, was incredible, Werner says. “This huge block of steel comes down and it sounds like a freight train rumbling down the track. It’s so hot it shines like the sun and the heat it radiates is unbelievable as it throws sparks all over the place. ... It progressively gets smashed flatter and flatter, so that maybe in a quarter of a mile stretch, it comes out at the other end as a huge roll of steel,” he says. “You can just see the excitement on the students’ faces. None of them have ever seen anything like this.”

Representatives from the U.S. Department of Commerce also met with the group, offering perspective on the U.S. government’s role in helping businesses enter the market and discussing intellectual property rights in China.

Along the way, the group also enjoyed tourist activities, including visits to Beijing’s Forbidden City, the Great Wall of China and Xi’an’s Museum of Qin Terracotta Warriors and Horses.

For the students, who were from the Executive MBA and Working Professionals MBA programs, the trip was both eye-opening and full of opportunities. “One-third of the students made plans during this trip to return to China to see about doing business there,” Werner says.

This is the second year that Werner, who is also affiliated with China’s Tsinghua University, has taken MBA students to China.

Bloomberg BusinessWeek 2012 Undergraduate Business Program rankings:

- #4 for business law
- #6 for marketing
- #9 for international business
- #10 for quantitative methods

More photos from the trip to China, including the Baosteel plant:
bus.miami.edu/magazine

Fall 2012 BusinessMiami 13
School’s Faculty Share Their Expertise

**Big Data Republic** – 11/7/12
In a blog post, Robert Plant, associate professor of computer information systems, wrote that firms can better manage and use data by thoroughly analyzing the “three Vs” of volume, variety and velocity.

**Money Radio 1510 (Arizona)** – 10/29/12
Robert Plant, associate professor of information systems, was interviewed about the new ways in which retailers are using personal customer data to market to individual customers.

**Winnipeg Free Press** – 10/20/12
Alok Kumar, the Gabelli Asset Management Professor of Finance, spoke about prediction markets – those where traders can buy and sell shares valued on world events. He noted that prediction markets differ from financial markets:

> “In the case of investing, the risk and reward can be broadly predicted.”

**The Miami Herald** – 9/20/12
An article about the city of Miami seeking to sell licensing rights for an official sunscreen of South Beach included insight from Arun Sharma, a professor of marketing, who noted that such deals work only when the product and the brand are complementary:

> “If you say it’s the official sunblock of Kendall, that won’t really help.”

**Palm Beach Post** – 9/16/12
An article about job creation during the Obama administration included insight from Doug Emery, chairman of the School’s finance department, and Maria Lorca-Susino, an economics lecturer. Emery noted that:

> “The idea that you have these kinds of layoffs based on recent events is absurd.”

**The Miami Herald** – 9/10/12
A Business Monday article profiling business process outsourcing company Inktel included several quotes from Hari Natarajan, an associate professor of management, who noted that “some clients prefer to outsource domestically because they feel they may be better able to control interactions and reduce data loss, leaks, intellectual property theft and fraud.”

**Nightly Business Report (PBS)** – 8/31/12
The national show featured a segment with Timothy Burch, associate professor of finance, and Sandro Andrade, assistant professor of finance, discussing their research, which suggests that coordinated dissemination of information is one of the best ways to reduce market bubbles.

**Financial Times** – 8/10/12
The newspaper’s online “Something for the Weekend” column featured research by Michael Tsiros, chair and professor of marketing, and Howard Marmorstein, associate professor of marketing, which found that shoppers tend to prefer to get more of a product for free rather than the same product at a discount, regardless of which is a better value.

**The Miami Herald** – 8/6/12
Susan Amat, a management and marketing lecturer at the School, authored an article offering advice to entrepreneurs who brainstorm business ideas and go into business with friends:

> “While it is easy to pull in a friend to partner on your dream, make sure that person has the skills and shares the vision to execute on your idea.”

**Bloomberg News** – 7/25/12
The wire service featured research by Sandro Andrade and Vidhi Chhaochharia, assistant professors of finance, and Michael Fuerst, lecturer, which found that every stock market index in 23 developed countries did better in the six months ending in April than in the next six months, supporting the “Sell in May and go away” strategy.

**Ocean Drive** – May-June 2012
An article about the potential for wealthy homeowners to take advantage of a federal program to help those who owe more on their mortgages than their homes are worth featured insight about the ethical issues from Ann Olazabal, vice dean and professor of business law.

**The Miami Herald** – 5/20/12
Juliano Laran, an assistant professor of marketing, was quoted in an article about gasoline prices and consumer perceptions of fairness related to the cost:

> “People believe it is fair to pay $10 for a beer in South Beach, but they do not want to pay $2 from a rundown grocery store someplace else.”

**Huffington Post** – 5/4/12
A column featured research by Juliano Laran, an assistant professor of marketing, which found that being exposed to negative news causes a “live-for-the-day” mindset which can result in eating more high-calorie foods.

**Crain’s Chicago Business** – 4/9/12
An article cited research by Andrew Leone, chair and professor of accounting, which found that CEOs who founded their companies are much less likely to lose their jobs when their firms are cited for accounting irregularities than are non-founder CEOs. In those cases, the CFO is more likely to get fired.

**The Miami Herald** – 10/29/12
Susan Amat, a management marketing and management lecturer at the School, authored an article offering advice to entrepreneurs who brainstorm business ideas and go into business with friends:

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Health care startups dominated the School’s 2012 Business Plan Competition, which marked its 10th year of spurring entrepreneurship.

By Bob Woods

PHOTOGRAPHY BY NEOX IMAGE

A Decade of Healthy Returns

Willie Sutton robbed banks, he supposedly said, because that’s where the money is. Entrepreneurs, while not necessarily chasing dollars, flock to where business opportunities are, and the robust – if complex – health care industry offers a treasure trove these days. It’s no wonder, then, that three of the top four winners in this year’s University of Miami Business Plan Competition, sponsored by the School of Business, focused on health care. A total of seven business plans, in both the undergraduate and graduate student categories, garnered $37,500 in prize money, awarded upon the final judging on April 13. This concluded the 10th year of the competition, which has evolved over the past decade yet remains a cornerstone of the School of Business. “It’s a strong piece of Dean Eugene Anderson’s mission to expand experiential learning opportunities for our students,” says Ken Colwell, director of entrepreneurship programs at the School and head of the competition. That unwavering commitment is something UM students can bank on for years to come.
A Year Later, More United

Quinn Worden integrated several new features into PT United, which garnered a third prize in the 2011 competition.

In last year’s Business Plan Competition, Quinn Worden (BBA ’12), then a junior, won third prize for PT United, an e-commerce venture that allowed physical therapists to sell to their patients products they’d need for their rehab. Afterward, he pledged, “I’m going to rework the business plan” and enter it in the 2012 competition. True to his word, and to his unabashed entrepreneurial zeal, Worden not only submitted a substantially improved and buttoned-up business plan but so impressed the judges that he took the grand prize in the undergraduate category.

“I wanted my business to be more than just getting products to patients,” says Worden now, reflecting on the year-long evolution of PT United’s business plan. In fact, the fledgling company has been up and running for nearly that long. Worden reports that more than 30 private-practice physical therapists are currently signed up as so-called partners. PT United establishes each with a personalized website and e-commerce store that offers patients a variety of medical products — from exercise bands used to rehabilitate injuries to therapists’ treatment tables — at wholesale prices, with a percentage of sales rebated to PT United’s clients.

Last year, that’s what Worden’s plan encompassed. But working on the business, he says, “I realized that there is more money to be made by health care professionals in gaining new patients, not just selling products.”

So he adjusted PT United’s business model, adding several new online services for partners, including CRM software to help them attract and retain patients. And instead of generating revenue through monthly fees for managing the e-commerce stores, the company charges a monthly subscription fee for an array of services, starting with a flat rate for a basic package and escalating for add-ons. Worden still retains PT United’s other revenue stream, garnered from product sales on its own website.

While Worden, a double major in marketing and entrepreneurship, remained steadfast in his academic pursuits while preparing for the competition, he spent most of his other waking hours exploring new web-based features to add to PT United and working on his business plan. He’s especially looking for ways his partners can utilize viral marketing and social media — principally Facebook and Twitter — to establish greater Internet presence, improve patient management and build referral networks. Among the services described in the revamped business plan are Virtual Profiles, which helps partners produce customized videos to promote their practices; a Google map of the clinic’s location; an appointment-scheduling tool; PT Pay, a merchant service provider; and an e-newsletter.

Since graduating and devoting his full efforts to PT United, Worden’s focus has been on software development and contracting suppliers to build more value for partners, he says. The company recently introduced new programs like PT Discount and Price Your Own Store.

“Our mission is to reduce costs and improve outcomes with our software and new supply chain,” he says.
Delivering Health Care Savings

Cohealo allows hospital systems to drive down the cost of purchasing high-tech equipment.

Selling high-priced equipment to multi-facility hospital systems in South Florida, Mark Slaughter was on the front line of the battleground to keep people healthy while staunching ever-escalating costs that are bleeding government and personal coffers. He saw that the cost of purchasing individual devices for each hospital was prohibitive, especially equipment only occasionally required for specific procedures, such as robotic and laparoscopic surgery.

“Buying multiple $85,000 units didn’t make financial sense for hospitals,” says Slaughter, an executive MBA student completing his final semester at the School.

Slaughter, fellow executive MBA student Brett Reed and Michael Slocombe (who had been Slaughter’s roommate at the University of Massachusetts Amherst) believed there had to be a better way for hospitals to access the latest technology. They thought about the economic model of sharing, renting or trading stuff. Examples include Zipcar, which rents cars at hourly rates, and Airbnb, which allows people to rent their homes to travelers.

They felt they could do the same for hospital equipment, and in 2011 they founded Cohealo, which was up and running before the trio entered the Business Plan Competition.

“Our solution was collaborative consumption,” Slaughter says. “Instead of a five-hospital system buying five devices, they buy two, then we provide the collaborative network to use the technology at multiple locations.” Cohealo’s proprietary, cloud-based software analyzes and manages the usage needs and logistics of shuttling equipment between hospitals in its fleet of trucks.

To found the company, the three entrepreneurs pooled not only their academic knowledge but also their work experience in medical sales, retail operations and web design. Even as they refined the business plan for the competition, they finalized phase one of Cohealo’s strategic plan, working with some of the country’s largest hospital systems in a pilot program. They tested their software platform, designed to schedule and mobilize equipment, centralize data and utilize predictive analytics.

The concept evolved as the team interviewed health system officials. “We didn’t realize how important consumption data are to hospitals,” says Slocombe, recalling how the team factored that into Cohealo’s software. They also didn’t anticipate the challenge of getting hospitals to abandon traditional purchasing habits. “We had to show them that we can accelerate their return on investment up to 50%,” Reed says.

Cohealo is winning awards beyond UM. It beat out 19 student-entrepreneur teams from 11 other Atlantic Coast Conference schools to win the Startup Madness competition in March. The $5,000 prize, their competition winnings, personal savings and funds from a private investor make up the seed money for the company’s launch.

“We’re not waiting for graduation in December,” Slaughter says. “It’s been a challenge, and it’s a lot of work, but that’s what makes life exciting.” And what makes Cohealo a healthy example of entrepreneurship at its best.
Hark back to your high school biology labs, and you’ll remember experiments that called for cell culture dishes, those round plastic receptacles in which cultures grow. Now, picture 250 million such devices needed annually by real-world scientists and researchers, and then extrapolate the multi-million-dollar business potential for the makers of those 250 million cell culture dishes.

Now imagine a better dish.

That’s exactly what three MD/MBA students at the School of Business and Miller School of Medicine — Dominic Maggio, Kevin Kadakia and Shiv Desai — imagined. Although they didn’t found Ophysio, they did use their business expertise to come up with a winning plan for the company, which calls for marketing a cell culture dish significantly superior to existing ones.

Ophysio revolves around a patent-pending silicone-perfluorocarbon membrane, fitted to the bottom layer of the dish, which vastly improves culture growth.

A team of Miller School faculty members and scientists invented the advancement and formed Ophysio three years ago, licensing the patent from UM. Maggio, Kadakia and Desai, currently in their fourth and final years of medical/business school, learned about Ophysio in 2011 while taking an entrepreneurship course together.

“This started as a class project,” Desai says. The assignment was to find a company that holds a patent and commercialize it. The mission coincided with the threesome’s goal of using their MD/MBA knowledge to launch startup firms, and Ophysio presented the ideal opportunity.

“Ophysio needed someone who understands the science and can develop the business strategy to get it to market and onto laboratory benches,” Maggio says. Adds Kadakia: “It’s like knowing two languages: scientific and layman’s.”

While they grasped the science behind the novel dish, the trio traversed a learning curve as they worked at evolving the business plan. “Originally we were going to manage the manufacturing and sales ourselves,” Desai says. But after research and discussions with advisers revealed exorbitant capital outlays, they adopted a leaner strategic outsourcing model. “We decided to pursue strategic outsourcing, to let the professionals do what they do best,” Maggio says.

Kadakia explains: “If you look at the initial business plan against the final one, there’s a drastic change. We figured things out not only among ourselves, but with the help of our mentors and the Ophysio researchers. The changes really benefited the plan.”

The competition judges agreed, and the $5,000 prize will be added to what Ophysio was awarded from its $1 million grant request to the National Institutes of Health’s Small Business Innovations Research program. Those funds will go toward finalizing the commercialization and producing 20,000 prototype cell culture dishes.

Maggio, Kadakia and Desai still have to complete their residencies — in neurosurgery, radiology and radiation oncology — as they help launch Ophysio. It’s the dual challenge that MD/MBA students take on, and “we plan to hit the ground running,” Kadakia says.
Flash Drivers
ThreadTent stakes its business on clothes hounds doggedly pursuing quick-hit deals online

Three recently graduated UM Sigma Chi fraternity brothers turned their passion for finding retail deals online into a business plan for the “flash sales” generation.

“I’m always spending time looking for clothes online,” admits Greg Gerla (BA ’12), bemoaning the crowds and limited selections at malls. Gerla has become a devotee of the “flash-sale” websites that have popped up in the recent years, offering discounts on brand-name clothing and accessories, but only for short periods of time. “There are dozens of these sites, and you really have to keep on top of them,” he says. He, along with brothers Michael Berliner (BS ’12) and Brandon Witte (BS ’12), was frustrated by a lack of online comparative shopping for items across multiple sites.

“That’s how the idea for ThreadTent came about, to put all the flash-sale sites on one central site,” he recalls. So, together, they built a free service that aggregates clothing flash-sale sites and entices users with search, linking and social tools.

ThreadTent does not purchase or sell goods. Rather, it attracts users by offering additional convenience and directing them to flash-sale retailers, including Gilt, Rue La La and HauteLook. In return, ThreadTent receives a 7% commission on its users’ purchases on the sites, similar to how Kayak earns a commission on flights to which it directs users.

Putting the business plan together posed a challenge for this trio. None were business students, so they relied instead on related academic and real-world skills. “I’m good at systematic problem-solving, and I have experience in sales and marketing,” says Berliner, a mechanical engineering major who started a sales consulting firm in college. “I have experience with online marketing and the digital space,” adds Gerla, an economics and history major who founded a website where students buy and sell dorm-style mini-refrigerators. “And I’m the programming guy,” says Witte, an information technology major who’s worked for Lockheed Martin.

Anticipating competition from the likes of Google and Amazon, “we wanted to differentiate ourselves and create barriers to entry,” Berliner explains. “We addressed that with customization and social-media features.” They built a social networking platform “so ThreadTent can be a place where users talk about what they’ve bought,” Witte says.

While the three are pursuing careers in their chosen fields, they have not abandoned ThreadTent. Why hold onto it? “We all believe it’s a realistic venture,” Gerla says.

Another Bridge to the Real World
EntrepreneurU provides practical seminars, products and experts’ tips on how to get businesses off the ground

Aaron Newman (MBA ’12) was already committed to entrepreneurship when he enrolled in the School’s MBA program. He’d launched a couple of small companies but wanted to expand his knowledge base for future endeavors. The experience left him feeling that even post-grads like himself could use another boost when starting a company. So his next company idea was EntrepreneurU, an educational business that would deliver seminars, create and sell educational products and pair aspiring entrepreneurs with mentors to teach the technical know-how to start and operate a venture.

Newman developed the idea after fellow MBA students expressed a need for practical tools to bridge the gap between what’s learned in school and the real world of business. To test his theory, he conducted an informal survey among 29 MBA entrepreneurship students, 23 of whom said they would attend the type of seminars described in his plan.

“Part of the inspiration was also that I’ve actually been to seminars on how to start a business that ended up trying to sell me another, more expensive seminar,” Newman says.

Today Newman is working as a consultant for a human-resource-management software company in Miami. Although he has no plans to launch EntrepreneurU, ironically the competition provided him the sort of practical skills outlined in his business plan. “It was a great experience developing the concept, working with a mentor, making adjustments to the plan and presenting it to real-world judges.”
Entrepreneurs are encouraged to follow their passions, and Jon Kowalsky’s (BBA ’12) love of independent music inspired him to launch Studio 120. The online community gives musicians of all genres a place to offer samples of their music and sell it to fans. Fans, in turn, can earn money when visitors to their profile pages purchase tunes listed there. Studio 120 donates a percentage of its revenues to music education programs.

“I’ve always had a love and passion for music,” says Kowalsky, a Hollywood, Fla., native whose slam poetry was featured in an HBO documentary and who served as a manager and promoter for several independent musicians. “When I came to UM, I wanted to learn the business of making music successful. I know the music personally, and now with my degree in management, I hope to marry the two.”

One moment Kowalsky rhapsodizes about indie music, ranging from hip-hop to country to rock. The next moment, he tempers that enthusiasm with keen insights into marketing, promotion and management. “I went through feasibility analyses of several different concepts for creating a music company to help artists,” he says. He nixed ideas to form as a non-profit (too many restrictions on donations) and to offer artists a share of ad revenues (too many logistical hoops to jump through). “So as the business plan evolved, I eliminated many things and simplified others.”

In the process, Kowalsky drew on his management and marketing courses at the School of Business and at UM’s Frost School of Music, as well as seeking outside advice. He worked with UM’s Launch Pad and Deering Companies, a Miami business consultancy. A robust Studio120.org site went “live” in August, and Kowalsky has eschewed all other job prospects. “I have to sink my teeth, and every penny I have, into this,” he declares. “The website is my job.”
Not Your Mom’s Home Décor

Aiming at apartment dwellers and young homeowners, Dryftr.com sells home goods online and promotes designers

just how much is Dryftr.com locked into the online world? Well, the creators of the plan for this home décor website geared toward college students and young professionals hashed out the company name through a series of texts. “We wanted a word that stood for something,” Sarah Bromley (BBA ’12) recalls. “We played around with ‘dreams rule …something.’” John Warren (BBA ’12) adds. “We finally came up with ‘dreams rule your future,’ which we shortened to the acronym Dryftr,” Bromley finishes.

That naming process typifies both the creative image projected in the Dryftr.com business plan and the collaboration between the two entrepreneurship majors who put it together. After they teamed up in a class that required writing a business plan, they refined the original idea of building a business plan, they refined the original idea of building a business plan, they refined the original idea of building a business plan, they refined the original idea of building a business plan, they refined the original idea of building a business plan, they refined the original idea of building a business plan, they refined the original idea of building a business plan, they refined the original idea of building a business plan.

considering more practical elements, they grappled with sourcing suppliers to design, manufacture and ship various home goods — from furniture to linens, towels, mugs and glassware — marketed under the Dryftr label and outside vendors’ brand names. “We found suppliers in China, but after we factored in traveling there to set up a distributor, we figured that simply wasn’t financially feasible,” Warren says. Discussions with their mentor, Vanessa Valera-Nolte (BBA ‘04), a Miami entrepreneur and owner of Holstein Housewares, and David Brantham, the buying director at Fab.com, a flash-sale website specializing in home goods, led to a strategy of using domestic suppliers to design, manufacture and ship the products.

plans to launch Dryftr.com remain on hold while Bromley and Warren plot their postgraduate plans, but the experience gained through the competition solidified their entrepreneurial interests. “The most important thing we learned,” Bromley says, “is that people are willing to invest in your ideas if you have the right facts and figures to back them up.”

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**Other Winners**

**2ND AND 3RD PLACE WINNERS**
Left: Dryftr.com’s Sarah Bromley and John Warren. Right: ThreadTent’s Greg Gerla, Michael Berliner and Brandon Witte.

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**COMPETITION JUDGES**

<table>
<thead>
<tr>
<th>Name</th>
<th>Role/Company</th>
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<tbody>
<tr>
<td>Jeff Akin</td>
<td>Founder, Dogma</td>
</tr>
<tr>
<td>Betty Amos</td>
<td>Owner and president, Abbey Companies</td>
</tr>
<tr>
<td>Gab Bottazzi</td>
<td>CEO, Bijoux Turner Jewelry Mentor</td>
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<tr>
<td>Glenn Camche</td>
<td>Founder, Sondra Roberts</td>
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<tr>
<td>Ruy Chaves*</td>
<td>Founder and CEO, Piastrom Sensormatic</td>
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<tr>
<td>Oscar DiVeroli*</td>
<td>Founder, Lexard Group Judge, Mentor</td>
</tr>
<tr>
<td>David Epstein*</td>
<td>Presidential Capital Partners Mentor</td>
</tr>
<tr>
<td>Greg Forgatch*</td>
<td>Co-founder, eHarmony Mentor</td>
</tr>
<tr>
<td>Sandy Goldstein*</td>
<td>Founder and president, Capiscum LLC</td>
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<tr>
<td>Bill Heffner*</td>
<td>Founder, Aggrock</td>
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<tr>
<td>Andrew Heitner</td>
<td>Cofounder and principal, Alcon Partners</td>
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<tr>
<td>Jose Antonio</td>
<td>Founder and president, Mango Consulting Group</td>
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<tr>
<td>Shawn Khosravi</td>
<td>President, Banker’s Company Mentor</td>
</tr>
<tr>
<td>Elaine King</td>
<td>CFP Judge, Mentor</td>
</tr>
<tr>
<td>Bob Newman*</td>
<td>Founder and partner, Greenwood Gulch Ventures</td>
</tr>
<tr>
<td>Tom Pfeiffer*</td>
<td>Private Wealth Management, Goldman Sachs</td>
</tr>
<tr>
<td>Orlando Roche*</td>
<td>Regional president, Lydian Bank and Trust</td>
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<tr>
<td>Robert Rubin*</td>
<td>CEO, Topp Group Inc. Judge, Mentor</td>
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<tr>
<td>Mark Sanna</td>
<td>Founder &amp; CEO, Breakthrough Coaching</td>
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<tr>
<td>Jay Scharer</td>
<td>Founder and Partner, Franklin Street Partners</td>
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<tr>
<td>Kurt Stange</td>
<td>Serial entrepreneur Mentor</td>
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<tr>
<td>Alex Stanicoff</td>
<td>Founder, Shooger Judge, Mentor</td>
</tr>
<tr>
<td>Richard Swerdlow</td>
<td>Founder, Condos.com Judge, Mentor</td>
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<tr>
<td>Vanessa Valera Nolte</td>
<td>Co-founder, Holstein Housewares Judge, Mentor</td>
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*Member of the School’s Entrepreneurship Programs Advisory Board

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**Other Winners**

**Paul K. Sugrue Entrepreneurial Spirit Award ($1,000)**
Valerie K. Major

**Heffner Fellowship Awards ($4000) for Summer Internships Related to Entrepreneurship**
Eliyahu Davis and Alicia Barroso
There’s little allure to U.S. markets these days. With consumer spending puttering along and many stocks failing to recover from the financial crisis of 2008, companies and individual investors alike have become interested in growth markets — international economies that are experiencing rapid growth under sometimes riskier circumstances. Typically when economists discuss these economies, they’re talking about what they call the BRIC countries — Brazil, Russia, India and China — which have expanding markets and increasingly robust consumer spending. The progress, though, is often not without growing pains that can be political, social or cultural. And even when all those components are in place, they still complicate matters for investing Americans and American companies simply because they are, after all, foreign. But these markets are critical to global economic growth and ripe for capitalization, which is why researchers at the School of Business have studied the inner workings of business overseas and have come back with guidelines for both corporations and individuals interested in the potential for great profits.

Growth markets can be a potential compliance minefield. There is a smorgasbord of laws and rules, often different from U.S. rules, which many U.S. companies have to follow even when operating outside the country. Employees both at home and abroad need to know the laws. It isn’t hard for a local employee in Argentina, for example, to innocently run afoul of U.S. regulations because of a lack of knowledge.

On top of that, the wide economic disparity that persists in many growth markets makes complying with both local and U.S. laws more difficult, says Ted Acosta, principal in Ernst & Young’s Fraud Investigation and Dispute Services. “You have a lot of opportunists in the market trying to make money from big companies by demanding payment in exchange for access,” explains Acosta, who is a member of the advisory board for the School’s Latin American Health Care Compliance Certificate Program.

Dozens of U.S. companies have learned this the hard way, especially in the health care industry. This past March, for example, medical device maker Biomet agreed to pay $22 million in penalties to settle allegations by the Securities and Exchange Commission that it had bribed doctors in Argentina, Brazil and China in order to win lucrative business with government-owned hospitals. Dozens of multinationals have faced similar charges in recent years, thanks to increased scrutiny by the SEC and Justice Department. “Around 2004 and 2005, we saw a spike in the number of investigations and settlements between

Know the Local and the U.S. Laws

Know the risks and understand the successful strategies in the BRICs and beyond By Brett Graff and C.J. Prince
companies and the U.S. government for what the government calls ‘corruptive practices’ in the life sciences specifically,” Acosta says. “In this day and age, a multinational company doing business in another market, especially an emerging market, is expected to have taken formal steps to adopt a compliance program to address what are widely known areas of potential risk in the market.”

Companies that implement robust, formal compliance programs can head off a host of potential challenges and keep problems from growing systematically within the organization. The following are some key steps to take:

GET THE FACTS AND ESTABLISH FORMAL RULES.
Before doing business in a country, understand local rules and regulations, applicable U.S. rules and any other regulations the company might be expected to comply with. For example, global biopharmaceutical company AstraZeneca trades on both the U.S. stock exchange and the U.K. exchange, which means it has to adhere not only to the U.S. Foreign Corrupt Practices Act of 1977 but also the U.K. Bribery Act of 2010, explains Julien Durand, the company’s regional compliance officer for Latin America and a member of the School’s Health Care Compliance Certificate Program Advisory Board. “Plus, as a third layer, AstraZeneca has very stringent internal policies and Code of Ethics regarding interactions with health-care professionals and government officials,” he says.

Companies should also explore industry best practices so they can understand the spirit of the law as well as the letter, says Anita Cava, director of the School’s Business Ethics Program and professor of business law. And, because the law changes frequently, “educating to today’s bottom line is dangerous because the bar could be set much higher tomorrow, when an issue comes to light either in a court of law or in the court of public opinion.”

Sometimes that means going further than the strict letter of the law. For instance, in Latin America, hospital doctors can be involved in drug and equipment purchasing decisions. And because a lot of hospitals in Latin America are government run, U.S. law considers those doctors government officials. That means U.S. companies or companies listed on a U.S. stock exchange that have improper interactions with such doctors (i.e., wining and dining them) can be prosecuted for bribery. “So we were the first pharmaceutical company to put in place a ban on flying doctors to international conferences,” Durand says. “It may be legal in some countries, but we’re going beyond the law. We just don’t do it anymore.”

MAKE SURE ALL EMPLOYEES UNDERSTAND THE RULES.
An employee in Brazil, for example, may not know that a local doctor can be considered a “government official” under U.S. law, or may not know what constitutes a “gift” to a civil servant, Acosta notes. “Companies need to have very exhaustive programs to train everybody dealing with these doctors both in respect of local and U.S. laws, as applicable. And not just management; field reps need to have policies and procedures to guide behavior,” he says.

Cava points out that employees at any level have the potential to tarnish reputation and brand. “The receptionist who answers the phone and welcomes visitors is often the first impression of the company,” Cava notes. “Any person in the organization can be tempted to get a short-term gain at the expense of reputation risk.” Whistleblowing should be encouraged, she adds, with a clear path to reporting inappropriate behavior without fear of reprisal.
GROWTH MARKETS are ripe for hiring and quickly become attractive labor pools in which U.S. companies look to dive. But “outsourcing” jobs to workers overseas often ignites a fiery debate at home, with some arguing that U.S. companies should employ U.S. workers, and others countering that lower company costs benefit everyone.

But ground-breaking research that, for the first time, looks at outsourcing from the standpoint of the international client — usually the vendor that has been contracted to provide the service (e.g., call centers) — proves that service providers in India offer up work environments perhaps even more secure and more efficient than what could be created on U.S. soil. The research comes from Vaidyanathan Jayaraman, an operations and supply chain management professor at the School.

“Emerging markets provide the growth for most Western companies,” Jayaraman says. “I realize that, every four years, our politicians argue that we should not be outsourcing, that it is bad for our economy. But it’s not going away. Growth markets are a great way for dealing with the challenges of scaling up and managing rapid growth.”

Jayaraman came to his conclusions after spending five years managing and paying close attention to Governance Control Mechanisms — contracts ensuring the outsourcing company follows all procedures and guidelines. Employees are searched before going home, so no one can leave with a flash drive full of information. Photographs are not allowed inside the facilities — all documents are scanned — and cameras are placed in every possible corner.

“Call centers are a great example of how U.S. companies have outsourced,” Jayaraman says. “They are highly secure places. There are no compromises in terms of quality or service.”

In fact, with technology, says Jayaraman, U.S. companies can — and do — monitor the daily operations of their employees overseas. Some headquarters have giant screens projecting call centers, so they can visually manage workers. And the company monitors calls, frequently in real time, listening to both sides of the conversation for customer service. Workers are trained, sometimes for as long as three to six months, in programs that often include language lessons to eliminate accents.

“The service provider supplies to all parts of the world,” says Jayaraman. “They don’t want to compromise on a single issue. And if a service provider doesn’t do a good job, they don’t renew the contract.” – BG
in depth: growth markets

In depth: growth markets

complicated to U.S. companies seeking to sell to customers in growth markets. It may seem natural to partner with another large firm already embedded in those economies, but it’s not always a good idea, says Joseph Johnson, an associate professor of marketing at the School. Sure, it would seem that working with a team that speaks the language and understands the customs could only work in an American company’s favor. But Johnson’s research, which examines more than 240 cases between 1991 and 2008, proves that those partners may be slowing down the decision-making process and perhaps even sabotaging the American company’s sales.

For example, consumer products giant Proctor & Gamble ventured into India through a partnership with Godrej Consumer Products, which also manufactures household goods. The goal, says Johnson, was to leverage Godrej’s vast distribution network for select P&G brands. But Godrej had other ideas, he says, and instead wanted access to P&G’s broad brand portfolio. “You would think that joint venture partners would help you meet your corporate goals,” Johnson says. “But it was an uneasy marriage, and it failed. It’s better to enter by yourself because you have more control over strategic marketing variables, such as size of product portfolio, advertising and promotions.”

In China, P&G used a different tack. It entered that country without a partner and had great success. P&G controlled its own strategy for entry, carefully selecting hair care products that its research showed would be appropriate for that market. Competitor Unilever Global, on the other hand, teamed up with several domestic Chinese firms. In effect, Unilever operated with tied hands as it relied on Chinese partners to navigate the complex market, Johnson says. “Initially it looks like a great idea, and they may seem like partners, but in some sense, they’re competitors,” he says. “They don’t want their foreign partner to succeed because they have similar product categories.” Unilever’s partners, he says, “were more interested in selling their own brands than Unilever’s brands. And ultimately these joint ventures limited Unilever’s strategic flexibility, which resulted in several product failures.”

Rather than find partners, Johnson suggests that American companies looking to operate in growth markets enter on their own, using the support of local market-research firms. “You can see them as facilitators who can help you navigate through cultural and regulatory differences,” Johnson says. “We looked at several factors that led to success and failure, and we found that clearly firms are still making fundamental errors.”
When Investing, a Country’s Debt Level Counts

Stock prices for corporations based in growth markets are lower than they might be if issued from a more mature exchange. That’s widely accepted. But just how much lower is closely correlated to the value of foreign debt that the country carries, says Sandro Andrade, an assistant professor of finance at the School. The more debt a country carries, the more devalued the stock will be for companies based there, he says. “From this relationship and evaluation model,” says Andrade, “we can extract the cost of sovereign default.”

It can all be explained by the actions that occur in the aftermath of default, he says. If a company defaults on its bonds, creditors come and strip the place of all assets. But if a country defaults, well, no one comes and collects the beaches of Brazil or the highways of China. Rather, the country has a terrible time trying to borrow money. That affects local banking institutions — the same ones lending to local corporations. The intertwined relationship puts local corporations at risk for financial disturbance.

“The disruption has a ripple effect on corporations that rely on credit,” Andrade says. “The market anticipates the possibility that the government will default, and that will hurt local banks, which will hurt local corporations.”

So lower stock prices, he says, compensate the investor for the possibility of such a default. And default in association with long-term earnings growth or an increase in the cost of capital (you can’t untangle the two) is 4.2% annually.

“We’re not taking a stance about whether it’s excessive,” Andrade says. “That’s what we read from market prices.” —BG

Careful research of the entire country helps with determining the appropriate product for each market segment and identifying the right point of entry. Kellogg Co., for example, faced difficulties when it tried to sell cold cereal to Indian consumers who favor hot breakfasts. And upscale coffee company illy Café entered the northern city of New Delhi, although coffee drinking is more common in the southern part of the country.

“Companies should consider these fundamental differences,” Johnson says. “In product categories such as consumer packaged goods, ignoring such differences can restrict the demand for your product.”

Johnson’s research also shows that small companies can be contenders in these growth markets. Specific products and small territories are both manageable and more desirable. And the flexibility is invaluable when operating overseas. “The takeaway is that smaller firms are much better in these growth markets,” Johnson says. “They can make focused, faster decisions.” —BG
The School’s new mission and strategy aim to build on existing strengths and its location in the Gateway to the Americas. The School’s new mission statement: “To develop innovative ideas and principled leaders that transform global business and society.” While this may seem very bold, Dean Eugene Anderson believes it is essential to pursue such an aspirational goal.

“The School is on a strong trajectory,” says Anderson, who joined the School in August 2011. “Our new mission statement recognizes the stakeholders we serve, the nature of the ideas and leaders we seek to produce, and our high expectations for the contribution both can make to the world.”

At the heart of the new vision is the commitment to advance the School as a leader in global management — especially in high-growth economies and particularly in Latin America. “We have an extraordinary opportunity to distinguish ourselves by engaging managers and organizations throughout South Florida, Latin America, and high-growth markets worldwide in our research and educational programs,” Anderson says.

The new mission statement, and a strategy for pursuing that mission, are the result of months of research and work by Anderson and a faculty Strategy Task Force. The committee’s work included conversations with hundreds of alumni, students, faculty and staff. Meetings with the School’s boards and with University groups, including the President’s Council and the Alumni Board of Directors, also helped shape the result.

NEW PATH TO DISTINCTION
The premise of the School’s new strategy is that all business is global and that leadership, innovation and responsible business practice are at a premium. It also recognizes that to achieve distinction as a leader in global management, the School must leverage its unique assets — the richness of the University of Miami, the diversity and vibrancy of South Florida, and the region’s role as a cultural and economic crossroads connecting the world and Latin America.

“The world is changing in ways that play to our unique strengths,” Anderson says. “Business is increasingly global. Markets and organizations are increasingly diverse, both culturally and intellectually. We’re incredibly well-positioned to prepare students for this new world. We’re also much more nimble than the traditional leaders in the business school industry. There’s tremendous potential for the School.”

Miami draws companies and people from around the world, making the School a natural place to bring together faculty and students from many nations to learn about global business and prepare to do business wherever opportunities take them.

The UM Center for International Business Education and Research, housed at the School, has rapidly become a central point for international learning initiatives, internship opportunities and research for students, faculty and businesses. The School’s executive education arm is providing programs targeted to Latin American executives and to executives from other parts of the world interested in the region. Just this fall, the School enrolled the second class.
in its Global Executive MBA program, taught entirely in Spanish and drawing executives from across Latin America. Partnerships with leading academic institutions around the world are bringing new opportunities to faculty and students, and opening the School’s doors to more students from other prestigious universities. “Miami is an unbeatable place to prepare students for a more dynamic, connected, and complex world,” Anderson says.

INCERED FOCUS ON EXPERIENTIAL LEARNING
To prepare students for that world, a central component of the School’s new strategy is an increased emphasis on experiential learning – hands-on, real-world experiences that build on and expand the in-class curriculum. “My goal is to ensure that every student has opportunities to connect with others who live, work, do business and study in other countries,” Anderson says.

MBAs can already experience international business firsthand through study trips and international consulting projects in Brazil, China, Peru and Thailand. BBAs can study abroad in diverse settings such as Barcelona and Shanghai, and participate in the Jamaica Project, which provides the opportunity to apply what they learn with others who live, work, do business and study in other countries,” Anderson says.

The first priority is to broaden experiential learning opportunities close to home. All freshmen business students work in teams on projects for Miami-area community organizations. At the graduate level, students are engaged in consulting work for businesses and nonprofits. Groups of business and medical students are working together with faculty on a series of process improvement projects at the University’s Miller School of Medicine hospitals. Already, those projects have resulted in several million dollars of savings.

Experiential learning also means bringing the world of practice to campus. The School engages students with business and community leaders through its executive-in-residence and mentoring programs. It is also providing hands-on learning opportunities with “real stakes,” such as the Annual Business Plan Competition and the new Student-Managed Investment Fund.

The next priority is to optimize the School’s portfolio of graduate degree programs. Faculty and staff groups are examining the School’s Executive MBA and other part-time programs to ensure alignment with both the new mission and the markets they serve. The School is also working on developing new graduate programs that take advantage of strengths in areas such as international business, health care and financial services.

The final priority is the one that is vital to all aspects of the School’s new strategy: engaging with alumni and partners to carry out the Momentum2 campaign, the University-wide fundraising campaign that aims to raise $1.6 billion by 2016.

“The Momentum2 capital campaign will provide the financial support and business partnerships to achieve our vision and strategic goals,” Anderson explains. “To get there, our alumni relations and development teams need to continue to promote ever-higher levels of engagement among parents, alumni and business community leaders.”

To lead these efforts, the School recently brought on Paula Jensik as associate dean for alumni and development (see page 11). She will continue the work that began during the past several years — much of which has already changed the School.

The School has had tremendous success in Momentum2, which hit the $1 billion mark University-wide in October. Already, the School has secured several generous gifts, including one to fund real estate initiatives, a gift to fund international learning opportunities for students and a gift to establish the Student-Managed Investment Fund (See page 30 for more on the fund).

“Everything we are doing is aimed at making a difference in the world through our ideas and graduates,” Anderson says. “If we have everyone’s support, we know that we can be successful.”
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The School must provide more opportunities like these to help students connect theory and practice. Experiential learning helps students to develop the ‘complete package’ of leadership capabilities and soft skills they will need to be successful,” Anderson says.

EXECUTING THE STRATEGY

To execute the strategy, Anderson has identified three priorities for the current academic year.

The first priority is to broaden and strengthen international learning experiences and educational programs. Reviews underway of undergraduate and graduate programs are geared towards integrating international content and experiential learning into the curriculum. Through strengthened partnerships with international schools, the School hopes to offer more study trips and study abroad opportunities, as well as joint courses and perhaps even joint degree programs that bring together UM students with counterparts overseas.

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Mark Coe (above) got involved with the School when his daughter, Breana (in red jacket), became a student here.
Investing Wisely

How one donor’s gift of funds, time and expertise turned an idea into a brand-new program — creating a student-managed investment fund at the School within a matter of months. By Jackie Salo

LAST YEAR, Mark Coe saw an opportunity to add an incredible experiential learning piece to the School’s curriculum. The parent of a then-freshman, he decided that a student-run investment fund would help round out students’ opportunities to learn from firsthand experience. So Coe, president of Coe Capital Management, which manages the Intrinsic Edge Hedge Funds, gave the School a double gift: He donated seed money for just such a fund, and he and his daughter, Breana, along with Andrea Heuson, a professor of finance at the School, and Brian Barrett, an associate professor of finance, helped create a curriculum for students to manage the money. “I saw it as an opportunity to give back to the University and attract students to the School,” Coe says.

This fall — just six months later — 18 undergraduates and two MBA students began working on the Student-Managed Investment Fund, called the Category 5 Fund. They started with a series of special classes, researching industries and companies and proposing stock buys. Together, the class will decide which stocks to buy (and eventually, which to sell and when) and begin investing the money in November. “The course will enable students to implement the investment principles they’ve already learned,” Coe says. “They’ll begin to appreciate the responsibility of real investment decisions with real consequences.”

Coe’s gift is just the beginning: As more donors contribute to the fund, the students will have even more funds to invest.

Collaboration between the Coes and Heuson and Barrett — who were already working to establish a student fund — ultimately brought the Cat 5 Fund into existence. Coe and Breana spent the summer researching student investment funds to help establish the course. They then helped Heuson and Barrett create an investment policy and establish the curriculum path.

This fall’s classes with Heuson and Barrett, which have included discussions with Coe, will become a series of permanent classes this spring. The 20 students are acting as analysts, divided into teams covering specific industry sectors. Each student will write a valuation report on a company in the sector, and the team will write a group analysis of the industry. Using a template provided by Coe for evaluating each company’s investment potential, the team will offer its buying recommendations to the class. The class will then decide where to invest the fund’s money. And it’s not just an academic exercise. The students’ work is focused on a money-making fund with strong returns, something Coe says differentiates it from some other funds.

Ultimately, the course will be a two-year journey. The student analysts will transition into portfolio managers, handling the fund’s risk/reward profile and covering additional sectors. Then, they’ll help choose and train the next group of analysts. “They will learn through personal responsibility and continued engagement, both of which are the hallmark of managing money,” Heuson says. “We want the first thing students do each morning to be looking at the stocks.”

Coe feels the same way, and Heuson credits his passion for moving the student-managed fund from idea to experiment in just months. “It is Mark’s energy and drive that has made all of this happen so quickly,” she says. His involvement has been as important as his gift, and he plans to continue serving as a mentor to the students, as well as helping bring other experts from the field into their classroom.

The hands-on investing experience can make a huge difference when students interview for jobs and internships. “As a hedge-fund manager that often hires junior analysts, I have seen the significant advantages that such a program provides for students,” Coe says. “Those candidates who have taken a class like this have a much better focus on what they want to do with their careers. They are more confident and passionate.”

“I hope the fund will be a great experience,” Coe adds. “Even if they don’t pursue a career in investment, the skills they learn can help with whatever they do.”
WHERE WILL WE LIVE?

Assessing the Need, Analyzing the Challenges and Identifying the Opportunities of Workforce Housing in the New Economy by Richard Westlund

It will take innovative development concepts, less “red tape,” and public and private financial support to address the nation’s growing need for workforce housing, said panelists at the University of Miami’s October 4 conference, “Workforce Housing in the New Economy: Looking Forward for South Florida’s Employers and Employees.” The conference, held at PortMiami, was hosted by the School of Business, School of Architecture, and Office of Civic and Community Engagement.

“We should consider workforce housing as investment in infrastructure, like transit, schools and hospitals,” said keynote speaker Barry Zigas, director of housing policy for the Consumer Federation of America and a member of the Bipartisan Policy Center’s Housing Commission. Zigas called for federal policymakers to adopt a broad perspective that integrates workforce housing into community planning initiatives. “Home ownership leads to better living conditions for working families, stronger personal finances and greater employment opportunities,” he said.

Villa Aurora in Miami is an example of new ways of looking at affordable housing. The Carrfour project includes a community center and a public library branch.
Addressing such broad-ranging issues is an important part of the School’s work. “The conference brought together local and national experts from all facets of the housing industry to discuss ideas that can make a real difference in the lives of our workforce,” said Andrea Heuson, a professor of finance at the School and one of the conference’s organizers. “It’s an issue that the School and the University are uniquely positioned to address, given their expertise in real estate education and an integrated approach to urban placemaking. It’s crucial to address this issue, since we all bear the cost of inadequate housing for service providers.”

ANALYZING THE KEY CHALLENGES

But building new workforce housing is a daunting task. Although demand is growing, household income growth has stalled and current federal housing assistance programs are in jeopardy as Washington struggles to get the nation’s fiscal house in order.

The situation calls for a holistic and creative approach to providing enough workforce housing to sustain communities, panelists said. This includes repurposing existing housing stock, developing mixed-use housing projects and taking advantage of transit lines.

Gregg Fortner, executive director of the Miami-Dade Public Housing Agency, suggested taking better advantage of existing housing. “South Florida has been hit hard with foreclosures, leaving many residences vacant or underutilized,” he said. “If we want to provide affordable housing that is close to the jobs and comfortable for workers, then we need to add the underutilized stock to our conversation.”

But turning foreclosures into successful workforce housing isn’t always a simple proposition, cautioned Alphonso Jackson, vice chairman of mortgage banking at JPMorgan Chase and a former U.S. secretary of Housing and Urban Development. He said that strategy is being applied in target neighborhoods in Los Angeles and Cleveland with a large number of properties. “You have to have enough homes available to make a substantive difference, in helping working class families and stabilizing communities,” he said.

Several panelists also noted that developers of workforce housing should factor in access to mass transit when looking at locations and pricing for developments. They noted that not needing to own a car gives a household more money to spend on housing. “Sometimes land is not available to develop new housing in the areas where the jobs are located,” Fortner said. “You have to take the transportation systems into account in any discussion of workforce housing.”

Matthew Greer, CEO of Carlisle Development Group, pointed out that locating workforce housing near transit is a win-win. “When projects are near transit lines, people can get to work more easily and transit ridership levels can climb,” he said, adding that Miami-Dade County is a leader in transit-oriented housing.

WHAT WORKFORCE HOUSING REALLY MEANS

During one panel, moderator Ralph Rosado, executive director of the South Florida Community Development Coali-

The nation loses 100,000 units each year to obsolescence, and is only building 82,000 a year.
Workforce housing policies focus on providing attractive and affordable homes for middle-income service workers, such as police officers, teachers and nurses, in close proximity to their jobs. It is primarily a concern in regions like South Florida with high housing costs. HUD does not distinguish between affordable and workforce housing. But many housing authorities define workforce housing as homes aimed at households earning from 60% to 120% of the area's median income (AMI). In contrast, the term affordable housing is generally used for households whose income is less than 60% of AMI.

REGAINING TRACTION

Housing is also an issue that is likely to plague the country for years. The nation loses 100,000 units each year to obsolescence, and is only building 82,000 a year. “The fight for more affordable housing won’t be leaving us anytime soon,” said former U.S. Senator Mel Martinez, who is chairman for the Southeast and Latin America and of JPMorgan Chase Foundation at JPMorgan Chase & Co., co-chair of the Bipartisan Policy Center Housing Commission and a former U.S. secretary of Housing and Urban Development.

Finding the proper funds to build housing that sells below market rates is a challenge. Greer said it’s essential to look at public-private partnerships and sources of financing to develop new projects, and other participants agreed.
In communities such as South Florida, high land costs make it difficult for the private sector to deliver single-family homes, said J. Ronald Terwilliger, a commissioner at the Bipartisan Policy Center Housing Commission and chairman emeritus of developer Trammell Crow Residential. At a minimum, the public sector has to help with the red tape. “We have to make the development process more efficient with an expedited permitting process for affordable housing,” he said.

Alphonso Jackson, vice chairman of mortgage banking at JPMorgan Chase and a former U.S. secretary of Housing and Urban Development, agreed that red tape is a major hindrance to developing new workforce housing. “Governments should pick the right developers and get out of their way,” he said. “A developer who takes substandard housing and brings it up to standard has done a lot for the community.”

Martinez also cautioned against leaving rental housing out of the equation. “While I think homeownership is a very desirable goal, we will clearly need more rental housing as the market rebalances,” he said. “Ultimately, it’s all about decent housing – rental or ownership – that people can afford.”

**BALANCING OWNERSHIP AND RENTALS, WITH GOVERNMENT SUPPORT**

In the conference’s keynote session, University of Miami President Donna E. Shalala, who served as assistant secretary for policy research and development at HUD in the late 1970s, asked Zigas what he would want at the top of a housing-related presidential agenda.

“We’ve got to make more credit available, on responsible terms — not a return to subprime lending and an abandonment of underwriting principles, but the use of tried and true underwriting principles,” Zigas said. “In the 1990s and early 2000s there were many examples of well-underwritten, fully documented, stable long-term financing, in which consumers bring some, but not an overwhelming amount, of capital to the market, can be successful.” He pointed out that it’s difficult for people not born into a family of means to put together a 20% down payment on a typical home. And, he added, “ownership is one of the few ways to use leverage, in the form of a mortgage loan, to achieve financial security.”

Naming a permanent director of the Federal Housing Finance Agency (FHFA), which oversees Freddie Mac and Fannie Mae, and the Federal Home Loan Bank are also crucial, Zigas said, as is moving aggressively to complete the restructuring of the mortgage financing system. He said that home ownership and rental housing need to be a central element of tax reform, which he believes is coming during the next four years.

Zigas ended by noting that, “I’m an optimist about housing policy. Over the past five years, we have learned important things and put new protections in place for the consumer. We are back to understanding that consumers should be offered a long-term fixed-rate mortgage with documentation, and that’s a big resetting of the entire mortgage system. When the wave of foreclosures moves through, we will find a more stable housing market and a revitalization of homeownership finance.”
**INFORMS Conference**

**SUPERCOMPUTER THAT BEAT “JEOPARDY!” CHAMPS AMONG INNOVATIONS EXPLORED DURING INFORMS CONFERENCE HOSTED BY SCHOOL**

In February, the School of Business hosted the Institute for Operations Research and the Management Sciences (INFORMS) Conference, titled “Optimization and Analytics: New Frontiers in Theory and Practice.” The conference brought together scholars and researchers to discuss leading practices and innovations in the field, including Watson, the IBM robot that competed against and beat the all-time champions of the television game show “Jeopardy!”

Manoj Saxena, general manager of Watson Solutions, IBM Software Group, leads the effort to commercialize the Watson supercomputer. He spoke to researchers and students at the conference about Watson and IBM’s work to create computers to deal with growing volumes of data.

“We’re facing an explosion of data, a hyper-connected society, a push for relentless innovation and increasingly demanding customers,” Saxena said. “Businesses are dying of thirst in an ocean of data,” and Watson will quench that thirst, according to Saxena.

The Institute for Operations Research and the Management Sciences is the largest professional society in the field of operations research, management science and business analytics. Anuj Mehrotra, vice dean and professor of management science at the School, co-chaired the conference.

In addition to academics, students were also able to attend. “This is a real-life opportunity to see technology complement the work of humans and vice versa,” said Gustavo Bartczak, a UM MBA student who attended Saxena’s talk.

More about Watson, creating the supercomputer and its “Jeopardy!” feat: [bus.miami.edu/magazine](http://bus.miami.edu/magazine)

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**FACULTY**

**awards & honors**

**TOPS IN INTERNATIONAL RESEARCH**

A study recently published in Management International Review showed that Yadong Luo, Emery Findley Distinguished Chair and professor of management, is the world’s No. 1 international business scholar. The same study ranked the University of Miami No. 2 in the world for international business research.

**COCAINE TREATMENT STUDY FUNDED**

The National Institutes of Health granted $350,000 to Yongtao Guan, a professor of management science at the School, and his colleagues to use statistical methods to interpret and categorize data about cocaine use patterns. They will examine patterns of use before, during and after drug rehabilitation to better understand the effectiveness of treatment.

**HEADLINING SAUDI ARABIA CONFERENCE; DELIVERING KEYNOTES IN NETHERLANDS, CHINA AND MALAYSIA; CHAIRING SERVICE CONFERENCE**

A. “Parsu” Parasuraman, holder of the James W. McLamore Chair in Marketing and a professor of marketing at the School, recently addressed conferences around the world. He spoke about the tenets of service, productivity, quality and innovation at the 15th Annual Total Quality Management Conference in Riyadh, Saudi Arabia; the 2012 Art & Science of Service Conference in Venlo, The Netherlands; the International Joint Conference on Service Sciences 2012 in Shanghai, China; and the International Hospitality & Tourism Conference in Kuala Lumpur, Malaysia. Universiti Teknologi MARA, Malaysia’s largest public university, has appointed him as a distinguished visiting professor.

At the 2012 Frontiers in Service Conference, held in Washington, D.C., in June, Parasuraman was awarded the Journal of Service Research’s 2011 Best Paper Award for “Service Innovation Viewed Through a

SOCIETY FOR ORGANIZATIONAL BEHAVIOR MEMBERSHIP
Terri Scandura, professor of management, was invited to join the Society for Organizational Behavior, an invitation-only group of scholars in the field.

WHARTON CONFERENCE ON BUSINESS ETHICS
Anita Cava, professor of business law, was invited to participate at the Wharton School of the University of Pennsylvania’s conference: Public Sector Corruption and Private Business Firms. She co-presented “When is a Bribe Not a Bribe?: A Re-Examination of the FCPA in Light of Business Reality,” which has been accepted for publication in the University of Indiana’s International and Comparative Law Review. Cava also was on the planning committee and participated in roundtables at the First Annual Latin American Pharmaceutical and Medical Device Compliance Congress in São Paulo, Brazil. The Academy of Legal Studies in Business named a research article Cava co-authored, “Restoring Liability for Financial Fraud,” its 2012 Virginia Maurer Outstanding Ethics Paper.

EMERALD GROUP CITATION OF EXCELLENCE
Andrew J. Leone, the Arthur P. Metzger Professor of Accounting, was named among the winners of Emerald Group Publishing’s 2012 Citation of Excellence Awards, which recognize the 50 most outstanding articles published by the top 300 management journals in the world. Leone won the award for his article “The Importance of Distinguishing Errors from Irregularities in Restatement Research: The Case of Restatements and CEO/CFO Turnover,” which was published in 2008.

AMERICAN BUSINESS LAW JOURNAL EXCELLENCE IN RESEARCH AWARD
The Academy of Legal Studies in Business awarded Patricia Sanchez Abril, associate professor of business law, the 2012 Hoeber Memorial Award for Excellence in Research. The award recognizes the best article of the year published in the American Business Law Journal, as selected by the journal’s peer editors. The article recognized was “Blurred Boundaries: Social Media Privacy and the Twenty-First-Century Employee,” which she co-authored. This marks the second year in a row that Abril has won a Hoeber Memorial Award.

School Welcomes New Faculty
JAWAD ADDOUM, assistant professor of finance. Addoum received his Ph.D. from the Fuqua School of Business at Duke University. His research interests include household finance, portfolio choice and empirical asset pricing, and his teaching expertise is in the areas of investments, corporate finance and fixed income securities. He is conversant in several languages, including Farsi and French.

ARKALGUD RAPAPRASAD, visiting professor of computer information systems. Ramaprasad joins us from the College of Business Administration at the University of Illinois at Chicago, where he was professor and head of the Department of Information and Decision Sciences. He specializes in ontological analysis and design, e-health, knowledge management, strategic planning for higher education, management of information and health care informatics. Ramaprasad received his Ph.D. from the University of Pittsburgh.

ERIC WEISBROD, assistant professor of accounting. Weisbrod received his Ph.D. from Arizona State University’s W.P. Carey School of Business. His research interests include information content of accounting disclosures (focused on financial distress), accounting-based capital markets research, accounting information dynamics, markets as complex adaptive systems and behavioral finance.

FACULTY PROMOTED
Several faculty members were promoted at the start of this academic year. Peter Wysocki is now a professor of accounting. David Kelly is now a professor of economics. Four faculty were promoted to associate professor: Patricia Abril, in business law; Laura Giuliano, in economics; Diana Falsetta, in accounting; and Tallys Yunes, in management science.

FACULTY RETIRE
Three much-respected and beloved faculty members retired at the end of the 2011-2012 school year: John D. Daniels, who is now the Samuel N. Friedland Chair and professor emeritus, management; Robert T. Grauer, who was an associate professor of computer information systems; and Joel Stutz, who was department chair and professor of computer information systems.
Events

Happenings on Campus and Off

Distinguished Speakers at the School of Business

8/16-MBA Orientation, Dean’s Alumni Experience Panel, with Patricio Rubalcaba (MBA ‘00), vice president of strategic partnerships for MasterCard Worldwide, Latin America & Caribbean; Patrick Dwyer (MBA ‘93), managing director of investments for Merrill Lynch Private Banking and Investment Group; and Adam Carlin (MBA ‘94), director of wealth management at The Bermont/Carlin Group at Morgan Stanley Smith Barney

3/20-Juan Betancourt, founder of Gonza Executive Search, on “Best Practices in Interviewing”

4/26-Joe Ankus, president of Ankus Consulting, on “A Recruiter’s Perspective”

4/27-Dr. William Peruzzi, executive medical director of UM Hospitals, on “Practical Career Advice for the MD Business Leader”

9/05-Bill Fisse (BBA ‘75, MBA ‘77), Citi Global Transaction Services senior human resources officer, on “Marketing Your Personal Brand”

9/21-UM President Donna Shalala on the details of the Affordable Care Act

10/5-Scott Price (left), CEO of Wal-Mart Asia, on the challenges of international business

10/25-Juan Del Busto, CEO of the Miami Branch of the Federal Reserve, on “The State of the Economy”

Best & Brightest

4/10-The School honored more than 30 undergraduate students who achieved a 4.0 GPA during the semester at the annual Best & Brightest luncheon. Senior Carlos Lovera (center), with Ann Olaizábal, vice dean for undergraduate business education, and Gene Anderson, the School’s dean, a member of the School’s Hyperion Council, was among the honorees, for six semesters of 4.0 GPAs.

Featured Alumni Events

3/15-Network & Learn Series, featuring Edward Baker, department chair of management science

5/24-Network & Learn Series, featuring Robert Plant, associate professor of computer information systems

10/17-Jorge Mas, (BBA ‘84, MBA ‘86), chairman of MasTec and a member of the School’s Board of Overseers, gave the Homecoming Alumni Lecture. Mas (center) joined Pat Barron (BBA ‘75), a UM trustee and President’s Council member and co-chair of the School’s Momentum2 campaign, and Gene Anderson, the School’s dean, at the reception


Mentor Program Orientation and Kickoff

9/19-Students Daniel Campana, Duyen Quach and Rie Takano (above) were among those who joined mentors to kick off the School’s mentor program.

More photos, videos and stories from these events:
bus.miami.edu/magazine
UPCOMING EVENTS

DECEMBER 13
- Fall 2012 Commencement

DECEMBER 13-15
- Behavioral Finance Conference

DECEMBER 13
- The Alliance of Merger & Acquisition Advisors winter conference; “The Middle Market: Our World of Opportunity in 2013”

FEBRUARY 1
- “The Business of Health Care Post-Election,” hosted by the School’s Center for Health Sector Management and Policy

FEBRUARY 22
- Real Estate Impact Conference

Visit bus.miami.edu/events for details about these and other upcoming events.

Annual School of Business Scholarship Luncheon
4/27-The School honored scholarship donors and the students they support, including Lloyd Straits (BBA ’65, right); his wife, Ruth; and their recipient, Jakub Hejl (left), as well as Richard Bermont (center) who joined scholarship recipients at lunch.

Students, Alumni Connect in New York
10/5-10/10-Highlights of the School’s annual trip included meetings with alumni in marketing and finance and the UBS Young Alumni Mentor Event, hosted by Al Marsicano (BBA ’76), senior vice president of UBS. Event attendees included Bill Fisse (BBA ’75, MBA ’76) (second from left) of Citi Global Transaction Services and fellow Citi Canes. Steven Witkoff, chairman of the School’s Real Estate Programs Advisory Board, and Lauren Witkoff also hosted a reception for parents of School students. They mingled with alumni and School staff, including Ellen Marie McPhillip (far left), assistant dean for undergraduate programs.

Spring Commencement
5/10-5/11-Joseph Echevarria (BBA ’78), CEO of Deloitte LLP and a member of the School’s Board of Overseers, gave the undergraduate commencement speech to more than 400 School students. Undergraduates offered up a rousing rendition of the alma mater, and graduating MBAs celebrated, too, including taking this photo with UM President Donna E. Shalala (in red).
The results of the 2012 U.S. presidential and congressional elections have placed a renewed focus on health care reform, with the health care industry and business community in general preparing for significant change.

With this as a backdrop, the Center for Health Sector Management and Policy at the University of Miami School of Business Administration will host The Business of Health Care Post-Election.

Don’t miss this unique opportunity for knowledge sharing on such topics as:

- The Politics, Policy and Federal Budget Implications of Health Care Reform
- Health Care Policy Following the Elections and its Impact on Health Insurers, Businesses and Individuals
- Capitalizing on New Business Opportunities Arising from the Transformation of the U.S. Health Care System

For more information and to register, visit www.bus.miami.edu/healthcare2013

Featuring:

Featured Speakers

Tom Daschle
Former U.S. Senate Majority Leader and author, “Critical: What We Can Do About the Health-Care Crisis”

Robert Galvin, M.D.
CEO, Equity Healthcare Operating Partner, The Blackstone Group

Karen Ignagni
President and CEO, America’s Health Insurance Plans

Chris Jennings
Former Senior Health Care Advisor to President Bill Clinton

Mark McClellan, M.D.
Former Administrator, Centers for Medicare & Medicaid Services, Department of Health and Human Services, and Former Senior Director, Health Care Policy under President George W. Bush

James T. Olsen
Managing Director and Head of Healthcare Advisory Services, Bank of America Merrill Lynch

Donna E. Shalala
President, University of Miami, and former U.S. Secretary of Health and Human Services

Presented By:

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February 1, 2013
University of Miami

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- One Man’s Trash is UM Grads’ Treasure

CHRISTOPHER POORE, BBA ’12, AND RONALD RICK, BBA ’12 COLLEGE HUNKS HAULING JUNK MIAMI FRANCHISE, MIAMI

The results of the 2012 U.S. presidential and congressional elections have placed a renewed focus on health care reform, with the health care industry and business community in general preparing for significant change.

For more information and to register, visit www.bus.miami.edu/healthcare2013

Presented By: Media Sponsors:

One Man’s Trash is UM Grads’ Treasure

WASTE NOT
Christopher Poore and Ronald Rick found opportunity in hauling junk.

BusinessMiami magazine caught up with Poore and Rick to find out about their transition from student consultants to franchise owners.

BusinessMiami: How did you go from student consultant to franchisee?

Poore: [We were doing] mainly market research to determine if the business model — a high-service, high-quality business targeting high-income earners who wanted junk hauled off — would be viable. We became experts on the opportunity. We sort of sold ourselves on the idea.

Rick: We liked the concept of hiring college students, but we weren’t interested in concepts like [the sandwich shop] Subway. Moving and junk hauling is a lucrative business — and it’s something we can do because the capital requirements aren’t as prohibitive as some other concepts. Since there is very little overhead, the risk-reward scenario was attractive.

BusinessMiami: What has the transition from entrepreneurship student to entrepreneur been like so far?

Poore: Instead of opening books every morning, we’re making phone calls. Instead of going to classes, we’re working with various people to make sure we get off to the best possible start. It’s been exciting.

BusinessMiami: What has been the biggest challenge?

Rick: Making the decision to start. We are both investing our personal finances into this, and we’re leveraging as much as possible. So we had to be sure we were both 100% OK with going all the way.

BusinessMiami: What did you learn during the consulting process that has helped you launch the business successfully?

Poore: We were taught to step back and look at the baseline problems; to break down every program and operation and schedule every aspect of the business separately. The mindset of a consultant is different than the mindset of the typical business owner in the way that you approach problems and work toward solutions.

That will help us as we expand into our next franchise.

— Jennifer LeClaire

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A kiwi-green empanada maker and a stylish silver espresso machine are among the colorful products Holstein Housewares is bringing to the traditionally staid kitchen appliance category. Led by two School of Business alumni — Vanessa Valera-Nolte and brother Diego Valera — the five-year-old Miami company is building its international customer base, entering the U.S. market and generating plenty of buzz among retailers and media.

“We try to stay close to the edge without falling over,” says Valera-Nolte, referring to the company’s design philosophy. “We know what we stand for — high quality, European style, fun and excitement, along with affordable price points.” That combination has helped the wholesaler earn multi-millions of dollars in sales across 15 countries, primarily within Latin America.

The siblings were born in Venezuela, where their father, Jose Luis Valera, ran a successful distribution company, and their mother, Nalvis, nurtured a love of travel and design. After coming to the U.S. as teens, they enrolled in the School and have stayed active as mentors and guest speakers.

Valera, who leads sales and operations at Holstein, began working with his father at Distrivalto USA — a vertically integrated company that manufactures, designs and delivers home products — when he was a freshman at the School. The family business frequently took him to Latin America.

Meanwhile, Valera-Nolte, who handles marketing and finance, worked as a public relations director at a high-end magazine before earning her masters in communication. “When my brother approached me about launching the company in 2007, I thought it was a great concept,” she says. “We’ve always been the best of friends, and we make a great team.”

Since its start, the company has grown to more than 20 employees, with offices in China, Colombia and Venezuela, as well as Miami, and it has become the house brand for Distrivalto. “Our father been a great mentor for us, and we’re glad to have developed a brand that is now the main part of our family business,” Valera-Nolte says.

The siblings picked Holstein for their moniker since Europeans associate that German cow with good fortune. Since taking a booth at the International Home & Housewares Show last March, the co-founders have been nurturing relationships with leading retailers, and Valera-Nolte recently appeared on Home Shopping Network to sell the line. “This is only the beginning,” Valera says. “We’re going to be a major player in the U.S. market.”

— Richard Westlund
Banking on the Future
HUNTING P. DEUTSCH, MBA ’82, EXECUTIVE DIRECTOR, FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY, TALLAHASSEE, FLA.

Hunting Deutsch likens his entry into government to being back in business. Having taken a few years off after leaving his last banking job, he’s found himself heading up Florida’s recently created Department of Economic Opportunity (DEO). With more than 2,300 employees and a budget of more than $1 billion, the new executive director feels like he’s just taken over a good-sized company. And with businessman-turned-Governor Rick Scott at the state’s helm, the atmosphere in Tallahassee — which includes a zero-defects policy for state agencies — is one of anticipation.

“When I came here, I wasn’t sure what to expect,” says Deutsch, who joined the year-old agency, which was created by a merger of three agencies, in April. A career banker with more than 30 years of high-level experience, Deutsch has found the change he had been seeking.

“I wanted a different challenge,” he says. “I was focusing on opportunities in education, not-for-profit and government, and I was fortunate to be asked to take the reins of this newly created agency.”

The DEO is tasked with being the state’s business, community and workforce development agency, playing a crucial role in Florida’s five-year strategic plan for economic development. Its broad range of goals — based on the Florida Chamber of Commerce’s six-pillars model, Deutsch says — supports the mission of making Florida’s economy the top performer in the nation. “It’s refreshing, but with the vast array of issues and challenges we face, it’s also like drinking from a fire hose,” Deutsch says of his charge.

“You work very hard, but you have the opportunity to make a real difference.”

Deutsch’s first act as executive director was to assemble a management team. “I reorganized DEO and put together a leadership team with the necessary industry experience,” he says. “Then we began drafting an agency business plan that linked to the state’s five-year development plan.”

Florida’s DEO is now an agency on the move, and Deutsch is leading a busy mix of business development, community development and workforce development initiatives. To gain more traction, the agency has a new portal that provides online access to economic development incentives and projects. And with 85% of jobs in the state linked to small businesses, it is also developing a site — what Deutsch calls “one-stop shopping” — for small business creation and expansion.

“I review and approve every economic development project in the state,” Deutsch says. “It is very satisfying to help fulfill the administration’s vision of job creation and economic development.”

Robert S. Benchley

Fall 2012 BusinessMiami 45
DEBORAH SACKNER GOLDRING (MS ’85) is an assistant professor of marketing in the School of Business Administration at Stetson University in DeLand, Fla. ANNE M. GREALY (MBA ’88) was promoted to executive director of state government affairs at Akron, Ohio-based FirstEnergy. JIM KELLY (MBA ’93), a Pro Football Hall of Fame quarterback, received the Jefferson Award, one of the nation’s top honors for community service and volunteerism. FRED MARION (MBA ’88) was one of three finalists nominated in 2012 for induction into the New England Patriots Hall of Fame. JOSE MAS (MBA ’92, MBA ’93), CEO of Miami-based MasTec, was featured on the CBS reality show “Undercover Boss.” GARY S. SALZMAN (MBA ’85, JD ’88) was recognized as one of Florida Trend’s 2012 Legal Elite. DANIEL R. SMITH (MBA ’89) is a member of the 2012 class of Henry Crown Fellows at The Aspen Institute. LINDA S. STEIN (MBA ’83, JD ’86) is an associate administrative judge in the Miami-Dade County Court Civil Division and recently co-chaired the annual Law Day program at the North Dade Justice Center. She also recently received the Outstanding Community Service Award from the Spanish American League Against Discrimination.

RICHARD A. WOOD (MBA ’83), an attorney with Fowler White Burnett, was recognized in the 2012 issue of Florida Super Lawyer. LAURIE B. YOUNG (MBA ’83) was named among the “Women of the Year” by New Orleans CityBusiness. Young is a partner in the litigation group at Adams and Reese.

LEYZA F. BLANCO (AB ’92, JD ’96), an attorney with GrayRobinson, was recognized as one of Florida Trend’s 2012 Legal Elite. Chambers USA also named her to its 2012 list of leading attorneys. ROBERT BRADSHAW (MBA ’93) was named the Chicago-based Midwest-region sales director for Panvia, a maker of business process guidance software.

USAF LT. COL. PAUL CONNER (MBA ’93) is the commander and administrator of Craig

**ALUMNI NEWS**

**In-Room Innovator**

MONIKA NERGER, BS ’95, MBA ’99
CIO, MANDARIN ORIENTAL HOTEL GROUP, ATLANTA

Monika Nerger’s office at Mandarin Oriental Hotel Group may be in Atlanta, but the 27-property hotel chain’s technology chief is on the road 250 days a year, so her “office” is wherever she and her laptop are. “I don’t even know how many airline miles I have,” Nerger says. “At one point, I calculated that I had circumnavigated the globe 160 times.”

So why all the travel when technology was supposed to make the world smaller and more connected? “As much as social networking tools are enabling, there is nothing that can replace a face-to-face meeting,” Nerger says. “Cultural sensitivities, language barriers, the ability to discuss a complex topic, or negotiate a difficult contract or financial decision — these require human interaction and social engagement, from which trusted relationships are built.”

Not all of her travel has been in the air. Nerger was manager of systems operations at Miami-based Royal Caribbean Cruise Lines when she entered the School’s executive MBA program. “It was becoming clear that a technology background alone wasn’t enough,” says the Toronto native, who had earned an undergraduate degree in computer science at UM. “To sit at the table with the business leaders of the company, a business degree was a necessity.”

Nerger joined Mandarin Oriental in 2006 as vice president of technology for the Americas, but she soon found her skills being utilized worldwide. She became global CIO in 2011, dealing with technology for guests and all the behind-the-scenes tech that keeps the five-star chain running smoothly.

Guests at Mandarin properties have high expectations, but Nerger isn’t intimidated by that. “Our goal is to provide guests with a technology experience that they don’t get within their competitive set — and that is better than what they experience in their own home,” she says. “With the rapid change in consumer technology, this is becoming more difficult to achieve, yet within the luxury hotel industry space, I still believe there is room to do so. For example, we are working to deploy wireless connectivity between guest devices and our high-definition televisions, coupled with a superior audio experience. We don’t want to limit our guests to viewing content on a tablet.”

Nerger is also directing the chain’s Global Guest cloud technology, which connects with and recognizes guests across the brand in all 27 properties. “The experience will be fluid, from booking to pre-arrival, through the guest stay to post-stay experience,” she says. “Wherever you are, you will be recognized as a valued guest in a very personalized manner.”

— Robert S. Benchley
Joint Theater Hospital, one of the busiest combat hospitals in Afghanistan.

DANY GARCIA (BBA ‘92) is the executive producer of “The Hero,” a reality-competition show scheduled to premier in 2013. Her production partner is Dwayne “The Rock” Johnson (BGS ‘95).

MARISOL GOMEZ-DECENA (BBA ‘99, MBA ‘02), a lawyer at Gamba and Lombana, is president of the Puerto Rican Bar Association of Florida, president-elect of the Miami-Dade Chapter of the Florida Association for Women Lawyers, chair of the ASPIRA Miami-Dade Local Advisory Council and on the board of governors for the Florida Bar’s young lawyers division.

DANIEL E. GREENLEAF (MBA ‘97) was promoted to CEO of Coram Healthcare. He is a member of the School’s Health Sector Management and Policy Advisory Board.

DION C. JOANNOU (MBA ‘90) became CEO of Sunrise, Fla.-based Advantix Systems, a manufacturer of dehumidification and air conditioning technology.

PAUL KAPLAN (MBA ‘96), co-managing partner of KW Property Management & Consulting, was named one of South Florida’s best and brightest under 40 by the South Florida Business Journal.

ILEANA MUSA (BBA ‘90) shared her business experiences at the “Latino Leadership” meeting during the most recent ALPFA conference in Las Vegas. Musa is an international credit and banking executive with Bank of America.

BERNIE NAVARRO (BBA ‘95), president and founder of Benworth Capital Partners and a member of the School’s Real Estate Programs Advisory Board, was named one of South Florida’s best and brightest under 40 by the South Florida Business Journal.

MARLENE QUINTANA (BSC ‘93, JD ‘96) was recognized as one of Florida Trend’s 2012 Legal Elite.

THOMAS VICKERS (MBA ‘96) was promoted to CFO of OmniComm Systems, which develops software to collect data from clinical trials.

WINSTON P. WARRIOR (BBA ‘92, MBA ‘96) is a singer and songwriter. His album “Lifeology 101... Back 2 School” was released this fall.

2000s

SUPREET ARORA (MBA ‘09) became PMO manager at computer retailer Systemax.

JASON J. AYARS (BBA ‘07) became vice-president of investments and a financial advisor at Wells Fargo Wealth Management Services.

ILEANA E. CHRISTIANSON (BBA ‘00), an attorney with GrayRobinson, was named a Florida Rising Star of 2012.

SPENCER B. DUKE (BBA ‘04, MBA ‘06) became the chief compliance officer and chief security officer for Prestige Cruise Holdings (PCH), parent company of Oceania Cruises and Regent Seven Seas Cruises.


KRISTIN N. FRANCISCO (BBA ‘06), a financial representative in Northwestern Mutual’s Miami Group office, won the company foundation’s Community Service Award. Her $10,000 grant is designated to the Women’s Fund of Miami-Dade, of which she is the youngest board member.

JOSE HERNANDEZ-SOLAUN (MBA ‘05), senior vice president of GE Capital, was named one of South Florida’s best and brightest under 40 by the South Florida Business Journal.

ROBERTO MORENO (BBA ‘08), CFO of Zumba Fitness, was named one of South Florida’s best and brightest under 40 by the South Florida Business Journal.

MARK MICHEL (MBA ‘07) moved to Washington, D.C., to serve as the U.S. Navy’s representative to the National Security Council and as a member of the White House National Security Staff.

GEETA NAYAR (BS ‘00, MD ‘03) was named to Modern Healthcare’s Top 25 Minority Executives in Healthcare list. She is the first chief medical information officer for AT&T ForHealth in Miami.

HALEY PROFITA (BSBA ‘08), who is pursuing a Ph.D. in computer science at the University of Colorado, won second place at the International Symposium on Wearable Computer Designs.

RIGER RAMIREZ (BBA ‘01) is Florida International University’s new diving coach.

DIONNE RICHARDS (BBA ‘05) was named to Legacy magazine’s list of “25 Most Influential & Prominent Black Women in Business for 2012.” She is senior vice-president of the audit division at Continental National Bank of Miami.

JULIANA RUIZ (BBA ‘03) and fellow UM alumni Jeffrey D. Rubinstein (JD ‘74), Jessica L. Saitz (AB ‘04), Jowharah Sanders and Nicole L. Simon (BS ‘04) founded National Voices for Equality, Education and Enlightenment, which works to prevent bullying, violence and suicide. The organization was recently featured on the ABC series “Secret Millionaire.”

JEFFREY R. SEGAL (BBA ‘07) finished sixth overall in the Grand Touring Classification of Grand Prix of Miami.

JASON E. STARR (BBA ‘05) joined the New York Civil Liberties Union as the Nassau County chapter director.

ADAM VAISMAN (BBA ‘04), the director of acquisitions for Butters Construction & Development, was named one of South Florida’s best and brightest under 40 by the South Florida Business Journal.

JONATHAN VILMA (BBA ‘04) and fellow UM alumni Jonathan S. Beason, Ron L. Berkowitz (BSC ‘94) and Genos (D.J.) Williams recently opened their first Florida location of Brother Jimmy’s BBQ.

LAURYN WILLIAMS (BBA ‘04) earned an Olympic gold medal as a sprinter on the women’s 4x100-meter relay team at this summer’s London Olympic Games.

2010s

DAVID (BS ’00, MBA ‘03) and ROBERT MULLINGS (BBA ‘01, MBA ‘03) founded Keystone Augusta, a private investment diversified holdings company that buys undervalued companies that do business with Fortune 1000 firms. They also founded Random Media, an integrated media and entertainment firm that was YouTube’s first Caribbean media partner.

HAMDISH M. PHILIP (MBA ‘10) founded an insurance-based advisory firm in 2010 in South Florida.
Parade of Champions
You think coaching a team of champions is hard? Try putting on a parade for them – in a busy downtown, with just three days’ notice and ESPN on its way. Kim Stone, (MBA ’03), executive vice president of the Miami Heat and general manager of American Airlines Arena, talks about how she led the effort to help some 400,000 fans celebrate the 2012 NBA champions.

When the Dallas Mavericks took a two-games-to-none lead ahead of the Miami Heat in the 2006 NBA finals, their team and city prematurely started planning its victory parade. It leaked to the media, inspiring our team to win four straight games — and our first championship.

Fast forward to the 2012 NBA Finals this past June. The Heat was up 3-1 over the Oklahoma City Thunder. There was tremendous anticipation of the Heat’s second championship — and LeBron James’ first — but because of the 2006 lessons Dallas learned, we knew we couldn’t start planning a parade until we won it all. Then the game clock hit zero at 11 p.m. on Thursday, June 21. We won our second NBA Championship and, with warp speed, we started planning a parade for more than 300,000 fans.

It wasn’t until 2 a.m. the next morning that I was able to meet with community leaders and present them with our parade outline. We hit a deadlock over which day the parade would be held. They wanted it to be on Wednesday — six days after our win. It was an unacceptable delay, but there was nothing I could do until later that day.

I’ll never forget that crucial moment. It was 4:30 a.m. While everyone else was still celebrating, I was facing one of the most difficult challenges of my career. It was also one of those extremely rare opportunities to accomplish something extraordinary. At 9 a.m. on Friday, we settled on a Monday parade date. We had just three days to plan.

There was intense media interest because it was LeBron’s first championship. ESPN and other networks were coming to Miami, adding more logistical burdens. There were a thousand details to coordinate. Everything had to go right. The clock was ticking.

Our top priority was the safety and security of the attendees. We set up more than 1,000 pieces of bike rack along the one-mile route to keep people out of the street. We worked with the fire department to set up water and aid stations along the route.

Needless to say, during the 72 hours of planning, sleep was a luxury, and I registered about 13 hours of it. I learned a few key things:

1. Special times call for extraordinary efforts and personal sacrifice from everyone, especially those in leadership.
2. It’s invaluable to have people on your “team” who are empowered, self-motivated, team-oriented and upon whose word you can depend.
3. Your management style must change to fit the occasion.
4. A great business network is vital. You need to be able to call upon it to expedite and resolve the issues that arise.
5. Always plan for the worst, hope for the best and be flexible!
6. Celebrate like you just won the championship when it’s over.

Normally, I am a collaborative leader who encourages dialogue and takes the time to listen to ideas. With just three days to plan, I did my best to maintain as much of my style as possible. However, the demands of the situation required shifting to a less democratic style to ensure success.

I pushed my staff exceptionally hard and asked more of them just when they thought they’d given it their all. You can’t plan an event for 300,000-plus people over a weekend by working 9 to 5. They dug even deeper and worked right alongside of me every step. However, during this time, I knew it was vital that I set the example for the staff. So I was always the first one in the office and the last to leave.

Keep in mind that my Arena team was coming off two stressful months of events. In between playoff games, we were hosting concerts and road rallies to watch our Heat play away games. As a matter of fact, the night we won the championship, we had to convert the building overnight into our concert configuration for a Friday night LMFAO show. Because the trophy presentation caused the game to end late, the Arena did not close until 1:30 a.m., so we had just five and a half hours to convert, which usually takes eight hours. My staff knew the world was watching us, and it was our moment to prove we are a world-class facility.

None of us slept, but we got the job done by making sacrifices and working together. I discovered that I will drive people to the brink to get the job done. However, because I have earned my team’s trust and respect, I knew I could drive them hard and they would rise to the challenges, not out of fear, but out of a pride that they were planning an event that the world was watching.

When everything was over at 2:30 p.m. on Monday, June 25, we threw a big party for the Arena team. Our Arena team lives in the shadows of events. People only notice us if something goes wrong. Just like referees in an NBA game, it’s never good when we are the topic of conversion. The day of the parade, no one noticed us. We succeeded. Through this pressure cooker, we grew — and we’re ready should we have another opportunity to plan a parade.

— As told to Jennifer LeClaire

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