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Invest in The Next Great Business School of the Americas

The University of Miami School of Business has an extraordinary opportunity to distinguish itself as a leader in global business education and research. Our unique multicultural campus, situated at a vibrant international crossroads, creates an ideal environment for developing ideas and leaders for the diverse, dynamic, interconnected world of the 21st century.

To fully realize our ambitious aspirations, we need partners willing to invest with us. I would like to personally thank each and every one of you who has already done so. Thanks to all of you, the School is now more than two-thirds of the way towards reaching its goal in the University’s $1.6 billion Momentum 2 campaign.

Through your generosity, we are advancing our position as a leader in global business education and research. International immersion courses take students to Brazil, India and China to learn first-hand about global business. Experiential learning opportunities allow students to work on real business problems in collaboration with entrepreneurs and startups, as well as established companies such as Citibank and Royal Caribbean. Student-Managed Investment Fund managers and analysts make buy and sell decisions for a real stock portfolio. Business plan competitors test their ideas for new businesses and compete for valuable seed money.

This fall, we launched The Miami Executive MBA for the Americas — a hybrid program designed specifically for high-potential international executives — and the initial offering has attracted students from 10 different countries across the hemisphere. We have also rolled out new specialty masters programs in business analytics, finance and international business. In February, we’ll launch the Miami Executive MBA for Artists and Athletes.

And, during the course of the next 16 months, we will be taking four of our graduate degrees online.

All these innovations and achievements are made possible only because of the generous support of the business school community.

Looking forward, our goal is to continue making business education at the U even more global, innovative and relevant. Your gifts of time, talent and treasure are essential. I invite and encourage you to make a commitment to the School of Business, to the impact it had on you, and to the impact it will have on the ideas and leaders of tomorrow.

— Gene Anderson
genea@miami.edu

Mission Statement: To develop innovative ideas and principled leaders that transform global business and society.
IN AUGUST, 23 executives from across the U.S. and Latin America began the School’s new Miami Executive MBA for the Americas program. The 17-month program, which blends weekend on-campus sessions every two months with distance learning, began with orientation and classes on campus.

School of Business Dean Gene Anderson was among the faculty and staff who welcomed the first class in the new program. “We look forward to adding value to your lives,” Anderson told them. “We also plan to learn from your experiences and facilitate your learning from each other.”

The new MBA class includes executives who are living in or who were born in Argentina, Brazil, Colombia, Guatemala, Israel, Mexico, Trinidad and Tobago, Panama, Venezuela and Puerto Rico, with the U.S. also represented via California, Florida, New York and Texas. The program focuses on the challenges and opportunities faced by those doing business in the Americas, particularly Latin America.

Tracey Powell is looking forward to strengthening his professional skills through the program. “I want to take my career to the next level and gain a global perspective,” said Powell, vice president at Chase Bank and a resident of San Antonio, Texas.

For Daniel Herrero, frequent flyer program manager for COPA Airlines in Panama, the program’s international focus and flexible structure were key factors in his decision. “An MBA provides you with a wider lens for analyzing strategic issues,” he said. “After working for a Latin American airline for six years, I know that business is conducted differently in each country. This MBA program will help give me a broader perspective on the region.”

Reflecting on her career path, Ruth Rodriguez, provider contracts manager for Bupa Latin America, a U.K.-based medical insurance company, said enrolling in the program was a natural step. “After 10 years in business, I wanted to enhance my career skills through an MBA program that focused on Latin America,” she said. “With its natural resources, human talent and high economic growth rate, Latin America is the region of the future.”

– Richard Westlund (MBA ’83)
Trading on Emotions

SMALL INVESTORS CAN DRIVE STOCK PRICES DURING CRISIS.

BY TRACY SIMON

IN THE WAKE of a market-wide crisis, such as the 9/11 terrorist attacks, trading by small, retail investors can move markets — even when institutional traders’ actions would normally move them in the opposite direction. After 9/11, smaller investors’ panicked selling drove stock prices down, even as institutional investors were buying in quantities that should have kept prices up. That is among the findings of a new study in the Journal of Financial and Quantitative Analysis authored by Timothy Burch, associate professor of finance at the School, and his Department of Finance colleagues Douglas Emery and Michael Fuerst.

The study, which looked at the reactions of more than 1,600 different securities in multiple asset classes, found that when the markets reopened six days after 9/11, stocks and closed-end funds (held more widely by small investors) declined substantially as small investors aggressively sold their holdings. This return pattern held even though institutional investors were net buyers, taking advantage of lower prices due to panicked retail selling.

“In normal market conditions, we believe institutional traders drive prices because of the sheer volume of their trading,” Burch says. “However, in the first trading week after 9/11, institutional investors were net buyers and yet prices fell substantially because of smaller investor panic.” This happened despite the fact that larger investors should have provided some amount of market stabilization. “This held even in the largest capitalization stocks — in which institutions usually play a more dominant trading role,” Burch says.

In order to study the behavior of retail investors, the researchers examined closed-end funds (CEFs) and small-cap stocks, which are held and traded more widely by smaller investors. To study the behavior of institutional investors, they looked at trading in large-cap stocks, where institutions play a more prominent role.

Post-Crisis Recovery

The researchers also found that, during the second and third weeks after 9/11, companies with higher-quality and more readily observable information about fundamental values saw their stock prices recover more quickly. “The finding that post-9/11 price recoveries were stronger and faster in assets with better information environments is consistent with my prior research conducted on stock market bubbles,” Burch says. “That research showed that stocks with higher-quality information environments due to greater analyst coverage experience much less overvaluation. The consistent theme is that a higher-quality information environment promotes price efficiency.”

Burch notes there are important policy implications to the findings. “In some markets, governments subsidize analyst coverage for smaller, retail-trader dominated stocks to which the financial analyst industry pays less attention,” he says. “Whether to mitigate bubbles or to curb panic and speed price recoveries in a crisis period, similar policies that promote an improved information environment should improve price efficiency, especially for assets on which professional research is currently underprovided.”

For small investors, the findings reinforce maintaining a long-term perspective and avoiding the stock market if they are unable to withstand short-term volatility. Moreover, the findings suggest that undisciplined investors are better off avoiding stocks which, due to a lack of reasonable institutional-trader presence, are more likely to experience the sharpest and most persistent declines when the occasional crisis hits.
Bubble Trouble
WERE AUDIT DECISIONS AFFECTED BY THE RAMPANT OPTIMISM OF THE DOTCOM BOOM? BY JILL SCHOENIGER

SINCE IT SEEMED AS THOUGH EVERYONE in the financial services industry was swept up in the market euphoria fueled by the dotcoms in the late 1990s, a team of researchers wondered: Did that include the public accounting firms charged with assessing the viability of these Internet companies?

Andrew Leone, the School’s Arthur P. Metzger professor of accounting, explored that question with three co-authors, examining auditor going-concern opinions during this period. “Our question was this: While we could understand why investors got a little euphoric and companies got a little overly optimistic, shouldn’t auditors have noticed there was a cash problem with some of these companies and issued going-concern opinions at a higher rate than they did?” Leone says. Auditors issue a going-concern opinion when a company’s financial condition is so weak or precarious that the auditors have doubts about the company’s ability to continue operating as a going concern.

The team examined a sample of 756 Initial Public Offering (IPO) filings from 1996 to 2000 and a sample of non-Internet IPO registrants. They were surprised to find that when there was a high volume of stressed Internet companies filing to go public — from January 1999 to April 2000 — the Big 5 auditing firms were less likely to render going-concern (GC) opinions. “To us, one explanation was that, like investors and other stakeholders, accounting firms also got caught up and were overly optimistic about the future of these companies,” Leone says. “If they had stuck by their standard, historical assessment of companies, they might have flagged these companies as being a GC company.” By flagging a company, auditors would have communicated that they had doubts about its financial sustainability.

The researchers point to the unique market conditions at play during the dotcom boom as a contributing factor for the lower number of going-concern opinions. Before the boom, the expectation was that a company would be profitable or on the verge of being profitable before going public. This was not the case during the boom, when many startup companies running negative operating cash flows were still able to raise significant amounts of capital through IPOs, issuing more stock to optimistic investors or borrowing from optimistic lenders.

“This was a period where there was a sense that our financial fundamentals were no longer applicable. It was more about how much you were making in sales as opposed to whether you were making a profit,” Leone says. “In defense of the accounting firms, it was tricky making an assessment of companies’ likelihood of surviving. The auditors could look around and see a lot of these companies were losing money but the hot stock market was making it likely they would still be able to raise money.”

Leone and his collaborators’ research does not suggest any reporting inaccuracies on the part of Big 5 firms, but they don’t let them off the hook completely, writing “While we do not suggest the Big 5 were a major cause of the Internet IPO bubble, it does seem these largest audit firms did little to slow it from inflating.”

The research, by Leone, Sarah Rice and Michael Willenborg from the University of Connecticut and Joseph Weber from MIT, came together in the article “How Do Auditors Behave During Periods of Market Euphoria? The Case of Internet IPOs,” which appeared in the Spring 2013 issue of Contemporary Accounting Research.

Because economists have long been interested in studying such market bubbles and the potential for future bubbles, Leone believes these findings may be of interest to audit regulators and standard setters. “The lesson is that when we have these bubbles it’s hard not to get pulled into it — no matter what type of stakeholder you are,” Leone says. “It’s hard not to be a little bit more optimistic than you otherwise would be ... especially when your client is saying ‘all our competitors are raising money, so why wouldn’t you expect us to be able to do so as well?’”
Frequent Frustration

FREQUENT FLIER PROGRAMS DON’T DELIVER ON REASONABLE CONSUMER EXPECTATIONS — AND THAT MAY MATTER IN COURT. BY ROCHELLE BRODER-SINGER

Do frequent flier programs live up to their advertising and agreements from a legal perspective? According to research by three School of Business faculty members, they do not.

Anecdotally, frequent flier program members often complain that airlines apply so many restrictions that they can’t redeem points or miles for free travel when and how they want to fly. Nearly all airlines, meanwhile, use language somewhere in their agreements that makes clear that redemption of mileage or points for award tickets is “subject to limitations” or “may not be available on all flights.”

That language doesn’t necessarily give an airline leave to make redemption nearly impossible, though. Ann Morales Olazábal (MBA ’97), the School’s vice dean for undergraduate business education and a professor of business law; Howard Marmorstein, associate professor of marketing; and Dan Sarel, associate professor of marketing, combined empirical market-research with law research and framing to determine just what the airlines individually bind themselves to, contractually and through their marketing, when holding out the promise of free travel.

Ultimately, the faculty members concluded that airlines do, in fact, “create specific and measurable consumer expectations about free travel,” as they wrote in a paper that was published in the Spring 2014 issue of American Business Law Journal. Moreover, the researchers showed that, should a consumer sue for failing to deliver on those expectations, the frequent flier agreement would have to be legally interpreted in a way that is consistent with consumers’ reasonable expectations. That’s because the agreement is a “contract of adhesion,” rather than a negotiated contract. “This is a contract that’s been written to favor the drafter, which is the airline. The program terms and conditions set up a ‘take it or leave it,’ or standard, form that doesn’t allow for any give or take,” Olazábal says. “A court can and should use the reasonable expectations of a consumer to decide how to interpret contract obligations in such a case. So, in part, we set out to determine, empirically, what the reasonable expectations of a consumer are with regard to free flights.”

To do so, the faculty members surveyed consumers to learn how often they expect to be able to redeem miles or points for a free ticket at the lowest award level (usually about 25,000 miles). They learned that consumers expect, on average, to be able to redeem their miles or points for a free ticket at that lowest tier less than one-half or one-third of the time they are requested, according to data published by consulting firm IdeaWorks. “It turns out that you’re getting a free ticket most of the time on United, and with the other domestic legacy airlines, you’re getting one only occasionally,” Olazábal says. “There’s a significant number of people who are absolutely mistaken in their belief about the likelihood they’ll be able to redeem.”

Most domestic airlines are not meeting consumers’ reasonable expectations (although some are).

Olazábal notes that the researchers are not saying the airlines intend to deceive flyers — only that their marketing and contracts create a reasonable expectation that is not being fulfilled. That’s difficult for fliers, who often invest much time and money into accruing miles. “They’ve targeted many of their purchases. They’ve flown the airline, maybe even at a higher price and often with a degree of additional inconvenience,” Olazábal says. “What are they getting in exchange?”

As it turns out, not nearly what they think. As Olazábal says, “In the end, this paper is an exploration of what subject to limitations’ means in a frequent flier relationship.”
Cuban Health Care: Utopian Dreams, Fragile Future
A NATION PERFORMING HUNDREDS OF COMPLEX MEDICAL PROCEDURES EACH YEAR FOR FOREIGNERS STILL FACES SHORTAGES OF BASIC SUPPLIES IN PUBLIC HEALTH CLINICS

The Cuban health care system has been the focus of much international attention and debate while revealing jarring contrasts. Long publicized as the Cuban Revolution’s greatest accomplishment, it is also a system covered by such a thick wall of political ideology that critical analysis is difficult. Its medical missions in Haiti and other developing countries have generated goodwill toward the Castro government, even as humanitarian groups in North America and Europe organize shipments of medicines and medical equipment to Cuban clinics and hospitals plagued by shortages of the most basic supplies. No country’s health care system functions independently of its economy, and over the years Cuba’s medical services and public health indicators have improved at some intervals and declined at others. … More recently, Cuban authorities have been closing medical facilities and making other cutbacks in the health budget amid reported outbreaks of cholera and dengue fever in several parts of the country. …

Dr. Eloy Gonzalez, a Cuban doctor who received political asylum in the United States in 1999 and writes a blog on Cuban health care, described the system as “paradoxical.” “Cuba is a country with difficulties in producing and dispensing aspirin, while excellent doctors and researchers develop monoclonal antibodies and other medications in a pretty acceptable biotechnology industry,” he said. “Many times there are no supplies for suturing a wound in a country where thousands of kidney transplants have been performed.” …

[Yet] in western Havana lies the more affluent municipality of Miramar where the Clinica Cira Garcia is located. Canadians and Europeans visit the facility for such procedures as knee replacement surgery or cosmetic procedures and Latin Americans from countries with restrictive abortion laws undertake the procedure there. The clinic, and others catering to foreigners, seems to be flourishing. …

A Looming Shortage of Public Health Care Professionals
One worst-case scenario for the future of Cuban health care involves an increasing expansion of health tourism in Cuba, which drains some of the best physicians and other professionals away from the public health sector. Medical tourism seems likely to grow, buoyed in part by the country’s reputation in health provision and the government’s need for additional sources of foreign exchange. … At the same time, Cuba is competing with many other countries for health tourist revenues, including Mexico, India and Brazil, and its image could suffer in the post-Castro period when a freer flow of information yields more accounts of medical neglect, malpractice and mismanagement — dramatic contrasts to the Cuban health sector’s carefully protected representation during the Castro period. …

Other Cuban health care professionals may simply choose to emigrate, despite the uncertainty of passing the licensing requirements in other countries and finding jobs in the field. Many Cuban doctors have already abandoned the profession to seek work in the tourist sector, and anecdotal accounts of physicians working in hotels and as taxi drivers abound. In order to maintain the public health system, salaries will have to be boosted considerably. A number of Cuban physicians already treat patients privately, charging under-the-table fees. …

Cuba’s medical assistance programs abroad have given way to contracted medical services with governments in Brazil and other countries and these agreements seem likely to grow in the near future. This may cause more depletion of medical staff in Cuba. …

The future focus will necessarily be on providing care to the Cuban people and finding ways to pay for it. But Cuban doctors, working in far-flung areas around the world, have earned themselves considerable goodwill. And given its long medical tradition — a tradition which began centuries before the Castro government — it seems certain that Cuba will always have its medical heroes.

By Steven Ullmann, director of the School’s programs in health sector management and policy and professor of management, and Mary Helen Spooner, from their book “Cuban Health Care: Utopian Dreams, Fragile Future”
The Quest for Ethical and Authentic Leaders
BY LINDA L. NEIDER, PROFESSOR, UM SCHOOL OF BUSINESS, DEPARTMENT OF MANAGEMENT

The last few decades have seen leaders across industries commit a plethora of ethical violations. Some of those leaders were once viewed as highly authentic by their followers. From Joe Nacchio, the Quest Communications CEO who fabricated the truth for his own gain, to Bernie Madoff, whose Ponzi scheme cost even his closest associates millions of dollars in lost funds, such antics seem to be splashed across the news on a daily basis. Most recently, questions have been raised about the ethical conduct of National Football League Commissioner Roger Goodell and his handling of video evidence showing player Ray Rice brutally assaulting his current wife. Given the barrage of headlines, it is not surprising that the latest survey by non-profit research organization Ethics Resource Center found that managers are seen as responsible for 60% of all ethical misconduct in organizations.

What types of behaviors are associated with ethical leadership? What is the linkage between such actions and authenticity? Chet Schriesheim, university distinguished professor of management, and I examined these questions when we gathered the work of more than 20 scholars in our 2014 book, “Recent Advances in Authentic and Ethical Leadership Research.”

The scholars in our book shared a variety of insights. First, there are considerable overlaps in the behaviors of authentic and ethical leaders. Both styles include following through on commitments, treating others with dignity and respect regardless of status and showing consistency between what a leader says and his or her actions. High integrity is a characteristic identified in cross-cultural studies as universally associated with leader effectiveness. Other researchers note that “ethical heroes” are leaders who use their personal characteristics of resilience, hope and optimism to build inclusive organizational cultures in which energy is channeled into both positive economic and societal outcomes. Still others site “mindfulness” as a technique to more easily balance multiple stakeholders to create inclusive outcomes with respect to moral dilemmas. Mindfulness, highlighted on the cover of the February 2014 issue of Time magazine, involves learning to utilize cognitive flexibility as well as compassion to understand the ramifications of decision outcomes.

Of course, the researchers we included in the book point out that organizations cannot depend solely on leaders to behave in ethical ways. They must also limit the ability of unethical leaders to damage organizational reputations and culture. This is most effectively accomplished by strong codes of ethical conduct, review processes that identify abusive leaders and rewards for employees who have the courage to report ethical abuses. In fact, studies conducted by Ben Tepper, a former PhD student at the School of Business, indicate that not only are abusive leaders typically...
perceived as unethical, but they may also create cultures in which employees engage in costly retaliation behaviors. Although research in this area is still in a nascent period, it seems clear that ethical and authentic leaders: 

1. **WALK THE TALK** and lead by example. In 2007-2008, when thousands of employees were laid-off, furloughed, and/or had benefits slashed, ethical leaders took cuts in their own compensation, jumping first into the trenches to show employees that they were willing to make sacrifices, too.

2. **BUILD CULTURES** in which individuals feel free to express themselves without fear of reprisals, regardless of their level in the organization. Ethical and authentic leaders encourage diverse opinions, rather than stifling them.

3. **TREAT ALL EMPLOYEES** with the dignity and respect each human deserves, regardless of their position or title. Humiliation, bullying and harassment are not tolerated. Even when difficult termination decisions are made, ethical and authentic leaders do not demean employees in front of coworkers by having guards escort them off the property, but rather, treat them in a humane way.

4. **SHARE INFORMATION HONESTLY** with employees and are not afraid to admit that in some cases, they don’t have all the answers to questions.

5. **ARE WILLING TO OWN UP** to their own mistakes, take responsibility for their actions and give praise/credit to others when it is deserved. Such leaders spend more time using “we” rather than “I” because they inherently understand that the road to organizational success comes from an engaged, collaborative climate — not from the actions of any one person who happens to hold a leadership title.

*Neider and Schriesheim’s book, “Recent Advances in Authentic and Ethical Leadership Research,” was published by Information Age Publishing in 2014.*

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**Harmonizing the Marketing Message**

*HOW ROYAL CARIBBEAN WORKS TO BUILD A GLOBAL BRAND*

Building and maintaining hospitality brands across 50 countries is a constant work in progress, according to Adam Goldstein, president and chief operating officer of Royal Caribbean Cruises Ltd. In September, he gave a guest lecture to School of Business Executive MBA students in a Strategic Branding class taught by Joseph Johnson, associate professor of marketing.

Royal Caribbean has six different cruise brands and markets throughout North America, Europe and Asia/Pacific. “We are trying to harmonize our [marketing] agencies around the world and get them to understand the vision of our brand as a creator of ‘wow experiences’ for our guests,” Goldstein said. “But it’s a constant challenge to convey that message across 50 countries with multiple languages and in markets at very different levels on the maturity curve.”

As with many cruise lines, Goldstein says the company’s newest target market is China. “Ten years ago, China was a blank space on the cruise map,” he noted. “But by next summer four Royal Caribbean International ships will be homeported in China.”

Fortunately for Royal Caribbean, the company has a wealth of customer insights to help formulate its brand offerings, even in newer markets such as China. “Our customers live with us, so they demonstrate their preferences around the clock,” Goldstein said. “We also get 50% to 75% responses to our post-cruise surveys. So we have plenty of data — the challenge is to mine that database for the right nuggets of information.”

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**Web Poll:**

Which quality do you think is most lacking in leaders you’ve worked for?

- Leading by example
- Building a culture of free expression without reprisals
- Treating all employees with dignity and respect
- Sharing information honestly
- Willing to own up to mistakes
- Willing to give praise/credit to others

Vote at bus.miami.edu/magazine

Quantum of the Seas, which will launch this fall, will spend the winter in New York and then sail from Shanghai.
Progress on the Momentum2 Campaign continues throughout the year as the School of Business chairs and members of the alumni relations and development team have been reaching out to alumni and asking them to join the campaign. “I enjoy sharing the great changes that are taking place at our school when I meet with alumni and business leaders across the U.S. and around the world,” Barron says.

Nancy Hullihen, executive director of the School’s Office of Alumni Relations and Development, emphasizes the importance of alumni participation in the campaign, which seeks to raise $1.6 billion University-wide. “You can make a gift of any size and know that you are contributing to the future of our school,” Hullihen says. For instance, 53% of the May 2014 graduating class donated at least $20,14 toward the senior class gift to the school, which is part of Momentum2. The number of alumni who give to the campaign impacts university rankings.

“We want to say thank you to everyone who has given their time, talent and treasure to our School,” Hullihen says. “Their gifts benefit our students in so many ways, including scholarships, programs and experiential learning opportunities, as well as funding for endowed chairs and research programs for our faculty.”

Hullihen also reminds alumni who are now in the workforce that many employers will match a charitable contribution, doubling the impact of their gifts to the school. Planned gifts, such as making the school a beneficiary to a life insurance policy or trust, are also welcome. “We may also be able to structure those planned gifts so a donor can see the tangible results of their support,” Hullihen adds.

Looking into the future, Barron says, “For me the success of our graduates 10 years out will be reflective of our ability to be successful with this capital campaign.”

Making the Cut

UM’S CENTER FOR INTERNATIONAL BUSINESS EDUCATION AND RESEARCH AMONG ONLY 17 TO RECEIVE GRANT

THE SCHOOL’S DEEPENING FOCUS on international business will continue to be supported by the University of Miami Center for International Business Education and Research (CIBER). The U.S. Department of Education gave the CIBER a new four-year grant of more than $1 million, following up the four-year grant that initially founded the center in 2010. The Department of Education funded only 17 CIBERs across the U.S., down from the 33 that it funded in 2010, the last time it awarded the grants. The University of Miami CIBER, which is housed at the School of Business, is now the only CIBER in Florida.

The University’s CIBER connects faculty and students with international study and research opportunities, links the region’s international business community with University resources and brings together South Florida academic institutions with international research and development opportunities. The CIBER will use this grant to focus on leveraging South Florida’s strengths as a gateway to the Americas, bringing together the University’s diverse schools and colleges for interdisciplinary research and enhancing the region’s international service industries.

During the next four years, the CIBER will organize more than 20 international programs for students, including international internships. It will also coordinate at least eight interdisciplinary academic programs for faculty, including a white paper series, conferences and field-study trips. Additionally, the CIBER will work with Enterprise Florida (the state’s economic development agency), the South Florida U.S. Export Assistance Center, Miami Dade College, local high schools and small multinational businesses to help expand the business community’s international expertise.

—Rochelle Broder-Singer
Web-exclusive stories, video, photo galleries and more at bus.miami.edu/magazine. Share stories with others, browse and search back issues of BusinessMiami and access all the links mentioned in this issue.

Homecoming and More Alumni Events
Enjoy a full album of photos from the School's Alumni Weekend and Homecoming events, plus more photos from alumni events around the country, including in Boston (above).

Consumers' Technology Readiness
Results of the 2014 National Technology Readiness Survey, conducted by A. Parasuraman, marketing professor at the School of Business, and Charles L. Colby of Rockbridge Associates.

1961-1964 at the University of Miami
Student newspapers and magazines from the era, as well as photos of students' social lives, academic life, faculty members and the campus.

Undergraduate, Graduate and Executive Education Orientations
Photo albums showing how freshmen (right), The Miami Executive MBA for the Americas students, new parents and others begin the academic year.

UPS, American Airlines Leaders Talk Latin America Success with Executive MBA Students
Read what Art Torno, American Airlines' senior vice president for Mexico, Caribbean and Latin America, and Jose Acosta (BBA '81), UPS's vice president of Latin American operations and public affairs, had to say about systems, analytics and other keys to sustainable profitability in the region.
New MBA for Artists and Athletes

THE SCHOOL OF BUSINESS has developed a new program, the Miami Executive MBA for Artists and Athletes, which will teach professionals in those fields, many of whom have strong personal brands, how to leverage their current career success into business and social achievement.

Because the program is expected to draw many players from the National Football League (NFL), classes will be held during the league's off-season, beginning this February. The 18-month program consists of six two-week residency modules at the School's main campus in Coral Gables. The modules will include classes taught by School faculty, as well as in-person seminars and meetings with top executives from companies in South Florida and around the world.

“The Miami Executive MBA for Artists and Athletes will equip current and former NFL players, as well as other athletes and artists, with the new knowledge and business skills they need to continue their personal and professional success,” said School of Business Dean Gene Anderson. “Like all of our Executive MBA programs, this specialized program is designed to help participants become successful managers and leaders in the business world.”

Alumni Relations and Development Expands, Initiates New Outreach

FROM NEW SCHOOL OF BUSINESS events to a growing array of mentoring, career placement and gift opportunities, the Office of Alumni Relations and Development is enhancing the School’s initiatives to connect with alumni, donors, friends and parents around the world.

Although the School has had a robust alumni and development program for several years, the office has grown from three to nearly a dozen staffers during the past year.

“Dean Gene Anderson saw the power of a robust alumni-oriented program,” says Nancy Hullihen, executive director of alumni relations and development. “Having alumni engaged and involved with our school has a powerful ripple effect in terms of enhancing the experience for today’s students, both inside and outside the classroom.” Hullihen leads the fast-growing team of professionals, who focus on major gifts, the annual fund, alumni relations and community relations.

“One of our many initiatives is to meet with our alumni around the country and overseas,” Hullihen adds. “We’ve already held a very successful event in Panama and are looking at other locations in Latin America as well.” Hullihen plans to expand the School’s well-established mentorship program by connecting mentors and students using video and web conferencing.

“We have many alumni who want to give back to our school and students who could use their advice,” she explains. “Today, potential mentors don’t have to live in South Florida to connect with our students.”

Hullihen’s team includes a diverse mix of new and long-time University of Miami employees. Victoria Castro, senior development director for major gifts, is a 22-year University of Miami veteran who worked in the Miller School of Medicine’s development office. “One of my roles is to enhance support for our Executive MBA in Health Sector Management and Policy program,” she says. “It’s a natural fit for me, because there is a great deal of collaboration between our business and medical schools.”

Marli Lutz, director of alumni relations and development, is a Coral Gables native who is new to the University. “I’m excited to contribute to the growth of our university, which has such an impact on South Florida,” she says.

As donor relations coordinator, Brittany Dubls is a longtime Hurricanes fan who was formerly in the fashion industry. “I enjoy handling the details of our stewardship program as we connect with donors and thank them for their support,” she says.

Colleen Bernuth-Naclerio, senior manager for donor relations, has been with the School of Business for 10 years, organizing the mentor program, the annual scholarship luncheon and many other activities. “It’s very exciting for me to see the growth of our office,” she says. “We are all looking forward to meeting and talking with more and more of our alumni in the months ahead.”
Consulting Bootcamp

HACKETT GROUP FOUNDER SHARES INSIGHTS INTO BUSINESS CONSULTANTS’ LIVES, CAREERS  BY ERICK BOJNANSKY

KNOW YOUR SKILL SET. Work on your craft. Set a career goal. Gain and leverage industry knowledge. Be confident, not arrogant. That was the advice Harry Osle (BBA ’85), principal of The Hackett Group, conveyed to School of Business students interested in becoming business consultants during a “Consulting Boot Camp” event held in September. The School’s Ziff Graduate Career Services Center and the University of Miami Management Consulting Club for MBAs organized the event.

Osle, who earned degrees in business and information science from the School, co-founded what became the largest business consultancy firm headquartered in Miami. His goal was to show students “what the life of a consultant looks like, what the day and the life of a consultant is and why consulting makes sense for some people,” Osle explained.

In the growing $431 billion business consulting industry, companies are willing to pay in excess of $500 an hour for outside expertise. That’s why it’s important for a consultant to truly know what skills he or she has. “You really don’t want to be talking about things you don’t know,” Osle said. “That is the death knell of a consultant. I have seen consultants with many years of experience ... over-speak. Understand as you enter your careers that silence is your friend sometimes.”

Consulting is a tough business with high turnover, Osle said, but he noted that the rewards include traveling all over the world. “The first three to five years,” he said, “are very glamorous. You go to cities you otherwise wouldn’t see.”

Nick Firestone, a business management major currently in his senior undergraduate year, appreciated the breadth of career advice Osle gave. “He went pretty in-depth, not just relative to the Hackett Group, but also about the interview process, showing confidence, and the process of a typical consultant day,” Firestone said.

Nsil Alcantara, a first year MBA student studying construction and real estate, said he’s still not sure if business consulting is for him. However, Osle revealed that many business consultants obtain their knowledge while pursuing non-consulting careers.

“He gave me the impression that I can step into a consulting role at any point in my career,” Alcantara said. “It was a piece of knowledge that I was really glad to have because I was always under the impression that I had to get in early.”

A Savvy Investment

THE SCHOOL’S STUDENT-MANAGED INVESTMENT FUND HITS 80% INVESTMENT  BY JENNIFER LECLAIRE

MANY UNIVERSITY STUDENTS dream of owning a profitable portfolio of stocks and bonds as they follow a successful career path. Because of the School’s Student-Managed Investment Fund (SMIF), School of Business students don’t have to wait. The SMIF, launched two years ago with seed money donated by Cof Capital Management, has students learning to succeed in the sometimes-tumultuous capital markets world as part of an experiential learning course. Today, the fund is 80% invested, with both graduate and undergraduate School of Business students running every aspect of it. “We are not beating the market, but have had some exceptional picks, such as Thermo Fisher, Cognizant and Norwegian Caribbean,” says Andrea Heuson, a professor of finance at the School who is one of the faculty members teaching the course. “The really good picks arose because the students understood the business model of the firm thoroughly and were able to link improvements in that business model to a specific economic development that would benefit the firm.”

Students who have taken the course are reaping a wide range of benefits. One student parlayed his understanding of the tobacco industry and Lorillard — gained from following the industry as an analyst for the fund — into a summer internship and then full-time job offer at a bulge-bracket financial advisor.

As the fund approaches full investment, the School has been speaking with other potential donors to enlarge it. This will pave the way for even more investments, and more students participating. They’ll come away with valuable skills, even if they have no intention of pursuing a career in finance, says undergraduate student Brad Driscoll, who is enrolled in the course. He has learned how to analyze equity investments and pitch them to the rest of the fund, with feedback from experienced professionals who attend the pitch sessions. “By having the students do both the research and the presentations, we learn necessary due diligence practices, various valuation methodologies and public speaking skills,” Driscoll says. “While most people join the fund to learn how to analyze a stock to better manage their IRA, they leave the fund with a better ability to convincingly sell an idea — which is incredibly valuable in the business world.”

Fall 2014 BusinessMiami 13
MBAs to Conduct Economic Impact Study for 10-Mile Green Space Initiative

WILL HELP DETERMINE DEVELOPMENT POTENTIAL OF MIAMI-DADE’S “UNDERLINE” BELOW THE METRORAIL

BY RICHARD WESTLUND (MBA ’83)

A TEAM OF SCHOOL OF BUSINESS MBA students will conduct an economic impact study to analyze the potential benefits of revitalizing Miami-Dade County’s 10-mile “Underline,” a linear green space below the Metrorail’s southern track.

“Their objective will be to pick two stations on the southern line that have the most potential for commercial development and would benefit from an urban linear park,” said Andrea Heuson, professor of finance and head of the Accelerated MBA in Real Estate program. “They will prepare their analysis and make a presentation later this semester.”

The School’s team is led by Catherine Cai and Tom Speno, who are completing the Accelerated MBA in Real Estate program, and includes MBA students Thania Potosme, Mollie Halberstam and Jordan Levinson. The students began the consulting engagement with a September meeting with Meg Daly, founder and president of Friends of The Underline (formerly known as Friends of Greenlink), and Hillit Meidar-Alfi, founder and CEO of Urban4M, a Coral Gables company that will offer its geographic software tools to the students as part of this project. “Your work will involve identifying where the bulk of the economic impact will occur and how we can make it happen,” Meidar-Alfi explained.

Daly said the students are focusing on one of the most important elements of the rapidly evolving master planning process for the Underline. “We believe the adjacency to U.S. 1 and the Metrorail stations creates great opportunities … for future transit-oriented development,” she explained. “That creates an exciting story for private developers. … Your analysis and findings will be a big win for the vision of the project.”

Potosme, who is now interning with a commercial real estate firm, is looking forward to completing the study. “This is a really exciting engagement with a far-reaching impact,” she said.

Exploring the Intersection of Neuroscience and Consumer Research

SCHOOL OF BUSINESS HOSTS CONSUMER NEUROSCIENCE SYMPOSIUM, PREPARES TO OPEN NEUROFINANCE LAB

BY JILL SCHOENIGER

PEOPLE MAKE financial and business decisions for many reasons, and researchers are always looking for new ways to predict and understand their behavior. The emerging fields of consumer neuroscience and neurofinance seek to examine the physiological aspects of such decision-making, and the School of Business is expanding its research into these fields.

This fall, Milica Mormann joined the School’s finance department as a research assistant professor, and is spearheading the creation of a neurofinance lab at the School. The lab will enable faculty and students to add another layer to their research by exploring how physiological aspects factor into the fiscal behavioral choices that people make.

“Instead of just using traditional surveys … we can now do eye tracking, where we look at where their eyes move as they look at a page to see exactly what they focus on. We will also have an EEG machine, so we can get brain-activity measurements,” said Mormann, whose research focuses on consumer behavior, financial decision-making and environment-related decisions. In addition to stationary and mobile eye trackers and the EEG system, the lab will employ facial expression analysis software to record a person’s face and analyze their reactions.

Mormann also organized a September Consumer Neuroscience Symposium, which drew more than 90 scholars from top research institutions around the globe. They came from diverse backgrounds, including economics, psychology, neuroscience, medicine and finance. The breadth of this emerging field was on display in the Mormann-moderated panel discussion “Big Picture: What Can Neuroscience Offer to Consumer Research?” It featured Caltech professor Colin Camerer, the recipient of the 2013 MacArthur genius grant award; Scott Huettel, director of the Center for Cognitive Science at Duke University; and Wes Hutchinson, director of the Wharton Behavioral Laboratory at the University of Pennsylvania. “Neuroscience is not going to replace traditional methods” of consumer research, Huettel told the audience. “We think of neuroscience as something that accompanies traditional methods. … Neuroscience can speed the pace of discovery.”

The School’s neurofinance lab already has an exciting line-up of projects. For instance, Mormann will study how people process information related to financial institutions and how this information affects their choices. “When I first worked on these issues at Caltech, eye tracking was largely considered the exclusive domain of vision scientists,” Mormann says. “Today, most of the top research schools have embraced its interdisciplinary potential and are setting up eye-tracking labs or neuroscience labs. The deans and many of my colleagues were interested in getting a similar lab started here.”
School Hosts First Florida Accounting Symposium

ACCOUNTING FACULTY AND DOCTORAL STUDENTS FROM AROUND THE STATE COME TOGETHER FOR THE FIRST TIME
BY RICHARD WESTLUND (MBA ’83)

MORE THAN 75 accounting doctoral students and faculty from six universities discussed wide-ranging accounting research at the inaugural Florida Accounting Symposium, hosted by the School of Business in September. “Our goal was to provide a forum that would showcase our research and expose our doctoral students to a wide range of accounting methodologies,” said DJ Nanda, a professor of accounting at the School, who served on the symposium’s six-person program committee with Diana Falsetta, an associate professor of accounting.

The symposium was organized by the University of Miami, University of Florida and Florida State University, and drew attendees from around the state. “We had a very engaged audience,” Nanda said. “There were lots of questions and extensive discussion of the presentations.”

Falsetta noted that questions from attendees focused on study methodologies, as well as the outcomes. “Several of the studies took an archival approach, collecting data from existing resources to look for significant patterns,” she said. “Other projects took an experimental approach, changing one or two variables in the study to see how that affected the outcome. That method can provide researchers with fresh insights into the causes of trends.”

FROM THE SYMPOSIUM:

How auditors share tax-saving strategies, and why an auditor with better industry connections can mean lower company taxes

IN THE U.S., tax-saving strategies can be disseminated via the social ties between directors who serve on the boards of large U.S. corporations. In Italy, where rates are even higher, tax strategies may be spread by individual auditors through their own professional networks, according to research presented by School of Business faculty at the Florida Accounting Symposium. Accounting faculty members Pietro Bianchi, Miguel Minutti-Meza, Eric Weisbrod and Diana Falsetta took an archival approach, looking at audit engagements in Italy.

“Our study indicated that the spread of tax savings strategies via social networks happens internationally and is not specific to U.S. corporations or the U.S. tax code,” noted Weisbrod. “Another finding was that firms engaging better-connected auditors exhibited comparatively lower effective tax rates.”

Bianchi, co-author of the study — “Auditor Networks and Tax Avoidance: Evidence from Private Firms” — presented the team’s findings at the symposium. He explained that under the framework established by the Italian Board of Statutory Auditors, three to five accountants from different firms work closely together on corporate audits, and then issue a collective opinion. “That structure allowed us to analyze the networks of individual auditors,” Bianchi said. “We found that the transfer of knowledge occurs between individuals and not necessarily between firms.”

For small private companies, the auditor is one of a small number of outside financial experts who interact with management, noted Weisbrod. This puts an auditor in a position to advise on a number of issues, including tax strategy. “However, auditors who are influential in the auditor network have a professional reputation to uphold,” he added. “That means they might avoid providing clients advice about tax strategy if any of the strategies would be aggressive or could impair the auditor’s independence.” –R.W.

School to Offer First Fully-Online Master’s Program

IN JANUARY, the School of Business will launch its first fully-online master’s program — an online Master of Science in Finance. One of the first online degree programs offered from the University of Miami, it is designed for working professionals who want to pursue careers in the finance industry or advance in their current career. The online master’s can be completed in 16 months, and participants will earn a specialty certificate at the same time as a master’s degree.

The program will initially have two tracks of study: corporate finance and financial decision making. The corporate finance track is designed for those pursuing careers in, or interacting with, functions such as the controller’s office, treasury management, capital budgeting and investor relations. The financial decision making track focuses on corporate settings and the management of mutual funds, hedge funds and pension funds.

“The School is innovating in response to the changing needs of the business community,” said Dean Gene Anderson. “The program is designed to address the growing demand for master’s-level finance education that is flexible, personalized, and supportive. And it will be taught by the same world-class faculty who teach in our on-campus master’s programs.”
Giving Kids a Ride
UNDERGRADUATES ASSEMBLE TRICYCLES, MEET WITH CHILDREN FROM OVERTOWN CHILDREN & YOUTH COALITION

Students from the School’s new freshman class worked together to assemble and donate tricycles for the Overtown Children & Youth Coalition, as part of the School’s Business United Day of Service in September.

Freshmen met at the BankUnited Center Fieldhouse on campus to assemble 50 Little Tikes Big Wheel tricycles for children from local organizations including Overtown Youth Center, Lotus House, Touching Miami with Love and Urgent Inc.

Nearly 30 children from the various organizations also had the opportunity to meet the freshmen, play with their new tricycles and enjoy a pizza party. The David Lustwig Family made the 2014 Business United Day possible.

New Specialized Master’s Degree Programs Begin

STUDENTS BEGAN four new specialized graduate programs at the School this fall, working towards degrees in international business, finance, economics and business analytics.

The Master of International Business Studies (MIBS) program focuses on developing leaders of global businesses and society, says Joseph Ganitsky, research professor of management at the School and director of the University of Miami Center for International Business Education and Research. “Our MIBS program leverages Miami’s unique multicultural, international business and wealth management communities,” he explains. The nine-month MIBS program includes courses in general business, international business and an in-depth international function such as marketing or finance.

The Master of Science in Business Analytics, also a nine-month program, introduces professionals with analytical backgrounds to the world of business, says Brad Price, clinical assistant professor of management science. “Our goal is to create critical thinkers who can draw from statistics, data science, operations research and quality management to solve business problems,” he says. The program covers skills such as using data mining tools to understand a company’s customer base, identify growth and pinpoint investment opportunities. “We want our students to be able to analyze data and apply that knowledge to their business field,” Price says.

The Master of Arts in Economics program focuses on analytical tools and rigorous training for working in global corporations and government institutions, says Manuel Santos, professor, department chair and holder of the James L. Knight Chair in Economics. The one-year program covers several applied areas of economics and provides a solid foundation for analyzing and solving economic problems, he adds.

The 10-month Master of Science in Finance (MSF) program focuses on finance and supporting disciplines. “Our program is designed for students who desire a curriculum with more depth in finance than an MBA offers,” says Timothy R. Burch, an associate professor of finance. “Currently we offer curriculum tracks in corporate finance, international finance and investments, with plans to add a track in wealth management in the future.” —Richard Westlund (MBA ‘83)

New Undergrad Global Studies Program

THE SCHOOL WILL LAUNCH a new undergraduate Global Business Studies Program in fall of 2015. Students in the program will work towards a double major in global studies — focused on Latin America — and a business discipline.

The program is designed for students with foreign language skills who have earned an international Baccalaureate diploma or its equivalent before entering college, and will be open to undergraduate students by invitation only.

Global Business Studies will offer an in-depth international perspective of business, Latin America-specific knowledge and the cultural competencies needed to conduct business around the world. It will use a multi-disciplinary approach, with students taking relevant courses in the School of Business and throughout the University — learning about Latin American business and economics, history, politics, language and culture. Students will study abroad, have the option to do field work in Latin America and produce a capstone project or thesis at the end of their undergraduate studies.

“We are continuing to broaden and strengthen the School’s international learning programs, with a focus on emerging markets — particularly Latin America,” said Gene Anderson, dean of the School of Business. “The new global business major takes advantage of all the international resources that the School, the University and the Miami area have to offer. What better place to study Latin American business than in the city known as ‘the gateway to the Americas?’” —Rochelle Broder-Singer
School's Faculty Share Their Expertise

**Bloomberg BusinessWeek** – 10/23/14
In an article about the bankruptcy of former Boston Celtics player Antoine Walker and other athletes who have faced financial distress, Anuj Mehrotra, vice dean and professor of management science, explained that this is one of the reasons the School is launching an Executive MBA program designed for athletes:

“They’re all working with agents, lawyers, accountants and the media, and they all have some kind of a personal brand to manage. ... We want to see that they are able to succeed beyond athletics after they retire.”

**The Miami Herald** – 9/25/14
In an article about Latin American health care organization Sanitas opening clinics in the U.S. with Florida Blue, Steve Ullmann, director of the School's programs in health sector management and policy, noted that there is evidence that culturally sensitive health care produces better patient outcomes, including better patient compliance with doctors' orders. He added that genetics can also make a difference:

“Once you use protocols that work very well for a population that is of European background, say, that same protocol for that same disease process will have a very different average outcome for a population that is, say, Hispanic.”

**The Miami Herald** – 9/19/14
In an article about how having average pricing for health care procedures hasn’t helped Miami-Dade County cut costs, Steve Ullmann, director of the School’s programs in health sector management and policy, noted that information about average costs isn’t the same thing as useful transparency: “From an employer perspective, it would be difficult to look at these numbers and figure out exactly what is going on.”

**The Miami Herald** – 9/16/14
Anita Cava, professor of business law, spoke about how private actions can become company business in article covering privacy issues raised in the wake of the NFL’s handling of Baltimore Ravens’ running back Ray Rice’s domestic troubles. She noted that:

“There are no secrets. That is the reality of our viral world, where everyone has a recording device and camera at their fingertips.”

**The Miami Herald** – 8/24/14
An article about real estate website Condo.com included insight from Arun Sharma, professor of marketing, who noted that a domain that offers the right content can be a branding tool and traffic driver as long it drives the right traffic to a business.

**Harvard Business Review** – 7/23/14
In a blog article, Robert Plant, associate professor of information systems, wrote that The Great Recession forced forward-looking companies to put chief information officers to work on go-to-market strategies as well as acquiring and retaining new customers:

“Freed from their service role and increasingly appreciated for their business knowledge, technologist executives are finally breaking down the walls that separated technology from the organization’s other functions”

**InsuranceNewsNet** – 7/23/14
Steve Ullmann, director of the School’s Center for Health Sector Management and Policy, noted that opposing rulings by two federal appeals courts on the authority of the federal government to help consumers pay for health insurance costs introduce significant uncertainty into health insurance. He noted, though, that landmark laws often change over time:

“If you look at Medicare today, it's not the same program that was enacted in 1965.”

**WLRN Radio** – 7/22/14
A segment about the court ruling that struck down federal subsidies for those purchasing insurance through the Affordable Care Act’s federal exchanges included quotes from Steve Ullmann, director of the School's Center for Health Sector Management and Policy, who noted that “Congress did intend that people have access to insurance to provide comprehensive insurance through the country, to move toward universal health care coverage.”

**América Economía** – 7/17/14
The leading Latin American business magazine wrote about the increasing need for physicians to have business knowledge and skills. Steve Ullmann, director of the School’s Center for Health Sector Management and Policy, noted that medical offices have become more complex as the practice of medicine has changed, and doctors “must know how to delegate responsibilities to other staff, need to have some idea about accounting and ... are much more subject to audits conducted by regulatory agencies.”
**New Faculty in Five Academic Departments**

Twelve new faculty members joined the School of Business at the beginning of this school year.

**ACCOUNTING**

Italian CPA and financial auditor PIETRO A. BIANCHI joined the School as an assistant professor of accounting. He came to the School from IE Business School in Madrid, where he earned his PhD in accounting. Bianchi’s research interests include auditing, social network analysis, private firms and financial reporting.

**MANAGEMENT SCIENCE**

BRADLEY PRICE joined the School as a clinical assistant professor after earning his PhD from the University of Minnesota. His research interests include statistical machine and semi-supervised learning, statistical computing and consulting, statistics education and reproducible research.

**PRIVACY RESEARCH RECOGNIZED**

PATRICIA SANCHEZ ABRIL, an associate professor of business law at the School, received the Outstanding Distinguished Proceedings Paper Award at the 2014 Academy of Legal Studies in Business annual conference. Her article, “Selling Privacy,” was selected as the top article from a pool of four Distinguished Proceedings presented during a special session at the conference.

**BEST MANAGEMENT PAPER AWARD**

A research paper co-authored by GERGANA TOTOROVA, an assistant professor of management, received the Best Paper Award in the Conflict Management division at the 74th Annual Meeting of the Academy of Management. Her paper was titled “The Directness and Oppositional Intensity of Conflict Expression.”
In the midst of the Cuban Missile Crisis, the civil rights movement, JFK’s assassination – even Hurricane Donna – the School of Business offered a great education in a fun-filled haven, as a reflective group of alumni recalls. By Bob Woods

CLASS OF ‘64: PEACEFUL OPENING FOR A TUMULTUOUS DECADE
“I boarded a plane in Philadelphia in 1960, and I went off to Miami all by myself,” says Al Pappas (BBA ’64), recalling the day in early September of that year when his memorable journey to the School of Business began. He hadn’t visited the campus before then, and he’d never been on an airplane. A friend from the neighborhood had left for the University of Miami the year before and enticed Pappas into relocating to the tropical paradise, despite his parents’ misgivings about sending the first member of the family to attend college down to what was known back then as “Suntan U.” “I knew that if I was to fail with my grades, my father was zipping me back to Philadelphia,” Pappas recalls.

The year didn’t start off auspiciously: Pappas’ flight was delayed by a day after Hurricane Donna roared through Coral Gables on its deadly and destructive path across South Florida and up the East Coast to New England. “So when the plane landed, I saw palm trees down,” he says.

Yet, when Pappas and the rest of the Class of 1964 arrived on campus, it truly was a more innocent time. Parents let their kids get on airplanes and fly off to college by themselves. Clean-cut teenagers bopped to the Beach Boys. “Where the Boys Are” titillated moviegoers with the Fort Lauderdale brand of spring break. John F. Kennedy’s Camelot presidency was just nine months young.

But a series of metaphorical storms were brewing. The civil rights movement was gathering momentum, especially in Southern states where Jim Crow laws had sanctioned racial segregation since 1876. Women in the workplace faced “Mad Men” chauvinism. Castro’s communist Cuba was cozying up to the Soviet Union, where a former U.S. Marine named Lee Harvey Oswald was living as a defector. In 1963, the University held a graduation
ceremony for exiled Cuban doctors who had taken a refresher course to help them pass an examination for U.S. certification. Hundreds of U.S. military advisors’ boots were on the ground in Vietnam. Four lads from Liverpool, England, were forming The Beatles in advance of a musical invasion of the States four years later. By the end of the ’60s, much of America’s innocence would be shattered. But little of that touched the University of Miami during the decade’s early years, when it offered a safe collegiate cocoon filled with academic pursuits — not to mention fraternity and sorority parties, Hurricanes football games and other extracurricular endeavors. “You had a good time at the University,” Pappas observes, “as long as you hit the books.”

Almost immediately, Pappas recognized that his professors meant business. “When we first got there, the dean of men gathered the freshmen together,” he remembers. “He said, ‘Look at the person to your right and the person to your left, because they won’t be there when you graduate.’ I saw people looking at me, and I thought, ‘Wait a minute … I’m going to be here.’ He was right. Only about 1,000 of us graduated.”

For many at Miami, the first rumbles of the changes that were to come during the 1960s started in October of 1962, when the Cuban Missile Crisis unfolded just over 90 miles away. On November 22, 1963, a repatriated Oswald shot and killed JFK in Dallas. In August of 1964, just months after graduation, Congress passed the Tonkin Gulf Resolution, a bill that granted President Lyndon Johnson sweeping authority to wage combat in Southeast Asia, leading to a major escalation of the Vietnam War the following spring.

Pappas had planned to go to graduate school at the University of Arizona’s Thunderbird School of Global Management. “Unfortunately, Vietnam came along,” he says. Sensing the drumbeats, and in lieu of Uncle Sam drafting him into the Army, Pappas set his sights on enlisting in the Coast Guard and becoming an officer. Fate, and a motor scooter, would sink all his postgraduate plans. “I was riding a friend’s scooter around campus, past the library, where cars parked at an angle,” he says. “A guy backs out and hits the scooter. They measured me 66 feet from where I was hit and where I stopped bouncing and rolling. I heard sirens. I heard girls crying. I’m thinking, ‘I’m dead.’” Pappas spent several days in the infirmary healing from injuries serious enough that his physical for the Coast Guard resulted in Pappas being classified 1-Y, meaning he’d only have to serve in the event of a national emergency. Ironically, he became friends with the driver who hit the scooter. “He went to Vietnam and got killed,” Pappas says sadly.

Pappas eventually returned to his roots. Today he’s the owner of E. Frank Hopkins, a renowned seafood purveyor located in South Philadelphia. As he looks back fondly on his days as a proud member of the Class of 1964, he credits the School of Business as the launchpad for a successful career. “My education at the Univer-
The University instituted desegregation during Zung’s sophomore year. “In 1961, the Board of Trustees voted to ‘admit qualified students without regard to race or color beginning in the summer of that year,’” the University notes on its Libraries website. “This official integration of the ‘negro’ students on the Coral Gables campus brought no strife. The student newspaper, The Hurricane, reported that black students primarily experienced indifference and stares from their white counterparts.” Zung was among the relatively few women enrolled in the School of Business — a reflection that American society then still felt that a woman’s workplace was in the home. Although at the time she didn’t feel part of the nascent feminist movement, Zung was adamant in her desire not only to pursue a career after college, but also to pursue an egalitarian one. “I wanted to work in a field where women and men made equal pay,” she says. “I guess I was a feminist early, but I didn’t know that until later.” Zung majored in business and retailing, and says she “never thought twice that there were more men than women” in her accounting, finance and marketing classes. The curricu-
Both studious and determined, Zung enjoyed a busy social life at the University. Hurricane Donna had delayed her arrival by a couple of days, “but I got into the swing of things very fast,” she says, adding with a laugh, “You don’t go to a social school unless you’re social.” She didn’t join a sorority (“I had no idea what a sorority was,” she confesses), but attended plenty of open fraternity parties on weekends.

Nonetheless, it was an era when rules governing women’s campus lives were restrictive compared to today’s standards. The University’s archival website states: “Female students under 23 years of age were required to live in 730 East and Mahoney residence halls. Curfews were mandatory for female students, and dress codes existed for both sexes.” Zung remembers that, “You weren’t allowed to go out without a skirt on. Pants were not allowed.” She wasn’t above getting maverick about that, however. “If you had a date, you’d bring your pants, go into a lady’s room and change, then change back before you went home to your dorm,” she says.

After graduation Zung moved back to Long Island. She was soon hired as an assistant buyer for Saks Fifth Avenue in Manhattan. Within two years, she was promoted to head buyer, a lofty position she held before taking a management position with Abraham & Straus, a New York City department store chain that’s now part of Macy’s. “Then I went to the New York School of Interior Design and became a decorator until I retired about 10 years ago,” she says.

SERIOUS BUSINESS IN “A FANTASY LAND”

Zung’s classmate Howard Ginsburg (BBA ’64) — a fellow northerner from Teaneck, NJ — chose Miami rather than a school in the northeast. “I loved the weather down there,” he says, particularly during the winter, when it attracted jealous friends to visit from snowbound schools. “It was a fantasy land.”

Ginsburg had pondered going to law school, but realized that he had a ready-made opportunity to go into his family’s handbag manufacturing business. His grandfather, Jacob, had founded the company, then called Aetna Leather Novelty, in 1932 in New York City. His father, Abe, and uncle, Martin, took the reins in 1946. “Without knowing what area of the business I would fall into, because we had a factory, I figured I’d major in management,” Ginsburg says. In his sophomore year, Ginsburg started taking related business courses, such as production control and personnel management, along with requisite classes in accounting, economics and other disciplines. “Overall, the professors taught you how to think, and you applied that thinking when you got out of school,” he notes.

Ginsburg returned home in 1964 and joined Aetna as the family’s first college grad. “When I went to work for my dad, I was able to adapt theories that I learned in different courses to our particular situations in the factory, and production control was one,” he recalls. The personnel course enabled him to understand how important morale was to employees.

Today, the once-private manufacturer, which boasted a million dollars in sales when Ginsburg’s father and uncle took over, is a publicly traded apparel and accessories company.
A REMINDER OF BEING UP NORTH
Richard Bernstein (BBA ’64) was a young teenager when his family moved from New York City to West Palm Beach in 1955. “My grandfather was the first to put pilings in the muck in Belle Glade to build houses,” he says. “He wanted my mother to come down, so we moved here in the midst of segregation and all the problems going on.” Bernstein still resides in West Palm Beach, where he’s run an eponymous health and life insurance company since the mid 1970s.

“Coming out of the Northeast and into the South was tough,” he reveals. “People had animosities, not only about religion, but color and other things. So when I decided to go to college, the question was, do you go to a good-old-boy school like the University of Florida or Florida State or to the University of Miami? I went to Miami because it reminded me more of being up north and dealing with people I grew up with.” After earning an associate degree at junior college, Bernstein transferred to the university that he and other alumni from those years knew by reputation as “Suntan U.”

Not intending to go into his father’s fur business, Bernstein put his academic focus at the School of Business on the insurance industry right from the get-go. “In fact, I received one of the very first insurance scholarships, which were presented at the Fontainebleau in Miami Beach,” he says.

The insurance industry has undergone plenty of changes since Bernstein graduated and went to work for New York Life in West Palm. But networking and relationship building remain essential to marketing insurance policies. That was a lesson ingrained in Bernstein by one of his professors at the School, Bill Heu-son, if by way of a rather unorthodox routine. “He was also the golf coach in those days. In order to start out with a ‘C’ in his economics class, you had to work at a professional golf tournament held at the Biltmore Hotel in Coral Gables,” Bernstein says. Besides assuring himself at least a “C” in economics, Bernstein was able to hobnob with golf legends. “I met Jack Nicklaus, Arnold Palmer and Sam Snead,” he says. “It was a great lesson in networking, and also a lesson that you have to give up a little bit of something in order to get something back. You couldn’t learn that in [the classroom]. I enjoyed that learning process.”
Bernstein also enjoyed sports at the University. He didn’t play or even like golf in college, yet he’d grown up as, and remains, an avid fan of other pastimes, particularly football and basketball. “The fraternity I was in at Miami, Tau Epsilon Phi, was the No. 1 jock house on campus,” he says. So along with throwing “very big parties,” the fraternity gave Bernstein prime access to Hurricanes football and basketball games. “At the time, we didn’t have a good football team, but we had a very good basketball team,” he recalls. That hoops squad starred Rick Barry, who in 1962 helped Miami defeat Duke, then ranked No. 2 in the nation, before going onto an NBA Hall of Fame career, playing mostly for the Golden State Warriors.

But serious world events intruded on the college bubble. “We watched the Cuban Missile Crisis on TV,” Bernstein says. “Because Cuba was so close, a lot of people were scared to death. The day that Kennedy was assassinated was big, too.” Bernstein was taking an exam and didn’t hear the news until he got a phone call from his mother. “Here’s a big difference between now and then,” he notes. “She said, ‘Turn on the radio and you’ll hear about the president being shot.’ It was a stunning moment.”

THE MEN IN MY CLASSES DIDN’T PAY MUCH ATTENTION TO ME.”

Sue (Crandall) Nichols (BBA ’64) hadn’t planned on going to college. “I didn’t even take college-required classes in high school,” says the native of Richmond, Ind. But magnanimous relatives in South Florida made her an offer she gratefully accepted. “An aunt and uncle who lived in Miami said, ‘If you’ll come down here and stay with us, we’ll send you to the University of Miami and pay for it.’ I said, ‘I’ll be right there.’” She became a townie, moving in with her aunt and uncle and commuting to the University by bus. Nichols would hang out at the student union and study in the library, but “because I didn’t have a car and lived off-campus, I probably didn’t interact as much.”

During her time at the School of Business, Nichols developed a sure sense that she was going to have a career, an attitude that came in handy in the male-dominated School. “I was well-treated by the professors,” she says, yet “the men in my classes didn’t pay much attention to me.”

Majoring in marketing, with a minor in management, Nichols “was studious and took college seriously,” she says, adding that she dated often and had plenty of fun at the School. “None of my three siblings went to college. I had a great opportunity and I didn’t want to waste it,” she recalls.

In 1966, Nichols went to work as the regional office manager in the Miami office of the accounting firm Pricewaterhouse (after a merger in 1998 it became PricewaterhouseCoopers). “I basically ran the office, doing budgeting and finance and overseeing a support staff,” she says. As during her time at the School of Business, Nichols operated in a predominantly male world. That struck home when a male higher-up suggested she couldn’t attend major administrative meetings, “because she’s not a manager yet,” she recalls him saying. “I was so mad, my boss promoted me to manager. I went to a meeting, and there were 200 men and three women.”

Nichols persevered, and thrived, with the firm. “After the merger, I helped manage the consolidation of several regional offices, commuting to Atlanta for four years,” she says. She took early retirement a decade ago after more than 37 years on the job.

A FINAL ERA OF CALM

By 1968, University of Miami students were demonstrating in anti-war and civil rights activities. Sit-ins and protest marches against the Vietnam War and the draft became regular parts of campus life. The Class of 1964 experienced little of that unrest, but by graduation time changes were already afoot. In May of 1963, Congress passed the Equal Pay Act, which mandated equal pay for equal work without discrimination on the basis of gender. In July of 1964, it passed the Civil Rights Act. Both pieces of legislation set the stage for the business world the members of that class entered — a world that was forever changed.
Miami is a melting pot that’s boiling with international diversity.

The Making of a Global Hub
Miami is a melting pot that’s boiling with international diversity. Can the Gateway to the Americas become a true global business center?

By Rochelle Broder-Singer

Greater Miami has long been known as the Gateway to the Americas, with a business services sector skilled in cross-border work, a reputation for a strong logistics industry and rising status as an international banking hub. From the time of Fidel Castro’s Cuban Revolution, when successful Cubans fled for the safety of Miami, the region has been a top destination for Latin Americans looking for everything from personal safety to business opportunities and vacation getaways. Today, it continues to attract high achievers and entrepreneurs from Latin America, France, Israel, Russia and locales around the world.

Although many factors contribute to Miami’s status as a hub, three stand out as most crucial: air and sea connections, a heavily multinational population and multilingual business service providers with deep international experience.

Latin American business magazine América Economía consistently ranks Miami as the top city to do business in Latin America for good reason: extensive global ties, a linguistically diverse population and international legal and insurance services. Add to that readily available trade financing and banking services from 53 domestic, international and major private wealth banks — Miami is home to the second-largest banking and finance hub in the U.S. Plus, the area has an international trade infrastructure that is expanding to meet the expected Asian cargo traffic from Panama’s widened canal. Greater Miami is home to 1,133 multinational companies from 53 nations, employing more than 130,000 people, according to WorldCity. At the School of Business alone, 25% of students are international, coming from more than 70 nations. And many will eventually join Miami’s business ranks.

In recent years, European companies have begun looking to Miami as a starting point to penetrate the U.S. market and the Latin American market simultaneously. For example, German giant Hellman has its Americas headquarters in Doral. Ferragamo Latin America, Bulgari, Longchamp and other global companies all have a strong presence in the Greater Miami area.

Whether Miami can expand beyond its role as a hub for the Americas remains to be seen, but The Beacon Council, Miami-Dade County’s economic development partnership, is actively working to grow its influence. “I meet with companies from Europe every day that are vying to come here,” says Pamela Fuertes-Berti (BAIS ’98, AB ’99, MBA ’04), The Beacon Council’s vice president of international economic development programs. “A lot of them have been a little shy about approaching the American market. They come to Miami because Miami gives them that entryway into the U.S. They also look at Miami as the best place from which to reach Latin America and the Caribbean.”
GLOBAL CONNECTIONS

In fact, Miami is quite literally the best place from which to reach Latin America and the Caribbean. With Miami International Airport (MIA) boasting non-stop flights to some 95 international destinations, it was the second-busiest airport in the U.S. for international passengers; more than 40.5 million total passengers passed through the airport last year. More international freight passed through MIA last year than through any other U.S. airport, and it was ninth in the world for international freight. American Airlines alone, which has its Latin American and Caribbean hub at the airport, flies more than 320 flights to 130 international and domestic destinations from MIA. “There’s no doubt that the airport has been crucial to the success of Miami,” says Joseph Ganitsky, director of the University of Miami Center for International Business Education and Research and a senior lecturer in management at the School of Business. In addition to air connections, more than 25 shipping lines sail from PortMiami to seaports in more than 100 countries, and the port is consistently the No. 1 or No. 2 cruise port in the world.

And, Miami-Dade County is investing heavily to grow its logistics infrastructure. “We’re witnessing the billion-dollar improvement plan of the Miami International Airport, a billion-dollar improvement at Port-Miami, as well as the recent development of the PortMiami tunnel to help to drive efficiency for the cargo trucks to get into and out of the port. Then there’s the development of the dredge,” Fuertes-Berti says. “What other U.S. cities have three renovation projects underway at the same time?” She’s referring to the $6.4 billion Capital Improvement Program underway at Miami International Airport, which includes a fourth runway, 100 new international gates and 30 new domestic gates among other upgrades. PortMiami recently completed an underwater tunnel system to speed up movement to and from the port and is in the process of a deep dredge project that will allow it to accommodate Post-Panamax ships — gigantic cargo carriers that will be able to pass through the Panama Canal once its new locks are finished. PortMiami will be the first port of call on the U.S. East Coast able to accommodate such ships.

“This area really has developed itself well infrastructure-wise,” says Andrew Tilson (MBA ’05), who works at Baptist Health System’s central logistics and operations facility in Doral. Tilson, who worked in China and India for four years, adds that although Miami is more of a Latin American hub right now, its future looks larger. “As ties grow between...
Asia and Latin America, Miami is just poised to be in the middle of that development," he says. Meanwhile, for U.S. companies doing business in Latin America or the Caribbean, Miami is already in the middle. That’s why Diamonds International, the largest duty free jewelers in the Caribbean, is currently expanding its offices in Miami. “We are working mostly in the Caribbean, so Miami as a hub from a logistics point of view is much more suitable than New York. Miami is closer,” says Roy Wolman, Diamonds International’s finance director, who is in the School’s Miami Executive MBA for the Americas program. “By doing business in Miami, we save a lot of money on the logistics front. It’s easier for us to control and to communicate better, and to develop stronger relationships.”

From Miami, notes Fuertes-Berti, “everything feels a lot more close and a lot more attainable, because we’re so connected. And I don’t mean that just in infrastructure, but in people.”

**INTERNATIONAL DIVERSITY AND EXPERTISE**

Indeed, Miami wouldn’t have become an important international business city without its large international population. The region is a melting pot that’sboiling with international diversity, with 51.2% of Miami-Dade residents born outside the U.S. — the highest percentage of any metropolitan area, according to the U.S. Census Bureau.

Miami has benefited from crisis after crisis in Latin America, Ganitsky says, becoming a “refuge” for those whose homelands are having problems. Cubans came during Fidel Castro’s reign. Brazilians came here when they were afraid that President Lula da Silva would destroy the country. Venezuelans are coming because of Hugo Chavez and his legacy. “Since the European crisis, we’ve seen an influx of assets from Italians and Spaniards that want geographic diversification of their money,” adds Joe Coconate (MBA ’13), a relationship manager at a global financial institution in Miami. “Everybody who is here was fleeing from their own country’s problems,” Ganitsky says. “Today, tomorrow or five years down the road, a country will have problems and their people will come here.”

This flow of immigrants over the decades means that one can find accents, cuisine and culture from a variety of countries, creating a friendly global business scene for everyone from students to international companies. The face of Miami is familiar to foreigners, says Susy Alvarez-Diaz (BBA ’93, MBA ’95), a management lecturer and director of the School’s entrepreneurship program. “When you have a person from outside the States who is looking for a city in which they can study, in which they can invest, in which they can start a business — Miami is a very friendly city for that,” she says. “There are very few other cities that are as established to receive the foreigner who is looking to live here, have a second home here, or invest here.”

For many foreigners, Miami has become home. Foreign buyers have flocked to the city, helping turn around the region’s real estate market, from downtown Miami up the coast to West Palm Beach. Asia’s Swire Property Group is building a $1.05 billion mixed-use commercial real estate project downtown called Brickell City Centre, which could ultimately attract more Asian dollars.

People who come to Greater Miami find a wealth of international and bilingual schools to educate their children, Fuertes-Berti says, adding that such schools help draw in international executives.

The University of Miami, too, reflects the region’s international slant. The Princeton Review rated the University No. 1 in “Race/Class Interaction” in 2011 and the Hispanic Business 2010 Diversity Report named three of its graduate schools among the top 10 U.S. schools for Hispanic students. “The University and the School of Business can play a vital role in attracting and developing the talent for the Miami business community,” says Gene Anderson, dean of the School of Business. “The U is a magnet for bringing talent to our community and is a world-class provider for management education to develop the talent that is already here. World-class communities need world-class anchor institutions, and the U wants to play that role for the Miami business community.”

Miami offers opportunities for foreigners to work for companies that reflect the culture and values of their homeland. “A lot of the internationals here are professionals who bring in an understanding of their region and work from Miami to serve Latin America,” Ganitsky says. “And there are also immigrants who set up shop here working for multinationals or entrepreneurs who start their own businesses.”

Many of the first Cuban refugees were business owners, among the first to face persecution by Castro. Venezuelan and Colombian business owners moved to Miami or sent their families to the area as well, seeking safety when they became targets in their native lands. “For the last 20 years, you’ve had a lot of business owners moving their families here. Now, the families have grown and the children or grandchildren have taken over,” says Coconate. “The company may still be in Latin America, but they are [running it] here. They’ve bought property, they’ve bought buildings.”

Of course, plenty of internationals have immigrated to New York, Los Angeles and other U.S. cities. But Arun Sharma, a marketing professor at the School of Business, points out...
that Miami’s success as a global business hub isn’t limited to immigration patterns. He points to “something unique” that happened in Miami with financial systems, professional services, connectivity and other essentials that offer what he calls an “interesting structure” for companies looking for global business opportunities.

The region boasts a robust services industry and a multicultural, multilingual workforce that is experienced at supporting international companies. Sharma points to accountants who help foreign companies get up and running, attorneys who understand international law, service providers across all aspects of industry — real estate, marketing, banking, government and so on — who speak many languages and are familiar with the ways of doing business in Latin America and other nations. He explains that because people in the area think of Miami as a Latin American hub, they try to better provide the services companies need to do business there, and because people outside the area think of it as a Latin American hub, they seek those services here. “We call it supply demand,” he says. “Because there is a demand for more services, more services emerge — because of increased supply, demand goes up. It is a virtuous cycle.”

As Sharma sees it, Miami’s status as a hub depends on marketplace supply, and Miami has the supply of logistics, professional services and other support systems. “Why doesn’t Orlando or Tampa become a Latin American hub? Because there’s not enough supply of products and services that Latin American multinational companies or consumers would want,” he says. “It’s not about perception, it’s about having the actual supply.”

Alvarez-Diaz agrees. “We have the mechanisms to embrace people from all over the world. We have the chambers of commerce. We have the government organizations that embrace and encourage immigration and foreign investment.”

**MIAMI’S FUTURE: GLOBAL HUB OR REGIONAL HUB?**

Manuel Garcia-Linares (BBA ’90), managing shareholder in the Coral Gables office of law firm Richmann Greer, works with many Latin American clients in his practice. He has no doubt that the region will only grow as a Latin American hub. “I think it’s a matter of closeness to where your home is and folks that speak your language,” he says. “Latin Americans like to do business with people they know and people they feel comfortable with.” He also thinks money and investment will continue to pour into the region from other countries. “It will probably go up. It may be a different group of people from a different country coming in,” he adds. “But what I’ve experienced in the years I’ve been practicing is that, whatever country is going through political turmoil, that’s the next group of investors that we’ve got coming in.”

Ganitsky argues that Miami is still a regional hub, and will remain so until it can compete with cities like New York for the largest financial deals. Most companies aren’t setting global strategy in Miami, he points out. Even if, for instance, the Miami-based cruise company Carnival Corp. & plc makes global decisions from its Miami headquarters, it’s not using local banks to finance new megacarriers. “You need to attract major players in the industries that are crucial,” he says. “With all the wealth management we have, the next step is to try to transform into a financial hub.”

Baptist’s Tilson agrees that Miami has a long ways to go before it can truly be a global hub — particularly when it comes to connecting beyond Latin America. “[W]e have to reach out and build the connections with Asia, with developing countries there,
as well as continue to strengthen the bonds in Europe," he says.

Alvarez-Díaz disagrees. Comparing the Miami of 40 years ago to where it is today, she notes that in the mid-70s, one might have thought Miami was turning into a Cuban hub, but it emerged as a Latin American one. Now it has expanded further, and she believes it’s a global hub. “Wherever there is a buzz, wherever there is activity and wherever it is happening, it attracts lots of people,” she says, adding that Miami has just that buzz. “So who’s to say that the next wave won’t be Chinese or German? I think it just gets handed off to the next generation that needs it.”

Another draw for foreigners? Quality of life. With everything from weather to sports, culture and dining working in its favor, Ganitsky acknowledges that Miami draws not only tourists, but those looking to settle somewhere that merges lifestyle with ease of business.

Fuertes-Berti, who works toward recruiting companies from around the world to Greater Miami, says that the area’s own vision is transforming it into a global hub. “Everyone in Miami understands how important it is to be global,” she says. “Those that live in Miami have an ingrained sense of multicultural.”

WEALTH MANAGEMENT HUB

Capital Flight to Safety

In addition to people coming to Greater Miami — for opportunity, safety, education or other reasons — money also flows into the region from around the world. One reason is its concentration of international financial institutions. Another is Miami’s closeness and air and sea access to Caribbean financial centers, where money may be held even when it’s custodied in the U.S.

Miami is also a central location where bankers and clients can connect, says Joe Coconate (MBA ’13), a relationship manager with a global financial institution in Miami. “If you want to go to the Bahamas, if you want to go to Nicaragua, if you want to go to Colombia, it’s an easy, stable, safe location to be able to access all of those locations,” he explains. “And it’s easy for your clients to access you. And many of them have families here. Most of them have real estate here.”

Manuel García-Linares (BBA ’90), managing shareholder of law firm Richmann Greer, has worked with many international clients who are moving money to Miami — whether by investing it or putting it in banks in the area. “This is where people want to come. They feel the United States is safe and Miami is common to them,” he says. “They can come to a bank here and find someone who speaks their language. They bring their money and investments.”

And while much of that capital movement to Miami started with Latin Americans, it has spread. Coconate notes that Europeans, who have long travelled to Miami on vacation, began moving money to the area during the European crisis, seeking geographic diversification in a safe environment with a stable government and currency.

“Miami has become an ideal location for capital flight,” says Joseph Ganitsky, head of the UM Center for International Business Research and Education.

“Many of the people in Latin America, Russia, Europe and other places have lost their money because of changes. They want to keep their money safe.” — R.B.
Probing customer service — from whether smiling employees matter to how self-service technology leaves customers feeling — at the Frontiers in Service conference. By Susannah Nesmith

While many of the topics concerned larger companies, A. “Parsu” Parasuraman, professor of marketing and holder of the James W. McLamore Chair in Marketing at the School of Business, said the ideas presented are applicable across the board. “Many of the insights are higher level, but they can be adapted to small businesses,” he said after a session on how the ways customers interact with each other can affect their experience at a business. “You take a restaurant. How you design it can create a bad experience for some customers because of the behavior of other customers. That’s very cutting edge.”

Parasuraman co-chaired the conference with Roland Rust, Distinguished University Professor and David Bruce Smith Chair in Marketing at the University of Maryland’s Robert H. Smith School of Business. He also made several presentations at the conference, including one on “understanding the definition, drivers and outcomes of customer delight,” based on a paper he authored. “What about those people who actually make up the vast majority of the population, but for whom services are often not designed?” Parasuraman said. “What can we as academics do to research how to better serve those people at the bottom of the pyramid? We’re hoping we can break some new ground, which is very exciting. That could lead to betterment of the quality of life for this segment.”

Rust, who is also executive director of the Smith School’s Center for Excellence in Service, said the 22-year-old conference has a significant impact on the field of service. “The one thing that happens again and again over the course of the three days is certain topics bubble up,” he said. “Suddenly you realize that how you think about the field has shifted. Suddenly you get this sense that the field has developed this new thought. It happens every year at this conference.”

Gene Anderson, dean of the School of Business, enjoyed the conference’s multi-disciplinary approach. “What’s special about this conference is it cuts across disciplines within the academy and it cuts across practitioner and researcher, and it cuts across boundaries,” he said. “Most academic areas are very siloed. This is an area that is very relevant and attuned to what businesses are facing right now.”

The conference was sponsored by INFORMS, the American Marketing Association and the Center for Excellence in Service at the University of Maryland. It is hosted by a different university every year and was last held at the University of Miami 10 years ago.

IN DEPTH: FRONTIERS IN SERVICE
Instead of being intimidated by how new big data analysis is, companies should look at innovative analytic projects in small bites, according to Bill Franks, the chief analytics officer at Teradata. He urged participants at the Frontiers in Service Conference — where he was a plenary speaker — to consider a portfolio model for funding analytics projects, understanding that most will fail. But the return on investment for the few that succeed can justify the cost of all the experimentation. “The biggest challenge in big data isn’t the bigness of it,” he said. “It’s the differentness.”

“What a business needs to do is say, ‘I’ve got problems to solve. What data do I have to solve problems?’” Franks told the audience. Businesses should also “look at the problems you consider solved and see if there isn’t a better way to solve them, given all the new information available.”

He noted that companies used to know little more about their customers than where and when they made a purchase. Now, new channels of information, such as web browsing history, can help companies understand what the customer was doing before the purchase was made, and even whether the customer checked a competitor first.

The Walt Disney Company, for instance, used to study crowds as “blobs,” Franks told the audience. Now, though, its analysts use smart “Magic Band” wristbands worn by customers to track the behavior of individuals at its theme parks. This allows Disney to, for example, make it possible for parents to note that a child is celebrating a birthday. Then, when Cinderella approaches the child and wishes him or her a happy birthday, the child’s experience at the park rises to a new level.

But businesses should understand the limits to data analytics. “There are increasingly unrealistic expectations in the market today about how fast, cheap and easy it will be to collect and use big data,” Franks said. “The faster we get over that hype, the better.”

Some companies have expanded their businesses by successfully using data analytics in new ways. Franks pointed to Nike, which now sells fitness bands that allow its customers to track their personal data. “Now Nike is an analytics-as-service business,” he said. “This has nothing to do with their traditional business model.”

However, he cautioned, customer data also comes with privacy considerations. “Doing what I do for a living has made me into one of those paranoid tinfoil-hat-wearing people, almost,” Franks said. “There’s an ambiguity here [in the United States] as to what does a company do as a best practice and what must they legally do.”

The privacy problem is one that Florida Power & Light had to consider when it undertook a project to install intelligent devices along its entire system, from production to transmission to customers’ homes and businesses. As part of the plenary session, the company’s vice president for customer service, Marlene Santos (BBA ‘81, MBA ‘84), shared some of its experiences. To address privacy concerns, she said, FPL allows customers to opt out of the smart meters it installed at their homes, noting that some have done so. She also noted that FPL did several small pilot projects before investing in the big conversion. “We started very small for a number of years,” she explained.

Data gleaned from FPL’s $800 million project has changed its business. “We went from 4.6 million meter reads a month to 110 million meter reads every day,” Santos said. The new intelligent grid has made it easier for FPL to identify theft, and given the company valuable insights into how customers use electricity, and why they don’t sometimes. “Believe it or not, before we had this technology, we didn’t know when our customers were out,” Santos said. FPL had to wait for customers to call to complain about a service interruption. With its new smart meters, the company can detect an outage, and possibly restore power, before a customer even knows it’s out.
The fastest growing segment of the economy in which consumers are using technology-based services is health care, which has grown 155% from 2009 to this year. In fact, people use technology-based health care services even when they aren't particularly ready for, or interested in, using technology in general, according to ongoing research by A. “Parsu” Parasuraman, professor of marketing and holder of the James W. McLamore Chair at the School of Business, and Charles Colby, founder of Rockbridge Associates. “What really blew us away was that health care has no correlation with technological readiness,” Parasuraman told a packed classroom of researchers and business people at the Frontiers in Service Conference. “Our theory is there is a push factor. Doctors and health care providers are encouraging use across the board.” He also noted that health care started from a smaller base of users than some other segments of the economy, such as banking or retail.

For the past 15 years, as technology has increasingly integrated into everyday life, Parasuraman and Colby have studied consumers' technological readiness, which they define as “the propensity to adopt and embrace cutting-edge technology at home and in the workplace.” In a series of surveys, they categorized people as technological explorers, pioneers, skeptics, hesitators and avoiders, and have created demographic profiles of the typical person in each category.

Other findings from their research include a look at how different segments of the population shop. Just 4% phone in orders, while 29% shop exclusively in person. Meanwhile, a full 48% shop in what the researchers termed a multi-channel way, checking prices and doing research online as well as making the trip to a physical store to view or test an item before making a purchase. They limited their research on shopping to items costing more than $50 and to items that the survey respondents felt required comparison shopping.

“How does that correlate to technological readiness?” Colby asked. “It’s the pioneers, the ones who both like and have issues with technology, who tend to be omni-channel.”

Parasuraman noted that businesses can take the research he and Colby are conducting and figure out how to reach more customers. He gave the example of banks that advertise person-to-person service as a way to reach out to skeptics, hesitators and avoiders who may be uncomfortable with banking exclusively online.

“You see their ads touting ‘we’re very personable,’” he said. “You can take this research and use it to attract the segments you’re targeting.”

Interestingly, Colby and Parasuraman found that skeptics mirrored the demographics of the general population in the United States and avoiders were mostly older, retired, white females.
Fueling Financial Passions

Two donors combined an endowed scholarship bequest with annual gifts—letting them enjoy relationships with the students they support.

By Jennifer Pellet

RECENTLY Lloyd Straits (BBA ’65) came across a line in a book by Niall Ferguson that resonated with him: “Knowledge, the best investment of all.” The sentiment echoed what the retired financial executive and his wife Ruth have discovered since 2006, when they launched the Lloyd A. Straits and Ruth L. Straits Scholarship at the School of Business.

“It’s been incredibly rewarding,” Lloyd says. “All of the kids are just fantastic. And the experience of meeting them, and watching them finish their educations and go on to excellent positions with some of the world’s top financial institutions has been inspiring for both of us.”

Ironically, the Straits’ journey in educational philanthropy at the School began far from campus—in Beverly Hills, California. While attending a function hosted by University of Miami benefactors Edward and Joanne Dauer, “Ruth and I were impressed with the Dauers’ passion for giving and assisting young students,” recalls Lloyd, who moved to California in 1974 to handle West Coast international lending for Bankers Trust and remained there during a 30-year tenure at aerospace company Northrop Grumman Corp. “Shortly afterward, we decided it was time to include a charitable bequest to the School of Business in our estate plan.” The Straits planned a gift that would one day endow a scholarship at the School.

While the couple felt good about helping future University of Miami students, they soon found themselves...
wanting to do more immediate good. “We thought it would be wonderful to have the experience of actually meeting scholarship recipients, so we began making donations for the business school to award each year,” Lloyd explains. The couple began giving annual scholarship donations in 2006, the same year he retired. “Every year since, we’ve gone to Miami to attend the annual Scholarship Donor Recognition Lunch, where we donors are able to socialize with the students and hear their stories and the role our contributions have played in their education,” he says. “It’s a moving experience.”

For many recipients, a scholarship is vital to completing a degree. That was the case for Travis Montaque (BBA ’14), who was a finance major with a passion for on-campus activities when he received the Lloyd A. Straits and Ruth L. Straits Scholarship in 2013. During his years at the School, Montaque was the founding president of the University’s Economics Club, vice chairman of the Dean’s Undergraduate Advisory Board and a Titan on the School of Business’ prestigious Hyperion Council, which consults on operations and strategy with businesses in disadvantaged communities. What’s more, during his sophomore year, Montaque developed Splyst, a social media platform that delivers Internet content to users based on their interests. “Even though I was getting good grades and very active, if it weren’t for the help of Lloyd and Ruth, I wouldn’t have been able to continue my education,” says Montaque, who was born in Jamaica and raised in South Florida. “It was game-changing.”

Montaque, who graduated from the School of Business with job offers from Barclays Capital and Goldman Sachs, turned both companies down in favor of pursuing his entrepreneurial venture. He’s since raised $570,000 in investment capital and launched his first Splyst mobile application regionally. “We already have several thousand users who have generated 200,000 screen views,” says Montaque, who is founder and CEO of the nine-employee company. “Now we’re getting ready to do a nationwide rollout.”

Another Lloyd A. Straits and Ruth L. Straits Scholarship recipient is following a more conventional path to success. Max Seraita (BSBA ’14, MSTX ’14), who received the scholarship in 2014, was an accounting major who chose to jumpstart his career through the School’s Accelerated Master of Science in Taxation program. He finished his undergraduate and graduate degrees in four-and-a-half years. “It’s a great program, but not a cheap program, so the Straits scholarship helped ease the financial burden for my family and me,” he explains.

Seraita graduated with an impressive 4.0 GPA and a much-coveted job as a first-year associate in PricewaterhouseCoopers’s audit department, returning to his hometown of New York City for the job. He chose audit, Seraita says, because “it serves an incredibly important function for businesses and the investing public.”

The Straits, who met Seraita at last year’s Scholarship Donor Recognition Lunch, say that talking to their scholarship students about their college experiences and career goals has been their favorite part of the giving process. “It’s been just wonderful to see how motivated they are and how well they’ve done,” says Ruth.

“They’re all much better students than I ever was,” Lloyd adds. “The very first three we supported all got jobs at companies like Goldman Sachs, General Electric and PwC. I’ve started telling all of my friends that if you really want your kids to be successful, send them to University of Miami’s School of Business!”
Technology is a driver for change. But technology for technology’s sake is not effective in an era of limited resources and growing health care demands. It is innovation that will lead to higher quality, increased access, and cost efficiency in health care.

As the nation and the world work to bring new innovation to health care, the Center for Health Sector Management and Policy at the University of Miami School of Business Administration will host “The Business of Health Care: Disruptive Technology, Access and Efficiency.”

This one-day conference promises to offer an unparalleled opportunity for the exchange of ideas on the impact of new technology, the business of health care and the impact on the business community in general.

Don’t miss this unique opportunity to:

• Hear thought leaders discuss the future of health business and policy
• Exchange ideas with other professionals across industries
• Network with industry leaders
• Establish new contacts for business development

KEYNOTE SPEAKER

Gregory D. Wasson
President and CEO
Walgreen Co.

Full program and registration soon at bus.miami.edu/healthcare2015
HAPPENINGS ON CAMPUS AND OFF

Featured Alumni Events

- Raul Dick (MBA ‘82) with School of Business Dean Gene Anderson at an alumni event in Naples on Sept. 4, at the Vineyards Country Club.

The UM Alumni Club and School of Business Dean Gene Anderson co-hosted the UM Welcome to the Neighborhood event in Boston on Sept. 9. Attendees included the club’s leadership team (left-right): Jason Shuman (BBA ’13), Jeris Jaboulin (BBA ’90, MBA ’92), Stephen Frederico (AB ’12) and Alejandro Rengifo (BSED ’12, MSED ’13).

The School’s annual Bermont-Carlin Scholars New York Trip, Oct. 7-10, included the 7th Annual Young Alumni Mentor & Business Alumni Networking Reception at UBS Investment Bank. There, young alumni networked with students including (left-right) Kathryn Meyers and Katarina Espenscheid; the students’ trips were sponsored by the Bermont/Carlin Group at Morgan Stanley Smith Barney.

Other recent alumni events included a UM Welcome to the Neighborhood event with Dean Anderson in West Palm Beach on Sept. 10, an Alumni Networking Reception with Dean Anderson in Orlando on Oct. 15, a Business Alumni Networking Reception with Dean Anderson in Miami on Oct. 21 and the Dean’s Homecoming Reunion Reception for the classes of ’04, ’89 and ’64 and SBA Homecoming Cookout on Oct. 31 (see photos on pages 40-41).

On Campus

The Bermont/Carlin Scholars program kicked off its 8th year on Sept. 15 with a reception at the UM Student Union. Students and program alumni joined program underwriters Adam E. Carlin (pictured) and Richard B. Bermont, senior partners of Coral Gables-based The Bermont/Carlin Group at Morgan Stanley Smith Barney.

A delegation of business and government leaders from South Korea – including Yonchang Kim, the vice mayor for economic affairs for Daegu Metropolitan City and Stein Jongskl Woo, the chairman and CEO of Bio Medical City – visited the School of Business in July, meeting with administrators and discussing potential collaboration in health care-focused business education.

More photos and stories from these and other events:
bus.miami.edu/magazine

Technology is a driver for change. But technology for technology’s sake is not effective in an era of limited resources and growing health care demands. It is innovation that will lead to higher quality, increased access, and cost efficiency in health care. As the nation and the world work to bring new innovation to health care, the Center for Health Sector Management and Policy at the University of Miami School of Business Administration will host “The Business of Health Care: Disruptive Technology, Access and Efficiency.” This one-day conference promises to offer an unparalleled opportunity for the exchange of ideas on the impact of new technology, the business of health care and the impact on the business community in general.

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Full program and registration soon at bus.miami.edu/healthcare2015

SAVE THE DATE

March 23, 2015
University of Miami
Coral Gables, FL
Alumni Weekend & Homecoming 2014: Oct. 31–Nov. 2

The School of Business kicked off Alumni Weekend & Homecoming with events throughout the day on Friday, Oct. 31. Dean Gene Anderson hosted a special reception at the School to celebrate the Class of 1964’s 50-year reunion, the Class of 1989’s 25-year reunion and the Class of 2004’s 10-year reunion. The inaugural Accounting Alumni and Friends Homecoming CPE Forum, held at the Four Seasons Hotel Miami, offered continuing professional education credits, networking and the opportunity to hear from keynote speaker James R. Doty, chairman of the Public Company Accounting Oversight Board.

Sunny, mild weather greeted the alumni and others who came to the School of Business Cookout, which included speakers from the reunion classes. Attendees caught up with former classmates, posed for pictures with Sebastian, chatted with Dean Anderson and socialized with School administrators and faculty while enjoying fresh-made food including grilled cheese, sliders and Vietnamese spring rolls. An unusual dessert station featured liquid chocolate mixed with toppings and frozen between two blocks of dry ice to create a customized cookie.

Pictured above, Homecoming 2014 events organized by the School of Business and the University, including the School of Business Cookout and Reunion Receptions, fireworks and Halloween on Alumni Avenue. Left: the School’s Accounting Alumni and Friends Homecoming CPE Forum.

More Homecoming photos on the School’s Facebook page: facebook.com/umschoolofbusiness
Distinguished Speakers at the School of Business

Rick Tonkinson (MBA ’84, MPA ’85) (right) kicked off Ziff Graduate Career Service Center’s Tonkinson Lecture Series on Sept. 3 with Sebastian and student Jenna Redfearn (left), president of the MBA Marketing Club.

Other recent distinguished speakers at the School of Business included members of the Aug. 21 MBA Orientation Dean’s Alumni Panel: Christopher Campbell (MBA ’12), senior product marketing manager for Citrix’s mobile products group; Stephanie Aoun (BBA ’08, MBA ’11), private wealth advisor and vice president at Goldman Sachs; Maia Aron (BBA ’02, MBA ’04, JD ’05), an attorney with Kozyak Tropin & Throckmorton; and Michael Stewart (BBA ’00, MBA ’03), financial advisor & fundamental choice portfolio manager with Wells Fargo Advisors. On Sept. 11, Bill Fisse (BBA ’75, MBA ’72), Citi managing director, discussed Building Your Personal Brand with undergraduates at the School. At the Women’s MBA Club “Building Your Own Brand” event on Oct. 29, several alumni spoke: Kourtney Ratliff (BBA ’03), partner at Loop Capital Markets; Danielle Price (BBA ’98, JD ’02), partner at Holland & Knight; Jeanne Becker (MBA ’84), senior vice president at Wragg & Casas Public Relations; Carol Brooks (AB ’84) president & co-founder of Continental Real Estate Companies; and Linda Flewelling (BBA ’83, MBA ’84), senior vice president & managing director at Northern Trust.

Mentor Program Kick-Off

Students and their mentors came together on Oct. 2 to kick off the School’s Mentor Program. Peter Kleinerman (AB ’73, MS ’74, MBA ’74), president of Jadan Capital and a founding member of the program, shared his stories of 24 years of mentoring with students and other mentors, including Alida Welez (MBA ’07), marketing manager for UPS.

UM Real Estate Club

On September 23, some 50 School of Business students and others in the University of Miami Real Estate Club got a preview of upcoming Miami real estate developments. In this photo (left-right), Howard Shapiro (MBA ’90), owner of Howard Shapiro & Co., and Andrew Berkowitz, Berkowitz Development Group’s vice president, discuss a rendering of Berkowitz’s SkyRise Miami with student Kevin Baker, the club’s president.

CORRECTION

We incorrectly identified the hosts in this photograph, which originally appeared on page 46 of the Spring/Summer 2014 BusinessMiami. On April 1, 2014, at a Panama Alumni Reception, (left-right) School of Business Dean Gene Anderson joined more than 50 School alumni, including hosts Ana Maria and Ramon Maduro (MBA ’90).
Molding a Modern Call Center

JARED FLETCHER, BBA ’95, VICE PRESIDENT OF OPERATIONS AND CHIEF MARKETING OFFICER, ARISE VIRTUAL SOLUTIONS, MIRAMAR, FLA.

BY JENNIFER PELLET

Like many accounting majors, Jared Fletcher’s early career goal was to join one of the nation’s largest accounting firms and prosper there. Recruited by Coopers & Lybrand (which soon merged and became PricewaterhouseCoopers) straight out of school and from there by Ernst & Young, he was on track to do so. Along the way, however, Fletcher discovered the allure of entrepreneurial businesses.

“While doing business valuations and due diligence for mergers and acquisition at Ernst & Young, I found myself intrigued with strategy, operations and marketing,” he says. To broaden his skillset, Fletcher completed an accelerated MBA program at Emory University and joined Capgemini, where he honed his skills working on strategy and transformation consulting assignments for the global company and, later, for Accenture.

For four years, Fletcher enjoyed both consulting work and the travel it demanded — he was on the road “100% of the time,” he says. Then he got married and it seemed time for a change. “I wanted to be back in Florida, plus travel had gotten more difficult after 9/11,” he explains. “So I quit my job to start my own company.” At a time when companies were more concerned than ever with safety, Fletcher launched ResTrust, a resume certification service that sought to streamline the hiring process on both sides by charging job seekers a nominal fee to validate the information on their resumes. Companies loved the idea of pre-vetted job candidates, but because the concept was brand-new, Fletcher found himself trying to single-handedly create a market.

“It was making money and gaining traction — in fact, I still get calls about it today — but it just wasn’t happening fast enough,” he says. “In 2007, about two years into it, my wife got pregnant, so I called a CFO friend to ask if he needed any help.” The move proved fortuitous. Invited to visit that day, Fletcher learned the concept behind Arise Virtual Solutions and was immediately hooked.

Like traditional call center companies, Arise handles customer service, sales, live chats and other customer interactions for its client companies, which range from cruise lines and technology firms to retail stores. However, instead of agents operating from a central location, those customer interactions are handled by an army of thousands of independent contractors who work from their home phones and computers. “I thought the model was genius,” says Fletcher, who explains that the small business owners pay for their own e-learning and a background check. “Many of them are working mothers who need flexibility and don’t want to commute to a job.”

Since joining Arise, Fletcher has once again been faced with the challenge of educating the marketplace about the benefits of a relatively new model. “The idea of a pureplay, work-at-home model is still relatively new,” explains Fletcher, who was named a 2014 “CMO of the Year” by PRWorld. “I spend about 50% of my time on marketing and sales, showing companies how our model can provide them with cost savings, better quality and more flexibility simply by virtue of not having to get employees in and out of call centers every day.”

Ultimately, Fletcher hopes to parlay his broad experience into a CEO role. In the near-term, however, he’s enjoying the chance to wear multiple hats at a rapid-growth company, where six School of Business alumni also work. “I’ve had the chance to be CFO, to run operations and now I’m the CMO,” he says. “That doesn’t happen just anywhere.”
1950

ANGEL CORTINA JR. (BBA '59), a former principal in the national accounting firm of Deloitte & Touche and chief financial officer and senior executive vice president of Centrust Bank, recently retired.

FRED W. SASS (BBA '59) is a former U.S. government commercial pilot, air safety investigator and safety manager. He organized and became a principal partner in C&S Associates, a consulting firm providing aviation and occupational safety training to various federal and state agencies.

CARL SCHUSTER (BBA '59, JD '63) was selected as a 2014 Florida Super Lawyer.

1960

LOUIS M. REIDENBERG (BBA '61) received the Pro Bono Emeritus Award for 2014 from the Legal Aid Society of Palm Beach County, Fla.

ROBERT A. SCHATZMAN (BBA '67, JD '71) was named to the 2015 Best Lawyers in America list.

THOMAS F. SEGALLA (BBA '65) received the “James W. Conway Award” from the Defense Association of New York (DANY).

HARVEY A. WAGNER (BBA '63) was appointed to the board of directors of Norcraft Companies Inc.

1970

WILLIAM P. FRECH (AB '75, BBA '75) retired in 2011 from CECOM Department of the Army in Fort Monmouth, N.J., after 35 years of civil service in logistics.

MELVIN R. MANN (BBA '75) was installed as the executive director of the Friends of the March of the Living, a non-profit organization that funds scholarships for students participating in a two-week Holocaust educational experience to Poland and Israel.

GARY E. ROBERTS (MS '79) recently completed his Unmanned Aerial Systems (UAS) Certificate after participating in the Advanced Technical Intelligence Center

**Specialty Diet Food Leader**

STEVEN BERNARD, BBA '70

PRESIDENT AND CEO, BERNARD FOOD INDUSTRIES

Evanston, Ill. BY KIRA LEWIS

On his way to law school, Steven Bernard took what he thought would be a brief detour and went to work for the family business, Bernard Food Industries. “I decided I liked it, and decided not to go to law school,” he says laughing. The company, founded in 1947, manufactures food products for retail and the foodservice industry — more than 20,000 customers, served by 90 employees.

Focused primarily on developing foods for consumers following special diets, Bernard Foods’ most popular products are its sugar-free desserts, which are served in restaurants, hospitals, casinos and on cruise lines. The company, which has won 11 awards for product excellence, also makes low-calorie, low-sodium and gluten-free products. “We are always looking ahead and always looking for something unique that fills a void with the highest quality product possible,” Bernard says. That focus on the future has kept Bernard Foods at the forefront of the industry: When the company introduced a line of gluten-free cake mixes in 2011, Bernard says, “nobody knew what we were talking about. Now we can’t make them fast enough.”

As demand for more health-conscious and specialty-diet food products has grown, Bernard says the company is able to capitalize on the trend. “People are finding us,” he says. “Instead of us developing the market, the market is coming to us.”

One such example is school lunch programs. Changes to the dietary requirements for school lunches in recent years, especially requirements for lower sodium in meals, have significantly increased sales of the company’s soup bases and gravy. “School lunch programs are on a budget, and yet they are being asked to serve healthier fare. It not as easy as it looks,” Bernard says.

Although the majority of Bernard Foods’ sales come from distribution through food industry giants such as Sysco and US Foods, the company sells a limited number of its products at retail as well. Its Sans Sucre line, which includes the recent addition of a brownie mix made with stevia, is carried at supermarket chains such as Kroger. The company also sells direct to consumers through its website, edietshop.com, which is mainly focused on sugar-free alternatives for diabetics who may have limited access to those types of products at their local stores.

Bernard is proud of the fact that the company has remained independent for nearly seven decades. “The way I handle my business is as a small business,” he says. “I don’t ever want to get so big I lose touch with my employees and my customers.”

He believes that focus on entrepreneurship, which he says he’s pleased to share with the School of Business, will serve the company well going forward. “The future of the country is small business,” Bernard says. “The more you encourage that, it is good for the student and good for the economy.”
Serving Clients in College
THANIA RIOS, BBA ‘93, ASSOCIATE DEAN,
MIAMI DADE COLLEGE – SCHOOL OF BUSINESS, MIAMI
BY KIRA LEWIS

Throughout her more than 15-year career at Miami Dade College, Thania Rios has viewed the students as her clients. “There is so much going on and so many new things that I want to be able to bring to the students,” says Rios, who began as a faculty member and is now associate dean of Miami Dade College’s School of Business.

When she was appointed associate dean in 2011, Rios focused her passion on creating new programs and improving students’ college experience and post-graduation job placement. This fall, Rios spearheaded the creation of a new major in supply chain management at MDC after an economic development study showed that supply chain management and logistics is one of the fastest-growing and largest industries in Miami-Dade County. When the school saw the study — conducted by county economic development agency The Beacon Council and the Greater Miami Chamber of Commerce — officials seized on what they felt could become a major point of contact for more than 10 programs that UM and MDC are collaborating on. “It’s a really nice partnership,” she says. “They are leading the grant process, but it will really benefit our students.” This partnership will help provide new international business resources, faculty training and specialized guest lecturers at MDC. The partnership will also give MDC students access to international business events at the University. “Our goal is bringing the most relevant curriculums and programs,” says Rios. “It is the most important thing we can do, because at the end of the day this is what the students are looking for and it will help them land jobs.” Outside of her work at MDC, Rios describes herself as a “super active” board member of The Hispanic Board Initiative Fund (HBIF). The organization supports Hispanic entrepreneurs and startups by analyzing their business plans and providing funding for resources in areas where they need assistance. “This is a really interesting organization,” Rios says. “We have people on the board that come from all over Florida. It just feels like coming full circle.”

EDUCATION COLLABORATOR
Miami Dade College’s Thania Rios is also on the board of the University of Miami’s CIBER.

Brenda Brown (BBA ‘86) was selected for the National Association of Student Financial Aid Administrators’ (NASFAA) MVP: Most Valuable Professionals series interview.

Jeffrey Decker (BBA ‘86, JD ‘89) was in the “Chambers USA Guide” list of America’s Leading Lawyers for Business.

Scott F. Kotler (BBA ‘84) has been practicing criminal defense law for 23 years after having been an assistant state attorney for four years.

Israel Kreps (BBA ‘83) recently celebrated the 25th anniversary of his Miami-based public relations and marketing firm, Kreps DeMaria, along with his business partner, Sissy DeMaria (BGS ‘93).

Patricia Menendez-Cambo (BBA ‘86), vice president and chair of the global practice group at law firm Greenberg Traurig LLP, won the Outstanding Contributor to Gender Diversity award as part of the 2014 Chambers USA Women in Law Awards.

Major General John R. O’Connor (BBA ‘84) became the commanding general of the U.S. Army’s 21st Theater Sustainment Command in Europe in June 2013.

Ann Page Roberts (BBA ‘84, MPA ‘95) works in the engineering technologies division of the Sinclair Community College science, mathematics and engineering department in Dayton, Ohio.

Spring/Summer 2014 BusinessMiami 45
MITCHEL B. RICHMAN (BBA ’82) is the new director of national accounts for Tampa Maid Foods LLC.
GARY S. SALZMAN (BBA ’85, JD ’86) was honored as a Florida Super Lawyer.
ROLAND SANCHEZ MEDINA JR. (BBA ’88) was named as a 2014 Top Lawyer by the South Florida Legal Guide, in the area of corporate and business, securities law.
EUGENE M. SCHAEFER (BBA ’88) is celebrating his 25th anniversary with Bank of America.
LORYNNE SCHREIBER (BBA ’83) recently had a personal essay, “Internal Compass,” published in “Living Legacies - Volume IV.”
RICHARD SOLIK (BBA ’85), senior director for Cushman and Wakefield, was instrumental in the creation of the Verizon Finance Center in Lake Mary, Fla.
ROBERT W. TRIGUEROS (BBA ’83) was named executive/development director of the Tampa-based Pediatric Cancer Treatment Foundation.

1990s:
JOYCE ACKERBAUM-COX (BBA ’93, JD ’96) was ranked in the Chambers USA Guide “list of America’s Leading Lawyers for Business.
NARDO BOSQUE (BBA ’93) was promoted earlier this year from CFO to president and CEO of Rauland-Borg Corporation of Florida, which provides communications safety and workflow solutions for schools and hospitals worldwide.
RILYN CARNAHAN (BBA ’99, JD ’02) was selected as a 2014 Florida Rising Star by Super Lawyers.
PATRICK J. DWYER (MBA ’93) was recently recognized on the Top 400 Financial Advisors list of the Financial Times and on Barron’s America’s Top 1,200 Advisors: State-by-State list.
ROBERT CHRISTOPHE FRAZIER (MBA ’98) was elected as an active member of the Orange Bowl Committee.
RAUL VALDES-FAULI (MBA ’94), president and CEO of Coral Gables-based Professional Bank, was named to the Florida Bankers Association board of directors.

Filling a Beauty Business Niche
ADRIENNE VENDETTI Hodges, BBA ’09, and STEPHANIE VENDETTI, BBA ’11, Co-founders, HOW TO BE A REDHEAD, NEW YORK CITY
BY JENNIFER LECLAIRE

The Vendetti sisters are changing the world — at least for redheads — and the world is paying attention. The sisters have already been featured in Cosmopolitan UK, Fast Company, the Daily Mail, and countless blogs and websites. Stephanie’s marketing savvy (her BBA is in marketing) has set the niche business on fire.

“I dyed my hair blonde and tried to cover up my freckles for years, but now I’ve embraced my red hair,” says Stephanie, the marketing director for How to be a Redhead. “We know how to be redheads. We’ve tried a million different products. So we decided to go for it. Within two weeks of launching, we had celebrities tweeting to us and we’ve become L’Oreal Paris Brand Ambassadors.”

Beyond filling an obvious market void — most beauty products and accessories cater to blondes and brunettes — the Vendettis’ secret to success has been social media. How to be a Redhead has more than 120,000 social media followers and counting. “Social media is our No. 1 marketing jewel — it’s how we generate all of our sales,” Stephanie says. “We came up with Freckles Social Media to serve other small companies that need a voice on social media. In elementary school, kids would ask if they could connect our freckles, so we’re playing off that by connecting the dots between consumers and brand with social media.”

Last year, the sisters launched Rock it like a Redhead Beauty Tour. “I always thought I wanted to be a lawyer, and after graduation I moved to Boston and got a great job at a law firm,” says Adrienne, who has a BA in business law from the School and is editorial director of How to be a Redhead. “But I decided I wanted to do something with my sister that’s going to change the world.”

The Vendetti sisters are the redheads behind How to be a Redhead, Rock it like a Redhead and Freckles Social Media. How to be a Redhead is the brains behind the flames and Freckles Social Media is the marketing jewel — it’s how we generate all of our sales.”

The Vendettis, who are planning a mobile app and book, credit the foundation of their success to the School: “If it wasn’t for our UM education,” says Adrienne, “we wouldn’t be where we are right now.”
HIGH PERFORMANCE TEAMS
INCREASED COMPETITIVE ADVANTAGE

Customized Training Programs For Your Company

Programs designed to enhance the professional knowledge and management skills of key managers

Each custom executive program is developed to meet the unique needs of your organization

Engage with faculty experts with real-world experience

Join a team of experts in doing business in Latin America

Programs are available in English and Spanish

2000’s

DIEGO ARREDONDO (BBA '06), an attorney with Roig Lawyers, spoke at the Miami Free Zone on issues in international trade.

CAROLYN CAUCEGLIA (MBA '03), Amadeus's vice president of strategic sales and account management for North America, won the Bronze Award in the business services category of the 2013 Stevie Awards for Women in Business.

ILEANA M. ESPINOSA CHRISTIANSON (BBA '00) was named a Florida Super Lawyer.

OMAR ESPOSITO (BBA '04) was elected to a two-year term as the associate member representative on the Georgia Bankers Association board of directors.

RANIERO J. GIMENO (BAIS '02, MBA '04) was named senior vice president, national director of defined contribution sales and executive team member for Eagle Asset Management.

KANIAK JELLS-TOMALIN (MBA '01) was appointed deputy mayor for the city of St. Petersburg, Fla.

KRISTOPHER KIMBALL (BBA '09) and JASON SPIEGEL (BBA '09) created the company Freebee, which uses electric, open-air vehicles resembling oversized golf carts to give free rides on routes in popular, high-traffic areas of Miami, South Beach and Brickell.

PATRICIA MAZZEI (AB '07, BBA '07) won the Green Eyeshade Award for excellence in journalism, placing first in the category of Politics Reporting-All Dailies for the Miami Herald.

LAUREN MCLEAN (BBA '05) recently joined Tesla Motors in Dallas as store manager.

ROBERT B. NEWMAN (MBA '04), managing partner of National Planning Corporation (NPC), is the recipient of GAMA International's Brian H. Early Frontline Excellence Award. The honor recognizes superior frontline managers who are directly responsible for a portion of an agency or firm, including recruiting, launching and mentoring new associates, agents or advisors.

MELANIE ANN PARRIS (BBA '07) joined Roig Lawyers as a new associate attorney in its expanding litigation practice group.

HECTOR TUNDIDOR JR. (MPRA '05) was elected an active member of the Orange Bowl Committee.

ADRIENNE VENDETTI HODGES (BBA '09) was featured in a Fast Company article about how she and sister Stephanie Vendetti (BBA '11) turned their hair color into a growing business.

2010’s

MARY P. BENEVENTE (MACC '13) was promoted to senior vice president and chief financial officer at Professional Bank in Miami.

STEPHANIE VENDETTI (BBA '11) was featured in a Fast Company article about how she and sister Adrienne Vendetti Hodges (BBA '09) turned their hair color into a growing business.

UPCOMING EVENTS

Details on these and other events: bus.miami.edu/events

2014

DECEMBER 2
Washington, D.C. Business Alumni Networking Reception

DECEMBER 18
Commencement

2015

JANUARY 29
Weston, Florida Alumni Networking Reception

FEBRUARY 11
Los Angeles Alumni Networking Reception

MARCH 18
Chicago Alumni Networking Reception

MARCH 23
Business of Health Care: Disruptive Technology, Access and Efficiency Conference, Coral Gables

BUS.MIAMI.EDU/CUSTOMPROGRAMS
Nancy Bailey, founder of Miami-based corporate licensing agency Nancy Bailey & Associates, has played an important role in shaping and growing the licensing field. In particular, she was a pioneer in the use of brand extensions, in which a well-known brand is applied to a new product category. Bailey was a charter member and vice president of the Licensing Industry Merchandisers’ Association, and has been named to the Licensing Hall of Fame alongside the likes
of Walt Disney, George Lucas and Jim Henson. In 2010, her company was purchased by Omnicom Group (NYSE: OMC) and merged with Beanstalk, a global brand-extension agency, where Bailey is now vice chairman. Here, she discusses some of her groundbreaking efforts.

WHEN I WAS GRADUATING from the School of Business, I did not have a chance to go to any job interviews. But the University placement center posted a notice from Procter & Gamble inviting men with marketing or engineering majors to apply. Back then, there weren’t many women in management positions in business, but I thought, “Why not? I have a marketing degree. The worst they can do is say no.” So I applied, went through the interviewing process and got the job. I was the second woman hired in management at P&G. The first had been hired the week before.

P&G turned out to be a tremendous opportunity. I became a premium buyer for P&G’s toilet goods division. Today, premiums are widely used — familiar examples are the toys that come with fast-food meals. At the time, however, it was still a novel promotional tactic. When I called a toy company for a price on 1 million Tootsie Toy cars to bundle with Crest toothpaste, the man actually dropped the phone. But the program was a success and resulted in many more similar promotions.

After leaving P&G, I worked at two advertising agencies in New York, which eventually led me to Burger King, where I became director of advertising and kids marketing, and where I also started the corporate licensing department. I found that I liked the licensing field — so much so that I decided to start my own company.

When I told my husband about the idea, he thought I was a little crazy to leave a good executive job at Burger King. So I went back and forth with the idea, telling my boss at Burger King that I was leaving, then telling him that I was staying, and finally, that I really was leaving.

Yes, starting a company would be a risk, but it was one I was willing to take. I had confidence, based on my experience in marketing and licensing. And I really loved the work. It’s a form of matchmaking: understanding the two sides of the equation — the licensee and licensor — and putting the right ones together. It’s a matter of being creative about finding situations where one plus one equals more than two.

There were very few licensing agencies in existence at that time. In fact, we were one of the first full-service agencies to specialize in brand licensing for Fortune 100 companies. Most of the industry was involved with professional sports, entertainment or character properties — names such as Major League Baseball, Disney, Looney Tunes and Strawberry Shortcake. But we saw an opportunity to bring the concept to other areas to build brand awareness, and so handled licensing for companies such as Burger King, 7UP, Pillsbury and Pizza Hut, among others. These programs focused on apparel, mugs, toys and back-to-school supplies — traditional licensed merchandise.

Before long, we were able to take licensing a step further, moving into the then-uncharted waters of brand extension. We started with a program for P&G and its Vicks brand, applying the name to a vaporizer being produced by the family-owned manufacturer who invented the vaporizer. It was a good fit. Within six months, the Vicks Vaporizer was the top selling vaporizer in the U.S., and as a product category, vaporizers had grown by 25%. Today, that Vicks Vaporizer business is a global business operating in more than 30 countries and generating more than $500 million in revenue.

We quickly found that such success not a fluke, and we ran successful brand-extension programs for other P&G brands including Febreze, Cover Girl and Mr. Clean. In fact, the manufacturer producing mops, brooms and gloves for the Mr. Clean program was very small when we started working with it. But its association with that well-known brand enabled the business to grow 20-fold, building a huge company. We’ve had similar success for other clients such as Coppertone, Crayola, Energizer, Hawaiian Punch and Penzoil.

Looking back, a lot of things have changed since I started — and I’m happy to have been part of that change. Women are no longer the exception in management — especially in marketing and licensing, where they have done very well. Corporate licensing has grown into a thriving global business. And brand extension is a vital, well-established part of the marketing toolkit — something that started with that Vicks Vaporizer program.

Certainly, my path has involved hard work and perseverance. But I’ve also been lucky enough to be in the right place at the right time, which meant I could be on the leading edge of these trends. I recently received an amazing honor in the form of a Career Achievement Award from P&G at its annual Global Business Development event, recognizing my contributions to the company over the past 20 years. I always remember that I started on this path by stepping out of the box a little bit, and responding to that P&G letter in the student placement office.

As told to Peter Hauapiemi
EARN YOUR MASTER’S DEGREE IN 10 MONTHS AT THE UNIVERSITY OF MIAMI SCHOOL OF BUSINESS ADMINISTRATION

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<th>AVERAGE YEARS OF WORK EXPERIENCE</th>
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*varies by program

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