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School of Business Administration
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- To share your experience and knowledge.
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- To increase the value of a University of Miami degree by personally investing in future alumni.

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“The Mentor Program provides a great advantage in preparing students for their transition from college to the business world. It is truly enjoyable and rewarding.”
— Peter Kleinerman (BA ’73, MBA ’74), President, Jadan Capital Corp. and Founding Member of the Mentor Program

Patricio Rubalcaba (MBA ’00), Vice President, Global Strategy & Business Development, MasterCard International, and his protégé, student Estefania Paoli

UNIVERSITY OF MIAMI
SCHOOL OF BUSINESS ADMINISTRATION
CELEBRATING 26 YEARS
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Innovation and Growth

THE UNIVERSITY OF MIAMI’s unparalleled combination of diversity and intellectual richness, situated at one of the world’s most vibrant cultural and economic crossroads, creates an ideal environment for developing ideas and leaders to meet the challenges facing business and society in the 21st century. To leverage this, the School of Business is pursuing a vision to become: 1) the most global U.S. business school; and 2) the business school that is best engaged with its home university and business community.

In the past year, the School dramatically accelerated its progress toward achieving this vision. We continue to globalize our existing programs in meaningful ways — including a new immersion course on “Doing Business in Brazil” and a new Global Business Studies major. We hired seven new faculty members representing six nationalities. We rolled out the School’s first new degree programs in 20 years, including master’s of international business, finance and business analytics. We launched The Miami Executive MBA for the Americas and Miami Executive MBA for Artists and Athletes. We also launched our first online master’s programs, one in finance and a master’s of international business, finance and business analytics. We launched The University of Miami’s first online master’s program in business analytics. We launched The University of Miami’s first online master’s program in business analytics. We launched The University of Miami’s first online master’s program in business analytics. We launched The University of Miami’s first online master’s program in business analytics.

The School is already beginning to receive worldwide recognition for these innovations. Our Executive MBA programs now rank No. 17 among all U.S. executive MBA programs, according to the Financial Times. BusinessWeek recently ranked the undergraduate program No. 13 for international business; and America Economía again ranked the School as the No. 1 U.S. executive education provider for Latin America.

Looking forward, we will continue to make business education more global, entrepreneurial and relevant — and to advance our position as a leader in global business and a Miami anchor institution for business talent and ideas.

Even as we expand academic programs, we are connecting more than ever with School of Business alumni around the world. I’ve had the pleasure of meeting alumni at events in Chicago, New York, Los Angeles, Naples, Boston, Seattle, Atlanta, Houston, Dallas, Tampa, San Diego, San Francisco, Denver, Las Vegas, San Juan, Washington, D.C., and here at home, in Miami-Dade, Broward and Palm Beach counties.

Congratulations and heartfelt thanks are due to the School’s faculty, staff, alumni, students, donors and volunteers for all these accomplishments. Our executives-in-residence and our mentors, our scholarship donors and our classroom speakers, the alumni who give gifts in honor of the impact the School has had on their lives and the students whose input helps shape new course offerings, the staff who ensure that every event sets a new standard of excellence and the faculty who constantly elevate the level of academic scholarship — each makes an invaluable contribution.

None of the School’s accomplishments would be possible without each of your contributions, and without you, our future wouldn’t be nearly as bright.

I urge you to continue to support the School. Your gifts of time, treasure and input are the reason the University of Miami School of Business is becoming the next great business school of the Americas.

— Gene Anderson
genea@miami.edu

Mission Statement: To develop innovative ideas and principled leaders that transform global business and society.
After five years in the National Football League, Miami Dolphins offensive tackle Jason Fox (BS ’09) is going back to school in the off-season. “I want to be well-prepared for life after football,” says Fox, who was a starting lineman for the Hurricanes. Fox is among 40 students in the first class of the School’s new Miami Executive MBA for Artists and Athletes program, which began in February. The class includes 20 current NFL players from 13 teams, 17 former NFL players, two wives of players and an entertainment industry executive. Four former Hurricanes have returned to campus, including wide receiver Santana Moss (BLA ’01).

“I am … thinking about my family’s future and want to be ready to make a transition into investment, real estate or some other business,” says Michael Thomas, a Miami Dolphins defensive back and 2012 graduate of Stanford University.

Part of the School’s growing portfolio of specialized MBA offerings, this program approaches an MBA education from the perspective of accomplished individuals with strong personal brands. It has the same core courses and faculty as the rest of the School’s MBA program, with the addition of courses and projects targeted to current and former athletes.

The School’s other specialized master’s programs include its Global Executive MBA in Spanish, Executive MBA in Health Sector Management and Policy, The Miami Executive MBA for the Americas and specialized master’s degrees. “Niche MBA and specialty master’s programs allow the School of Business to target areas where we have particular expertise or a unique ability to serve a particular market,” says Gene Anderson, the School’s dean. “Students with common backgrounds or interests often find these types of programs more attractive. We can capitalize on our faculty’s experience and expertise, as well as our location in Miami, to offer new and unique programs.”

Designed around the NFL’s schedule, the 17-month Miami Executive MBA for Artists and Athletes program includes six two-week modules on-campus, as well as distance learning. “I wanted to take advantage of this program for me because it caters to the needs of athletes who are still playing,” says running back Jerome Felton, who just signed with the Buffalo Bills. “I can study for the future while getting ready for next season.”

Participants’ goals vary, and some of the coursework will be personalized to each of those goals. For example, Trent Edwards, a retired Buffalo Bills quarterback who spent eight years in the NFL after playing at Stanford, expects the program to improve his business skills and expand his professional network for a possible career in real estate. On the other hand, wide receiver Torrey Smith, who recently signed a $40 million contract with the San Francisco 49ers after four years in the NFL, enrolled in the program with his wife, Chanel. They want to gain the skills to be more involved with the business side of their foundation, which works with kids in the Baltimore area.
Grade Inflation

SURPRISINGLY, RESEARCH SHOWS THAT GRADE INFLATION MAY ACTUALLY INCREASE SCHOOLS’ AND STUDENTS’ INVESTMENT IN EDUCATION BY RAPHAEL BOLESLOVSKY, ASSISTANT PROFESSOR, ECONOMICS

Since the early 1980s, the mean grade point average at American colleges and universities has risen at a rate of between 0.1 and 0.15 points per decade. Most of this increase can be attributed to an increase in the share of As assigned (which now comprise nearly half of all grades), with significant drops in the assignment of lower grades.

This trend of grade inflation makes it more difficult for potential employers and graduate schools to identify and select the most-desirable candidates. If everyone gets As, then evaluators cannot infer from an A-student’s transcript that he or she is in any way exceptional. Literature has always assumed that weaker grading standards are detrimental for educational quality. After all, it seems like grade inflation would allow students to devote less effort to their studies, while still expecting easy As.

Christopher Cotton, associate professor at Queen’s University, and I examined the merit of this argument by developing a game-theory model. Results of our research were published in a recent issue of American Economic Journal: Microeconomics. In the model, schools compete to place students with employers or graduate schools in two ways. First, schools can undertake costly investments to improve the quality of education that they provide, increasing the average ability of graduates. Second, schools can strategically choose grading policies, assigning high grades to more than just their best students. Doing so increases the portion of graduates with As, who are most competitive against graduates from other schools. At the same time, though, assigning As to a larger range of students deteriorates the value of an A, making their very best students less competitive.

Schools weigh these trade-offs, and in the competitive equilibrium of the school competition model, choose grading policies that assign As to some lower-ability students, confounding an employer’s ability to learn graduates’ abilities precisely. Consistent with popular wisdom, higher-quality schools inflate grades more (in a rigorous statistical sense), capitalizing on the fact that their students have higher ability on average to effectively mask their low-ability graduates.

If our model prevents schools from investing in education quality, then the presence of grade inflation is unambiguously bad. Implementing policies requiring schools to abide by strict grading standards makes it easier for employers, graduate schools and other evaluators to observe graduate ability and select the highest-ability graduates. This leads to higher student effort, more efficient placements and better outcomes for employers and graduate schools.

But, when our model allows schools to invest in education quality, they actually invest more when they are allowed to inflate grades than when grade inflation is banned. Why? Because potential employers take into account both a student’s transcript and the reputation of his or her school when forming an opinion about the student. Grade inflation means that the transcript itself conveys less information, and the potential employer must rely more on school reputation. In this way, grade inflation increases the incentives that schools have for undertaking costly investments to improve quality of education, and therefore, it increases the average ability of their graduates. And, students who anticipate greater investments by schools in turn have greater incentives to increase their own efforts.

It’s true that grade inflation introduces noise into transcripts, making it more difficult for employers or others to identify the most-qualified graduates for their positions. But, the beneficial effect on investment may dominate the costs of increased noise. Allowing grade inflation may actually increase the chance that the employer selects a high-ability graduate. That suggests that even if a policy intervention could eliminate grade inflation, doing so is not necessarily the most socially desirable course of action.
when it comes to putting their hard-earned money into mutual funds, most people will tell you that they base their decisions on factors such as how the fund invests and how well it performs. But, in reality, many investors allow personal social biases to trump rational analysis, according to a study headed by Alok Kumar, the School’s Gabelli Asset Management Professor of Finance.

In the study – which will be published later this year in The Review of Financial Studies – researchers found that in the U.S., the annual flow of money into funds managed by individuals with foreign-sounding names was 10% lower than the flow into those with managers who had more traditional American-sounding names. “A key takeaway is that the type of [manager] name does influence people’s perceptions of ability, even though it does not correlate at all to the manager’s expertise,” Kumar says. “Taking everything else into account – the manager’s skill level, the fund’s expense ratio, volatility, size – we find that something as irrelevant as the manager’s name really does affect investors’ decisions and fund flows.” The study estimates that this reduced flow leads to an annual loss of approximately $133,000 per $195 million under management for these fund managers.

Kumar and his collaborators (Alexandra Niessen-Ruenzi from the University of Mannheim and Oliver G. Spalt from Tilburg University) looked at the issue from several angles. They began by asking a sample of 150 U.S. residents to identify which of 6,000 actual fund managers’ names sounded foreign to them. The researchers then examined historical fund flows for those managers, uncovering the 10% discrepancy. In another experiment, the researchers asked investors to allocate hypothetical investments to two identical S&P 500 index funds – one managed by someone with an American-sounding name (William R. Andersen), and the other managed by someone with a foreign-sounding name (Mustafa Sogun). The latter fund received 11% less funding – a result similar to the findings of the historical data analysis. Finally, in a placebo test where both index funds had American-sounding managers, there was little difference in investment levels between the two.

In general, investors tend to put money into mutual funds when performance is high, and to take money out when performance goes down. The research found that such shifts are accentuated when foreign-sounding names are involved. “These fund managers are being rewarded less and punished more,” Kumar says. “They have lower-than-average in-flow increases following good performance, and greater than average decreases following bad performance.”

The research also looked at the effect that significant events have on fund flows. For example, flows into foreign-sounding managers’ funds clearly declined after the Boston Marathon bombings. They also fell after the 9/11 attacks, “when we saw a big drop in the flows into the funds that had managers with Muslim-sounding names, but not other foreign-sounding names,” Kumar says. “So not all types of foreign names were treated the same. This is consistent with the idea that people are responding to the names themselves, not something else, because it is hard to argue that people’s perceptions of these manager’s skill levels suddenly changed at that time.”

These attitudes are probably subconscious, and the result of “in-group bias,” Kumar explains. “We are a bit more comfortable and favorable to others who are like ourselves, and those groups can be very broadly defined – they don’t have to be based on ethnic origin or gender.” Overall, the study’s findings are especially interesting because mutual-fund performance, unlike many other activities, can be measured with relative ease and accuracy. What’s more, that information is readily available to investors, so there is no rational need to consider fund managers’ names. “By focusing on the mutual-fund industry, our paper adds a new dimension to the debate about discrimination,” Kumar notes. And in doing so, it underscores the strength of social biases – and suggests that investors may want to look more carefully at the reasoning behind their decisions.
CEOs’ Risks & Rewards

RISK-TAKING IS INFLUENCED BY CONFIDENCE IN THE COMPANY AND COMPENSATION BY PETER HAAPANIEMI

Common sense says that giving CEOs company stock tends to align the executive’s interests with those of shareholders. But matters aren’t that simple, and organizations that want to use executive compensation to drive business performance need to take a more nuanced view of the issue.

That’s one of the findings of research conducted by Marianna Makri, associate professor of strategy and entrepreneurship at the School of Business. The research, which looks at the relationship between CEO compensation, risk-taking and company performance, was recently published in Human Resource Management Journal. Makri conducted it with Geoffrey Martin of the University of Melbourne, Nathan Washburn of Utah State University and Luis R. Gomez-Mejia of Texas A&M University.

Over the years, Makri says, a number of studies have found that executives are far less willing to pursue new opportunities that carry risk when their compensation is highly at risk – such as when a significant part of it is in stock options. Executives whose compensation may be at risk if their ventures don’t do well, therefore, are less likely to enter a new market, for example, or develop a new technology. The theory here has been that “executives may opt out of risky, potentially value-adding strategic projects because their risk-bearing – their significant amount of wealth at risk of loss – reduces their appetite for risk-taking,” Makri explains. “The more risk the CEO bears through his pay in stock options, the more risk-averse he becomes.”

The problem, of course, is that CEOs typically need to do more than simply avoid risk. Failure to assume some risk can mean missed strategic opportunities and impaired company performance and shareholder returns. This raises a fundamental question: When is significant executive risk-bearing good or bad for shareholders? To find an answer, the researchers looked at 297 publicly traded, technology-intensive U.S. companies. They assessed the risk born by CEOs through equity or cash compensation, and then examined the performance of the company’s research and development efforts – using that measure to represent the success rate of risk-taking. They gauged R&D performance by “innovation resonance” and the extent to which a firm’s patents are cited by others.

The researchers also added one more factor into their analysis: the CEO’s likely perception of firm efficacy – the level of confidence he or she had in the company’s ability to successfully execute its plans. Although they couldn’t assess that perception directly, they looked at each company’s performance relative to it peers over several years, based on the idea that a history of success would increase the CEO’s confidence in the company’s abilities.

Putting it all together, says Makri, they found that the CEO’s level of personal risk-bearing is not the only factor at work in his or her willingness to take some risk. If the CEO believes in the company’s ability to succeed with a new initiative, he or she is likely to take some risk to pursue such initiatives. “Executives perceiving higher firm efficacy are likely to take risks that utilize the long-term potential in their technologies and capabilities,” she says. And those risks tend to pay off. When the CEO believes that the company is likely to succeed in its plans, CEO risk-bearing (in terms of compensation in the form of stock options) is positively related to R&D performance.

“Our findings suggest that shifting more risk to the CEO by increasing the percentage of variable pay, such as stock options, can be good for shareholders when the CEO perceives higher firm efficacy,” Makri says. This, she notes, means traditional theories that have a “preoccupation with limiting risk-bearing in order to encourage [CEO] risk-taking may not necessarily be in the interests of the firm’s shareholders.” Instead, organizations aiming to shape CEO behavior need to factor in both the CEO’s level of risk-bearing and his or her perception of the firm’s efficacy. Says Makri: “Boards of directors and compensation committees can benefit from estimating these effects when they are battling with the dilemma of how to compensate executives to encourage sound risk-taking.”
Being an activist investor is like being "the skunk at a cocktail party in the summer," Mario Gabelli, founder and CEO of GAMCO Investors, said during a series of Executive in Residence talks at the School in mid-February. "If you're the CEO of a company, the last thing you want is … somebody coming in to tell you what to do," Gabelli, whose firm has more than $47 billion under management, explained. "An activist says 'Listen, we want you to take your lazy assets and energize them. We want you to do this or we're going to take over your board.' Corporations don't like that."

Nonetheless, Gabelli, who established the School's endowed Gabelli Asset Management Professor of Finance through a gift, predicts a rise of activist investors – individuals or groups purchasing large quantities of a public company's shares with the goal of affecting major change. Gabelli, who founded the firm in 1976, says his goal is simply to make money for investors: “Our basic premise is that the CEO and the board do not own the company. We, as shareholders, own the company – and I am just a proxy and a surrogate for those owners.”

GAMCO is among the most experienced activist investor firms in the industry; Both NASDAQ and The Economist magazine named it as one of the top 10 prominent activist investors, with 23 campaigns in the past 34 months. Gabelli credits its published stance on activist operations (what he likens to its “magna carta”) and clarity on what the firm will or will not accept when it owns stock in a company. He says GAMCO sits down with a company and makes its voting intentions clear, including whether it may initiate a vote on an issue. “They know in advance that if an issue comes up, or we … initiate … [whether] we will vote for or against it.”

Looking for a Catalyst
How does GAMCO (which is itself a publicly traded company, NYSE: GBL) pick stocks to invest in? “POSP: plain old stock picking. That’s what we do,” Gabelli told the graduate and undergraduate students, faculty and alumni who attended his talks throughout the day. “We have this core, compounded knowledge in certain industries over an extended period of time. And we then pick stocks based on what we think will earn a return over a three-to-five year time frame or longer.” The key element his team looks for? A catalyst. “What’s going to make the stock go up?” said Gabelli, who cited everything from industry consolidation and regulatory changes to the death of a company founder as examples.

His “research-driven” firm relies on another acronym to define everyday operations: GAPI. Gather data, Arrange it, Project it and Interpret it. It all stems from GAMCO’s guiding principle, which he outlined simply: “The mission statement when we started the firm was ‘Make money for your customers.’ Never forget that.”

Follow Gabelli on Twitter @MarioGabelli
Income, Consumption and Portfolio Choices

RISING INCOME EQUALS MORE CONSUMPTION, WHICH AFFECTS INVESTMENT DECISIONS BY LAUREN COMANDER

Households use their current income as a license to spend money – and that applies to their investment decisions as well. This was a key finding of research by three members of the School’s finance faculty, presented at the Miami Behavioral Finance Conference. The faculty members’ findings contradict traditional models and investment portfolio theory, which instead take into account hedging for future income variations.

Faculty members George Korniotis, an associate professor of finance at the School, and Jawad Addoum and Stefanos Delikouras, both assistant professors of finance at the School, were the first researchers to explore the implications of people’s tendency to use current income to govern investment decisions – known as consumption-income sensitivity – on portfolio decisions. “We present a model with the novel prediction that the tendency to consume more when current income rises affects portfolio decisions,” Addoum told behavioral finance experts from around the country during the conference, organized by the International Economic Forum of the Americas and for which the School was a sponsor.

When Addoum took the floor to present “License to Spend: Consumption-Income Sensitivity and Portfolio Choice,” he explained to the crowd how the research came about. “The three of us made an observation that consumption and portfolio decisions are fundamentally related and governed by the same preferences,” Addoum said. “What struck us when we looked at the literature is that we noticed the literature had developed in relative isolation. People looked at consumption decisions or portfolio decisions. Households don’t seem to follow the model.”

Discussant Luis Viceira of Harvard University presented an academic critique of the working paper, which Addoum said he and his coauthors would take into account as they revise it for publication. The paper was one of 12 (out of a record 196 submissions) presented to 104 esteemed academics during the two-day conference.

Headwinds in Latin America

CHINA’S SLOWING ECONOMY, RISING DOLLAR INFLUENCING ECONOMIES BY RICHARD WESTLUND (MBA ’83)

Latin America’s major economies have enjoyed strong growth in recent years, but now face some significant headwinds, Sandro Andrade, associate professor of finance at the School, told the audience during the World Strategic Forum. Those issues include a declining demand for commodities due to a slowdown in China’s economy, corruption scandals and lack of transparency. Andrade’s remarks were part of a discussion he moderated during the conference, organized by the International Economic Forum of the Americas.

The discussion, which included two nations’ central bank governors, covered regional monetary policy. “Last year, oil prices plummeted, the dollar was up, interest rates in Europe fell and everyone wonders when the Federal Reserve will raise U.S. rates,” said panelist Nicholas P. Sargent, chief economist and senior investment advisor for Western & Southern Financial Group. In Latin America, those trends have a negative impact on oil exporters, but benefit oil importers.

The perception (or reality) of corruption is also slowing investment in the region, noted panelist Frank L. Holder, chairman, Latin America for FTI Consulting. “A lot of infrastructure projects that Brazil desperately needs have come to a screeching halt, because foreign investors have turned off the flow of funds,” he said. “On the positive side, politicians and business executives are being arrested, and there will be fewer shadows for corrupt officials to hide in.”

But, while the economies of Brazil and Argentina are slowing, other countries continue to grow, noted Carlos G. Fernández Valdivinos, governor of Paraguay’s Central Bank. “From the perspective of central monetary policies, one size does not fit all,” he said.
In the world of microfinance, the loans to small businesses are tiny – but they can help bring entire families out of poverty, as Mexican financial organization Gentera has found. Carolina Velazco Bernal, who is in charge of external relations for the company, shared Gentera’s keys to making a small but steady profit in the sector:

• If you’re a financial institution, stay close to your customer
• Before making a small-business loan, take a good look at how the entrepreneur will use those funds to deliver a product or service in the local market.
• Ask community leaders about the customer’s reputation for honesty and integrity.

In addition to microloans, Gentera offers other financial services to rural villages and urban neighborhoods – its mission since its founding in 1990. “We provide entrepreneurs with access to affordable financial products,” Bernal explained during a fall-semester talk to graduate students. “Our key to success has been building trust through an ecosystem of stakeholders and generating word-of-mouth referrals from satisfied customers. We also share our profits with local communities, donating money for schools, parks and public spaces.”

Velazco noted that Gentera has stayed true to its mission from the time it was founded a non-governmental organization (NGO). Initially, the Asociación Programa Compartamos, as it was called, offered loans to women to help them support their families while men were working in agricultural or industrial jobs in other locations. It was able to establish a strong presence in Mexico’s microfinance market by hiring and training a large number of employees to visit prospects and current customers in local neighborhoods. “This is a high-volume business with low margins,” Velazco said. “Since most poor people don’t have financial documents or collateral for loans, you really have to get to know your customers.”

From its nonprofit roots, the company became a non-regulated financial institution called Financiera Compartamos in 2002. It continued to evolve, obtaining a banking charter and changing its name to Compartamos Banco in 2006. Ultimately, Compartamos Banco became a publicly traded company with more than 2.5 million customers in Mexico, and in 2011 became part of Gentera, a holding company. Gentera acquired a bank in Peru, established a new financial company in Guatemala, acquired Yastás, a non-banking payment company, and launched Aterna, which provides life insurance to families. Today, Gentera has more than 2.8 million clients in three countries.

“One of the most important lessons for any company is to uphold your values, regardless of changes in the market or your own company’s growth,” Velazco said. “You should also be consistent in terms of your branding and your overall corporate strategy.” At the same time, Gentera is a for-profit company, so it has been cautious as it adds new lines of business. “We have been very careful in launching new products until we can see that there is a sustainable business model,” Velazco explained.

A sustainable business model also enables the company to address large issues with long-term attention and solutions. “We have found that developing a long-term commercial model is essential if you want to address social problems like poverty.”

Today, about 70% of Gentera’s microloans are made to women, and the average loan is about $600. Customers make weekly payments on their loans, which usually must be repaid in several months. As a result, only 2.2% of Gentera’s portfolio is non-paying loans (over 90 days).

“We have found that emerging markets are an excellent arena for doing business,” Velazco said. “But you have to be flexible and realistic about your operations. An open mind is the most important asset for any business considering a venture into an emerging market.”
Developing Cultural Competencies
FRESHMEN ANALYZE BUSINESS PROBLEMS IN FOREIGN COUNTRIES BY LAUREN COMANDER

From women in the workplace in India to corruption in Turkey, Russia, China, Brazil, Colombia and South Africa, School of Business freshmen tackled key business issues during the spring semester in order to gain new global cultural competencies. They were tasked with working in groups on mock consulting projects to come up with recommendations for how companies can deal with cultural and business challenges while doing business internationally.

“We want to help freshmen begin to think about the ways in which a country’s culture influences managers’ choices, and what it means to have integrity in a business setting,” says Ellen McPhillip, assistant dean for undergraduate business education. “We want students to understand that being culturally competent is an essential skill in the global economy. Thus, they need to be able to explore some of the issues that businesses are grappling with, ask good questions and have a global mindset.”

The projects are part of the School’s required FIRST Step course, in which first-year students must look at a cultural issue – such as the role of women in business, water management or corruption – and examine how that issue impacts business in one of 16 countries. The course culminates with students making a formal presentation on their findings to the entire class.

One group of nine students who studied corruption in China produced a video as part of their presentation, which focused on a key component of Chinese business culture: Guanxi. “Guanxi is about businesses cooperating with each other and supporting and respecting each other,” they observed. The group used real-life examples of situations confronted by Apple (human-rights violations) and Samsung (child-labor violations), then reassured their “clients.” “You might all be worried now about doing business in China, but don’t be worried; we have solutions for you,” they promised.

Another group tackled ways for Mary Kay Cosmetics to infiltrate India’s market and explained the need to travel there together to better understand the culture and promote the product accordingly. “We want you to have interactions with the culture, face to face with the Indian people,” the team told their “client.” “You will be able to know them – what they think and what they want.”

Victoria Ricci, whose group looked at corruption in Brazil, found the experience of jumping straight into a group consulting project in her first year challenging, but rewarding. After freshman Carolina Arango finished her presentation on women in India, she reflected on all she’d learned. “As a woman, the course has prepared me to realize obstacles that I will need to overcome in the business world.”
New Endowments, Dedication Campaigns at the School of Business

BY LAUREN COMANDER

$4.6 Million Scholarship Endowment
A new scholarship for School of Business students will make it possible for generations of talented students to obtain a business education they otherwise might not be able to afford. The Edward J. and Ruth A. Irwin Business Scholarship, endowed by a $4.6 million gift from the estate of Ruth Irwin, will provide tuition relief for academic achievers who demonstrate financial need.

“There are many students deserving of an education at a private research institution such as ours, but they could never afford to come here without large donations such as this one,” says Nancy Hullihen, executive director of the School’s office of alumni relations and development. “Since the university is quite young, we are just now starting to receive estate gifts of this magnitude, and the impact is permanent.”

Edward Irwin (BBA ’52) died in 2004 and his wife, Ruth, died last year. “I encourage anyone who is considering including the School in their estate plan to reach out to us,” Hullihen says. “There are a variety of tax-advantaged ways to endow a scholarship fund that will change the lives of generations of students. We also have worked with several donors to combine a legacy gift with one that allows them to meet student recipients during their lifetime.”

Finker-Frenkel Foundation Announces Scholarships
The Finker-Frenkel Foundation, with director Eugene Frenkel (MBA ’12), has established two scholarships with a $125,000 gift to the School. For each of the next five years, the Finker-Frenkel Non-Endowed Scholarship Fund will provide a $5,000 scholarship to an undergraduate junior in the School of Business, based on financial need and merit. At the same time, the Foundation has begun to build the Finker-Frenkel Foundation Endowed Scholarship Fund, which will grow and become a permanent endowed award.

“A significant portion of my success today is thanks to the education I received at the University of Miami, and the goal of this scholarship is to give students who might not have the opportunity for an education there to experience it,” Frenkel says. “The University is the pillar of our community, and we are very excited and confident that our relationship is going to continue to grow and expand.”

The family-run Finker-Frenkel Foundation aims to eradicate neurological diseases and believes one way to do so is by supporting educational empowerment. The foundation and Frenkel have long been involved in and supportive of different areas of the University, including a $100,000 pledge to the University’s Bascom Palmer Eye Institute.

Leave Your Mark Campaign Furnishes Common Areas
New metal tables and chairs near the School’s buildings, where students enjoy lunch and relax between classes, can now be inscribed with a name and year, as well as a personalized message. The Leave Your Mark Campaign kicked off during graduation season, when parents of graduating seniors purchased inscriptions. Alumni are also participating in the program, inscribing their name and message on furniture that will help beautify the School.

The new furniture is replacing plastic tables and chairs, and the inscriptions are for the life of the furniture. The money raised will support undergraduate programs not covered by tuition.

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Improving Health

- Care Access in Latin America
Fresh ideas for jump-starting the region’s health care sector from more than 100 industry executives and speakers (including neuroscientist and actress Mayim Bialik, left) from the Life2015 Conference, organized by the School in partnership with Boston Scientific

- From eMerge Americas: Dean Anderson on Entrepreneurs
School of Business Dean Gene Anderson on the role of higher education in helping entrepreneurs develop business knowledge and soft skills, fostering innovation and growing intellectual capital, during a panel at the eMerge Americas Conference in Miami Beach

Building Bridges – Not Walls
Retired Admiral James G. Stavridis, the former Supreme Allied Commander at NATO, on security in the 21st century at the annual Cobb Leadership Lecture

- Success and the Role of Emotional Intelligence
Four School alumnae on the importance of emotional intelligence for business success, including self-awareness, self-management, self-motivation, empathy and social skills

- Commencement
Photos, video and stories from May’s Graduate and Undergraduate Spring Commencements, awards programs and receptions

Business Plan Competition
Interviews with grand prize winners from previous years: what they’re doing now, whether they launched their businesses and how their companies are faring

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.
New Master’s Programs Include Fully Online MBA

The School of Business is continuing to expand its graduate program offerings. This September, the School will inaugurate a new Online Master of Business Administration program. Designed for working professionals, the two-year program is taken entirely online, with the option to take an elective course on-campus through a one-week residency (the elective can also be taken online). The Online MBA will have start dates in January, May and September each year, with an optional on-campus orientation available for each start date. It will be the School’s third fully-online program.

“The launch of our Online MBA program represents our commitment to developing innovative programs that enable busy professionals to earn a business degree from the University of Miami, no matter where they live and work,” says Gene Anderson, dean of the School of Business.

The Online MBA program is pending approval from the Southern Association of Colleges and Schools and the University’s Faculty Senate.

Another new graduate program will also begin this fall, when the School adds a Master of Science in Leadership to its slate of specialty master’s programs. Designed for managers and those who want to lead employee teams in a variety of sectors, the Master of Science in Leadership program focuses on interpersonal skills for influencing others and leading effectively. The 10-month curriculum emphasizes the fundamentals of management strategy, negotiation, action-plan development and organizational change.

This May, the School inaugurated its second fully-online program: a Master of Professional Accounting, with the option of earning a Certificate in Accounting Practice. Participants can earn the certificate alone or complete the certificate while earning the full master’s degree. The online Master of Professional Accounting program has spring, summer and fall semester start dates; it will take about 16 months to complete.

Learn more about the programs at bus.miami.edu/online and bus.miami.edu/msdegree.

NEW UNIVERSITY OF MIAMI PRESIDENT
Julio Frenk, who is currently dean of faculty at Harvard’s T.H. Chan School of Public Health and Mexico’s former minister of health, will be the University’s next president. Frenk will begin his tenure on September 1, when he will succeed Donna E. Shalala, who led the University of Miami from 2001 until this past May.

“I feel honored and humbled by the extraordinary opportunity to lead this great university in one of the most important cities in the world,” Frenk said of his hiring. “I greatly appreciate the value of Miami’s privileged geographic location as the gateway connecting Latin America and the Caribbean with the United States. While I pride myself on being a global citizen, Latin America is my region of origin, and I welcome the opportunity to continue building lasting academic bridges across our hemisphere.”

LEADERSHIP INSTITUTE EXPANDS

The School’s Johnson A. Edosomwan Leadership Institute is expanding under new academic director Sheryl L. Alonso, a management lecturer at the School. The institute is assembling an advisory board and working with the School’s executive education department on new programs. On April 16, it inaugurated a new Leadership Lecture series with retired three-star Lt. Gen. Frederick Vollrath (BBA ’62) (see page 48 for more on Vollrath’s approach to leadership).

The institute was created through a donation from Johnson Edosomwan (BSIE ’79, MSIE ’80), who was at the School to kick off the Leadership Lecture series. “Countries that are failing, businesses that are successful – all of them center around the issue of leadership,” said Edosomwan (above), who has observed the crucial role of leadership in governments and businesses on visits to more than 60 countries. “I am delighted that the University of Miami is taking a leadership role in making sure that the future of all our leaders is secure.”
School Professors Help Reshape Securities Law

Work by faculty guides federal appeals court decision

DEPARTMENT OF HEALTH SECTOR MANAGEMENT AND POLICY ESTABLISHED

The School brings together its expertise and programs under a new Department of Health Sector Management and Policy. New faculty members will be joining the School of Business, adding their expertise to that of faculty such as Steven Ullmann, professor and director of programs for the School’s Center for Health Sector Management and Policy.

SCHOOL HOSTS NFL FINANCE CAMP

In March, 20 current and former NFL players converged on the School for the inaugural NFL Finance Camp, a four-day program designed to help the players achieve long-term financial security. School of Business faculty members taught courses and offered tips, along with representatives from TD Ameritrade’s InvesTools education program and retired defensive end Patrick Kerney, now the NFL’s vice president of player benefits.

“Our income as professional football players is unique; you never know when it’s going to end or how long it’s going to go, so getting strong financial advice is important,” says Josh Martin, linebacker for the Kansas City Chiefs. “I want to get a better understanding of my finances and get some insight into how to plan for the future.”

Finance Camp began with each player receiving individualized finance models that took into account their stage of life, their income and their answers to questions such as where they’d like to live after their playing days. “The NFL offers the opportunity for many of its players to translate a relatively short career into a lifetime of freedom and opportunity,” Kerney says. “The NFL Finance Camp provides the information to help participants understand the long-term impact of current decisions, properly evaluate their current situation and capitalize on ways to optimize their financial futures.”

School Professors Help Reshape Securities Law

Novel, outside the box, progressive. Those are just a few of the words used to describe the Sixth Circuit court’s approach to deciding a securities fraud case involving Omnicare, the nation’s largest provider of pharmaceutical care to elderly patients. The court used a Columbia Business Law Review article penned by two School of Business professors to determine the case’s outcome. Their article argued for a “middle ground” approach to assessing corporate liability, narrowing the group of people whose knowledge can be credited to the company.

Ann Olazábal, vice dean of undergraduate business education and a professor of business law, and Patricia Abril, an associate professor of business law, wrote the article about 10 years ago, when Enron and a spate of corporate scandals were brewing. “We often asked ourselves how it could be that the law still did not have a neat and tidy way of assigning liability to a corporation,” Abril says. “After all, it is people who act and think within the corporate entity, but somehow this was not translated into the law.”

In October, the Sixth Circuit found a way to translate it into law, adopting the “middle ground” rule that Olazábal and Abril proposed word-for-word. This is incredibly rare, says Olazábal, adding that having an actual impact on the law is the dream of every professor writing about the law. “Our argument may have caught their eyes because it is a theoretical piece, yet it is grounded in reality—the reality of business, the reality of human and corporate nature, the reality of what we instinctively know to be the way things are done,” Olazábal says.

The Sixth Circuit’s ruling means that Olazábal and Abril’s proposed rule is the law in the Midwest. However, there is a “circuit split” on the issue of assessing corporate state of mind. Olazábal says this means that several of the federal circuit courts of appeal have ruled differently on the matter—and that the issue is ripe for the Supreme Court to resolve.
MBA Students Take Spring Trips to Brazil and China

BY RICHARD WESTLUND (MBA ’83)

During her spring break, MBA student Susana Parody was studying – in Brazil. The School’s Global Learning Opportunities in Business Education (GLOBE) trip provided a firsthand opportunity to learn about South America’s largest nation. “I enjoyed the business visits, including to a Volkswagen car manufacturing plant, as well as the cultural highlights and going out to local restaurants and shops,” she says.

On the other side of the world, Brad Piechoski was among 34 graduate students who traveled to China on their spring break GLOBE trip. “I got to see how China has gone from being one of the poorest countries in the world to having a major presence in the global economy,” he says. “[Although] climbing the Great Wall of China was without a doubt my most memorable experience.”

Led by two School of Business faculty members, the annual international trips were organized by the University’s Center for International Business Education and Research (CIBER). Daniel Haime and his wife, Kathy Haime (AB ’83), as well as Brenda and Nelson Menda, sponsored the trips.

“This international exposure provides our students with powerful insight into companies all over the world,” says Nicole Perttierra Iglesias, CIBER’s assistant director. “Students get to experience a country’s cultural and societal values, and see their enormous impact on everyday business.”

Sandro Andrade, professor of finance, led the 12-day Brazil trip, taking 17 graduate students to São Paulo and Rio de Janeiro. “We visited 14 businesses, ranging from a leading investment bank (BTG Pactual) to a major food manufacturer (Bauducco), to the largest private provider of hospital health care in Brazil (Rede D’Oo),” Andrade says. “The types of experiences we offer our students by travelling abroad cannot be reproduced in the classroom.” Andrade noted that the students saw both the wealth and poverty of São Paulo, while hearing directly from Brazilian business leaders about the nation’s progress and their companies’ business strategies.

“Having the opportunity to step outside the United States and see how business is done and why it is done differently in other countries is invaluable,” says MBA student Alex Bellanton of his experience in Brazil. “The perspective you gain from these trips is so important to future business leaders, and I am incredibly grateful for the time, effort and resources the School invests in these trips.”

The trip to China was led by Michael Werner, director of the School’s Master of Accounting program. Students toured the Chinese business centers of Beijing, Xi’an and Shanghai. “They were able to see the country, meet the people and see firsthand how business is done in China,” Werner says. MD/MBA student Erica Barrios, who was on the trip, adds, “Immersing ourselves in the Chinese culture allowed us to better understand their thinking. In addition, traveling with our classmates was a bonding experience. These trips forge friendships that will last a lifetime.”

MORE PHOTOS FROM BRAZIL AND CHINA TRIPS:
bus.miami.edu/magazine

PhD Programs Growing

THE SCHOOL’S PHD IN BUSINESS program launched in 2008 with just a couple of students, and has now grown to nearly 30. Members of this year’s graduating class have been hired by a number of prestigious universities, including an accounting PhD who will join the faculty of the University of Chicago’s Booth School of Business (a school brimming with Nobel Prize-winning economists and boasting one of the world’s top accounting departments) and others joining the faculties of Florida State University and the University of North Carolina – Greensboro.

“It’s highly unusual for a PhD program coming off its infancy to have such strong placements,” says A. Parasuraman, the School’s director of doctoral programs and James W. McLamore Chair in Marketing. “So we are very encouraged and proud of what we’ve accomplished in the short span of seven years.” Current PhD candidates are preparing for careers in academic research and teaching in marketing, management, accounting, finance and, added last year, management science.

“The growth of this program is a very important milestone for our business school,” Parasuraman says. “It contributes to our brand-building and helps us attract top-quality researchers from leading business schools. One of the chief draws is the PhD program, because they like to work with graduate students who can help them with their research. It’s a win-win situation.” Faculty members and PhD candidates collaborate on research and papers for prominent journals, giving the students credentials for their applications to prestigious faculty positions, while also enhancing the School’s reputation.

Next school year, eight new PhD students will begin their studies in five different departments and, at year’s end, each department will confer at least one doctoral degree.

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Faculty Share Their Expertise

The Real Deal – 5/20/15
In speaking about the prospects for South Florida’s next real estate downturn, Andrea Heuson, a professor of finance, noted that the fad factor could lead to excessive prices: “Everyone will want a condo in South Florida, driving prices up.”

Financial Advisor – 4/28/15
The publication covered research by Alok Kumar, Gabelli Asset Management Professor of Finance, which found that investors in the U.S. are less likely to invest in mutual funds that have managers with foreign-sounding names, suggesting that:

“If Barack Obama was a fund manager, his name could cost his fund more than $100,000 a year.”

WLRN Radio – 3/24/15
The station aired segments featuring insight from the health care impact conference hosted by the School, including thoughts from Steve Ullmann, director of the School’s Center for Health Sector Management and Policy, who noted that the current health care system’s fragmentation makes it expensive.

The Guardian – 3/18/15
An article featured research by Michael French, professor of sociology and health sector management and policy at the School, which found that traffic fatalities in top vacation destinations increase during spring break – largely from out-of-state drivers in an unfamiliar environment. National Public Radio and The Washington Post also covered French’s findings.

The Wall Street Journal – 2/26/15
In the publication’s “The Experts” section, Robert Plant, associate professor of computer information systems, wrote that technology’s “all or nothing” product adoption lifecycle has changed competition in the sector.

“The Wall Street Journal”

“forcing production runs to be much shorter and companies to time product releases more precisely in order to survive.”

Knowledge@Wharton – 2/12/15
Steve Ullmann, director of the School’s programs in health sector management and policy, spoke about Cuba’s changing health care system, noting that the country is well-positioned to take a significant piece of the global medical tourism pie – a sector growing by more than 15% per year.

Time – 1/20/15
An article about how companies use packaging to convince consumers to buy products at a higher price cited research by Milica Mormann, a research assistant professor, which found that consumers choosing a product value its attractiveness as much as their personal preference for the brand.

CBS MoneyWatch – 12/19/14
Claudia Townsend, an assistant professor of marketing, spoke about the impact of Sony’s initial decision to pull the film “The Interview” from distribution: “In the long run it’s not going to taint Sony, because it’s easy to blame someone else. The fact that the U.S. government is responding suggests that this is bigger than Sony.”

Commercial Observer – 12/17/14
Speaking about what normalized relations with Cuba would mean for the real estate industry, Luis Locay, an associate professor of economics, predicted:

“As long as the government wants to control things in Cuba ... I don’t think there’ll be a mad rush to invest.”

Fox News Latina – 12/12/14
Commenting on a new report that shows Hispanic households account for a large portion of the country’s overall spending power, Arun Sharma, a professor of marketing, noted that for many businesses, the challenge is to “reach and get in touch with them.”

Arun Sharma, professor of marketing, discussed how Art Basel has changed Miami:

“High-end art buyers come and buy art and leave, but they leave behind the environment for culture to flourish.”

América Economía – 11/20/14
In an article about new technology and talent recruitment, Mary Young, director of the School’s Ziff Graduate Career Services Center, noted that: “The recruiting process takes much longer than before, because you need to ensure the authenticity of what the candidate says on a resume.”

Miami Herald – 11/17/14
Joseph Ganitsky, a research professor of management and director of the Center for International Business Education and Research, said that one of the reasons for the success of Mexican-born consulting firm NEORIS is that it is:

“more humble than others, a reflection of them originally being from an emerging market.”

The Wall Street Journal – 10/28/14
In “The Experts,” Robert Plant, associate professor of computer information systems, speculated about why there is no effective virtual personal assistant for dealing with email: “While much of the emails sent only task people in routine ways, the skill is in understanding when something requires truly expert knowledge, the human rather than virtual input.”
Faculty Senate Honors René Sacasas for Service to the University

In April, the University of Miami honored René Sacasas, chair of the School’s Department of Business Law, with one of its highest honors: the James W. McLamore Outstanding Service Award. Named after the co-founder of Burger King and former chair of the University’s Board of Trustees, the award honors a member of the University community who has gone above and beyond the call of duty in service to the institution. “Service is the one pillar of the three traditional pillars of academia that you truly cannot do alone,” he said at the awards ceremony, going on to thank those who have helped and worked with him for the past three decades.

René Sacasas was a curious eight-year-old the first time he ever set foot on the University of Miami’s Coral Gables campus. That was 60 years ago, and Sacasas’ family had come to get a close-up look at the school to which his older sister had just been accepted. Over the next eight years, Sacasas fell in love with the University, swimming in its on-campus pool, attending Hurricanes football games in the Orange Bowl and listening to the Band of the Hour. “The U,” he says, “became a great part of what Miami meant to me as a community. It meant home.”

Although he moved away for many years, Sacasas eventually returned to Miami in 1976 to practice law. When a former mentor called him in 1985 with a job offer as an assistant professor in the University, his thoughts about the University and why he earned this award at bus.miami.edu/magazine.

APPOINTMENT TO PRESIDENT’S COUNCIL OF ECONOMIC ADVISORS
Laura Giuliano, associate professor of economics, was appointed to a one-year term as senior economist for labor and education on President Barack Obama’s Council of Economic Advisers. Around 10 senior economists serve as staff to the council, whose job is to provide the economic analysis that informs and supports policy development in the executive branch of the U.S. government.

RESEARCH HONORS
The Strategic Management Society named Yadong Luo, professor and Emery M. Findley Jr. Distinguished Chair of Management, as its “Outstanding Strategic Management Scholar in the Asian Century.” The award honors the highest level of achievement in strategic management research by a scholar related to strategic management in the Asian century. Luo also was named one of the top three most-productive and most-cited scholars in management and organization studies by the Asia Pacific Journal of Management.

The Institute of Industrial Engineers’ Industrial and Systems Engineering Research Conference named a paper by Haresh Gurnani, Leslie O. Barnes Professor of management, as its Best Paper in the IIE Transactions Focused Issue on Scheduling and Logistics for 2015. The paper was titled “Fast-Ship Commitment Contracts in Retail Supply Chains.”

Maikel Leon Espinosa, a computer information systems lecturer, won the Cuban Academy of Sciences’ National Award for his study of “Methods for the Construction of Fuzzy Cognitive Maps and its Applications.” Espinosa shared the annual award with co-researchers.

For the third consecutive year, research firm Pulsenomics awarded Andrea Heuson, a professor of finance, its Crystal Ball Award as runner-up among the most accurate 2010 forecasts of future home prices by leading experts.
The American Accounting Association International Section gave its Best Paper Award to Diana Falsetta, associate professor of accounting, and assistant professors of accounting Miquel A. Minutti-Meza, Pietro Andrea Bianchi and Eric H. Weisbrod. They earned the award for an article they co-authored: “How is Expertise Acquired and Shared by Professional Accountants? Evidence from Italian Statutory Auditors’ Networks and Tax Avoidance.”

The American Marketing Association reported that the School’s Department of Marketing was among the world’s top 50 when it comes to research publications in the leading marketing journals, from 2010 to 2014. The AMA also ranked the School’s Caglar Irmak and Juliano Laran, associate professors of marketing, No. 33 for research productivity from 2010 to 2014.

EDITORIAL BOARD ELECTION
Haresh Gurnani, Leslie O. Barnes Professor of Management, was elected to a three-year term as vice president for publications at the Production and Operations Management Society, which publishes Production and Operations Management.

SOCIETY FELLOW
Terri A. Scandura, professor of management, was elected a fellow in the Society for Industrial and Organizational Psychology.

INVITED PRESENTATIONS
Robert Plant, associate professor and vice chair of the School’s computer information systems department, was among leading executives and academics invited to speak about sustainable growth in turbulent times at the Harvard Business Review China Forum in Beijing. Plant spoke about the need for a new organizational design.

A. “Parsu” Parasuraman, professor, department chair and James W. McLamore chair in marketing, delivered a keynote address at the first international Conference on Quality Engineering & Management, at the University of Minho in Portugal. He spoke about designing superior services.

Sharma Inducted into Iron Arrow

THIS SPRING, the Iron Arrow Society tapped in Arun Sharma, professor of marketing. Iron Arrow membership is the University’s highest honor, recognizing members of the University of Miami community who exemplify love of the University, character, leadership, scholarship and humility.

Assisting the Department of Homeland Security

HARESH GURNANI, Leslie O. Barnes Scholar and professor of management, served on the U.S. Department of Homeland Security’s Science and Technology Critical Infrastructure Resilience Center of Excellence review panel, offering his management expertise in reviewing applications for the department’s Centers of Excellence program. The Centers are university consortia that work closely with DHS to conduct research, develop and transition mission-relevant science and technology, and educate the next generation of homeland security technical experts.
Disruption: New Ideas for Medicine and Colleges

Top winners of the University of Miami’s 2015 Business Plan Competition aspire to shake things up  By Bob Woods

The term “entrepreneur” has evolved over the last few decades, as have the individuals to whom it’s attached. While the word’s French origins date back to the 1870s, entrepreneur didn’t become a buzzword until the 1980s. Merriam-Webster defines an entrepreneur as “one who organizes, manages and assumes the risks of a business or enterprise.” In 1964, famed management consultant and prolific author Peter Drucker zeroed in on an essential ingredient: “Innovation is a specific tool of an entrepreneur, hence an effective entrepreneur converts a source into a resource.”

Today, with a new tech boom fostering a slew of startups and a tsunami of venture capital, entrepreneurs are often disrupters. The buzzword has been applied to well-capitalized interlopers, such as Airbnb, Uber and Spotify, which are shaking up the traditional hospitality, transportation and music industries, respectively. Launching the next disruptive company is the current entrepreneurial fixation. In the University of Miami’s 2015 Business Plan Competition, hosted by the School of Business and sponsored by The Launch Pad, the grand-prize winners from each category exemplify this new breed of entrepreneur, inspired by innovative problem-solving and social responsibility as much as by risk-taking and financial gain.

The 13th-annual competition kicked off last fall when 64 concept papers – in undergraduate, graduate and alumni categories – were proposed to a judging committee. Eventually, 42 semifinalists were invited to submit comprehensive business plans, and after another round of judging, 15 final teams were selected to present to a panel of judges – successful entrepreneurs and venture capitalists from South Florida and the Northeast. On April 17, the winners walked away with a combined $52,500 in first, second, third and other prizes – and many walked away with the hopes of disrupting a variety of industries.

A Mightier Pen Companion

Undergraduate grand-prize winner Hunter Bihn combined his personal medical condition – type 1 diabetes – and a seemingly innate entrepreneurial zeal to come up with the idea for DiBi (pronounced dee-bee).
Time for a Change

A similar approach to solving a problem to enhance millions of people’s lives drove three students, cohorts in the School’s MD/MBA program – Erica Barrios, Phi Ho and Iman Rabizadeh – to brainstorm MediTick, the graduate grand-prize winner. “We were drawn to each other in our mutual passion to start our own health care business in addition to becoming physicians,” Ho says. They were additionally inspired by the MD/MBA teams that have won the past two business plan competitions.

Like Bihn, they, too, turned to personal experiences to uncover a serious health problem in need of an entrepre-
neurial solution. In their case, it stemmed from noticing the prevalence of urinary tract infections associated with the use of catheters, known as CAUTIs. “Our research found that the No. 1 cause of CAUTIs was prolonged use of catheters,” Rabizadeh reports. The students learned that CAUTIs are highly preventable if catheters are changed more frequently, generally after five days. “We then thought that we could intervene with a device that reminds nurses and doctors, as well as the patients themselves and their visitors, that the catheter’s effectiveness has expired,” Rabizadeh says.

That led to the notion for MediTick, a time-elapsing medical apparatus that is placed on the collection bags or containers of urinary catheters to remind health care workers to change catheters after a specific amount of time. The low-tech device is a round disk that starts changing color after three days, becoming most dramatic on the fifth day – when it reads “change” in bright red.

The trio was also aware that in 2008 the federal Centers for Medicare & Medicaid Services began a policy of refusing to pay hospitals for additional costs related to CAUTIs, which represent more than one third of all hospital-acquired infections and cost millions of dollars for treatment. Typically, treatment can include longer hospital stays and use of antibiotics. It’s estimated that the average cost to treat a single CAUTI is nearly $900, for which hospitals are not reimbursed. “When we saw the finances attached to these preventable infections, that gave us the green light for this idea,” Barrios says. A single MediTick costs less than $2. “This saves money by reducing CAUTIs,” adds Rabizadeh.

Not surprisingly, medical device companies are developing new catheter technologies to address CAUTIs. But they’re more expensive than MediTick, Ho claims, and meanwhile, the use of antibiotics to treat the infections can lead to antibiotic-resistant bacteria and further treatment costs.

This convergence of medicine and business is the essence of the School’s MD/MBA program, which is a pathway to entrepreneurship for the MediTick team. “We can want to save the world by doing X, Y and Z, and maybe medically it’s feasible, but sometimes finances get in the way,” Barrios says. “That’s what we learn in our MBA coursework.” Ho adds, “A business person has a different perspective than a medical person, and we’re learning to integrate the two.”

The team also found that they needed to integrate an engineering perspective into their business plan. Meetings with The Launch Pad, the University’s business research center, convinced them that they needed help designing the device. They enlisted a colleague who has a master’s degree in materials science and engineering from Massachusetts Institute of Technology and has done extensive research on nanotechnology and low-cost biomedical devices. He helped design MediTick.
While the two grand-prize-winning student teams created business plans centered around medical patients, the alumni grand-prize winners targeted college students. Entrepreneurs Eric Stepansky (BBA ’10, JD/MBA ’14) and David Primak (JD ’13) created an online solution for an all-too-common problem among college students. Classmates at the University of Miami School of Law, the two shared their frustration with the class registration process. “We remembered that it was always a struggle to register for classes, because there was a lack of credible information,” Primak says, “and we felt there was a need there.”

The result is Campus Breeze, an online platform and application for college and graduate school students. The website provides users with information about individual professors and their classes that isn’t found in registration materials, including attendance policies, exam formats, phone numbers and email addresses. The data is gathered from public sources and students themselves through surveys. Users are also able to review professors by commenting on a discussion board and a grading system.

Campus Breeze aims to compete with RateMyProfessors.com (RMP), the largest online source for professor ratings, which is owned by media conglomerate Viacom. Primak and Stepansky purport that market research, plus surveys of University of Miami students, find user dissatisfaction with RMP. “Our feedback says that they would like to focus on more communication, student-to-student, and the ability to share information,” Stepansky says, asserting that RMP fails in that regard. Campus Breeze aspires to be more like Yelp and Rotten Tomatoes (the movie-rating website).

Campus Breeze will be the culmination of entrepreneurial ambitions that Primak and Stepansky realized about halfway through law school. “We wanted something more independent than working for a law firm,” Stepansky says, adding that both of their fathers are entrepreneurs. “So when we found a problem to solve, we went in that direction.”

Grand Prize - Alumni winners
Eric Stepansky (above) and David Primak (far right) of Campus Breeze

For more on the second- and third-prize winners and the competition: bus.miami.edu/magazine
As budding entrepreneurs, Stepansky and Primak see Campus Breeze as disruptive innovation within the broader education-technology sector, which includes everything from online courses to free access to open-source textbooks. Their goal is to offer students more control. “More than a disruption, this is about a shift in power,” Primak says. “Shifting more information and power to students is what we mean by disruption.”

Looking Ahead

Whether DiBi, MediTick or Campus Breeze eventually become actual start-up companies is unknown for now. The DiBi and MediTick groups are seeking patents for their inventions while they continue their education; Primak and Stepansky are both employed in unrelated fields but have already launched a website for Campus Breeze at CampusBreeze.com. Susy Alvarez-Diaz, director of entrepreneurship programs at the School, believes all three teams can successfully bring their plans to fruition. “The teams brought forward plans ready to go beyond the ideas phase and right into execution,” she says. “It makes sense that the entrepreneurial culture of both the School of Business and the South Florida region would produce such big thinkers.”

Whatever path the winners choose, the experience they gained from the Business Plan Competition has fanned their entrepreneurial flames and their desire to help change the world. “America was populated and built by those willing to take risks to improve their lives and the lives of those around them” Bihn says. “That’s what entrepreneurship is, and that’s what drives American success.”
The benefits of a diverse workforce have long been documented: diversity of thought, better capabilities to connect with a variety of potential customers, access to the best and brightest workers – just to name a few. Recruitment and retention of a diverse workforce is a priority for many U.S. companies, for many reasons. “It’s not just for numbers reasons or because a government agency is making them have a more diverse workforce,” says Carolyn Hicks (BBA ’10, MBA ’14), who, while she was a student last year, worked with other MBA students on a School-sponsored diversity-related consulting project. “It makes the work environment better – you have better, different ideas,” adds Hicks, who is now a senior associate wealth strategist with Northern Trust. ■ The best ideas are particularly important in the knowledge economy, adds Jeff Steiner (BBA ’10), a former talent development director at Morgan Stanley. “If we’re all approaching the problem through the same lens – the lens of our own experience, the lens of our own beliefs – if those are all the same, we’re likely to reach the same conclusions, and we might be blind to better ideas or the right answer.”
Workforce diversity is so important to many companies that they are paying ever-closer attention to it beyond U.S. operations; they are seeking to better understand ways to define diversity in foreign offices and examining the implications of enhanced or modified diversity initiatives abroad. That’s why Citi engaged MBA students in the School’s University of Miami Action Projects (UMAP) course to study the issue and recommend where and how the company might further expand its efforts.

“For Citi, workforce diversity is a business imperative,” says Ana Duarte-McCarthy, Citi managing director and chief diversity officer. “Understanding the nuances of diversity, inclusive of culture, legal and competitive frameworks, enables us to strengthen our strategy.”

A team of six student consultants assessed considerations related to workforce diversity in 10 cities across Asia, Europe and South America. Hicks, Joseph Schaecter, Alexander Somer, Thania Potosme, Jordan Rabinowitz and Stephanie Munaritz analyzed factors including demographic and economic trends, the local talent pool, legal requirements related to hiring, data-gathering restrictions, government initiatives and other companies’ diversity initiatives. Their analysis also took into account the legal and regulatory ecosystem and each city’s cultural context, under the guidance and shaping of faculty advisors Jeffrey Kerr, department chair and associate professor of management, and Gene Anderson, dean of the School of Business.

Their city-by-city findings regarding opportunities and obstacles in expanding diversity efforts can be seen following these pages.

The students found that both local and multinational companies are looking for ways to tackle the issue. “It is an overall movement. There seems to be a consistency in the importance that many of these companies are putting on diversity,” says Potosme (BBA ’12, MBA ’14), who now works for commercial real estate services firm Pointe Group Advisors.

The first two steps to achieving a diverse workforce are to define the diversity within the labor pool (the mix of ethnicities, gender or other factors) and to measure how close a company’s current workforce comes to that ideal. Outside the U.S., those two steps can be as challenging as—or more challenging than—designing and implementing programs to hire, promote and retain diverse employees.

The U.S. already has the advantage of a naturally diverse population, along with generous data-collection laws. “Also, [it’s my perception that] we’re much more open to [the idea of diversity] than other countries,” Hicks explains. Outside the U.S., it can be much more difficult to figure out how to even define a diverse workforce. Restrictions on data collection and use can make it difficult to gather or analyze information about the population of employees or applicants. And the population itself may appear less diverse; for instance, Hong Kong’s non-expatriate population is 94% Han Chinese, and in Warsaw, Poland, the population is nearly 100% white. In cities like those, Hicks says, “it’s very
hard to bring in diversity unless you’re going to bring in expatriates, which is not the point.”

THE CHALLENGES OF DEFINING AND MEASURING DIVERSITY ABROAD:

• Many other countries aren’t as racially or ethnically diverse as the U.S.
• A few countries mandate that certain percentages of a company’s workforce be of a particular nationality or nativity.
• In some countries, lack of education for women means few are prepared for the kinds of positions multinationals need to fill.
• Safety issues in some countries can keep women out of the workforce.
• Some countries have no anti-discrimination laws, or they don’t enforce existing laws.
• There may be significant legal barriers to gathering or sharing data about the demographic makeup of a company’s workforce, or to gathering data about job applicants.

Because of these challenges, most U.S. companies have focused strictly on gender diversification in their foreign offices. It’s easier to measure and set goals for gender diversity, Potosme explains, adding that, “You have a little bit less restriction, also, in the legal framework.”

But most locations offer ways to diversify a workforce beyond gender. Ethnicity is one option, although it may not be possible to use the same ethnic or racial categories commonly used in the U.S. It may make sense to also factor in national origin – or parents’ national origin. For instance, in São Paulo, Brazil, 66% of the population is classified as ethnically “white,” but heavy immigration to that city during the past 15 years means those white residents can also be broken down into native Brazilians and immigrants from Italy, Portugal, Spain and Japan. Another path to diversity is through religion. Although asking about someone’s religion and aiming to hire based on religion is generally not permitted in the U.S., it is normal in some other countries. In India, for example, many workplaces are almost entirely Hindu or entirely Muslim, and changing that would bring new viewpoints into a company.

WAYS TO DEFINE DIVERSITY IN OTHER COUNTRIES:

• Race or ethnicity – but U.S. categories don’t always align
• Gender – often one of the easiest types of diversity to focus on, as the number of women in the workforce is growing in nearly every country
• Religion – in many countries, it’s permitted and more common to consider it
• National origin – mix immigrant residents in with local natives, especially in cities with high immigration

Most importantly, companies that want to successfully ensure a diverse workforce abroad must define diversity differently than they define it in the U.S. “The U.S. can’t always be the baseline,” Steiner says. “The indicators of success can’t all be the same.” It’s also not as simple as taking the blueprint from one international market and applying it to others.

LGBT DIVERSITY

Handling LGBT Diversity Around the World

Everything about handling diversity abroad has to be filtered through local cultural lenses and laws. Companies must pay particular attention to initiatives related to lesbian, gay, bisexual and transgendered (LGBT) employees. For example, in countries where homosexuality or homosexual acts are illegal, companies may be unable to have LGBT support groups or other support initiatives. The same rules may apply in countries where anti-LGBT cultural feelings are especially strong and widespread. In those and other countries, multinationals also often must remove sexual orientation and gender identity or expression from their local diversity and non-discrimination statements.
“You can’t really take one process that you have implemented and use it in another [market] because you have to take into account the culture,” Potosme says.

Ultimately, the students concluded, three key factors influence a company’s opportunity for a diverse workforce in a particular city: that city’s current population, immigration and demographic trends, plus the legal landscape related to employment law, discrimination and the use of personal data. One factor stood out the most, especially for cities that may not be as diverse today, Hicks says: “A lot of it had to do with immigration – where the country is going in the future and how the laws affect that.”

That’s why the UMAP consultants advised that any company considering a diversity initiative outside the U.S. conduct a feasibility analysis first. “You have to see your return in investing so much in implementing a program,” Potosme says. At the same time, the process of deciding where and how to target international workforce diversity efforts can’t be based entirely on black-and-white data. “It’s more like finding hints: societal movements, changes in laws, what other progressive companies are doing,” she explains.

Despite the challenges related to achieving workforce diversity abroad, companies such as Citi and Morgan Stanley are focusing more energy on doing so. Duarte-McCarthy and Steiner both agree that the effort is necessary and worthwhile. As Steiner says: “The business case and the moral case for diversity is the same across borders.”
from employment because of gender, age, color, family status or pregnancy. It also prohibits taking gender, age, color or family status into consideration when establishing compensation or giving opportunities for professional development.

- Labor laws require that at least two-thirds of a company's payroll goes to Brazilian citizens or residents, and that at least two-thirds of employees be Brazilian.
- Laws require that individuals explicitly consent to use of their data. Laws also prohibit transferring the data outside the country unless the recipient country has similar data protections.

MEXICO CITY, MEXICO

Current Demographics | Demographic & Immigration Trends | Legal Landscape
- 60% Mestizo (of mixed Spanish and indigenous ancestry); 30% indigenous; 9% White (mostly Spanish, but also French, German, Italian, Lebanese)
- 82% Roman Catholic
- 11% of residents are foreign-born, mostly from the U.S.
- The City Council formally adopted a statement that the capital is an "intercultural city," along with an integration action plan. It set up an umbrella organization, Consejo para prevenir y eliminar la discriminación de la Ciudad de Mexico (Council to Prevent and Eliminate Discrimination in Mexico City), to promote diversity and non-discrimination in employment.

Legal Considerations:
- Discrimination based on race, nationality, age, religion, handicap, gender or sexual preference is illegal.
- Specific laws prohibit paying an employee less than someone else simply because of gender.
- Widespread corruption makes enforcement of anti-discrimination laws difficult.

KUALA LUMPUR, MALAYSIA

Current Demographics | Demographic & Immigration Trends | Legal Landscape
- 50% Malay; 23% Chinese; 12% Indigenous; 7% Indian
- 6% Muslim, the nation's official religion; 20% Buddhist; 9% Christian; 6% Hindu; 1% other Traditional Chinese religions
- Although Malays dominate population and politics, Chinese control the economy and own the majority of businesses.

Legal Considerations:
- Government affirmative action policies effectively mandate that the majority of positions in many companies go to people of native Malay, Sabah and Sarawak decent (known as "Bumiputras").
- Laws require that 30% of publicly traded firms' board seats be allocated to women by 2016.
- Laws reserve a portion of slots at public universities and other educational institutions for Bumiputras.
- Homosexual acts are illegal.

SHANGHAI, CHINA

Current Demographics | Demographic & Immigration Trends | Legal Landscape
- 92% Han Chinese
- Although initially looks very diverse, much of that diversity comes from expatriates transferred by their companies, not immigrants who have moved to Shanghai.

Legal Considerations:
- New Chinese immigration laws aim to attract foreigners to help the economy grow.
- China has no anti-discrimination laws, but other laws have provisions for equality by gender, religion, nationality, race and ethnicity. These provisions are not well-enforced and contain few actual penalties for discrimination.

MUMBAI, INDIA

Current Demographics | Demographic & Immigration Trends | Legal Landscape
- 67% Hindu; 19% Muslim; 5% Buddhist; 4% Christian; 4% Jain; 0.6% Sikh
- 42% Maharashtrian; 19% Gujarati; 5.5% Caucasians; rest a variety of other Indian ethnicities
- Hindu and Muslim populations remain largely segregated, including in the workforce.

Legal Considerations:
- Laws protect religious minorities, women and LGBT people from discrimination.
The forces for innovation are facing off against slow-moving regulations and entrenched business practices in a battle for the future of the U.S. health care system.

By Richard Westlund
The computer industry’s evolution from mainframes to mini-computers to PCs and laptops provides a model of what may happen in health care. “A highly centralized industry, dominated by experts, gradually decentralized as new entrants introduced disruptive technologies based on different business models,” Hwang said. “In health care, the hospital is our mainframe. The big question is: How do we decentralize health care, make it more accessible and empower patients to do more for themselves?”

There are many “non-consumers of health care” who are ideal targets for innovative companies with disruptive technology and business models, Hwang said, noting that the Walgreens retail clinics provide an example of the decentralization of health care delivery. “You can walk in to a convenient location without an appointment. You can see the prices posted on the wall, and if you need a prescription, you can get it right at the pharmacy. It’s a model that’s centered around the patient.”

While technology will be increasingly important, doctors will always have a role in medicine, Hwang said, citing a 1968 newspaper article about the new mini-computer. “As one physician said at the time said, ‘Any doctor who can be replaced by a machine deserves to be replaced by a machine,’” he said. “Today, doctors should hand off as much as they can to others and focus on the cases that really need their attention.”

In order to do that, patients should be able to get their personal health information, including lab results, and share their health profiles with others. “Health care is a team sport involving family members and caregivers as well as patients. We need to bring everyone into the game in a coordinated manner,” she added.

Wasson also spoke about the high cost of many medications in the U.S., which pays a disproportionate share of pharmaceutical research and development costs. He suggested that improving efficiencies in the pharmaceutical supply chain might help address the cost issue, while other savings could be squeezed out of the health care system by improving patient adherence to prescribed medications. But, he said, “There is no silver bullet.”
alternative payment models. He cited the example of SAMA Healthcare Services, a small family practice in rural Arkansas that is using electronic health records (EHRs) and mobile applications to reach patients more effectively. “We provided $1 million in incentives, and the practice was able to lower costs by $3 million,” he said.

CMS is supporting innovative models in 38 states and plans that alternative payment models will drive about 30% of the market, rising to 50% by year-end 2018, Conway added. That’s a dramatic shift from 0% in 2011.

Conway also cautioned that academic health centers like the University of Miami will look different in the future. The need for research and innovation will be greater than ever, but clinical income may not be available to subsidize academic research in many of the health systems – such as accountable care organizations or population health models – that CMS believes are the future of the industry. “We will have to think about the payment streams to support research,” Conway added.

Jon R. Cohen, Senior Vice President/Chief Medical Officer/Group Executive–Diagnostic Solutions, Quest Diagnostics:

High-deductible insurance plans are disrupting today’s health care market. “More consumers are paying attention to the cost of services now, because they are paying for them,” Cohen said. “But we have to teach patients to be consumers. People now spend far more time researching a new TV than cardiac surgery.” About 44% of patients now have high-deductible plans, and many of them are putting off visits to a doctor or hospital. “People are not getting screened or filling their prescriptions. We need to change that paradigm or they will be worse off than before,” he added.

C. Justin Walter, Managing Director, Global Health Care Group, Bank of America Merrill Lynch:

“Investors have a real appetite for putting dollars to work in this space,” Walter told the audience. “In general, investors are looking at innovative technology that appeals to the providers and payers, such as better tools for population health management.” He added that investors are more concerned about the size of the market and potential revenue growth, rather than whether a company is making money.

There were more than 80 initial public offerings (IPOs) by health care companies in 2014, and the pace may be picking up in 2015. But Walter cautioned that technology solutions that work in other vertical markets might not translate to the health care sector. “You have to follow the money, and see who will be paying the bills,” he said. “Base your business model on the needs of the stakeholders and constituencies, rather than simply on the technology.”
Miami Real Estate: At an Inflection Point

Annual Real Estate Impact Conference, co-hosted by the School, showcases sector’s influence on Miami

By Jennifer LeClaire

Wednesday, February 18, 2015: It was literally standing room only at the University of Miami’s fourth annual Real Estate Impact Conference, co-hosted by the School of Business and the School of Architecture. Hundreds gathered at the JW Marriott Marquis Miami to network with national industry experts and glean perspectives on South Florida’s real estate market. The annual conference, presented in 2015 by Douglas Elliman Real Estate, the Kislak Foundation and The Witkoff Group, brought real estate investors, developers and industry experts from around the U.S. and Miami together on three panels and one keynote. Participants noted that Miami-Dade County is at an inflection point in real estate, calling this “a transformational period” and saying the area is undergoing “another paradigm shift.” Below are excerpts from the conference, and you can read more at bus.miami.edu/re2015, which includes papers and video from each session.
putting 50% down,” he said. “You don’t jump in with both feet when everybody is giddy.”

THE HOSPITALITY INDUSTRY
Increasing numbers of tourists – and therefore higher hotel occupancy and revenues – have made South Florida fertile ground for the launch of new hospitality concepts, Ian Schrager Company Founder and Chairman Ian Schrager told the audience at the conference. Schrager, who developed South Beach’s iconic Delano Hotel, recently opened the first Edition hotel in North America in Miami Beach, in partnership with Marriott International. “I thought it would be a great opportunity to come and reinvent the resort experience again, because I think Miami is undergoing another paradigm shift,” Schrager told Steven Witkoff, chairman of the School’s Real Estate Programs Advisory Board and CEO of The Witkoff Group, who interviewed him onstage. “I thought there was an opportunity to offer something special in a luxury setting,” Schrager added.

Schrager also sees opportunities in South Florida for a different kind of hotel: “I think there’s also an opportunity below the luxury lifestyle boutique space where you can come in at $100 or $75 or less with the same level of service and sophistication with good value,” he said. He is looking to bring his Public Hotel brand, which has that perspective, to Miami. “I like the Biscayne Boulevard corridor, and I like downtown Miami,” he added. “They could have a sophisticated hotel at a good rate and attract people with food and beverage. We have been talking about a couple of locations in Miami, one near the ocean.”

RETAIL DIVERSIFICATION AND GROWTH
The strength of Miami-Dade’s local population and global visitor demographic are bolstering the growth of retail in the county. “Miami is now the third-biggest market after New York and L.A. for luxury retail,” said David Forbes, a partner at Southfield, Michigan, and Palm Beach Gardens-based Forbes Company, an owner and developer of iconic regional shopping centers and co-developer of the
under-development Mall at Miami Worldcenter, during a session on the retail landscape.

Erich Melsheimer, senior director of real estate at The Gap Inc., took it a step further, asserting that Los Angeles and Miami are competing for the No. 2 retail trade market after New York. “The demand is so high for retail in Miami right now with all the international travelers, all the international business, all the incredible places to stay and the art and entertainment,” he said. “It’s the hottest spot in the country today for luxury.”

It’s not just Miami Beach retail that’s hot, either. Two new developments near downtown Miami – Miami Worldcenter and Brickell City Centre – will have large retail components. Forbes believes that “there is enough room for all these projects not just to open, but to be successful.” But others have doubts about whether sales will be able to support rents that have doubled over the past six years. Michael Comras, president and CEO of Miami Beach-based Comras Company, noted that recent sales prices of $300 per square foot for land and $600 per square foot for buildings mean high rents. “I’m not sure the rents-to-sales will come out of that location yet,” said Comras, who is a member of the School’s Real Estate Programs Advisory Board.

PUBLIC SPACE IN MIAMI-DADE – AN UNEXPLOITED DEVELOPMENT CATALYST?
A group of experts at the conference explored the potential for linear park initiatives in South Florida to have a transformative impact on the metropolitan area. One proposed project they focused on is the Underline, which would develop 10 miles of bicycle and walking paths under the Metrorail line, forming a linear park. The space, which runs from Dadeland to Brickell Station, is currently not in use. “We want to find ways to take these leftover lands and give them back to the public in meaningful ways,” said Meg Daly, founder of Friends of the Underline, a group lobbying for the project. She pointed to an elevated linear park in Manhattan called High Line, which runs along the site of an unused railway spur and has driven investors to an abandoned area, as an example of a similar project that has increased property values in its vicinity.

Florida East Coast Industries, which is developing the All Aboard Florida Orlando to Miami railroad and operates a railway on its track from Miami to Jacksonville, has proposed another public linear park along an abandoned rail line it owns. The park, which would be called Ludlam Trail, would run 6.2 miles between Miami International Airport and SW 72nd Street in Miami-Dade and would combine commercial and residential uses, FECI President and CEO Vincent Signorello explained. The company plans 1,200 apartments, single-family homes and commercial units, plus a bike and pedestrian trail. Signorello expects activity in the parks to draw people to the area. “We will create green space and set in place a mechanism that is funded forever to take care of it,” he said.
All In

The Bermont/Carlin Scholars Program prepares School students for jobs in the investment industry with training, connections, a trip to New York and more.

By Richard Westlund (MBA '83)

Through a gift of money, time and advice, two financial-industry leaders have helped dozens of School of Business students start successful careers in the investment industry. Adam E. Carlin (MBA '94) and Richard B. Bermont, senior partners of The Bermont/Carlin Group at Morgan Stanley in Coral Gables, fund a multi-semester program that prepares students to work in the industry and make connections. The Bermont/Carlin Scholars Program has students engage in self-directed readings, in-depth research reports, oral and written presentation skills training, consultations with industry leaders, coaching sessions with more advanced students, lecture and discussion series and a trip to New York City.

Valerie Jefferies (BBA '11) is one of many alumni who credit the Bermont/Carlin Scholars Program with helping launch a financial career. “The program more than prepared me for a full-time career opportunity,” says Jefferies, a senior analyst at Goldman Sachs. “It also helped me improve my presentation skills, acquire proper business etiquette and network with business professionals—all things that I still leverage in my career today.”

Andrea Heuson, a professor of finance at the School, initiated the New York trip six years ago and oversees the program with Brian Barrett, an associate professor of finance. “Today, there are close to 100 Bermont/Carlin alumni in New York, including our ‘adopted’ gradu-
ates working in the financial sector,” Heuson says.

The large number of School of Business alumni working on Wall Street is a point of pride for both Carlin and Bermont. “We are proud that our program has helped so many University of Miami graduates obtain rewarding positions with top companies in New York,” says Bermont, an honorary ‘Cane, former president of the University of Miami Citizen’s Board and advisor to the School’s Student-Managed Investment Fund. Carlin, who attributes the program’s success in large part to the quality of students who are accepted to it, says, “Our role is to help them get in front of the decision-makers and populate Wall Street with UM students who will be the future leaders of leading financial organizations.”

The program’s success also owes much to how comprehensive it is. It begins in April, when sophomores apply online and are accepted based on a combination of academic performance, presentations, writing, experience and personal characteristics. Those who are accepted receive a summer assignment to learn about a New York firm that has hired University alumni. The following fall semester includes training in finance concepts and networking skills. Then, the fall New York trip incorporates visits to investment and commercial banks, non-financial corporations and the New York Stock Exchange – including meetings with the companies’ college recruiters and ‘Canes alumni.

After their return to campus, the Bermont/Carlin Scholars apply for summer internships, serve as mentors to the next group of Bermont/Carlin Scholars and become leaders in finance- and business-oriented student groups, Heuson says. The networking, lectures and special roundtables continue.

SUCCESS BY THE METRICS

By the middle of the spring 2015 semester, 12 of the 16 Bermont/Carlin Scholars who visited Wall Street last fall had been placed in summer internships with JP Morgan Chase, RBC, UBS and other leading firms. “They are in investment banking, asset management, sales and trading, and real estate,” adds Heuson.

The career preparation process is one that alumnus Ryan Serwin (BSBA ’12), now a North American custody analyst at Citi, went through four years ago, including a summer internship at Citi and joining Citi’s analyst rotational program. “The Bermont/Carlin Scholars Program was one of the reasons I chose the University of Miami,” he says.

Serwin says his Wall Street trip provided a real-world picture of living and working in New York. “Having the opportunity at one firm to sit in on a 7:00 a.m. research call and see in-person what was driving the market that day was an eye-opening experience,” he explains. “There was not a moment where you could afford to be ‘off’ during the trip, which is the reality of working in New York today. Also, the meetings at the variety of firms educated me about the unique career paths in the finance industry.”

CitiBank, which sponsors an annual breakfast for the Bermont/Carlin Scholars, has recruited more than 50 University of Miami alumni over the past four years, including financial analysts Serwin and Michael Gotterer (BSBA ’12). “I believe the Bermont/Carlin Scholars Program is an incredible opportunity for anybody interested in the financial-services industry,” Gotterer says. “When all of the ‘Citi Canes’ come together for the student breakfast, you can clearly see the power of our network and the benefits of this program.”

That’s exactly what Bermont and Carlin hope people can see. “Richard and I want to help the best and the brightest UM students get off to a great start in their careers,” Carlin says. “And [we] feel privileged that we can make a positive impact on their lives.”

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The University of Miami
School of Business Administration
**2015 Real Estate Impact Conference**

**FEBRUARY 18, 2015 - JW MARRIOTT MARQUIS MIAMI**

More than 450 people gathered to network and hear national industry experts’ perspectives on the South Florida real estate market at the annual conference, which was presented by Douglas Elliman Real Estate, the Kislak Foundation and The Witkoff Group. The School’s Real Estate Programs Advisory Board helped organize the conference, which was put on by the Schools of Business and Architecture.

Mark Rose, chairman and CEO of Avison Young and a member of the School’s Real Estate Programs Advisory Board, with students Samuel Noddle and Kami Djamal, who were Swire Scholars. Real Estate Programs Advisory Board member Howard Lorber, president and CEO of Vector Group and chairman of Douglas Elliman, with then-University of Miami President Donna E. Shalala and keynote speaker Richard LeFrak, CEO of LeFrak Organization. David Luski, president and CEO of DRA Advisors and a member of the Real Estate Programs Advisory Board, with Andrea Hessson, a professor of finance and head of the School’s real estate programs. Student Zach Witkoff; Real Estate Programs Advisory Board Chair Steven Witkoff, chairman and CEO of The Witkoff Group; Advisory Board member Sheldon J. Lowe of Lowe Realty; Advisory Board member Aaron Greeno, vice president of Morgan Stanley Real Estate Investing; and Brian Bilzin, founding partner of Bilzin Sumberg, one of the conference’s sponsors.

**2015 Health Care Conference**

**MARCH 23, 2015 – BANKUNITED CENTER, UNIVERSITY OF MIAMI**

More than 750 people attended The Business of Health Care: Disruptive Technology, Access and Efficiency conference. The School’s Center for Health Sector Management & Policy puts on the annual conference, which was presented by Florida Blue this year.

Health Sector Management and Policy Advisory Board member Dan Greenleaf (MBA ’97), president and CEO of Home Solutions, with Vicky Castro, the School’s senior director of development. School of Business Dean Gene Anderson with Health Sector Management and Policy Advisory Board member Charles Alston, SVP and market executive for sponsor Bank of America Merrill Lynch. Then-University of Miami President Donna E. Shalala with Florent Monssoh, founder and CEO of sponsor Activ Doctors Online. Steven Ullmann (second from left), director of the Center for Health Sector Management and Policy, with Dieter Schon and Health Sector Management and Policy Advisory Board member Susanne Nolte-Schon, both from sponsor Schön Klinik SE, as well as Christopher Schon (MBA ’12, BBA ’10). Dania Martir (MBA ’13), Latin American marketing manager at conference sponsor Boston Scientific, with David Zambrana, a member of the School’s Health Sector Management and Policy Advisory Board and CEO of sponsor University of Miami Hospital.
Alumni Event Highlights

FEB. 5 IN FORT LAUDERDALE AT TAP42:
1. Gilda Salas and Chuck Salas (BBA ’63).
2. (left-right) Lloyd Straits (BBA ’65), Glen Tibaldeo (BBA ’93) and Ruth Straits.
3. (left-right) Mike Kostoff (MBA ’09), Drew Freeman (BBA ’80), Nancy Hullihen (the School’s executive director for alumni relations and development), School of Business Dean Gene Anderson and Wayne Anderson (MBA ’08).
4. (left-right) John Entenber (BBA ’78) and Michael Anton (MBA ’72).

MARCH 17 AT THE CHICAGO HILTON:
5. Brian Bender (BS ’95).

MARCH 18 IN CHICAGO AT LUXBAR:
6. Vickie Horn (BS ’82).
7. (left-right) Rene Hermes (BBA ’08), Dante Roldan (BBA ’07) and Jack Weiner (BBA ’72, MS ’73).

MARCH 19 IN NEW YORK AT DRAUGHT 55:
8. (left-right) Judith Brown (left), George Breece (MBA ’89) and Harvey Hafter (BBA ’50).
9. (left-right) Sasha Davidson (BS ’99), Rick Garcia (BSN ’95), Marco O’Toole (BBA ’03) and Nancy Hullihen, the School’s executive director for alumni relations and development.
Around the School

APRIL 21 MENTOR APPRECIATION DINNER: Mentor Rick Tonkinson (MBA ’84, MPA ’85), founder and president of Tonkinson Financial and the evening’s speaker, with mentor Alida Velez (MBA ’07), marketing manager for UPS.

APRIL 24 SCHOLARSHIP LUNCHEON: Scholarship donor Arthur Hertz (BBA ’55), a University of Miami trustee, with School of Business Dean Gene Anderson.

NOVEMBER 17, 2014, COBB LEADERSHIP LECTURE: Ret. Admiral James G. Stavridis, the former Supreme Allied Commander at NATO, gave a speech and signed books.

MAY 15 LATIN AMERICAN FAMILY BUSINESS CERTIFICATE PROGRAM: Juan de Dios Sanchez-Roselly, Banco Santander International’s head of investments, spoke to participants.

SPRING 2015 COMMENCEMENT: On May 7 and 8, more than 1,100 students celebrated their graduation from the School of Business during a week of activities that included commencement ceremonies, awards for both students and faculty, as well as receptions for students, family, friends, faculty and staff.
Forty-nine years after graduating from the School of Business with a degree in accounting, Octavio F. Verdeja still marvels at the path he traveled when he left Cuba for Miami with $1,000 in his pocket in 1960. Just 22, Verdeja already had two children and a wife to support, so he worked by day – first in a grocery store and then in construction – and attended school at night. “It’s amazing where the forks in the road take you,” he says. “I was a foreman in a concrete plant and my hands swelled from the heat – it was horrible. The man who hired me said, ‘You are not meant to be here. I’m going to get you a job in the accounting department.’ That’s when I started thinking about going to UM at night.”

The decision proved prescient, setting Verdeja on a course that led to an accounting degree, a position at Ernst & Young and, ultimately, partnering with a friend to start a CPA firm that endures to this day: Verdeja & De Armas. Meanwhile, the Verdeja family’s affinity with the University of Miami has lasted as well. All four of Verdeja’s children – Octavio A. Verdeja (BBA ’79), Juan-Carlos Verdeja (BS ’80, MD ’84), Maria Verdeja Kasner (BSED ’86) and Mike Verdeja (BBA ’89, MBA ’90) – as well as a growing number of third-generation Verdajes, are University of Miami grads.

Octavio A. Verdeja’s involvement with the University began before he started his studies at the School and continues today. “UM was literally around the corner from my house growing up,” he says. “I went to the campus as a teen, attended school there and now I take my grandchildren there.” Octavio A. was also involved in the inception of the University’s Cuban Collection and has been a member of the Citizen’s Board for 25 years. His son Javier (MSTX, ’14) graduated from the School last spring and recently joined Ernst & Young, the same firm where his father began his accounting career and where his grandfather also worked (it was known then as Ernst & Ernst). “To be able to study the same field, at the same school, and then begin my career at the same firm as my father and grandfather is something I think we are all proud of,” Javier says.

Reflecting on his son’s graduation last spring, Octavio A. notes that just as his career in accounting differed from his father’s, his son’s path will likely differ from his own. “My father’s circle was made up of entrepreneurs – business owners who needed accounting,” explains Verdeja, who is now the managing partner of the CPA firm that his father founded. “I knew that I wanted to do something else in accounting, not auditing just corporations. I found my path in the world of not-for-profits and private schools, which has now become a niche for the firm.” Fortunately, his father was supportive of this shift in business. “I can truthfully say that in 35 years of working together, we have never raised our voices at one another,” Octavio A. says. “Whenever we had a business issue, we knew it would be resolved in the pool on Saturday.”

Having that kind of close-knit family (the Verdajes – all 138 of them – gather together four times a year) is precisely why the family patriarch did his best to ensure that all of his children attended school in Miami, preferably at the University of Miami. “I brainwashed them all,” he says unabashedly. “I went to UM, and I thank God every day for the life I have. I wanted all my children to go to school in Miami so they would stay in Miami – and it worked. Now I have 17 grandchildren living here.”
ALUMNI NEWS

1950s
ALVIN L. BROWN (BBA '57) will serve on the board of Gold Coast Tiger Bay Club. CARL SCHUSTER (BBA '59, JD '63) works with the Greenspoon Marder law firm and was recognized on the list of “Best Lawyers in America.” ABBOTT WAINWRIGHT (AB '57, MBA '68) recently published a book called “How to Solve Crosswords: A Handbook.”

1960
HOWARD J. RUBIN (BBA '62) is the new vice president of Rossignol Essentials.

1970
HARRY G. TANGALAKIS (MBA '77) is a 32-year veteran of CBRE Florida and one of the top industrial brokers in South Florida. ALEXANDRA VILLOCH (AB '77, MBA '78) was named president and publisher at Miami Herald Media Co. TED R. WOZNIAK (BBA '79) was recently elected treasurer of the American Translators Association.

1980
SPENCER M. ARONFELD (BBA '88, JD '91) was a guest speaker and the moderator at the American Association for Justice's Winter Convention. TERE BLANCA (BBA '81, MBA '83) was elected to the board of BankUnited Inc. WILLIAM DAVID BUNCE (BBA '81, MBA '84) has been appointed central and southern region head for Bessemer Trust. MICHAEL T. FIORE (BBA '88) will be inducted into the 2014 College Baseball Hall of Fame. JOSEPH R. GOMEZ (BBA '84, JD '87, LLMT '01) was named a 2014 Top Lawyer by the South Florida Legal Guide. DAVID LANDSBERG (MBA '87) stepped down as president and publisher of Miami Herald Media Co. to become president and CEO of Goodwill Industries of South Florida.

Design Master
HALLEY PROFITA, BSBA '08, PHD CANDIDATE, UNIVERSITY OF COLORADO BOULDER, BOULDER, COLO. BY KIRA LEWIS

Halley Profita isn’t a fashion designer. But her “Flutter” dress is a masterpiece of design. Equipped with microphones sewn into the fabric, Flutter measures the frequencies and amplitude of incoming noise, determines where the loudest noises are coming from and activates small motorized winglets, which flutter in the direction of the loudest noises. Flutter was developed as a smart-garment concept to help individuals with hearing impairments localize noises in the environment to avoid potentially hazardous situations.

It earned first place “Best in Show” and “Most Inclusive and Usable Design” honors at the 2012 International Symposium on Wearable Computers (ISWC) Design Exhibition, as well as DARPA funding to develop and test the core technology more extensively. Profita, who has been a PhD student in the computer science program at the University of Colorado Boulder since 2011, came up with the idea for Flutter and created the dress with another student in the program. She was pursuing an interest in design interwoven with human/computer interaction, which she says was sparked at the School of Business while she was earning her BSBA in management science. “I took core courses in both business and engineering, where I learned to problem-solve in a more creative and human-centric sense,” she says.

At the University of Colorado, she continues to mix business and engineering. She describes herself as a “weird hybrid student bringing design to computer science.” Microsoft Research hired her for two summers as an intern; her projects there included work on an expressive, emotive, interactive water cooler (Sir Walter Cooler) and a series of portable light-emitting wearables that treat seasonal affective disorder.

Earlier in her career, while in Georgia Tech’s master’s program in industrial design, Profita created a winter glove with an embedded Bluetooth speaker and microphone. “I also have two provisional patents on work I’ve done while at the University of Colorado,” Profita adds. “Both look at leveraging e-textiles (electronic textiles) to create novel interface designs sewn into clothing.”

One is a wearable communication board for children with autism, and the second is an input device that can be sewn into clothing and operate a mobile phone.

In September, Profita will head to Osaka, Japan, to co-chair this year’s ISWC Design Exhibition. Post-PhD, she’s not sure whether she’ll continue in academia or industry research. “Some tech companies leverage your background in research to enhance discussions with product teams,” she says. “This is exciting in that it has the potential to have real-world implications. I enjoy trying to develop products in a new way, which can drastically improve a person’s quality of life. We can now solve problems for people that were previously unattainable.”
Managing a Life-Changing Turnaround

JOSEPH FERREIRA, BS ’97, MBA ’10, CEO, NEVADA DONOR NETWORK, LAS VEGAS

BY KIRA LEWIS

Joseph Ferreira’s career path changed forever when he witnessed an organ retrieval by a team of University of Miami organ donation specialists. He was working as an orderly with plans to attend medical school. Fascinated, he immediately began researching organ donation. “I was so inspired by the mission and the advances being made in transplants,” he says. “I never looked back.”

Ferreira pursued his new passion by going to work for the University’s Life Alliance Organ Recovery Agency. During his 14 years there (seven as director of clinical operations and donor family services), he earned an MBA from the School of Business.

In 2012, Ferreira was offered the opportunity to take over as president and CEO of the Nevada Donor Network, which was on the verge of shutting down. “Although it was a risk, I felt it was the best time in my career to take on this challenge,” Ferreira says.

Because of regulatory issues and underperformance, the organization had just been declared a member not in good standing by the United Network for Organ Sharing (UNOS). Ferreira needed both his management education and background in organ donation to turn around the organization.

He had already served on two UNOS committees, but “my training and education at University of Miami really prepared me and gave me the tools to be successful,” he explains.

Immediately upon taking over Nevada Donor Network, Ferreira set out to transform the organization’s culture through leadership changes and by establishing new core values focusing on accountability, quality and excellence. The results followed quickly. Within three years, Nevada Donor Network had regained its accreditation and went from being the lowest-performing organ procurement organization in the country to the most productive. “We lead in the number of organ donors per million in population,” Ferreira says. “This is something that could lead to changes across the country and impact the national landscape of organ donation.”

The mission of organ donation keeps Ferreira passionate about his work. “It’s about giving some measure of solace to those who have lost a loved one in tragic circumstances, and, at the same time, being able to see the reward of the individual who receives the organ or tissue donation going on to have a normal, healthy life,” he says.
ALUMNI NEWS

BERNARDO E. NAVARRO (BBA ‘95) was appointed to the Miami-Dade College District board of trustees by Florida Gov. Rick Scott.
PABLO S. QUESADA (BBA ‘93), a partner with SMGQ Law, was named a 2014 Top Lawyer by South Florida Legal Guide.
FRANK SANCHO (MBA ’95) was promoted to worldwide director of cloud and data-center ecosystem for Hewlett-Packard’s technology services business unit.
CARLOS E. SEGRERA (BBA ’98), president and CEO of Segrera Associates, received the YMCA of Greater Miami’s inaugural Rubin-Segrera Award.

2000
RYAN D. BAILINE (JD ’02, MBA ’03) is a shareholder in the Miami law firm of Greenberg Traurig.
JAVIER A. BLANCO (BBA ’02) was accepted to the 2013-2014 class of Leadership Miami, a program sponsored by the Greater Miami Chamber of Commerce.
CAROLYN CAUCEGLIA (MBA ’03) is Amadeus’ vice president of strategic sales and account management for North America. She won the Bronze Award in the Business Services Award category in the 2013 Stevie Awards For Women in Business.
PEDRO FABREGAS (MSPM ’08) was named president and CEO of Envoy (formerly American Eagle Airlines), which is part of American Airlines Group. He is a member of the School’s Board of Overseers.
MATTHEW L. FRIEDMANN (BBA ’09), KRISTOPHER A. KIMBALL (BBA ’09) and JASON A. SPIEGEL (BBA ’09) founded BeeFree Media. The full-service media and creative agency also owns 20 battery-powered, advertising-supported vehicles that offer free rides around South Florida cities and samples of clients’ products.
ELIZABETH A. GARCIA (AB ’04, MBA ’11) founded Discovery Day Academy, an early-learning school. There are currently three in Florida.
JOSE A. HERNANDEZ-SOLAUN (MBA ’05) was hired by The Easton Group as its new president.

No Flight Risk

HOLGER PAULMANN, MBA ’03
CEO, SKY AIRLINE, SANTIAGO, CHILE
BY DOREEN HEMLOCK

Holger Paulmann is CEO of Chile’s second-largest airline, Sky Airline, a low-cost carrier that grossed about $330 million in 2014 and plans to reach nearly $1 billion in revenue by 2020. He never aimed to work in aviation, though. When Paulmann’s father branched out from the family’s longtime business in food distribution and real estate to start Sky Airline in 2001, Paulmann balked. He saw airlines as “high risk, low return.” He took off to Miami to earn his MBA at the School of Business. But his father, Jurgen, was a persistent entrepreneur, asking Paulmann to help even from Florida, by buying parts for jets. By 2007, when Paulmann had promised his wife that they’d return to Chile, there seemed little option but to join the family’s airline in a management role—first as an chief operating officer, then as chief executive officer, and since Sept. 2014, as chief executive.

What’s your view of the airline industry now?
I still believe the airline industry is high risk, low return. So many airlines are run by governments, unions and people not really that committed. Plus, there are lots of external factors you can’t control—like currency exchange rates. As long as you have strong leadership focused on delivering great value to customers efficiently and a resilient company culture, you can have a high degree of success.

What are your plans for Sky Airline?
We’re a hybrid option, taking the best from low-cost and legacy airlines. We emphasize safety and efficiency and focus on the customer experience. We’re kind of like JetBlue or easyJet, not ultra-low-cost like Spirit Airlines. We have 16 jets in the Airbus320 family, nearly 2,200 employees and carried 2.8 million passengers last year. We’ve been growing by double-digits annually. By 2020, we plan to have 28 jets, 3,500 employees and carry 8 million passengers: 6 million domestic and 2 million international. We want to increase utilization and bring up load factors.

How does being a family business influence the airline?
As an owner with my siblings, we’re on the board. We’ve got one external board member and will add another. But everything else is run like a professional business. There’s obviously more heart in the business. This is part of my family now. We feel the whole company is a family.

What lessons from the School of Business do you apply daily?
I improved my English (laughs). The variety of cultures you find in Miami helps you build teams with different backgrounds. My COO, who just joined, is Irish. And you get a more international view—to try to look for best practices and bring them back.
CAMERON HORWITZ (BBA '07), managing director and head of Houston-based U.S. Capital Advisor's E&P coverage, was named a Forbes “30 Under 30” and an Institutional Investor “All-America Rising Star of Wall Street Research.”

AITOR IBBARRECHE (MS '08, MBA '09) became the head of Panama Ports Company, a subsidiary of Hutchinson Wampo, which runs Panama's leading port.

SARAH JARVIS (MBA '06, JD '06) is an assistant vice president for compliance with Pacific Life, overseeing the life insurance division's market conduct program.

JAMES A. JONES (BBA '03), a Cleveland Cavaliers (and former Miami Heat) forward, Academic All-American and former Hurricanes basketball great, was inducted into the University of Miami Sports Hall of Fame.

ROLAND KLOBER (MSPM '08, MBA '09) became senior manager, poultry and notifiable diseases at Thermo Fisher Scientific.

ESTHER M. SANTOS (MBA '01) is the chief operating officer for Noribachi, an LED lighting company.

STEPHANIE E. SCHEINMAN (BBA '01, MBA '03) is business development manager for Airelle Skincare.

BRIAN M. WEISE (BBA '08) and other members of the R.E.L.I.E.F. Foundation assisted in clean-up and rebuilding efforts in Boulder, Colo., after recent floods. The R.E.L.I.E.F. Foundation was started at the University of Miami after Hurricane Katrina.

2010s

NICOLE J. CHESSIN (BBA '13) competed in the 2014 Miss New Jersey USA competition.

WALTER FRANCO (MBA '13) is a financial associate with boutique investment bank Gottbetter Capital Markets.

JAIDEEP SUNDARAM (MBA '12) is product manager at HCL Technologies in Banglore, India.

INGRID VASILIU-FELTES (MBA '11) joined the UHealth Patient Safety and Quality Office as chief patient safety and quality officer.

IN MEMORIAM

LAWRENCE C. PHILLIPS, PROFESSOR EMERITUS, passed away on January 20. During his 26 years at the University, he was chair of the School’s Department of Accounting and interim dean of the School. He was the husband of faculty member Kay Tatum. The Lawrence C. Phillips Memorial Scholarship in Taxation, created to memorialize his life and contributions, will assist Master of Science in Taxation students with tuition and expenses.

JOHN F. ABBOTT (BBA '73) passed away in October at his home.

MARTIN J. NASH (BBA '58, JD '61) has been memorialized by family and friends through the Martin J. Nash Memorial Scholarship Fund at the University of Miami School of Law.

ROBERT PAPEIKA (BSSA '76) passed away in May at his home in Fort Lauderdale. He was predeceased in 2002 by his wife Andrea (Glass) Papeika, whom he met at Eaton Hall while a student at University of Miami. He is survived by his children, Rachel Papeika (BSBE '05, JD '08, MS '09) and Jonathan Papeika (UMGA '12), and his sisters, Phyllis Milmore and Sandra Papeika.

UPCOMING EVENTS

2015

NOVEMBER

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Throughout his 40-plus-year career, Retired U.S. Army Lieutenant General Frederick E. Vollrath (BBA ’62) has made a deliberate effort to learn about leadership. He has been a three-star general, head of global human resources for Computer Sciences Corporation and assistant secretary of defense for readiness and force management for the U.S. Department of Defense. Several years ago, the U.S. Army Europe established the “Lieutenant General Frederick E. Vollrath Human Resources Award for Excellence,” which each year recognizes an outstanding Army individual in Europe.
WHEN I WAS A STUDENT at the School of Business, I had pretty clear plans for the future: I was going to work in human resources in the corporate world. And that’s what I did – but it took a little longer than I expected.

Back then, the draft for military service was still in effect, which meant that once you completed college, you went into the military. So I joined ROTC, partly to ensure that I would go into the service as an officer, and partly because it paid a stipend and I was working my way through college. After graduation, I worked for Eastern Airlines, but I was soon called up into the U.S. Army for two years’ duty. Eastern Airlines told me that they would have an HR position for me when I got out, so I saw the military as just a brief detour on my career path.

The Army made me a second lieutenant and put me to work in the HR arena, which was certainly good from my point of view. I went to Germany and was eventually assigned to the Army’s European headquarters in Heidelberg. That turned out to be a pivotal assignment. I worked with senior officers and acquired very helpful mentors, each of which was a rare opportunity for a new second lieutenant. And it gave me a chance to learn a great deal about how to lead from proven senior leaders.

When my two years were up, I decided to sign on for one additional year because it would give my wife and me a chance to see more of Europe. At the end of that year, I was ready to muster out, but the Army had different plans. The Vietnam War was gearing up, and leaving the service was not an option. I was sent back to the U.S. for awhile, and then on to Vietnam, where I assigned personnel into and out of the war zone.

It was always my plan to get out of the Army, but that plan kept getting put on hold as various opportunities and promotions made staying in the service a good choice. By 1996, I was a three-star general and a senior leader.

“IF YOU CANNOT EXPLAIN [YOUR VIEW OF LEADERSHIP], YOU’RE NOT REALLY LEADING EFFECTIVELY.”

Learning to Grow Leaders
As I pursued this military career path, I realized that I was not only getting promotions, I was also getting an education in leadership. In the military, there is a bedrock understanding that you have to create and grow leaders. “Natural-born leaders” are actually pretty rare. So the military emphasizes not only skill training, but also leadership training. I realized that I needed to think consciously and critically about the practical aspects of leadership.

Over time, it became clear that I needed to write down my own leadership philosophy: the things I value, how I operate, what I expect from those working for me. I started doing that in Vietnam, and I continued as my career progressed. I asked the leaders working for me to do the same and to write down their own philosophies. I told them that I didn’t really care whether their approach was the same as mine. The important thing was to be able to articulate their own view of leadership. I said, “If you cannot explain it, you’re not really leading effectively.” Just as important, this practice lets your people understand what makes you tick – they don’t waste time guessing what the boss is thinking or where the organization is going. That helps make everybody more efficient.

Another key element in practical leadership is that “leaders never stop learning.” As a leader, you never know it all. You will always have something to learn, regardless of how high in the organization you are. And a critical part of learning is keeping an open mind in order to accommodate change. That becomes more important as you reach more senior levels, but it can also become more difficult as you move away from the front lines of the organization. So you have to make a conscious effort to keep learning.

The importance of continued learning was especially clear to me when I finally left the Army in 1998 and joined Computer Sciences Corporation as corporate vice president of human resources. There, I had to learn how to manage a global workforce of 90,000 people spread across cultures, languages and jurisdictions with widely varying labor laws. It was, at last, the fulfillment of my dream to work in corporate America – 35 years behind schedule, but very rewarding nonetheless.

I finally retired after seven years at CSG – or at least I thought I did. In 2012, I found myself working for President Obama’s administration as assistant secretary of defense for readiness and force management. Here again, there was a lot to learn. My job involved establishing a new organization to guide readiness efforts across the Department of Defense. This organization also handled all HR management for the department’s civilian and military personnel, which included the operation of school systems and commissaries used by military personnel – in all, about 3.5 million people.

That was a significant challenge, as were so many assignments throughout my career. But that points to another leadership principle that I keep in mind. I would contend that meeting those challenges can be fun – that leadership should be fun. That is not always easy and there are certainly risks in being a leader, but a good leader should ultimately find his or her job rewarding and satisfying. So if you’re having fun as a leader, it’s a sign that you’re doing things right.

As told to Peter Haapaniemi
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