A Blueprint for Growth: From changing the company mindset to effective strategic planning

Supporting Innovation IN ACTION
Chocolates, Trackable Clothing and More

Students Take the Tiger BY THE TAIL IN CHINA
THE MOMENTUM2 CAMPAIGN
UNIVERSITY OF MIAMI
SCHOOL OF BUSINESS ADMINISTRATION


YOUR GENEROUS SUPPORT WILL HELP THE SCHOOL:

- Expand international learning opportunities
- Provide experiential learning programs
- Build distinctive programs in areas of excellence
- Fund chaired and visiting professorships
- Develop new facilities
- Support exceptional students at all levels

FOR MORE INFORMATION and to give to THE MOMENTUM2 CAMPAIGN for the School of Business, visit bus.miami.edu/momentum2
22 A Blueprint for Growth
Successful growth requires a strong foundation, a change in mindset and careful strategic planning.

28 Supporting Innovation in Action
Students and alumni at the 2014 UM Business Plan Competition.

33 Health Care: Bending the Cost Curve
Industry innovators and thought leaders examine the costs of care at the School’s annual health care impact conference.

39 From Argentina to Wall Street
How scholarships helped three brothers pursue their financial industry dreams.

41 The Power to Change a City
New ways of thinking, financing and more at the School’s Real Estate Impact Conference.
The school of business is making great progress toward its vision of becoming the next great business school of the Americas. To do so, we’re reinventing business education to be more global, more entrepreneurial and more relevant.

We are globalizing the curriculum through new international immersion courses that provide students with the opportunity to learn firsthand about doing business in India, China and Brazil. We are creating a new major in global business, combining mastery of business fundamentals with deep regional and language studies. We are starting the School’s first new degree programs in two decades, including a new Master of Science in International Business. And we are launching a new program for high-potential international executives, The Miami Executive MBA for the Americas.

We also are expanding experiential learning opportunities to help students hit the ground running in today’s complex, fast-paced, interconnected global economy. Student Managed Investment Fund members manage a real stock portfolio. Entrepreneurial Consulting students learn how to create and grow new businesses. University of Miami Action Project (UMAP) teams work with business and community organizations to address real challenges. Business Plan Competition participants test their ideas for new businesses and compete for valuable seed money.

All these initiatives are helping the School receive worldwide recognition. The Executive MBA program now ranks No. 21 among all U.S. Executive MBA programs, according to The Economist magazine. And the School was just ranked as the No. 1 U.S. executive education provider for Latin America by America Economia.

Our community’s achievements and innovations are possible thanks to the generous support of alumni, partners, parents and business leaders from around the world. Your gifts of time, talent and support are essential to advancing our position as a leader in global business education and research — expanding experiential learning opportunities at home and abroad, providing support for exceptional students and attracting outstanding faculty from around the world to the School.

I invite and encourage you to renew your commitment to the School, in recognition of the impact your education here had on you, and in anticipation of the impact your support will have on tomorrow’s business leaders and builders.

— Gene Anderson
genea@miami.edu

Mission Statement: To develop innovative ideas and principled leaders that transform global business and society.
Turning Mentoring Upside Down
STUDENTS MENTOR CITI LATIN AMERICA EXECUTIVES ON TECHNOLOGY, MILLENNIAL THINKING AND MORE BY JENNIFER LECLAIRE

Gabriel Perez (BBA ’11) knows plenty about how millennials see the banking industry — and now so does Citi executive Montserrat Garrido, thanks to an innovative “reverse mentoring” program the School of Business forged with the financial services giant last fall.

Perez, a first-year MBA student at the School, and Garrido, Citi’s Latin American TTS marketing head, were among the first to participate in the program, in which School students serve as mentors to senior Citi executives. During the course of six months, 15 undergraduate and graduate students shared their perspectives on social media and digital technologies as they helped Citi executives forge long-term strategies.

“Reverse mentoring is a brilliant concept. It allows you to get together with people from a different age group that don’t have any reporting relationship with you,” Garrido says. “Millennials are joining our workforce and becoming our clients. This experience was refreshing.” Perez and other students helped Citi executives with projects, including mobile payment and mobile wallet trends; communicating with millennial customers; the social media relationship between consumers and the banking industry and its impact on Citi; the value proposition for prospective Citi millennial employees; and the firm’s digital retail business.

Students worked with executive mentees both face-to-face and virtually.

Garrido had three goals for her participation in the reverse mentoring program: to learn more about social media, to understand the motivations and aspiration of millennials and to glean how this demographic perceives careers in the banking industry. She says she accomplished all three goals with Perez’s mentoring.

For his part, Perez says, “I learned a lot about how an executive works on a day-to-day basis and how Citi works.” He is now doing an internship with Citi in New York. Other students agreed. Zachary Bernheimer (BBA ’14), who participated as a senior undergraduate, says, “The reverse mentoring program was an invaluable experience for me. … I can definitely say that my organizational and communication skills improved because of the program.”

Beyond the reverse mentoring program, which has received national attention, the School of Business and Citi are involved in several initiatives, in large part led by Bill Fisse (BBA ’75, MBA ’76), senior human resources officer for

continued on page 19
Preventing the Preventable
BY IMPLEMENTING AND FOLLOWING A SERIES OF BEST PRACTICES, HOSPITALS CAN REDUCE PATIENT FALLS, BEDSORES AND HOSPITAL-ACQUIRED PNEUMONIA
BY JILL COLFORD

The old adage that a hospital is a bad place to be when you are sick might have some truth to it after all — but hospitals can put procedures in place that greatly increase patient safety. “The Causes of Never Events in Hospitals,” a paper by Howard Gitlow, professor of management science at the School, Steve Ullmann, professor of management at the School, and colleagues from the University of Miami’s Miller School of Medicine and the University of Miami Hospital, details the prevalence and severity of preventable adverse events — called “never events” — in health care systems. A recent study estimated that 6.1 million such events occur annually at hospitals.

For the paper, which the International Journal of Lean Six Sigma selected as a 2014 Highly Commended Paper, they conducted a massive literature review to identify contributing factors for never events and suggest a model for best-practice protocols to prevent them. “Our massive literature review led us to a list of variables that actually cause never events. There are 27 types in all,” Gitlow explains. “We took the literature review, talked to experts and reduced the number of variables they thought would be useful in doing predictive modeling,” Gitlow, Ullmann and fellow authors then focused on preventing three specific adverse events: bed sores, hospital-acquired pneumonia and patient falls.

The co-authors identified two types of factors that affect many of those never events. The first are uncontrollable patient-related factors such as age, disease type, vision status and skin integrity. The second are controllable environmental-related factors in the hospital, such as bed restraints, medications and physical therapy.

Using data from their research, Gitlow, Ullmann and their colleagues developed a suite of tools and methods that will be tested in hospitals for their applicability in eliminating never events. They are now working with the University of Miami’s UHealth System and Quantros Corporation to develop best practices for preventing such events, and they hope to partner with more hospitals so they can collect enough data to develop predictive models based on their research.

While never events have long been a concern for health care systems, they took on a new importance two years ago when Medicare and Medicaid decided to stop paying for them. Previously, if a patient went in for gall-bladder surgery, for example, and fell and broke his or her hip in the hospital, Medicare would pay for both the surgery and the costs stemming from the fall. “Then Medicare got smart and said, ‘no more.’ And usually, whatever the federal government does, the private insurance industry follows,” Ullmann says. “All of a sudden, hospitals had more incentive to be more vigilant about never events.”

That is one reason why Hill-Rom Holdings, one of the world’s largest manufacturers of hospital beds, funded the research. “Hill-Rom came to us because they were looking to implement high-tech beds with smart-bed technologies into health organizations,” Ullmann says. The company wanted to see what impact smart beds might have on both patient care quality and hospital finances. Hill-Rom realized that its beds could play a role in preventing these never events, plus, hospitals that implemented smart-bed technologies could potentially save significant amounts of money. “The resolutions of these never events go into the tens of billions of dollars,” Gitlow says. “Now that Medicare and Medicaid will not pay, the hospitals are left with the bills.” The team believes that, by implementing the best practices it is developing, “tens of billions of dollars can be saved and patient care can be made better.”
Think Twice Before Indulging

FEELING SAD CAN ACTUALLY MAKE PEOPLE LESS LIKELY TO INDULGE IN UNHEALTHY FOODS BY JILL COLFORD

Good news for people going through a tough breakup: Humans aren’t preprogrammed to reach for ice cream and brownies to soothe their broken hearts. Sadness may actually decrease consumption of indulgent foods, according to a study conducted by Juliano Laran, associate professor of marketing at the School, Anthony Salerno (BSC ’09, PhD ’14), then a PhD student at the School (now with the University of Cincinnati) and Chris Janiszewski of the University of Florida.

“What we found is that sadness almost acts as a stop sign. It allows people to identify the potentially negative consequences that indulging has on their health and leads them to indulge less,” explains Salerno.

Their findings definitely go against what most people expect. “There is this common belief that when people are experiencing negative emotions, their tendency is to indulge,” Laran says. “We were not sure that would always be the case and wondered if we could find situations in which being in a negative state led to indulging less.”

The researchers explored this through a series of five experiments in which participants were exposed to either neutral or indulgent stimuli, then made to feel sad and finally offered an opportunity to indulge. The researchers then measured how much each group of participants indulged. For instance, in one experiment, participants evaluated advertisements with either indulgent content, such as chocolate or pizza, or neutral content, such as washing machines or electric cars. They were then instructed to write about something that made them feel sad. At the end of the study, they had the opportunity to eat indulgent foods such as M&Ms or chocolate chip cookies. In another experiment, participants completed verbal-comprehension tests that included a set of scrambled words that they rearranged to form meaningful sentences. Some participants had trigger words such as “pleasure” and “indulge,” whereas others had more neutral words. Participants were then made to feel sad by reading a story in which a person has a breakup with a significant other. The end-of-study opportunities to indulge didn’t only include food for immediate consumption. In one experiment, they could choose between two gift cards — one to a trendy, indulgent restaurant versus one to a less-indulgent grocery store.

What the researchers found was consistent: Participants exposed to more pleasurable stimuli decreased their level of indulgence (for instance, they ate fewer M&Ms or chose the grocery gift card) when made to feel sad. And, they were more likely to indicate how consuming indulgent foods could lead to health problems. In contrast, participants exposed to neutral information increased their indulgence when made to feel sad.

To see whether other negative emotions also led to reduced indulgence, the researchers experimented with activities that evoked anger and fear. They found that indulging less was specific to sadness.

Laran and Salerno demonstrated that sadness helps highlight the negative consequences of indulging. “People consuming indulgent food often do it to make themselves feel better, but we also know that such consumption can sometimes lead to unintended negative consequences, such as overeating or feeling worse about yourself,” Salerno says. “Sadness can make people become vigilant about behaviors that could bring about more harm to them. So sadness — which is often looked at as a negative emotion — can actually be beneficial to people in terms of helping them to indulge less.”

Laran notes that the research, published in the June Journal of Consumer Research, “can show people how to better understand the link between advertisements and their emotional state and how this impacts their eating behavior.” For marketers of products encouraging a healthy lifestyle, he adds, “this work offers more data regarding primes that help or hinder one’s tendency to eat healthy or not.”
In the News

School’s Faculty Share Their Expertise

Forbes – 7/11/14
In an online article about Facebook’s recent experiment with users’ emotions, Juliano Laran, associate professor of marketing, noted that this is an example of a “priming effect.” He explained that, for instance:

“People exposed to brands suggesting saving ... indicated lower intentions to spend money when they went shopping.”

Forbes – 7/14
An online article about research by Claudia Townsend, assistant professor of marketing, discussed how attractive images associated with a person make that person more likely to take action, especially riskier actions. Townsend explained: “The psychological process for the consumer entails (1) feeling connected to something physically attractive, (2) feeling better about oneself, (3) thus being open to persuasive arguments.”

The Wall Street Journal – 5/13
Robert Plant, associate professor of computer information systems, addressed the current debate over Internet traffic volume, writing that:

“The FCC’s commissioners should put their efforts into facilitating the buildout of new infrastructure.”

CNN – 5/8/14
An article about new trends in food packaging cited research by Milica Mormann, a research assistant professor, which shows that shoppers spend more time considering the most visually appealing products on a shelf. She noted that: “Perceptual processes happen in the brain in parallel with economic value computations and thus influence how economic decisions are made.”

América Economía – 5/6/14
Arun Sharma, professor of marketing, provided insight about customer loyalty programs, noting that his research has shown: “There is a relationship that seems to be inversely proportional between profit margins and the implementation of more loyalty programs.

“Companies with lower profit margin tend to have more loyalty initiatives.”

The Wall Street Journal – 4/30/14
In the newspaper’s “The Experts” blog, Robert Plant, associate professor of computer information systems, argued that: “Rather than being flat, the world is as lumpy as it ever was.”

National Public Radio – 4/11/14
During an “All Things Considered” segment about the potential for hiring discrimination when employers find information about candidates through social media, Patricia Abril, associate professor of business law, noted that, although anti-discrimination laws apply regardless of where an employer sees the information:

“It’s much harder to prove ... The employer may not even realize that he or she is discriminating.”

Miami Herald – 4/10/14
In an article about a report detailing government payments made to health care providers who treat Medicare patients, Steve Ullmann, director of the School’s Center for Health Sector Management and Policy, noted that: “When you have pricing information, that’s when you can make appropriate choices.”

Associated Press – 4/9/14
In an article about iconic Colombian coffee group Juan Valdez Café expanding with shops in Florida, Joseph Ganitsky, a research professor of management, noted that the company would be competing with Starbucks – running the risk that Starbucks might decide to buy more coffee from countries other than Colombia. The article was published by more than a dozen publications, including El País (Colombia), Yahoo! Finanzas, and Noticiero Mundial.

WLRN Radio – 3/24/14
During a “The Sunshine Economy” segment about South Florida’s growing microbrewery industry, Derick Davis, an assistant professor of marketing, said craft beer has grown in popularity in part because of the local food movement. He added:

“Beer really has become accepted as part of the culinary experience.”

The Miami Herald – 12/1/13
Andrea Heuson, a professor of finance, discussed the impact of the Art Basel Miami Beach art fair on South Florida’s economy, noting that, “The truth is, our economy is becoming less volatile.”

América Economía – 12/16/13
The Latin American business publication ran a question and answer feature about customer service with A. “Parsu” Parasuraman, professor of marketing and holder of the James W. McLamore Chair in Marketing.

CBS Television – 12/16/13
Steven Ullmann, director of the School’s Center for Health Sector Management and Policy, discussed how consumers should select a health insurance plan under the Affordable Care Act. Websites of CBS TV affiliates in New York City, Chicago and Miami posted the segment.

América Economía – 11/19/13
David Kelly, a professor of economics, discussed managing the risks of natural disasters. Among his suggestions: Companies should study data evaluating the relationship between the likelihood of an event and the probable size of its impact.
TOM STEPP

if you believe that being the son or daughter of a successful entrepreneur qualifies you to run the family business, think again. It’s not genetics, but talent that counts, according to three panelists at a Nov. 19 School of Business event for Global Entrepreneurship Week.

“Both my sons have expressed interest in getting involved with our business, but I tell them there’s no free ride, because I want the best people to come to the top,” said Sandy Goldstein (BBA ’81, MBA ’84), president and founder of Capsicum Group, a legal and regulatory technology consulting company. “Our number two is not a family member, because our management structure is based on talent,” added Goldstein, who is a member of the School’s Entrepreneurship Programs Advisory Board.

Goldstein was one of three South Florida business owners who participated in “Keeping It in the Family — Family Business Night,” an interactive panel discussion on starting, running and scaling a family-owned business. Susy Alvarez-Diaz, director of the School’s entrepreneurship programs, moderated the interactive session in Storer Auditorium. “Family-owned businesses are the backbone of the U.S. economy,” Alvarez-Diaz said. “They account for about 50% of the U.S. gross domestic product and 78% of all new-job creation.” She noted that the three panelists were at different stages in the family-business trajectory, providing a variety of insights to students, alumni and other attendees.

As president and CEO of HSA Enterprises, Katie Kessler runs the Miami-based promotional products company with her husband, Mark. “My grandfather started our business 60 years ago in Chicago,” she said. “Later on, my mother joined the business, but when she talked to me about going to work here, I insisted on doing my own thing. About 20 years ago, I came back to the business, and I’ve been here ever since.”

Vanessa Valera-Nolte (BBA ’05) and her brother Diego Valera (BBA ’06) grew up in an entrepreneurial family in Venezuela, where their father was a leading distributor of housewares brands. The two co-founded Holstein Housewares in 2007 and now sell their innovative products throughout the U.S. and in 16 countries. “We recently joined forces with my father’s company to accelerate our growth,” said Valera-Nolte. “I love our business and wouldn’t change it for the world.” A successful family business requires mutual respect and a clear definition of responsibilities, Valera-Nolte said. “I’m involved in marketing, public relations and design,” she explained. “My brother oversees sales and operations. We don’t always agree, but we listen to each other and support each other’s decisions. We believe that success comes down to the people you have in your company, regardless of their age or background.”

Kessler agrees with Valera-Nolte on the importance of teamwork and commitment. “My husband and I live and breathe promotional products, but we have very different roles in the office,” she added. “We also try very hard not to bring that home so we can enjoy family time with our two children.”

One of the most important issues a family-owned business faces relates to children: succession planning. Noting that she has a 9-month-old baby and her brother is not married, Valera-Nolte said, “When the time comes, I would love for our company to be there for our children. At the same time, they would need to have a passion for the family business. It’s something that can’t be forced — everyone has to share the same vision.”
Making the Toilet an Object of Desire

THE LOWLY TOILET: maligned, unappreciated and probably not cleaned often enough. But 2.5 billion people worldwide — 40% of the global population — have no access to a toilet. For them, it is an object of desire — or it should be, said Jack Sim, founder of the Singapore-based World Toilet Organization, who spoke at the School on Nov. 20, 2013, as part of UM Ethics Programs’ Ethics, Policy and Society program.

Sim was in the U.S. to help the United Nations observe the previous day, Nov. 19, as World Toilet Day. The lack of access to a toilet, he told students, is more than just an inconvenience; it’s a global health crisis, because open defecation spreads diseases and pollutes the water. “One fly,” he said, “is more dangerous than 100 tigers.” Moreover, the situation is worst in many of the developing countries with the fastest-growing populations. For business, he said, it’s a grand marketing challenge.

Tackling the challenge, however, first requires overcoming the societal constraints with which we are raised. “Our parents teach us not to talk about s**t,” Sim said. “But what you don’t talk about, you can’t improve.” Sim has dedicated himself to overcoming such taboos. The key, he told a packed room of business students, is to ride the wave of global consumerism and make a toilet something everyone wants. “The big breakthrough will happen when we begin to look at the poor as customers,” he said. “A toilet must be an object of desire. We want them to be as proud to own a toilet as a Louis Vuitton handbag.”

Sim’s message also was a metaphor for larger life and career issues. “The one thing I can promise you is that all of you are going to die,” he told the students. “If you don’t find meaning in your life, the culture of consumerism will find it for you. You will buy things you don’t need with money you don’t have to impress people you don’t like.”

Sim also critiqued well-intended international charities that focus on feel-better imagery, not long-term impact. “Ads on television show a poor child and tell you the child will die if you don’t donate,” he said. “That is a kidnapper’s message, and it makes donors think there is only one type of poor — hopeless, useless and help-
less. That is not the full picture. The poor are capable, entrepreneurial and willing to work." Sim also singled out foreign aid for destroying the countries it is meant to help. "It creates dependency and distorts the free market because no one can compete with free," he said. "We need foreign aid to focus on building efficient market infrastructure so the poor can become entrepreneurs who create jobs and build a vibrant economy."

Personal fulfillment, Sim went on to explain, is based on four qualities: "Happiness, the ability to be the child in you; autonomy, the freedom to create and be accountable for the results; mastery, to be good in what you do; and purpose, to have a sense of mission that spiritually drives you."

In that vein, Sim discussed his own transformation from corporate executive — "renting myself out to other people" — to social entrepreneur. "As individuals, we can do a lot," he told the students. "You just need to remember OPM — other people's money — and OPT — other people's talent. The whole world is waiting to partner with you. Find your passion, leverage those resources, and you can accomplish anything."

The School event was chaired by John Mezias, associate professor of management, and Anita Cava, professor of business law and co-director of UM Ethics Programs. "Even though we have a lot of diversity on campus, we're still a very homogeneous group," said Mezias, who had invited Sim to visit UM on his way back to Singapore. "Everyone has a computer, a cell phone and a toilet. When a speaker comes in who shatters some of the things we take for granted, it changes our perspective and opens up the best learning opportunities."

"He encouraged the students not to fear following their passions and not to fear failure," Cava said. "The students were mesmerized by the power of his beliefs."

---

**Bitcoin vs. Government Currencies**

THE PEER-TO-PEER, unregulated global currency bitcoin has been in the news quite a bit recently as governments, financial institutions and retailers grapple with its implications. At the School’s 4th Miami Behavioral Finance Conference in December, program committee chair Campbell Harvey, a professor of finance at Duke University and distinguished scholar in the UM School of Business’s finance department, and William Goetzmann, a professor of finance at Yale University, discussed the currency. "There are big differences between bitcoin and a regular fiat currency, like the U.S. dollar," Harvey said. "The dollar is legal tender and you are required by law to accept the dollar for any transaction. Bitcoin is backed by nothing other than the beliefs of the people that hold it. Bitcoin also has wild swings in value and is 20 times riskier than holding the U.S. dollar."

Goetzmann added that there have been very few currencies in history that were not backed either directly or indirectly by a government, other than the shells used by certain South Pacific Islanders as money more than a century ago.

—Richard Westlund (MBA ’83)
Beyond Money Logic
SOCIAL AND CULTURAL FACTORS ARE KEYS TO ANALYZING INVESTMENT DECISIONS BY RICHARD WESTLUND (MBA ’83)

SOCIAL AND CULTURAL FACTORS have a substantial impact on saving, spending and investment decisions by both individuals and businesses, according to David Hirshleifer, an internationally renowned behavioral finance researcher and analyst.

“You can’t use purely rational models to understand economics and finance,” he told attendees at the School of Business Administration’s 4th Miami Behavioral Finance Conference on Dec. 13-15, 2013. “You have to look at individual and social preferences, values and beliefs, as well as how ideas can spread from person to person, resulting in booms, busts and other changes in financial behavior.”

Sponsored by the School’s finance department and the Review of Financial Studies (RFS), and organized by Alok Kumar, Gabelli Asset Management Professor of Finance, the conference drew more than 50 top financial economists from around the world. Hirshleifer, professor of finance and chair in business growth at University of California Irvine, gave the keynote address.

Culture has long-term effects on the financial risks people take and even on propensities to engage in transactions, he explained. For example, some Asian cultures traditionally place a high value on saving for the future, versus spending now. Religious beliefs may affect business decisions relating to capital structures, risk-taking ventures and dividend payouts. “However, it’s important to remember that culture is also a living thing,” Hirshleifer added.

Social transmissions of investment ideas — as well as individual and group emotional reactions — also influence which financial strategies become popular or never gain traction. “Ideas that are easy to understand or sound like fun spread more easily than difficult concepts,” Hirshleifer said. “Individuals are also more likely to spread positive consumption experiences, like getting a great deal on a product, than a negative experience, like spending too much money.”

In the investment world, for instance, individuals tend to tell others about high-variance strategies that succeed, rather than “boring” passive strategies or decisions that result in a loss. That bias in transmitting information may encourage other investors to follow a similar approach, Hirshleifer found in his research. A similar bias can affect behaviors related to consumption and savings. For example, buying a new car is more noticeable to the neighbors than adding another $10,000 to a retirement account. As a result, people tend to overestimate the consumption spending of friends and neighbors, contributing to a self-reinforcing spending effect, he added.

Researchers studying economic behavior often leave out these cultural and social drivers. “We need deeper models that incorporate individual beliefs and ideas, as well as ideologies that affect popular thinking about financial issues,” Hirshleifer said. “When we study economic behavior, we shouldn’t leave out any of the drivers.”

That guiding principle is important in all work in the growing field of behavioral finance. “Behavioral finance allows us to better understand the behavior of financial markets using a variety of methods and tools from other areas of social sciences, such as psychology and sociology,” Kumar said. “In particular, we can examine the behavior of individual decision makers to understand the aggregate behavior of the stock market and firms.” The annual conference, he added, has given the School and the finance department greater visibility, and its interdisciplinary nature has also helped other departments, including economics.
Navigating Growth and Managing Uncertainties in the Americas

BY ROCHELLE BRODER-SINGER

For companies to successfully grow in Latin America, their executives must have a keen understanding of geopolitics and the ability to deftly navigate changing local market conditions, without losing sight of company values.

Three School of Business alumni who are regional executives for top multinationals shared that and other insights with other business professionals at a May 14 panel discussion hosted by the School at the Four Seasons Miami.

Often, when a presidential administration changes in a Latin American country, the entire paradigm of doing business there can change, said panelist Jose Acosta (BBA ’81, MBA ’83), president for Latin America operations and public affairs at UPS. It’s not unusual for one administration to entirely reverse a previous administration’s decisions regarding everything from trade to taxes. And priorities may shift from collecting tax revenue to pushing economic growth, leading to significant policy changes. “You have to be very, very aware of the impact of politics on your business and [more so] in a developing region,” Acosta said. “You have to feel how the wave is going and what [the government] is looking for.”

Like Acosta, panelists Javier Polit (BBA ’87), chief information officer of The Coca-Cola Company’s Bottling Investments Group, and Pedro Fábregas (MSPM ’08), president and CEO of Envoy Air, a subsidiary of American Airlines Group, also noted the impact of geopolitical concerns in the region.

“Staying close to the government in the countries you operate in is a priority,” Polit said. “Understand what their challenges and their priorities are.” A lack of such closeness, he explained, may have hurt Coca-Cola in Mexico, which in October added a tax to all soft drinks sold in the country, in the hope that it would lead to less consumption of sugary drinks. “We learned that we probably should have better partnered with Mexico,” he said.

It may be easier for a multinational company to navigate such politics with local nationals in leadership positions. Fábregas, a member of the School’s Board of Overseers, noted that the general managers at all of Envoy’s airports within Latin America are local nationals, as are its country managers. “We don’t have expatriates anymore running airports in Latin America — it helps a lot with the perception,” he said. “I think [having local managers] adds to understanding the politics that they have to deal with and then try to bring into the corporate framework.”

Polit noted that Coca-Cola’s Bottling Investments Group has a policy of establishing a local leader within 24 months of entering a country.

For UPS, Acosta said, it’s often challenging to find local leadership right away, which means the company has to work even more closely with locals who aren’t company managers. “When you have, in our case, an American company working locally in a country, you have to work very closely with the people,” he said. “The people have to see that the company is part of ‘our country’ and not something that came from the United States.”

It’s a difficult balance in Latin America, working as a multinational in many different local markets. While local managers need the freedom and flexibility to adapt to rapidly changing conditions, the company still needs an overall strategy. “You can set what the vision is, but how that vision is executed in each country is local,” said Polit. And Fábregas pointed out the importance of setting and following universal compliance and corporate governance rules as well. “You want them to grow, but you also want them to do it in a way that you don’t have to send the compliance team in later on,” he said. “We want to give them the tools to be a leader … but they’ve got to do it the right way.”

The panel helped mark the launch of the new Miami Executive MBA for the Americas, which is designed for high-potential executives engaged in the Americas. Joseph Ganitsky, director of the UM Center for International Business Education and Research and one of the School’s leading experts on Latin America, moderated the session.
Tapping Innovations in Health Care
IN LATIN AMERICA, STANDARDIZING COMPLEX PROCEDURES AND TAPPING OTHER INDUSTRIES CAN HELP DRIVE DOWN COSTS AND IMPROVE HEALTH

Standardizing health care procedures such as cataract and open-heart surgeries can increase access to care, reduce overall costs and improve patient outcomes, according to Arun Sharma, a professor of marketing at the School of Business. “This is the future of health care,” said Sharma in a talk on “Industrialization of Procedures and Increasing Access” at LIFE 2014. The forum, organized by the School’s Office of Executive Education and the Center for Health Sector Management and Policy in collaboration with Boston Scientific, brought nearly 70 health care executives from South Florida, Latin America, The Caribbean and other parts of the world to UM to discuss innovations in medical practice.

Sharma discussed how leading health care facilities in India have industrialized medical procedures from cataract removal and heart surgery, to cancer treatment and joint replacement. In doing so, they have shown how to drive down costs without jeopardizing the quality of care. For example, physicians at Narayana Hospital complete 30 cardiac surgeries a day at a typical cost of $2,000 — with patient safety rates comparable to leading U.S. hospitals. “This is very different than the U.S. approach toward personalizing medical care,” Sharma added. “But the industrialization of health care procedures could certainly help improve access and quality in emerging markets like Latin America.”

Health care models are changing in the U.S., too, and Latin American systems are taking note. “Health care today is moving away from the traditional model based on patient volume,” said Steve Ullmann, director of the Center for Health Sector Management and Policy. “Instead of focusing on treating sick patients, health care is moving into a value-based model with a system of shared risks and shared rewards.”

Another forum speaker, Juan Enriquez, director of Excel Venture Management, focused on Latin America’s agricultural, energy and chemical sectors as sources of innovative genetic therapies. “We could use plants, cows or bacteria as ‘factories’ for new pharmaceuticals that alter genetic codes and build a powerful new industry in Latin America.”

Dean’s List
RECOMMENDED SUMMER READING FROM SCHOOL OF BUSINESS DEAN GENE ANDERSON

The Sixth Extinction: An Unnatural History - ELIZABETH KOLBERT (2014)
By following the stories of a dozen species — some already extinct, others facing extinction — Kolbert conveys Earth’s history of mass die-offs and sets the stage for understanding current events on the planet.

Capital in the Twenty-First Century - THOMAS PIKETTY (2014)
With analysis of data from 20 countries as far back as the 18th century, Piketty demonstrates how modern economic growth and the spread of knowledge have prevented extremely large-scale economic inequalities, but left unchanged many capital-related causes of inequality.

Flash Boys: A Wall Street Revolt - MICHAEL LEWIS (2014)
This nonfiction book tells a true horror story: Seeking to reform U.S. stock markets, a group of traders investigates the ways that big Wall Street banks and high-frequency trading firms control the market more than ever.

The Martian: A Novel - ANDY WEIR (2014)
This science-fiction book — strongly anchored in science — is the saga of an astronaut stranded alone on Mars, as he struggles to survive and return to Earth. It’s a story about the most important qualities for business success: resiliency, innovation and the desire to survive.

Wolf Hall & Bring Up the Bodies - HILARY MANTEL (2009, 2012)
These two pieces of heavy historical fiction, set in King Henry VIII’s court during the Tudor era, are 16th-century versions of “House of Cards.” Together, they follow the political maneuverings of the English court, from Henry’s plan to divorce his first wife through Anne Boleyn’s beheading.
Taking the Tiger by the Tail

MBA STUDENTS GAIN FIRSTHAND PERSPECTIVE ON DOING BUSINESS IN CHINA
BY RICHARD WESTLUND (MBA ’83)

It’s one thing for School of Business students to read about doing business in China, but touring auto factories, steel mills and financial-service companies and talking directly with business leaders provides a much clearer perspective on one of the world’s biggest economies.

“I learned things that no classroom could teach me,” says Scott Gordon, who was one of 26 MBA students to spend spring break in China on a 10-day itinerary organized by the University of Miami Center for International Business Education and Research (CIBER). “Our trip was very enlightening, as executives at the Chinese companies reached out to our group, answered our questions and gave us a better understanding of how business is done in China,” Gordon adds.

The trip was the centerpiece of a two-credit graduate course, “Business in China: An In-Country Experience.” Students traveled through Beijing, Xi’an and Shanghai, and visited Baosteel, Beijing Hyundai, Black & Decker, Blu Dot, Control Risks, CreditEase, MJ Group and Shanghai Volkswagen, as well as the Xi’an High Tech Development Zone. “We offer a variety of international trips every year,” says Niccole Iglesias, assistant director of CIBER. “These trips are so valuable because students get the opportunity to gain real-life, firsthand experience at businesses run in other regions.”

For instance, in 2013, CIBER offered an immersive 12-day trip to India led by Vaidy Jayaraman, associate professor of management. Nineteen students toured businesses and historic sites in Chennai, Mumbai, Delhi and Agra. In 2015, CIBER’s offerings will include trips to Brazil, China and India. “Our international trips allow students to earn credits toward a concentration in international business or other fields, depending on the focus of the course,” Iglesias says.

The spring semester China trip was led by Michael Werner, director of Accounting Master’s Programs. “We live in a global business world, where China plays a key role,” he says. “No matter what field our students choose as a career, they will be affected by what happens in China.” This was Werner’s third trip to China with MBA students, and it was “phenomenal in every way,” he says. “Everyone participated and was thoroughly engaged with the business visits.”

Prior to the trip, students met five times on campus to plan and prepare. They kept journals while touring China and prepared group presentations upon their return. “Having that academic structure was helpful to us,” says Gordon, whose group focused on China’s emerging highway system. “It helped us evaluate our experiences and what we learned.”

For Cristina Del Toro (BS ’10), an MD/MBA student, one of the highlights of the China trip was a visit to CreditEase, a microloan company that helps farmers in western China. “I didn’t realize the differences between eastern China, which is experiencing an economic boom, and the rural regions of the country,” she says. “Giving farmers enough of a loan to purchase a cow, a horse or equipment for their fields can really change a family’s life.” Del Toro also enjoyed touring MJ Group, a “one-stop” private health

continued on page 19
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.

CLASS OF 2014 COMMENCEMENT
Video and photos from undergraduate and graduate commencement and awards ceremonies, including the undergraduate commencement speech from Ambassador Charles Cobb, a UM Trustee, and the musical graduate commencement address from Frost School of Music Dean Shelly Berg.

STUDENTS THANK DONORS
UM students share the photos that show how donors’ support has changed their lives in this moving video.

STUDYING BUSINESS IN CHINA
During their immersion study trip to China, School MBA students sent in regular photos of the places they visited. Flip through the digital album, complete with captions.

THE NEW MIAMI EXECUTIVE MBA FOR THE AMERICAS PROGRAM
Learn more about the program through a brief video.

EXPLORE REVERSE MENTORING
Terri Scandura, a management professor at the School, studies reverse mentoring. Read her blog entries on the topic, and find links to articles written about the School’s reverse mentoring program with Citi by the Wall Street Journal, BBC, Financial Times, América Economía and others.
School Takes Part in Major Conference on Innovation

EXPERTISE IN HEALTH INFORMATION TECHNOLOGY SHOWCASED IN PANEL DISCUSSION

FROM TELEMEDICINE to “big data” analysis, innovative uses of technology are helping transform health care systems from a focus on patient volume to delivering value, according to Steve Ullmann, director of the School’s Center for Health Sector Management and Policy.

“Technology allows providers to operate more efficiently, as well as improve patient safety and outcomes,” said Ullmann on one of the topics taking center stage May 5 during the inaugural eMerge Americas Techweek in Miami Beach. “In our school’s undergraduate, graduate and executive health care programs, we showcase technology and discuss how these tools can improve business and clinical models.” Ullmann moderated a panel discussion on “Driving Transformation and Innovation in Health Care” during the conference, which brought together more than 6,000 speakers, policymakers, academic leaders, executives and entrepreneurs from South Florida and Latin America.

Panelists Donna E. Shalala, UM’s president, and Patrick Geraghty, CEO of Florida Blue, provided their perspectives on the importance of health information technology. “We need to make better use of patient data to improve outcomes and prevent disease,” Shalala said. “In addition to patient privacy concerns, the players who control the data, such as providers and insurers, may have different economic interests.”

Ullmann noted recent health care innovations from UM, which include “smart” mattresses that reduce patient bedsores, robotic prostate surgical procedures and telemedicine services for passengers and crews on cruise ships.

School Alumna Takes Silver in Sochi

TRACK STAR LAURYN WILLIAMS MAKES HISTORY IN WINTER OLYMPICS

LAURYN WILLIAMS (BBA ’05) entered the 2014 Winter Olympics as one of the top women bobsledders in the world. Two runs later, she was a silver medalist in the two-man bobsled, along with partner Elana Meyers.

With the silver medal, Williams became just the fifth Olympian to medal in both Summer and Winter Olympics. The former UM track and field superstar now claims three Olympic medals: a silver in women’s bobsled, a gold in 4x100-meter relay from 2012 and a silver in the 100-meter in 2004.

She is the first former Hurricane student-athlete to qualify for a Winter Olympics and the second to participate in four Olympics, joining diver Jose “Chemi” Gil.

“I didn’t come here to make history,” Williams said after the race. “I came here to help Team USA, and I feel like I did the best I could. I’m just happy to be here, and it wasn’t about history for me.”

The three-time Summer Olympian admitted to being nervous for her Winter Olympics debut, though the results certainly did not show it. “I never imagined I’d be here six months ago, but here I am,” Williams said. “I had no expectations coming into this and it’s always about helping first, and then everything you get to enjoy along the way is just extra.”
Specialized Master’s Programs Begin This Fall

THE SCHOOL OF BUSINESS will launch four new specialized full-time master’s programs this fall. Each program can be completed in less than one year and will provide an in-depth, focused degree in an in-demand business specialty area. The Master of Science in International Business program offers wide exposure to international economies, coupled with specific regional studies that apply to each student’s planned career path. The MS in Business Analytics trains students to analyze big data and use it for business planning and decision-making. The Master of Science in Finance helps those with quantitative aptitude enhance that aptitude while refining their communication skills. The Master of Arts in Economics teaches students to apply economic principles to solve real-world problems and is designed especially for those who want to continue to PhD-level education. These programs are in addition to the School’s Master of Science programs in accounting and taxation.

Alumnus Gift Funds School Endowment

AS PART OF THE U.S. OLYMPIC COMMITTEE, School alumnus Michael “Pete” Piechoski (BBA ’76) knows a thing or two about teamwork. His $3.625 million gift to UM reflects that spirit of cooperation and inclusion, providing support to a number of programs and academic units.

The gift creates three endowment funds: the Piechoski Family Endowed Graduate Business Fellowship Fund, the Piechoski Family Endowed Graduate Engineering Fellowship Fund and the Piechoski Study Abroad Endowed Fund. The gift, which is part of Momentum²: The Breakthrough Campaign for the University of Miami, will also support the Student Athlete Excellence Fund and the Undergraduate Education Gift Fund.

“This wonderful gift demonstrates Pete’s interests and commitments that span across the University,” says UM’s executive vice president and provost, Thomas J. LeBlanc. “His gift is perfectly aligned with the University of Miami’s strategic priorities. We are forever grateful for Pete’s loyalty and leadership to his alma mater.”

“I am forever grateful. The University invested in my potential even before I knew I had potential,” says Piechoski, who was recently named an alumni trustee to the UM Board of Trustees and is the senior vice president and chief financial officer for Peter Kiewit Sons’ in Omaha, Neb. “I want to give back to my alma mater to recognize and express appreciation for its investment in me.”

OUT IN FRONT
School Names First Witkoff Scholars
THREE STUDENTS EARN SCHOLARSHIPS FOR ACCELERATED MBA IN REAL ESTATE PROGRAM

THREE STUDENTS enrolled in the School’s new Accelerated MBA in Real Estate program were named the first “Witkoff Scholars.” The scholarships come thanks to the Martin Witkoff Endowed Real Estate Fund, established this year by Steven Witkoff, chairman and CEO of leading real estate firm The Witkoff Group, in memory of his father. The Fund supports student scholarships, internships, program initiatives and other activities for both graduate and undergraduate students.

The first Witkoff Scholars are Catherine Cai, who is from Shanghai; Theresa Schwark, from Panama; and Thomas Speno, from Florida. The scholarships will cover a significant portion of the tuition for the new MBA program.

“I became involved with the School because I could see that in order for it to move forward and attract even more top professors and students, endowments and scholarships must be available,” says Witkoff, who is also chairman of the School’s Real Estate Programs Advisory Board, which actively assists in developing and promoting the real estate curriculum. “Having been involved with the School now for several years, I have witnessed a real evolution due to a highly energetic administration, a solid and engaged real estate board, and an incredible caliber of students. It is exciting to be a part of.”

The 18-month MBA program, designed for students interested in pursuing careers in commercial real estate, is unique in that it includes two paid internships: one at the beginning of the program and one during the summer prior to its last semester. The program began with Cai interning at Swire Properties, one of South Florida’s leading international developers of urban real estate; Schwark interning at The Related Group, the nation’s leading developer of luxury condominiums and multifamily residences; and Speno interning at Banyan Street Capital, a leading Miami-based private equity firm.

“The internship was a real deciding factor for me because I could stay in the workforce while earning a graduate degree,” Speno says.

Following the initial six-month internship, students attend real estate industry-focused classes, and then participate in a second internship from May through August, completing the program with more classes in the fall.

Global Executive MBA Students Share Knowledge Abroad

STUDENTS in the School’s Global Executive MBA program traveled to Madrid in November to complete their two-week residential session abroad. Hosted in partnership with IE Business School in Madrid, the session brought 24 students — high-level executives representing 10 Latin American countries and Canada — to IE to explore themes including economic relations between Latin America and the European Union.
Hyperion Council Brings Fresh Ideas to Miami Bakery

STRATEGIC AND CREATIVE THINKING HELP SALES RISE 30%

A family-owned-and-operated bakery in Miami’s historic Overtown neighborhood has seen its reputation grow and sales increase, thanks to work started by the School’s Hyperion Council. The undergraduate organization, which focuses on developing projects to strengthen bonds between the local business community and the University, established a relationship with Mrs. Moore’s Bakery in 2010. Since then, council member Sarah Varughese (BBA ’13) has continued to help the business develop its brand and products.

Even after graduating last spring, Varughese continued to work with the bakery, soliciting Miami artist Trek Six to paint a mural on its outside walls pro bono. “Miamians have witnessed the development and growth of businesses in the Wynwood area through the use of large murals attracting people across South Florida. I wanted to emulate this model, combining art and business development so that the bakery could attract new customers and be a model for other businesses in the area,” Varughese says.

Since the mural was painted, the bakery has seen sales rise by 30% and continue to grow. Additionally, the bakery has caught the eye of restaurants outside of Overtown, opening up opportunities for Mrs. Moore’s to be a dessert supplier.

Juan Valdez Seeks Class Input on New Direction

UNDERGRADUATE BUSINESS STUDENTS BRING RETAIL IDEAS TO THE ICONIC BRAND

BACK IN THE 1960s, a Colombian character named Juan Valdez and his burro became the face of an innovative global branding campaign to promote the high quality of 100% Colombian coffee. Through the decades, that strategy paid off handsomely for the Federación Nacional de Cafeteros de Colombia — a democratically run organization that represents the interests of about 335,000 small coffee growers in Colombia.

Today, the brand is adapting to a changing consumer marketplace and launching a new chain of Juan Valdez Cafe retail coffee shops. To gain fresh input, Luis Fernando Samper, chief of communications and marketing for the growers’ association, provided a case study to the School’s undergraduate students in senior management lecturer Joseph Ganitsky’s class, and asked for their ideas and recommendations.

“We really value hearing the students’ perspectives on our brand’s retail strategy,” said Samper, following a March 8 presentation on the Colombian growers’ organization, which has opened 258 Juan Valdez Cafes worldwide, including one at Miami International Airport.

Faced with global competition, as well as a fast-growing array of local coffee shops, Samper outlined several differentiation strategies for Juan Valdez Cafes that the Colombian association is considering. Afterward, he invited UM students to recommend others that the Federation might pursue. Among their suggestions:

- Create a European-style coffee house. “Your best branding would be to offer a high-end classic coffee rather than the sweet, coffee-flavored drinks favored by Starbucks’ customers.”
- Open small, intimate cafes in trendy neighborhoods. “Make it a truly local experience, where friends can drink espresso in glass cups while enjoying a conversation. In other words, make it a local meeting destination.”
- Focus on speed. “Business customers want fast service, rather than a cafe experience. Give them the best coffee drinks without delays and you can build a loyal customer base.”
- Cater to working adults, parents and retirees, but not college students. “My friends and I use coffee as an energy drink. We don’t care about flavors or aromas — we just want the caffeine. That means we wouldn’t be an attractive target market for your stores.”

Thanking the students for their concepts, Samper said, “The global coffee market evolves every day. We never cease to learn from others, and this was a valuable exchange of ideas for our organization.”
MENTORING continued from page 3
Citi’s Transaction Services business.
The banking giant has recruited nearly
50 young alumni and graduates during
the past three years. It is especially
bullish on reverse mentoring, in part
because the Miami program is helping
the bank get a pulse on Latin American
social trends and business opportunities.
“We initiated the Reverse Mentoring
program because we wanted to help our
senior business leaders, who are mostly
baby boomers, to gain a deep and
first-hand understanding of how social
media is shaping the financial services
industry,” says Ariel Regatky, head of
talent for Citi Latin America. “It also
provided an invaluable opportunity to
gather insights on the new generations
coming to the workplace and who will
also be our clients in the years to come.”

School of Business Dean Gene
Anderson notes that the program not
only brings value to Citi, but also gives
students hands-on experience in the
business world. “It is through such ex-
periential learning that our students can
test, develop and refine the leadership,
networking, presentation and other
skills they need to be successful in to-
day’s increasingly competitive business
environment,” he says.

TIGER continued from page 13
clinic that caters to Chinese executives.
“In the U.S., diagnostic imaging and
lab tests are usually done only when
there’s a medical need,” she said.

“The bank also be our clients in the years to come.”

From the Classroom to the War Room
ENTREPRENEURIAL CONSULTING STUDENTS BRING
FRESH IDEAS TO ESTABLISHED COMPANIES

CHOOSING RESTAURANT LOCATIONS is often more about gut
feelings and anecdotal evidence than quantitative data, but
a World of Beer franchise group in South Florida wanted to
change that. Company Partner Matt Lull (BBA ’92) believed
the group could make better decisions about restaurant
locations by examining data from successful World of Beers
around the U.S. Rather than turn to an expensive consult-
ing firm to do so, he turned to the undergraduate students
in an entrepreneurial consulting course at the School.

Students gathered data from the company, figured out
which pieces were relevant to the success of individual
locations and created a statistical model to identify future
successful locations. “It’s fun to work with a team who have
freshly trained minds,” says Lull, who, along with other
participants, came together with their student consultants
to celebrate the close of the program on April 17. “We’re
going to probably bet seven figures worth of money based,
in part, on what the team is helping us figure out.”

The consulting projects are part of the capstone course
for the entrepreneurship major at the School. “The School of
Business is trying to make business education as inter-
national, entrepreneurial and relevant as possible,” says
Gene Anderson, dean of the School. “You can learn about
marketing over there, about accounting over there, about
operations over there – but when you get out in the real
world, you’ve got to put those things together.”

In addition to World of Beer, student consulting teams
worked with artist Xavier Cortada, Holstein Housewares,
the Miami City Ballet, College Hunks Hauling Junk
(Miami), Pasha’s restaurants, Edda’s Cake Company,
the Greater Miami Convention and Visitors Bureau and
Austin, Texas-based Phunware – a mobile app company
that was named to the Forbes list of “America’s Most
Promising Companies.”

The UM Business Plan Competition has awarded

$449,000

In prize money during its 12 years

(Above, left-right) College Hunks
Hauling Junk franchisee Christopher
Poore (BBA ’12) engaged student
consultants Derek Plotter (BBA ’14)
and Gustavo Gonzalez (BBA ’14).
on December 13 and 14, 2013, the accounting department and the School’s International Financial Reporting Institute (IFRI) hosted its first International Accounting Conference. The two-day conference brought international accounting experts, top academics and students from around the world to the School to discuss recent research trends and regulatory developments in international accounting. Presenters and participants from the United States, England, Italy and Spain provided insights on timely topics, including International Financial Reporting Standards (IFRS) in Europe, auditing networks and outcomes in Italy, earnings management in multinational firms and non-GAAP reporting and disclosures by European firms. “The presentations were very topical and the event provided valuable networking opportunities for UM accounting students and faculty,” says Peter Wysocki, professor of accounting at the School and faculty director of the IFRI. “We look forward to continuing to grow this [as an] annual event in 2014.” The second-annual IFRI International Accounting Conference is scheduled for this fall, with a theme of “Global Trends in Accounting and Governance.”
MICHAEL TSIROS, professor of marketing, was appointed as a Patrick J. Cesarano Scholar at the School of Business. The appointment recognizes Tsirios’ consistent and outstanding scholarly contributions.

Universidad Privada Antenor Orrego (UPAO) in Trujillo, Peru awarded an honorary doctoral degree to JOHN D. DANIELS, the School’s Samuel N. Friedland Chair Professor Emeritus.

AWARD-WINNING RESEARCH
International Journal of Lean Six Sigma selected a paper co-authored by HOWARD GITLOW, professor of management science, STEVE ULLMANN, professor of management, and several others as a 2014 Highly Commended Paper. “The causes of never events in hospitals,” (read more about their findings on page 4) is the result of a grant to the School’s Center for Health Sector Management and Policy.

The American Accounting Association awarded ANDREW LEONE, vice dean of faculty and the Arthur P. Metzger Professor of Accounting, its 2013 Notable Contribution to the Literature Award. Leone also earned the UM Provost’s Award for Scholarly Activity.

The paper “Earnings Management and Investor Protection: An International Comparison,” co-authored by DJ NANDA and PETER WYSOCKI, accounting professors at the School of Business, won the American Accounting Association’s 2014 Distinguished Contribution to Accounting Literature Award. The award recognizes accounting research of exceptional merit that has significantly impacted the discipline during a period of at least five years.

A. “PARSU” PARASURAMAN received a Highly Commended Award for an article published in the Journal of Service Management. The article, “Understanding Generation Y and Their Use of Social Media: A Review and Research Agenda,” was also first runner-up for the 2013 Robert Johnston Best Paper Award, which is awarded by the journal based on voting by its editorial review board.

Another paper co-authored by PETER WYSOCKI, “Do Managers Withhold Bad News?,” won the American Accounting Association’s 2014 Notable Contributions to Accounting Literature Award. This annual award honors work for criteria such as originality, breadth of potential interest, soundness of methodology and potential impact on accounting education.

BOARD AND COMMITTEE SERVICE
CECILY COOPER, associate professor of management, was invited to serve a three-year term as a member of the editorial board for the Academy of Management Review, one of the leading peer-reviewed management journals.

HARESH GURNANI, Leslie O. Barnes Scholar and professor of management, was elected to a one-year term as vice president - colleges at the Production and Operations Management Society; the organization represents the interests of production and operations management professionals around the world.

FACULTY awards & honors
A company needs a strong foundation and careful preparation in order to successfully grow. By Peter Haapaniemi

A Blueprint for Growth

New technologies, new markets and changing customer expectations are opening doors to increased revenues and profits for many companies. But growing is about more than uncovering opportunities; executives, managers and employees at all levels need to change the way they think and create a strong foundation in order to grow successfully. An organization must prepare itself for growth by forming a systematic plan, developing talent within and outside the organization, acquiring new capabilities where warranted, examining its management team and helping employees individually change their mindsets for company expansion and change. ■ Expanding into a new city, country or continent; tapping a new demographic market; introducing a new product — no matter how a company hopes to grow, preparation is crucial. And growth today is more an imperative than an opportunity, says Arun Sharma, professor of marketing at the School and executive director of the School’s Johnson A. Edosomwan Leadership Institute. “Research has shown that when growth stalls for a firm, the long-term prospects of the firm become negative,” Sharma says. “Basically, if they don’t do a good job in terms of growth, they eventually start dying.” ■ In fact, one of the most in-demand topics in the School’s executive education division is preparing for growth. And while there are no simple plans that apply to all companies and situations, School researchers and experts in the field have identified several key areas where a focus on preparation is likely to pay off.
IN DEPTH: PREPARING FOR GROWTH

FORGING THE GROWTH STRATEGY:
A SYSTEMATIC APPROACH
Planning is a key first step in preparing for growth. That may sound obvious, but companies don’t always develop a clear growth strategy or plan well. Too often, executives fall into the trap of allowing the urgent to take precedence over the important. “It’s not that managers don’t understand the criticality of growth,” says Sharma. “What happens is that they do not have time to devote to growth strategies, because their daily work overrules everything else. They have to hit their targets for the month or things are breaking down, so they are fighting fires instead of planning.”

Even if there is a plan, it will often lack detail and offer only vague goals. “There are two problems that we usually encounter: One, executives are so used to the way they’ve done business in the past that it’s hard for them to say how the business will change in the future,” Sharma says. “Two, they may have aggressive growth plans, but it’s not clear how those growth plans will be achieved. Someone may say, ‘I’m going to expand my market by 30%.’ But they don’t say who is going to give up their 30% of the market.”

A systematic process of looking at growth can help overcome issues of vague planning and difficulty envisioning how the company can change.

In the School’s executive education programs, Sharma and his colleagues often take executives through a systematic process of looking at growth. This begins with an examination of broad trends in their industry and various markets, looking at a number of possible future scenarios. Then, the process drills down into the specifics of markets that have potential, looking at competition, customers, supplier landscape and so on. From there, executives examine the opportunities for their companies, and what sort of strategy they should adopt to exploit those opportunities.

“A growth plan doesn’t happen just because it has its merits; executives need to get others within the organization to support them.” —Joseph Ganitsky

This approach essentially does two things: It pulls executives away from the demands of day-to-day work, giving them an opportunity to step back and think more deeply about future strategies. At the same time, it provides a structured approach that walks them logically from the abstract, big-picture concepts to company-specific insights, providing a foundation for detailed growth plans.

QUESTIONS EVERY STRATEGIC PLAN SHOULD ANSWER
In addition to those items, any plan should answer several key questions. These questions can help executives flesh out plans and think differently about growth:

Are we using a data-driven approach?
There is a great deal of data about markets, customers and competitors available today, and companies should use that for planning. “You don’t want to determine the potential for improvement in isolation — you need to put it in the context of what’s happening in the real marketplace,” says Joseph Ganitsky, director of the UM Center for International Business Education and Research and a senior lecturer in management at the School. “And for that you need to collect information, you need to analyze it, and you need to use it.” That means doing more than looking at high-level market statistics, and also digging deep to understand trends and test planning assumptions.

Can we work with partners to pursue growth?
Ganitsky recommends that companies consider partnering opportunities when formulating growth strategies; a partner may provide customer access, market knowledge or innovations that can accelerate entry into new markets. He suggests looking for partners with potential pain points that can be addressed through an alliance. “Look at ‘pain points’ not only from a consumer or marketing orientation, but in terms of the entire ecosystem,” he says. If an alliance can help partners tackle their problems, “you end up with a win-win path to grow.”

How will we prepare our people to move beyond the status quo?
Executives should develop concise, easily shared communications that clearly articulate where the company is going. “A good growth plan doesn’t happen just because it has its merits,” Ganitsky says. “Executives need to get others within the organization to buy into it and form a team committed to succeeding, even if that means changing the plan as they run with it.” In addition, growth often involves new ways of working, so it’s important to give thought to overcoming resistance to change — largely by highlighting the consequences of not changing and growing, and by being willing to personally champion the change.

Are supply chain partners aligned with our plan?
“Advise your suppliers of what your needs are,” says Bill Werther, professor of management at the School. “But before you can do that, you’ve got to go talk to your customers and find out what their expectations are.” These discussions can help companies understand how suppliers can — and cannot — support growth. As much as possible, companies should also look for ways to tighten links and streamline information flows in the supply chain so that all participants are in sync to support growth.
How will we monitor the progress of the growth initiative? Mauricio Ortiz, vice president and general manager, Americas, at Boston Scientific Corporation, highlights the importance of establishing quarterly goals and review points over a several-year period — and using the findings to drive action. This process should include “milestones where you do a debriefing on how things have gone, which gives you a chance to reinforce what is going right and correct what is going wrong,” says Ortiz, who has worked with the School on several executive education programs as the medical-device company has grown.

Growth is always a work in progress, Ortiz adds, “something you construct every day. You cannot have a perfect growth strategy that covers the next five years, because you can’t predict exactly how markets will behave and competitors will react.”

What will we do if our growth plans fall short? In a fast-changing world, companies need to have contingency plans in place in case the growth strategy simply does not work as hoped. “Good planning is ‘plan for the best but be prepared for the worst,’ right?” says Ganitsky. Too often, however, companies focus their planning effort on the up side, and give short shrift to preparing for negative developments. What’s more, he adds, companies can’t plan for every contingency, so remaining vigilant and flexible is key. “Planning is important, but you also need to be receptive to what you didn’t plan, and be prepared to grasp opportunities when they show up.”

ENTERING NEW COUNTRIES

For companies operating in mature markets, the pursuit of growth is likely to take them into emerging ones. “In the coming decades, more and more of the world’s economic growth will be coming from emerging economies,” UPS CFO Kurt Kuehn (MBA ’85) told a group during his Executive in Residence presentation at the School of Business this past spring. “Some estimates are that 80% of the economic growth in the next two decades will be coming from non-developed countries…. Roughly 1 billion people are entering the middle class and becoming consumers and demanding higher levels of health care and new products and services. The opportunity is huge. So for those of us who run U.S.-based companies, the imperative is to look outside of our borders.”

Preparing for that emerging market growth may require new capabilities in those new locations — and the beefing up of subsidiaries and regional operations. For example, in Latin America, where markets are beginning to pick up after years of slow growth, operations may not be ready for an upswing. Companies focusing on these areas will need to ensure that local operations are aligned with corporate growth strategies, and that managers have the necessary skills and tools to shift into growth mode. However, that does not mean that companies should simply trans-

TO THE POINT

Driving Growth: Keys to a Successful Strategy

- Use deep data to examine your plan in the context of what’s happening in the real marketplace.
- Look for partners with potential pain points that an alliance would address.
- Concisely communicate with employees about the company’s plans for growth.
- Develop a plan for overcoming employee resistance to change, largely by explaining the consequences of not growing.
- Talk to your supply chain partners about your expected needs.
- Establish both quarterly goals and long-term touchpoints in your growth strategy, using the findings to drive future action.
- Prepare for when things don’t go as planned — for instance, if growth is slow or suppliers can’t deliver.
- Be receptive to what you didn’t plan for, and be flexible enough to seize opportunities you didn’t expect.
plant their domestic approaches to new markets. “We find that it’s often difficult for companies to understand that the strategy that they use in the U.S. may not be the right strategy for them to use in other countries,” Sharma says.

Failing to adapt growth plans to the nuances of local markets is a common problem. “U.S. companies sometimes approach growth by saying, ‘Hey, we do everything right — let’s go over there and teach them so they can do it right, too.’ And that’s where they can run into a lot of problems abroad,” says Christian Hasenoehrl (MBA ‘95, MS ‘95), managing partner at Hasenoehrl Capital Advisors. Instead, he suggests, companies can take a page from the approach of many British multinationals. Some use a de-volved management model, meaning that when expanding abroad, they let the local operating unit handle its own management in its own way. “All they look at is the operating financials of those subsidiaries. That’s almost the complete opposite to what American companies tend to do,” he says.

Hasenoehrl also recalls working with a UK bank that successfully took a matrixed approach to managing growing overseas operations. “They let the guys at the country level run the bank but then report in a matrix back up to the headquarters to get learning and best practices that they then filter throughout the rest of the world. So people in one country can learn what people in another country do, and so forth,” he says. It’s a matter of sharing, as opposed to imposing. Rather than forcing these practices on each country, “they let them come to the learning on their own,” he says.

At the same time, executives should understand that the opportunities in emerging markets will often differ from those in U.S. markets — and then plan how to compete accordingly. Boston Scientific’s Ortiz says executives should think beyond fighting for existing market share and instead think about expanding the pie. “If we always go to get market share, you never go out of the ‘shark pond’ of intense competition,” he explains. Almost by definition, emerging markets involve a range of un-met customer needs and untapped opportunities, which means that market-development efforts are likely to pay off. “Sometimes, you need two teams,” Ortiz says. “One team that is expert on going in commercially to take market share, and one team that does market development.”

TAPPING INTO TALENT

Indeed, perhaps nothing is more important when preparing for growth than assessing and preparing a company’s employees. Existing employees at every level will often require new or broader skill sets, and additional personnel may also be required.

Companies that have to look outside to acquire the talent they need should know that, in spite of the economic upheaval of the last several years, the war for talent is very real, especially in the technical and skilled-trades areas. In a competitive labor market, Werther suggests, companies can augment their usual recruiting channel efforts by casting a wider net that includes non-traditional sources. For example, he says, “many community colleges are eager to adapt vocational training programs to work with employer associations.” Tapping into military sources to find people leaving the service can also be helpful. “The military has a complete range of skills, from high tech to people who work in machine shops or do logistics,” he says.

To enable growth, it can be useful to strike a balance between developing talent and acquiring it. It’s important to help loyal, existing employees grow and change, says UPS CFO Kuehn. However, he adds, “you also have to find ways to bring in new talent quickly. M&A is one of the ways we do that. We buy small companies — it’s a great way to bring in new blood and share ideas. … When you have one part entrepreneur and one part corporate loyalist, it’s an incredible, powerful combination.”

For internal employees, managers must ascertain who will function best in areas that are experiencing change. “Figure out which group of your people will prosper from
rapid change and which group needs stability and will be incrementally improving,” Kuehn says.

Once the employees best poised to participate in growth are identified, internal talent-development programs can be effective, but they take time — which makes advance planning especially critical. In addition to formal development programs, executives should consider moving people around in roles, Werther says. He offers a rule of thumb: If a person is doing his or her job really well, it’s time to move that person into a new role — because he or she is probably not learning much by simply repeating the performance.

Such workers, Werther says, “need to be given more responsibilities; they need to grow. And, in turn, they should be delegating what they are doing and helping others to grow. So, you can create a cascade through the organization where people are training others to do their jobs, while they are learning the jobs of the people above them.”

Long-time employees may also be resistant to change. One way to overcome this, Kuehn says, is by instilling a sense of “constructive dissatisfaction” among employees — making it clear that the company they have known is not the one that will prosper in the future. Managers of established businesses can also fall into a pattern of seeing nothing but risk in pursuing growth. Kuehn suggests focusing on opportunities, including those that haven’t yet been imagined. “The trick is to defend yourself but also keep moving forward,” he explains.

Companies should also look at their management teams to determine if they are right for driving growth. When switching to a growth strategy, “the team that brought you to one point normally is not the team that takes you to the next one,” says Boston Scientific’s Ortiz. “So you may have to bring new people with new capabilities to the team.” In addition, the challenges and opportunities that arise during growth may call for further adjustments along the way. “Be aware that you might have to change your teams while growing,” he says.

Getting the right mix on those teams is key. “If you have a management team of six people, you don’t want all six to have the same talent,” Hasenoehrl says. “So it’s about building a cohesive team of people that have very different talents, that can supplement each other in terms of managing the overall company.”

Hasenoehrl, who has been involved in growth initiatives at several European companies, recommends taking advantage of tools that essentially quantify talents and skills and provide insight into how various individuals will work together in a team. (In a previous role at Gallup, he became familiar with that company’s Strength Finder tool, which is used for such assessments.)

“That gives you data to manage with,” he says. “If you don’t do that, you’re just managing by feeling. But when you overlay that whole strategy with data, it gives you some factual basis to move forward to and promote people and put people together.”

THE PERSONAL PERSPECTIVE: PREPARING YOURSELF FOR GROWTH

Executives, managers and employees at every level of an organization should also take a look at themselves as a company prepares to grow. They need to take the time to think about what growth will require of them. Particularly if they’re charged with driving that growth, they will typically have to expand their own horizons, learn about new markets and new customers — and generally get out of their comfort zone.

In times of rapid growth, it is easy to become overextended. “When growth is picking up, you might start to find weaknesses in your accounting, your suppliers, your employees, your technology,” Werther says. “So you get these holes, and you run to put your finger in the proverbial dyke. But if you’re still fighting fires.” At the executive level, it’s important to delegate that work, and focus on enabling people to solve problems. “Work on the organization, not in the organization,” Werther adds. “Instead of doing the actual activity, work on making the organization more effective.”

In the end, executives and managers need to make the same kinds of realistic decisions about themselves that they make about their companies — and focus on sustainable performance. “The personal decisions that you make are tremendously important,” Ganitsky says. “You decide to go or not to go, to accept or not accept an assignment.” And overdoing it, he says, can have real physical and mental costs — and ultimately make an executive less effective. “So it’s important to know your limits and be willing to say no.” Doing so can be very hard. But, he adds, sometimes it’s the right thing to do — for the individual and for the company’s growth plans. As UPS’s Kuehn says, “The only way you get to be 107 years old, as UPS is today, is by creative destruction and reinventing yourself as a company.”

The School of Business offers a variety of executive education programs on topics including preparing for and managing growth. For more information about the School’s programs and expertise, contact David Levin, director of executive education programs, at 305-284-5670 or dlevin@bus.miami.edu.
For 12 consecutive years, University of Miami students have demonstrated that the institution is a thriving center for entrepreneurship, innovation and creativity. That was overwhelmingly evident during the annual UM Business Plan Competition, sponsored by the School of Business. The 2014 victors, announced at an April 4 awards luncheon, walked away with $65,000 in total prize money. They included three winners each in undergraduate, graduate and, for the second year in a row, alumni categories. The companies themselves – several of which are already up and running – represent the diversity of business in the 21st century. Consider the three Grand Prize winners: a smartphone app that connects retailers and shoppers via trackable clothing tags, a health care venture helping hospitals better serve elderly cardiac patients and a good, old-fashioned chocolatier. “The judges were blown away by the caliber of ideas presented by the entrepreneurs,” says Susy Alvarez-Diaz, director of entrepreneurship programs at the School. “They have no doubt we will be hearing more about these companies, as we have others that have grown out of our past competitions.”
Readmission Control

A team of MD/MBAs aims to reduce hospitalizations of Medicare patients with heart failure.

CONGESTIVE HEART FAILURE (CHF), a condition in which the heart can’t pump enough blood to meet the body’s needs, is the most frequent cause of hospitalization of adults 65 and older in the U.S. These patients are among the more than 1 million hospitalized with CHF each year, of which nearly 24% are readmitted within 30 days of being discharged. Readmission of CHF patients older than 65 has become a costly burden on Medicare, a dilemma addressed in the Affordable Care Act (ACA). The ACA mandates incrementally reducing Medicare payments to hospitals with higher-than-expected readmission rates for diseases, including CHF.

Those are the alarming statistics that a foursome of MD/MBA students, who are jointly enrolled in the School of Business and UM’s Miller School of Medicine, seized upon in their Grand Prize-winning business plan for Valens. Valens is a software service company that would provide hospitals with a big-data analytic solution to this persistent health care problem. “We were taking MBA classes that included examining big data,” says Mathew Varghese, explaining how he and his competition teammates — Cristina Del Toro, Sabrina Taldone and Josh Cameron — generated the idea. “Initially we took a broad approach, not sure where we would focus the data.”

“We met with health care executives and practitioners to get their take on what they were doing with IT,” Del Toro says. “We wanted to fix one specific problem,” she explains. The team zeroed in on the dire readmission situation with elderly CHF patients.

Valens seeks to reduce these readmissions by mining patient and hospital data to develop an algorithm that divides CHF patients into various risk categories according to their likelihood of being readmitted. The hospital’s case manager for CHF patients will interface with Valens to prescribe aftercare programs and services for high-risk patients, including nursing care, social workers, transportation to appointments, even phone calls to ensure medications are taken.

“The incentive for hospitals to take more responsibility for CHF patients’ follow-up care after discharge is critical,” says Taldone, whose experience as a consultant for UM’s Launch Pad entrepreneurship center aided the team’s efforts. “The transition of care from hospital to home presents a tremendous business opportunity, but hospitals don’t have enough resources to deal with every CHF patient. That’s where we come in.”

While the MD/MBAs coordinated the clinical and data-analysis aspects of developing Valens, they enlisted Joseph Petri, a first-year full-time MBA student at the School, for the business side. “My job was making the idea marketable, creating perceived value for the hospital administrators responsible for such decisions and figuring the costs involved,” Petri says.

Petri enlisted Cameron to help with the number-crunching. “We had to determine costs to hire appropriate individuals, how much time it would take and what to pay for various services,” Cameron says. He also stayed up the night before the competition to fine-tune the PowerPoint presentation that so impressed the judges. “We were able to clearly explain the right portions of our business plan to them,” Varghese says. In medical terms, the Valens team produced a positive outcome.
Lady Luck

It’s been a sweet ride for Lucy Calamari.

As luck would have it, Lucy Calamari (BBA ’13) is not the most dexterous typist. In fact, during the countless times a day she taps out her first name, her right hand often inadvertently hits the “k” key, misidentifying her as Lucky. Usually, she deletes the errant letter and continues typing, but one day her common mistake took a correct turn.

“Writing Lucky instead of Lucy stuck in my head,” she says, recalling the opportune moment in 2007 when she stuck the words together to name her fledgling candy company. It took more than good fortune, though, to keep Lucky Lucy Chocolates afloat, develop a business plan and win the competition’s Grand Prize in the alumni category.

The story began when Calamari and her family immigrated to Miami from Panama 17 years ago, bringing along ambition and a love of chocolate. “One night, I had a craving and a box of fudge mix,” she says. While stirring the batter, an entrepreneurial idea stirred in her mind. “What if I made a thicker mixture, like clay?” she wondered. “What if I formed it into small, rounded pieces, like truffles? What if…” During the next couple of weeks, she experimented with different recipes and designs.

Soon after, a friend told her about a local trunk show—a sort of citizen’s trade fair promoting homemade products—for Valentine’s Day 2008. She whipped up an assortment of her goodies, sold them to fellow chocoholics and Lucky Lucy Chocolates was born. By then Calamari was taking courses at Miami Dade College, where she enticed classmates into buying her sweet wares. “This is it,” she remembers deciding. “This is going to take me somewhere.” Calamari soon started selling chocolates on Etsy, an e-commerce website for small businesses.

In keeping with Calamari’s signature blend of luck and perseverance, her mother was working for a family who offered to invest in her budding business, as well as help her transfer to UM’s School of Business, which she’d long dreamed of attending. Courses at the School boosted her business further. “As a marketing major, we often used my company in projects,” Calamari says. “We had focus groups, surveys, tastings and other ways to learn about customers and branding.” That process led to the Art Deco designs that distinguish her chocolates, as well retail accounts at Miami International Airport and Wynn’s Market in Ocean Reef. She outgrew her home kitchen and moved to a restaurant that she promotes on her packaging in lieu of payment.

When Calamari received an email from the School’s alumni office about this year’s competition, she called on mentor Betty Amos (BBA ’73, MBA ’76), owner and president of Abkey Companies, to help her refine the business plan she’d begun developing through UM’s Launch Pad entrepreneurship resource enter. The day of her presentation, she woke up with laryngitis, yet found enough voice to wow the judges—not just with her business plan, but also with samples of her chocolates.

“Now the pressure is on,” Calamari says of winning the $10,000 Grand Prize, which she plans to use to continue expanding Lucky Lucy Chocolates. “A lot of people, including my 12-year-old daughter, really think I can do this. So it must be true.” She’ll use her $10,000 Grand Prize to continue expanding Lucky Lucy Chocolates.
Tagged Smart
A shopping app and interactive clothing label connect consumers and retailers.

SnagTag wants to take shopping to the next level. Sensing a dual problem in the way shoppers keep track of their purchases and the way retailers keep track of their shoppers, the winners of the competition’s Grand Prize – Undergraduate category set out to create a dual solution. “We’ve developed an app that offers a solution for retailers to gain more information about consumers and that allows consumers to become more interactive in the brick-and-mortar experience,” says Jake Elliott, an entrepreneurship major who is now in his senior year.

“We’re bridging the gap between retailer and consumer,” adds Nicholas Sando, also now in his senior year and majoring in finance and economics. The third member of the SnagTag team is Andrew Rodriguez, an electrical engineering major in UM’s Class of 2015 as well.

Although apps for individual retailers abound — from Apple to Zales — the innovation behind SnagTag is a “smart” clothing tag embedded with a small chip that uses an advanced type of RFID (radio frequency identification) tracking technology. When a smartphone running the app gets close to a SnagTag, a two-way connection is activated. The phone uploads product information on that item, which the shopper can access to buy it — then or later — either at the store or online. In turn, the SnagTag downloads the consumer’s activity to an account in the retailer’s database. The app is free to consumers, while retailers pay a subscription fee to the company.

The idea for SnagTag initially emerged as the students pondered a way for individuals to maintain personal inventories of their purchases from various retailers, much as retailers gather their customers’ data. “Consumers have to refer to all their different credit card, banking and other statements to see purchase histories,” Elliott says. SnagTag fills that void, at the same time giving retailers a source of targeted customer information.

Last summer, during the early stages of developing both the technology and a business plan, the trio traveled to Boston to participate in HackMIT, an annual competition that challenges student teams to develop apps, programs and other digital projects in 30 hours. “We came in within the top 10%, ” says Rodriguez, who recruited two MIT engineering students (his brother Michael and friend Eduardo Deleon) for the effort. “That gave us a lot of momentum.”

Riding that success, they entered the 2014 Business Plan Competition. The team refined the business plan, including switching from a per-purchase commission to a subscription model in partnering with retailers. “We worked with the Launch Pad to help with the financial model,” Sando says. They demonstrated the SnagTag system to the competition’s judges, complete with a mini store featuring racks of smart-tagged clothing and a “consumer” in the room whose smartphone received a push notification from a retailer. “Big data is where it’s at,” says Elliott, espousing one of today’s hottest entrepreneurial themes. “If we can customize and accumulate data from our app, SnagTag will be very valuable in a couple of years.”
Grand-Prize Winners
UNDERGRADUATE:
SnagTag, Jake Elliott, Nicholas Sando and Andrew Rodriguez
GRADUATE:
Valens, Matthew Varghese, Cristina Del Toro, Sabrina Taldone and Joshua Cameron
ALUMNI:
Lucky Lucy Chocolates, Lucy Calamari (BBA '13)

Second-Prize Winners
UNDERGRADUATE:
The Nest Maternity Resort, Paola Campodonico and Austin Zaslav
GRADUATE:
AdMoney, Joe Bucciero and Albert Katz
ALUMNI:
Ibis Power, Alexander Suma (PhD Civil Engineering '10)

Third-Prize Winners
UNDERGRADUATE:
Central Express Laundry, Sultan Alghamdi
GRADUATE:
The Quiet American, Rodolfo Hernandez (BA '11, MBA '14)
ALUMNI:
Leash, Thien Van Tran (BS '13)

Giving Interns a Lift:
THE HEFFNER INTERNSHIP AWARDS
In addition to the Business Plan Competition, the School fosters entrepreneurship by encouraging undergraduates to seek internships, which can be invaluable career boosters in today's competitive job market. But, interns may receive little or no salary, making internships a potential burden on students.

Since 2006, Bill Heffner (BBA '77) has been helping entrepreneurial-minded students solve that problem. The CEO of Agg Rok Materials in Columbus, Ohio, Heffner was a veteran judge in the competition when he endowed the Heffner Internship Awards, which provide qualified School of Business students with $2,500 each to be used toward travel and living costs during a summer internship. The students must seek out the internships themselves; in many cases, they work with companies to create internships where none existed before.

This summer, four School students are benefitting from the Heffner Internship Award (in photo, above left), presented in-person by Heffner (center). Joseph Lopez (far left), an economics major, is a risk-analysis researcher for Beinville Capital Management in New York. Kenthia Farmer (second from left), majoring in entrepreneurship, is in Ann Arbor, Mich., working for Google's AdWords division. Maxim Bjeles (second from right), a double-major in marketing and management, is a researcher in Delray Beach for Trove, a data-analysis firm. Finally, Alex Cantwell (BBA '14) (far right), who hails from the UK, stayed in Miami this summer to intern for venture capital firm Banyan Investors.

"Internships can open a lot of doors for them after they graduate and pursue their careers," Heffner says. "Without financial assistance, these students might not be able to afford to accept their internships."

PAUL K. SUGRUE ENTREPRENEURIAL SPIRIT AWARD
Sidonia Swarm (BBA '14) (above, right, with Susy Alvarez-Diaz, left), who created a business plan for On Demand Dietitian, one of the competition's 16 semifinalists, won the 2014 Paul K. Sugrue Entrepreneurial Spirit Award during the competition. The award, which comes with a $2,500 check, is named for the School's former dean, Paul Sugrue, who initiated the Business Plan Competition in 2003. By blending technology, nutrition and management, Swarm seeks to deliver an innovative solution for human resources departments, allowing them to efficiently and effectively offer complete nutrition counseling to employees. On Demand Dietician's subscription-based service, Executive Decisions, provides employees with 24/7 access to a nationwide network of registered dietitians. "The company was recently accepted by 1871, a technology incubator in Chicago," says Swarm, an entrepreneurship and management major. "We will be piloting Executive Decisions with companies in the Chicago and Miami markets this summer."
INDUSTRY INNOVATORS AND THOUGHT LEADERS EXAMINE THE HIGH COSTS OF U.S. HEALTH CARE.

SPECIAL REPORT:

The Business of Health Care:

BENDING THE COST CURVE

SOME 700 LEADING HEALTH CARE POLICYMAKERS, INSURANCE EXECUTIVES AND PRACTITIONERS GATHERED FOR THE SCHOOL’S ANNUAL HEALTH CARE IMPACT CONFERENCE, “THE BUSINESS OF HEALTH CARE: BENDING THE COST CURVE,” HELD ON JANUARY 17 AT BANKUNITED CENTER AND HOSTED BY THE SCHOOL OF BUSINESS ADMINISTRATION’S CENTER FOR HEALTH SECTOR MANAGEMENT AND POLICY.
“With key provisions of the ACA in effect this year, this conference offers a timely opportunity to discuss new models of health care delivery and coverage,” said Steven G. Ullmann, professor and director of the School’s programs in health sector management and policy and Center for Health Sector Management & Policy. Ullmann noted that business leaders, policymakers and providers all have important perspectives to share. “We all have much to learn from each other, and this is an excellent forum to facilitate those discussions,” he said.

John Hesselmann, executive for specialized industries at Bank of America Merrill Lynch, noted that, “This promises to be a transformative year for health care. Thoughtful management of resources is critical, and there will be new opportunities for in-depth reports on all four conference sessions, visit bus.miami.edu/healthcare2014.

Speakers and attendees focused on how to address the high cost of U.S. health care, as well as the impact of the Affordable Care Act (ACA) on health care providers, consumers and employers who provide health insurance. Their key conclusions: Better technology integration, greater collaboration among providers and higher co-pays for patients are among the ways to address the high cost of care, but there is no clear path ahead for reducing overall costs while improving the quality of care.

“The public has to speak up and be engaged in the process of finding better solutions in health care.”
— Former U.S. Senator Olympia Snowe, Senior Fellow, Bipartisan Policy Center

“Employers’ three biggest concerns are cost, cost and cost. What’s needed is business process re-engineering, ... We have to change the way we deliver care.”
— Helen Darling, President/CEO, National Business Group on Health (left), with Patrick Geraghty, Chairman/CEO, Florida Blue.
for health care organizations as the industry grows.” Bank of America Merrill Lynch and Florida Blue were the conference’s presenting sponsors, joining other sponsors.

Although panelists and attendees came from around the country, they found quite a bit of common ground. “The issues we are facing in Alabama are similar to those in South Florida,” said attendee David Spillers (MBA ’03), CEO of Huntsville Hospital Health System. “The conference was very helpful in stimulating my thinking about what we as a health system can do to reduce costs while continuing to improve the quality of care.”

**REDUCE COSTS AND IMPROVE OUTCOMES**

Controlling costs through new care delivery approaches and business efficiencies was a key topic of discussion. The disjointed pieces of the health care system — both payment and care — need to be examined collectively, said James M. Winkler, senior vice president and innovation leader in Aon Hewitt’s U.S. Health & Benefits Consulting practice. “We also have to balance the impact of health care reform,” he said. “One provider’s cost savings is another provider’s income reduction.”

Employers are experimenting with ways to reduce health insurance costs, but they’re not sure about the role they should play, Winkler added. “Their core mission is their business — not running a health plan,” he said. Other panelists noted that employers should consider evidence-based health and wellness incentives, because free services tend to be overused.

Panelists agreed that a large share of cost control and reduction may come from new delivery models. But UM President Donna E. Shalala, former U.S. Secretary of Health and Human Services, injected a note of caution. “I think it’s essential for us to look at new delivery models,” she said. “But our current system remains heavily fragmented, and the push toward innovation could actually increase that disorganization.”

Not every innovation will be successful in reducing costs or in improving outcomes — let alone both. Accountable Care Organizations and other forms of coordinated care, for
example, may improve outcomes, but it could be difficult to reduce costs if they add another administrative layer or simply collaborate to set payment terms. And it may take years of analysis and evaluation to determine the ultimate effectiveness of such collaborative strategies.

---

**WEB EXCLUSIVES:**
Find more about the conference, in-depth papers on each of the conference’s four sessions, video of the sessions, a photo gallery and biographies of the speakers and moderators at:
bus.miami.edu/healthcare2014

---

**COOPERATE IN WASHINGTON**

Truly reducing health care costs and improving Americans’ health requires greater cooperation in Washington on health care issues, said Olympia Snowe, a former U.S. senator (R-Maine). During her keynote address, she recalled the bitter partisan fight before passage of the ACA in 2010. Initially, there was a series of roundtable discussions involving the many stakeholders in the health care sector, said Snowe, who is a senior fellow at the Bipartisan Policy Center, a Washington, DC-based think tank. But faced with the complexity of the issues — and continuing pressure from the media about the time it was taking to construct a health care bill — the Senate’s democratic leadership took the discussion behind closed doors. They put together a long, complex bill with a short timeline for review, and passed the ACA legislation December 2010.

From her Senate perspective, Snowe said, some compromise steps could have been taken — particularly to address the concerns of small businesses — but the ideological gap between the two sides was already there. “You can see that in the repeated votes in the House to repeal the ACA,” she said.

The issue of health care is too important to let partisan battles get in the way of continuing reform. “We have to do better as a country,” Snowe said. “We have to pay attention to the big issues, find common ground and move forward.”

Penny Schaffer, market executive for Florida Blue, added that, “Solving our nation’s health care challenges requires a host of tools, partnerships and dialogues like this one. … We believe that collaboration is key to finding real and lasting solutions.”

---

**“The concept [of collaborative care] sounds hopeful, but the evidence so far isn’t all positive. … Clearly, there is still enormous work to be done to identify models of health care delivery that actually reduce costs while improving outcomes.”**

— Alice Rivlin, Director, Engelberg Center for Health Care Reform; Leonard D. Schaeffer Chair in Health Policy Studies and Senior Fellow in Economic Studies, The Brookings Institution; and Founding Director, Congressional Budget Office

---

“We are all conscious of our own health, but many people don’t understand their health insurance plans.”

— UM President Donna E. Shalala, former U.S. Secretary of Health and Human Services
TOP WAYS TO CONTROL HEALTH CARE COSTS:

Change care practices:
- Better integrate technology and make sure physicians, nurses and other staffers are trained to use it effectively
- Use centralized patient monitoring systems, including biometric vital sign monitoring devices, to reduce immediate costs and improve outcomes
- Use mobile devices to put information into the hands of clinicians and patients in the immediate moment
- Improve the management of chronic disease conditions
- Utilize virtual care and mobile care delivery

Change business practices:
- Increase patients’ deductibles and co-payments
- Offer transparent pricing
- Examine and re-engineer business processes
- Centralize back-office processes, making them standardized and highly automated
- Improve and improve collaboration among providers
- Reduce the number of older people who are admitted and readmitted to our hospitals
- Improve morale of health care professionals

Change community practices:
- Provide disadvantaged individuals with convenient access to care to uncover health problems before they get sick and end up in the hospital
- Design incentives to move people out of skilled-nursing facilities and into community-based care
- Promote early-childhood health
- Improve access to healthy foods
- Make neighborhoods safer so families can exercise outdoors

HOW EMPLOYERS CAN MANAGE HEALTH CARE COST RISK:
- Monitor claim trends
- Join a private exchange that offers health plans to multiple employers, as well as more plan options and design choices
- Provide evidence-based financial incentives to encourage workers to improve their health
- Invest in a robust technology platform that can use biometric screening and prior claims data to assess risk factors for potentially serious health conditions
- Use on-site health clinics to increase employee convenience and take some control over the number of diagnostic tests and referrals
- Build a company culture based on wellness and prevention
- Use health campaigns targeted to specific employee groups that are most likely to change their behavior

“Finding the disadvantaged people and enrolling them in a plan is the first step, but then we have to find effective delivery systems in order to improve their health outcomes.” — Diane Rowland, executive vice president, Henry J. Kaiser Family Foundation, and executive director, Kaiser Commission on Medicaid and the Uninsured.
From Argentina to Wall Street

School scholarships help three brothers from Argentina pursue their financial-industry dreams
By Jennifer LeClaire

School of Business scholarships helped three brothers from Argentina move to the U.S. and pursue their dreams of working in the finance services industry. All three brothers — Alexis (BSSA ’05), Marcos (BBA ’06), and Diego (BS ’07) Kantt — were recruited by some of the biggest firms on Wall Street, and today are pursuing their career dreams.

WELL-DESERVED
Diego Kantt received the M. Hasan and Kokab Ghomeshi Endowed Scholarship.
“The undergraduate education in Argentina is very technical and theoretical. Every course at UM is more practical and entrepreneurial,” says Alexis, 31. “UM’s management science [major] is unique and helped prepare me for a career in finance and real estate. It helped me reach my goal to make it to Wall Street.”

Alexis, who graduated at the top of his class with a Bachelor of Science in management science and finance, attended the School with the help of three separate scholarships. One scholarship, the Wellington G. Bosworth Educational Fund, is awarded to the University’s top incoming students. Another, the William F. Jureit Scholarship, is given to an upper-class business major and recognizes excellence in academics along with extracurricular activity involvement; it honors Jureit, the retired CEO and vice chairman of Gang Nail Systems and a graduate of UM’s School of Law. Alexis also earned the Dean’s Award in Memory of Beatrice Gitlow, which honors the Gitlow family’s lifelong commitment to academic excellence and is given to a top-ranking senior student in the School of Business graduating class.

Before earning an MBA from Harvard in 2013, Alexis began his finance career at Deutsche Bank’s Commercial Real Estate group and quickly became a vice president. Today he’s an investment professional at Starwood Capital Group.

Diego, 29, also earned a Bachelor of Science in management science degree from the School, graduating with cum laude honors. He received help from the M. Hasan and Kokab Ghoreshi Endowed Scholarship, which assists excellent School of Business students with significant financial need. He started his career at Morgan Stanley in New York before moving on to Lehman Brothers and finally landing as a vice president at JH Partners, a consumer-focused private equity firm in San Francisco. Now, he’s enrolled in Harvard’s MBA program. “If I wanted to get to Wall Street, I knew I had to move to the U.S., and Miami was the perfect transition from Latin America,” Diegosays. “UM offered a great program that opened doors for me on Wall Street.”

Marcos, 33, also graduated with cum laude honors from UM, graduating first in his class with a double major in finance and computer information systems. His education was made possible by the James A. Sawyer Memorial Scholarship, which helps students majoring in finance who demonstrate financial need, academic achievement of at least a 3.2 grade point average, and leadership qualities. Like Alexis, Marcos is working on Wall Street, having launched his career at Credit Suisse Securities before moving on to Bank of America Merrill Lynch, where he serves as an investment banking vice president. “I didn’t know what Wall Street was really like,” Marcos says. “UM gave me a good understanding of how things work in New York.”

The brothers purposely did not specialize in Latin American investments early in their careers. With Wall Street experience focused on U.S. markets, they are confident they could go anywhere in the world and succeed in the financial-services industry.

The scholarships gave all three brothers opportunities that they say changed their lives. The awards allowed them to attend UM without incurring mountains of debt; all three say they would not be where they are today without the help. The scholarships also left all three very loyal to the School and to UM. The trio often reaches out to current students to encourage them. Merrill Lynch, for example, has invited several UM students into its summer internship program throughout the years.

“Don’t be afraid of coming to New York,” says Marcos. “There aren’t many UM alumni on Wall Street relative to other universities today, but those that are here work hard and have a great reputation in the industry. We work to prove ourselves every day, and professionals on Wall Street have taken note of that.”

For now, the brothers plan to continue adding to their capital markets and investment experience in the U.S. and global markets. Says Alexis, “Miami represents an open door from the U.S. to Latin America, and we see great opportunities in the future.”
SOUTH FLORIDA is a prime example of an area’s future being changed due to the power of real estate. From mixed-use developments and walkability to creativity in commercial and residential sectors, real estate experts from around the country cited developers in the area as leaders in innovative thinking during the 2014 University of Miami Real Estate Impact Conference. The UM School of Business and School of Architecture jointly hosted the conference, which brought together nearly 300 industry professionals on Feb. 13 at the newly minted Perez Art Museum Miami. Although the conference covered the national picture in real estate as well, discussion often came back to South Florida, particularly Miami.
D

uring one session, Keith Oden, president of Camden Property Trust, said that South Florida is the fifth-best-performing real estate market in the U.S. today — behind only Atlanta and three Texas markets — for his company, which is building multifamily communities in Plantation and Boca Raton and expects a 5% growth rate in its South Florida portfolio this year. “We love this market,” Oden said. “We think there is a lot of underlying strength here, and 2014 looks to be another strong year.”

Keynote speaker Barry Sternlicht, CEO of Starwood Capital Group, noted that the South Florida residential real estate market is hitting the right notes. “It’s vibrant, and I don’t see any reason it shouldn’t accelerate now. Not flatten or plateau, but actually accelerate,” he said. “Miami is still a little bit of a secret ... but word is getting out.”

However, the picture in Miami isn’t only rosy, cautioned panelist Jorge Perez, CEO of Miami-based developer The Related Group, one of the nation’s largest condominium developers. On the one hand, he said, “South Florida has become, as opposed to just being fun in the sun, a serious city, a great city.” But he added, “We still don’t have the local buyers for our private properties we’re building.”

Perez also pointed to rising construction costs as an issue that could slow down the area’s booming condo market. But other panelists said they don’t see hard costs — which include land acquisition prices and financing costs — going up much more in the near future. And, added Stuart Miller (JD ’82), CEO of Miami-based homebuilder Lennar Corp., in South Florida’s single-family home sector, rising construction costs aren’t as critical a factor in final pricing, due to stable land costs and rising home prices.

**MIXED USE - THE “INVISIBLE ASSET CLASS”**

One of Miami’s greatest assets is the mixed-use properties that have become common in the area over the past 10 years. It’s a real estate class that both capital markets and developers shy away from, because it’s perceived as more difficult to develop. But, said Mark L. Troen, managing partner and principal of The Winnmark Group, “Mixed-use properties outperform other product types on a five-to 10-year term.” And, he added, they have fewer commercial mortgage-backed securities (CMBS) defaults.

Panelists noted the Miami area’s many walkable areas and the emphasis on continuing to develop walkable projects and districts. That, too, adds to a property’s value. “The market value of real estate, from office to retail to multifamily, with high walk scores exceeds property values of real estate with poor walk scores,” Troen said.

Robert L. Chapman, founder and managing director of Traditional Neighborhood Development Partners, explained why what he called “walkable urbanism” is difficult to finance. “The underwriting process is such that underwriters can’t deal with complex problems,” he said. “But that may change with the breakthroughs in quantum computing.”

**NOVEL FINANCING AND COMMERCIAL REAL ESTATE APPROACHES**

Novel financing methods and markets are increasingly important to real estate developers. Sternlicht, for one, finds that to be one of the most exciting aspects of the industry right now. “It may be the most interesting time I’ve seen in my career because of the ability to do things in the public market as well...”
as the private market,” he said. “Globally that’s true. There’s probably more money available in public markets now than in private markets.”

Panelists at the conference also discussed a variety of other topics, from Flagler East Coast Industries’ expansion into logistics in Latin America and planned Orlando-to-Miami rail service; to The Vagabond Group’s role as a catalyst in transforming the Miami Modern (MiMo) area through its revitalization of the historic Vagabond Motel; to the changes that traditional malls and retail centers are making to remain relevant in the age of e-commerce.

Like many real estate-related companies today, “we’ve completely shifted our mindset,” said Jodie W. McLean, president and CEO of EDENS, a South Carolina-based shopping center operator. The company is moving to reclaim and rebuild spaces that give communities gathering places where people can slow down in a convenient, safe and vibrant atmosphere. As she sees it, today’s most successful retailers blend irresistible goods or services, a sense of place, e-commerce and new ways of engaging consumers.

CONVENING THE COMMUNITY
Although the Real Estate Impact Conference covered a lot of topics, Andrea Heuson, a professor of finance at the School and a key conference organizer, felt it was important to get the community together to meet the needs of attendees. “The people who work in commercial real estate are interested in an amazing variety of projects,” she said. “As a university, we try to be a thought leader and a convener to bring all of these great minds together.”

School of Business Dean Gene Anderson noted the importance of the University’s role as a convener of minds and a catalyst for the community. “We want to be part of Miami’s future,” he said. “This conference is an opportunity for us to bring together thought leaders to discuss areas of vital importance to Miami.”

Heuson added, “The benefits of this type of conference aren’t always apparent until two or three years down the road when people who met here cross paths again and realize the benefits of networking.”

Presenting sponsors for the conference included Douglas Elliman Real Estate, the Kislak Family Foundation and The Witkoff Group.

At bus.miami.edu/RE2014, go in-depth with full videos and briefing papers on all four sessions:

- The Invisible Asset Class Initiative with Robert L. Chapman of Traditional Neighborhood Development Partners; Kurt Roeloffs, former chief investment officer for Deutsche Bank (RREEF) Alternative Asset Management; Mark L. Troen, managing partner and principal of The Winnmark Group; and moderator Laura Heery Prozes, co-founder of Brookwood Group

- Think Differently! Innovation, Entrepreneurship and Leadership in Commercial Real Estate with Avra Jain, chairman and founder of The Vagabond Group; Jodie W. McLean, president and chief investment officer of EDENS; Vincent Signorello, president and CEO of Florida East Coast Industries; and moderator Charles Bohl, associate professor and director, Graduate Program in Real Estate Development and Urbanism at the UM School of Architecture

- The Power of the Residential Real Estate Market to Change a City’s Future with Stuart A. Miller, CEO of Lennar Corporation; D. Keith Oden, president and trust manager of Camden Property Trust; Jorge M. Perez, chairman, CEO and founder of The Related Group; Steven C. Witkoff, chairman and CEO of The Witkoff Group; and moderator Howard M. Lorber, president and CEO of Vector Group Ltd. and chairman of Douglas Elliman

Keynote speaker Barry Sternlicht, chairman and CEO of Starwood Capital Group and UM President Donna E. Shalala

Plus:
• Photo gallery
• CNBC coverage
• Full biographies of speakers and moderators
• Insights from previous UM Real Estate Impact Conferences
Real Estate Impact Conference
The School of Business and School of Architecture hosted nearly 300 people at the 2014 University of Miami Real Estate Impact Conference on Feb. 13 at the Perez Art Museum Miami. Douglas Elliman, the Kislak Family Foundation and The Witkoff Group were presenting sponsors.
Distinguished Speakers at the School of Business

UPS Chief Financial Officer Kurt Kuehn (MBA ’85) gave an Executive in Residence presentation on “The Art and Science of Logistics and Supply Chains” to students, faculty and staff.

Fashion designer and Kenneth Cole Productions CEO Kenneth Cole visited the School for an interactive event co-sponsored by the School and Toppel Career Center.

Featured Alumni & Donor Events

At the 34th Annual Scholarship Donor Recognition Luncheon, held on April 25 at the School of Business, donor Dean Fogel (BBA ’70) (left) flew in from Texas to talk about establishing the Dean M. Fogel Endowed Scholarship. The scholarship gives preference to military veterans, such as undergraduate student Vincent Cianciaruso (left) – who still serves in the Navy. Carlos Arrocha (left), a recipient of the Marvin J. Brittman Endowed Scholarship in Accounting, joined donor Marvin Brittman (BBA ’64) (right) at the lunch. Donor Lloyd Straits (BBA ’65) (second from right) enjoyed interacting with his recipients, (left-right), Max Seraita (BBA ’14), Jasmine Holmes (BBA ’14) and Travis Montaque (BBA ’14).

On April 1, 2014, at a Panama Alumni Reception, (left-right) School of Business Dean Gene Anderson joined more than 50 School alumni, including hosts Maria and Ramon Madura (MBA ’90).

Other recent events included the October New York Finance & Marketing Trip and November’s Health Alumni Reception, Alumni Weekend & Homecoming, Planned Giving Donor Reception and five-year MBA Class of 2008 Reunion.
Around the School

In February, the School of Business hosted a reception in Puerto Rico to honor the first recipients of new scholarships for the School’s Executive MBA in Puerto Rico, given by the José Jaime Pierluisi Foundation. (left to right) Jorge A. Pierluisi Jr., president of the José Jaime Pierluisi Foundation, and his sister Caridad Pierluisi joined scholarship recipients Gabriel De Cárdenas, Natalia Castiel, Rafael González, Viviana Rosaly and Rafael Torres, as well as Anuj Mehrotra, the School’s vide dean of graduate business programs and executive education.

NBA star Kobe Bryant (right) met with Dean Gene Anderson (left) and sat in on a marketing class in January.

At the annual Mentor Appreciation Dinner in April, the School celebrated 23 years of mentoring and thanked its current mentors. Mentor Patricio Rubalcaba (MBA ’00) (left), vice president of strategic partnerships – travel and entertainment industries for the Latin American and Caribbean region of MasterCard Worldwide, and his protégé, MBA student Estefania Paoli Rached (right), spoke about their experiences.

A reception closed the first year of the School’s reverse mentoring program with Citi (read more about the program on page 3). Attendees included Bill Fisse (BBA ’75, MBA ’77), senior human resources manager for Citi’s Transaction Services business, and Ann M. Olazábal (MBA ’97), vice dean for undergraduate business programs.

In the spirit of UM Homecoming, the School of Business hosted SBA Door Wars, which pitted departments against each other in a competition to create the best UM-themed door. A panel of judges awarded first place to Graduate Business Programs’ door.

In May, more than 400 seniors and nearly 125 graduate students from the School of Business marked their graduation during Commencement.
The Business of Health Care: Bending the Cost Curve

The School’s annual health care impact conference brought more than 700 leaders in the field to UM’s BankUnited Center on January 17. Hosted by the School’s Center for Health Sector Management and Policy, the conference was supported by presenting sponsors Bank of America Merrill Lynch and Florida Blue, as well as other organizations.

Steve Ullmann, professor and director of the School’s Center for Health Sector Management and Policy, with Presenting Sponsor Florida Blue’s Penny Shaffer, market president – South Florida, and CEO Patrick Geraghty. Florent Monsson, CEO of sponsor Activ Doctors Consult. Christopher Schoen (left) and Susanne Nolte-Schoen (center), members of the supervisory board of sponsor Schön Klinik SE, with Ullmann (right); Juan Molina of CareCloud; Nancy Hullihen, the School’s executive director of alumni relations and development; Hector Tundidor (MPRA ’05), Miami managing partner & transaction advisory services leader at conference sponsor Ernst & Young; Albert Santalo, CEO of CareCloud, which hosted several students at the conference as CareCloud Scholars; and School of Business Dean Gene Anderson. Dean Anderson with Francisco J. Leon (BSEE ’81), CEO of Femwell, a conference sponsor. Brian Keeley, a member of the School’s Advisory Board to Programs in Health Sector Management and Policy and president and CEO of Keynote Sponsor Baptist Health South Florida, with keynote speaker Olympia Snowe, former U.S. senator (R-Maine) and senior fellow with the Bipartisan Policy Center. Ullmann with Stephen H. Rusckowski, president and CEO of sponsor Quest Diagnostics. Charles E. Alston, Presenting Sponsor Bank of America’s senior vice president – market executive, healthcare & institutions southeast – global commercial banking and a member of the School’s Advisory Board to Programs in Health Sector Management and Policy.

More from the conference on page 33 and at: bus.miami.edu/healthcare2014
Armed with an MBA in marketing and an MS in international business, after graduating from the School of Business in 1997, Linda Rigney VerPlanck went to work as a senior analyst for a small international market research company focused on the health care industry. She was searching for an opportunity to use her business and anthropology degrees to make an impact in a global environment.

VerPlanck lived through various mergers of the original market research company, which ended up as part of a global consultancy. In 2008, a New York-based global health care consulting firm, now known as Kantar Health, acquired the consultancy. From her start at the company 17 years ago, to today, she has steadily moved up the ranks. Today she is a senior vice president, global accounts, Southern Europe and France, based in the Fortune 1000 company’s Madrid office. *BusinessMiami* caught up with VerPlanck to learn more about the woman behind the title — and the lessons she has picked up along the way.

**What is the toughest part about working abroad?**

You have to expect to work a bit harder to overcome your inefficiencies due to new surroundings — different process, new paradigm, etc. You have to integrate as quickly as possible. It helps to understand the culture and work environment. Ask a lot of questions to those around you so that they help you learn how the new processes and paradigm work. And mentor others; it helps them to understand a different process and point of view. This is cross-pollination at its best.

**What are the biggest challenges in your current role?**

The difference in work styles, such as the working hours, summer vacation schedules in Southern Europe and the various bank holidays across Europe. This can be difficult to manage and also can be hard to keep track of. I essentially work with seven or eight different cultures on a daily or

Continued on page 54
ALUMNI NEWS

1950
ALVIN L. BROWN (BBA ’57) will serve on the board of the Gold Coast Tiger Bay Club, a non-partisan political club.
CARL SCHUSTER (BBA ’59, JD ’63) is working with law firm Greenspoon Marder and was recognized in the list of “Best Lawyers in America.”

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

1970
RICHARD J. PREIRA (BBA ’77, JD ’80), a partner with SMGQ Law, was included in the 2014 “The Best Lawyers in America.”
WILLIAM R. SKLAR (BBA ’77, JD ’80) joined Carlton Fields Jorden Burt’s West Palm Beach office, in its real estate and commercial finance practice group.
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 the new publisher for the 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 in New Orleans.
TERE BLANCA (BBA ’81, MBA ’83) was elected to the BankUnited board of directors.
WILLIAM DAVID BUNCE (BBA ’81, MBA ’84) has been appointed central and southern region head of 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 South Florida Legal Guide.

Dressed Success
STEPHEN STERN, BBA ’63
CHIEF OPERATING OFFICER, LORD DANIEL SPORTSWEAR, SUNRISE, FLORIDA
BY ROCHELLE BRODER-SINGER

“If you’re going to have a successful business today, you have to make it successful,” says Stephen Stern, COO of Lord Daniel Sportswear, an apparel company based in Sunrise, Fla. As the company celebrates its 60th anniversary this year, Stern believes one of the keys to its success has been focusing on a niche group of older customers who are often ignored. “This clientele is particularly loyal to Lord Daniel’s patented banded-bottom shirts, which helped build the company’s foundation. Once they wear your shirt they wear it forever,” Stern says.

In a world where customer service has become a lost art, Stern takes pride in the focus his company still places on long-term relationships. He often makes hundreds of phone calls each week to personally thank customers for their business. Stern says, “Older people, they want customer service more than anybody else; they want service because they don’t get it.”

The company has also found a growth niche in patriotic apparel. While popular with the company’s mature customer base, these products also have proven appealing to a new and younger consumer. “The flag shirts have been going bananas,” says Stern, who estimates sales are growing by 70% each week.

While most of Lord Daniel’s sales are to large retailers such as J.C. Penney, the company also sells direct. Stern’s son Brett, the third generation to join the family business and the company’s president, has been instrumental in establishing its online presence. According to Stern, one of those sites, theflagshirt.com, has seen sales increase from an average of 100 orders a day last June to more than 1,000 orders per day currently.

Always on the lookout for the next big thing, Stern noticed many of the online orders were coming from colleges across the country. As an active alumnus of UM’s SAMMY fraternity (Sigma Alpha Mu), he has been using the chapter directories to make connections at universities and begin laying the groundwork for growing the business there. “If you call people, everyone wants to help you,” he says.

Lord Daniel’s longevity as a small, family-run business is certainly exceptional. The company even earned high praise from Wells Fargo bank, which Lord Daniel has worked with for more than 50 years. The financial institution chose Lord Daniel as one of 10 businesses featured in its annual report this year. Stern is clearly flattered, but such complimentary recognition is simply a perk of doing a job he loves. He says, “I get up every day and it’s not only my business; you can’t do something for 60 years and not love it.”
Joining the Kansas City Startup Ecosystem

MARK CHAI, BBA ’03, CO-FOUNDER OF NEXUSHQ, KANSAS CITY, KANSAS  BY KIRA LEWIS

When Mark Chai graduated from the School of Business in 2003, instead of attending law school as planned, he accepted a position with GE Capital in New York. His parents thought he might last a year before realizing he had made the wrong decision. Now, 11 years later, Chai still hasn’t made it to law school and he has no regrets. “My parents are definitely on board with me,” he says.

After building a successful career in the insurance industry in New York, Chai co-founded a promising technology start-up, NEXUSHQ, which offers a Customer Relationship Management (CRM) solution for the individual product side of the insurance industry. Last October, Chai left the security of his lucrative day job at Omaha Mutual in New York City and moved with his wife and two young sons to the Kansas City, Kansas area to devote himself full time to NEXUSHQ.

In Kansas City, Chai and NEXUSHQ are part of the Kansas City Startup Village, a grassroots initiative that sprung up after Google chose the city as the location for its first

continued on page 54
Creating a New School

BERNIE NAVARRO, BBA ’95, CEO, BENWORTH CAPITAL PARTNERS, CORAL GABLES, FLORIDA
BY ROCHELLE BRODER-SINGER

IN 2012, WHEN HE BECAME president of the Latin Builders Association (LBA), the largest Hispanic construction and real estate association in the United States, Bernie Navarro had a mission for the industry organization: have a lasting impact on South Florida. Navarro is CEO of Benworth Capital Partners, one of South Florida’s largest private mortgage lenders, and is a member of the School’s Real Estate Advisory Board. He envisioned a charter high school run and supported by the LBA. Within months, the LBA Construction and Business Management Academy was a reality. This is the first business charter school started by a business association, such as the LBA, in the US.

The Miami-Dade School Board manages the Academy, located in Hialeah, and the LBA owns it through a 501(c)(3) nonprofit that is separate from the association. The school earned an “A,” rating from the state of Florida in its first year, and it has become a national model for business associations partnering with academia in education. A source of media attention since opening, visitors this school year included Home Depot founder Bernie Marcus, former Republican presidential candidate Senator Rick Santorum and former Florida Governor Jeb Bush.

Although Navarro’s term as LBA president has ended, he is still heavily involved with the LBA Academy’s day-to-day and strategic operations, in addition to running Benworth. During the 2013-2014 school year, 150 ninth and 10th graders attended the school and pursued an academic track that combines core high school curriculum with one of three career academics: business, marketing or entrepreneurship. Around 300 are expected next school year, in grades nine through 11. Navarro talked with BusinessMiami about his passion.

How did the LBA Academy get started?

It started like everything else. With an idea. It was just one of those things that you think about. And I decided to vet it. I went to see the local [charter school] operators … and they said it was a great idea. But they cautioned me it would take four years to get it done. I went to see the superintendent [Alberto Carvalho of Miami-Dade County Public Schools], and he said, ‘I love the idea. When do we begin?’ The following week we were meeting with his executive team, and we found a charter school in Hialeah with an application that was going to be expiring soon. We assumed the charter in July of 2012, and August of 2012 was the first day of school. So it was one month to find students and to find a principal.
You found a principal and around 50 students, but you had a $200,000 operating deficit that first year. Where did the money come from? In an LBA lunch, I explained the program and said, ‘…we’re going to have a $200,000 deficit.’ Immediately I raised my hand and said, ‘I’m going to put in the first $10,000.’ After that, it was one after the other. … Before we knew it, we had $75,000 before the lunch ended. From there, we raised the money.

What do you hope students gain from the LBA Academy? We have three goals for the students. One, if they want to continue on to college, we’re going to help them get there. … Two, if they want to start their own business, we’re going to help them. Throughout their time [at the school], they’re going to be learning how to do a business plan, how to get micro-lending. If they’ve got a great idea, we want them to put it to work. And number three, throughout these four years, they’re going to be interning at our [LBA] member companies and we are going to be mentoring the students. So when they graduate, they’re going to have access to a well-paying job from the get-go. … We’re preparing them for the 21st-century workforce. … At the end of high school, they’re going to have the training to get a job already.

Ninety-five percent of our students are on free or reduced lunch. They’re coming from very humble beginnings. It’s parents and families that want to get ahead. They know that this is a first step. They know they’re going to get somewhere with our innovative school. … In these kids you see the eye of the tiger, the desire to get ahead.

You are a constant presence at the school, and many LBA meetings and events are held here. How have the students responded? These students are keenly observing us, like hawks. … They’re learning about finances, they’re learning about the P&L for the association. These kids go to [LBA] lunches. They network. They have to have their elevator pitch already. They have to know what to say and what not to say. Manners is important, how to conduct yourself, how to address people, how to say hello, how to talk to people, looking them in the eyes. We start from the handshake. It’s the whole gamut that they’re getting here.

UPCOMING EVENTS

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

2014

SEPTEMBER 5-6
Florida Accounting Conference

OCTOBER 2
Mentor Orientation & Dinner

OCTOBER 7-10
New York Trip with Bermont/Carlin Scholars

OCTOBER 23-24
Private Wealth Latin America & the Caribbean Forum 2014

OCTOBER 29
Women’s MBA Club Event: Alumni on “How to Build Your Own Brand”

OCTOBER 31-NOVEMBER 2
University of Miami Alumni Weekend & Homecoming, with School of Business Events on October 31:
- 100 p.m.: MBA Class of 2004 Reunion Gathering
- 2:00 p.m.: Classes of ’04, ’09 and ’64 Reception with Dean Gene Anderson
- 3:00 p.m.–5:00 p.m. School of Business Cookout with alumni speakers
- All Day: Accounting Department, First Annual Homecoming Alumni & Friends Event – continuing education and networking

NOVEMBER 11
Cobb Leadership Lecture Series

NOVEMBER 17-23
Global Entrepreneurship Week

DECEMBER 4-5
International Financial Reporting Institute Annual Conference

DECEMBER 5-7
Accounting PhD Rookie Recruiting and Research Camp

DECEMBER 14-16
5th Miami Behavioral Finance Conference

DECEMBER 18
Fall Commencement & Reception

2015

NOVEMBER 11
Health Care Impact Conference

2016

MAY 7
Graduate Commencement

MAY 8
Undergraduate Commencement

named an “All-America Rising Star of Wall Street Research” by Institutional Investor.

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

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

JAMES A. JONES (BBA ’03), a Miami Heat forward, Academic All-American and former Hurricanes basketball great, was named to the University of Miami Sports Hall of Fame in November 2013.

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

ESTHER M. SANTOS (BBA ’02) 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), along with other members of the R.E.L.I.E.F. Foundation, assisted in clean-up and rebuilding efforts after recent floods in Boulder, Colo. The R.E.L.I.E.F. Foundation was started at UM after Hurricane Katrina.

LAURYN WILLIAMS (BBA ’05) won a silver medal in the two-man bobsled at the 2014 Winter Olympics.

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

WALTER FRANCO (R ’05, MBA ’13) is a financial associate with boutique investment bank Gottbetter Capital Markets.

JAIDEEP SUNDARAM (MBA ’12) is working as product manager at HCL Technologies in Bangalore, India.

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

IN MEMORIAM

Family and friends of the late MARTIN J. NASH (BBA ’56, JD ’61) established the Martin J. Nash Memorial Scholarship Fund at the UM School of Law.
Be a Part of Our Future

The School of Business Administration strives to develop innovative ideas and principled leaders that transform global business and society. We invite you to be a part of that goal.

The best gift plans can improve your financial and tax situation – often right away. The Office of Estate and Gift Planning at UM can help you explore options that balance your philanthropic goals with your financial needs and tax-planning strategies – helping you plan for your future while allowing you to make a difference in the lives of others.

Leave a Lasting Legacy

For information, please contact:
Cynthia L. Beamish, Executive Director
Office of Estate and Gift Planning,
305-284-2914 • cbeamish@miami.edu

www.miami.edu/plannedgiving

VERPLANCK continued from page 49
weekly basis. There are different hierarchical structures and codes of conduct, depending on the country. Working across three countries and the various client teams can be a challenge at times. However, I have great passion for this type of work environment.

What insights have you discovered about how the work environment differs abroad?
In the U.S., to say that one “stayed up all night” to meet a deliverable timeline means dedication, but in some other countries it means that the person either didn’t prepare adequately or struggled to get it done or there is something wrong in the overall process. It’s critical to speak a second language, especially the local language, even though the business language is English — right now, anyhow. Knowing Spanish has helped me [with] much more than just communicating in Spanish-speaking countries. When people learn that I speak a second language, they believe that I must be worldlier and more open to other cultures. This has helped me break down walls very quickly. And, of course, using Spanish in Portugal and Italy can be very useful too.

CHAI continued from page 51
ultra-high-speed Google Fiber connectivity project. A couple of years ago, the pending availability of Internet speeds 100 times faster than anything then available led to an influx of young entrepre- neurs into a formerly residential area, leading to the formation of the Startup Village. “Leav- ing New York City, you think it’s going to be a step down,” Chai explains. “Moving to Kansas City, I’m in the middle of this living and breathing incubator. We moved here to be a part of that community.”

The environment appears to be paying off. NEXUSHQ has grown over the last two years from five clients to more than 50 national accounts. It expects to release the fourth version of its product this summer and already has a waitlist of customers who want to install it. NEXUSHQ’s technology combines crucial functions that previously required multiple systems into one product. The company’s primary clients are insurance distributors and the independent financial advisors or agents who sell their products. By the end of this year, Chai projects the company will be serving 80 agencies.

While technology is the foundation of the company’s product, Chai attributes much of its success to an unconventional relationship-based sales and marketing strategy. “We put our clients and their experiences first,” he says.
Make a difference.

Top 10 Ways to Get Involved with the School of Business

1. COMPLETE your alumni profile at www.miamialumni.net
2. FRIEND us on Facebook, join our LinkedIn group, and follow us on Twitter
3. JOIN your local alumni club chapter and refer fellow alumni
4. JOIN us for School of Business events and activities
5. MENTOR students
6. OUTPERFORM your competition through our executive education programs
7. HIRE our talent - student interns and alumni
8. RECRUIT students for our programs
9. HOST an alumni event
10. MAKE a difference, give a financial gift

Visit bus.miami.edu/alumni and deepen your connection

UNIVERSITY OF MIAMI
SCHOOL of BUSINESS ADMINISTRATION

bus.miami.edu/connect
The Power of Ownership

Daniel Martineau is executive chairman of Geneva, Switzerland-based Summit Trust International, a trust group with subsidiaries in England, New Zealand, Cayman Islands and Mauritius. Martineau’s career has taken him through management positions at leading financial services firms in Canada, the Bahamas and Switzerland. In 1999, he and a handful of colleagues launched their own company, which has since evolved into Summit Trust, now part of South African insurance group Sanlam. Here, Martineau discusses the leap from life in a large company to a role nurturing a start-up.
“IN A VERY REAL SENSE, OUR SUCCESS HAS BEEN THE RESULT OF LEARNING TO ‘RIDE THE WAVE’ AS OPPORTUNITY ARISES.”

We wanted equity participation in a group of friends who had started their own successful asset-management business, and they encouraged me to give it a try. In fact, they even offered to invest. For me, that was kind of an “aha” moment. I thought, “If somebody else has not only recognized that we could do this but is also prepared to put up money to help us, we should take this seriously and think about striking out on our own.”

Of course, thinking that and doing it are two different things. It felt a little like stepping off a cliff. I had a young family, and I would be leaving a job with a good salary, a good bonus, a good pension and job security — a place where things could be frustrating at times, but where it was also quite comfortable.

However, circumstances conspired to move things along. Word had spread about what we wanted to do, and we had a number of conversations with banks that approached us about opening an office in Geneva for them. But we wanted to do more than simply join another big company — we wanted equity participation in a new business.

That issue was based on more than just personal financial interest — it was part of a broader plan. I felt that it was key to have a well-thought-out value proposition that would articulate our unique selling features to clients. Of course, every business book in the world talks about doing that, but it’s remarkable how many companies don’t get around to it. We thought it was important for us, right from the beginning.

Our concept was basically to combine the strengths of a bigger company with those of a smaller company. We wanted to have the solid backing of a large company’s balance sheet, reputation and rigor in terms of regulatory compliance. At the same time, having a small owner-management team in place locally would make it clear to clients that our people can make decisions and commitments, move quickly — and provide continuity and personalized service. It would be a big business with a small-business overlay, giving clients the comfort of having both stability and responsiveness.

Start-up: Joint Global-Local Ownership

We thought that was a good approach, and we found a partner that agreed. In October 1999, we established a joint venture in Geneva with Close Brothers Group, a UK merchant bank that is listed on the London Stock Exchange and is highly regarded in the corporate finance space. Close Brothers took 70% of the shares of the new company, which was called Close Trustees Switzerland, and our local team of six took 30%.

This global-local ownership approach has provided a clear value proposition that differentiates us in the marketplace. And, our owner-manager model lets us demonstrate our commitment to our talent, because clients can see that we are set up organizationally to retain and empower them. In a relationship business like private wealth management, that emphasis on talent is critical.

Our experience has certainly indicated that this approach resonates with clients. Within 15 months of our launch, we were solidly on our feet and profitable, with a strong client base. We continued to thrive, and two years ago, the local management here completed a buyout of the company from Close Brothers. With the local management in full ownership, we re-branded the company as Summit Trust International. Today, we’re at a point where we are spreading the net to get more leverage out of the principles and the value proposition we’ve been able to create. We recently completed an acquisition of a company management firm in Mauritius, which is working out very well — and we’re looking at other acquisitions now.

Looking back on this path today, it’s clear that hard work, client loyalty, planning and, yes, even a little luck were all important. But I think that timing has also been key. When I took this leap, I had a lot of experience under my belt and had accumulated the skill sets that were needed. I had acquired a certain level of confidence, which turned out to be important in helping us wait for a partner (we’re now with Sanlam Group, a South African insurance company), who understood our local ownership vision (rather than jumping at the first opportunity that came along). If I had done all this 10 years earlier in my career, I don’t think it would have worked out so well. People talk about the need to take risks, but I think you have to feel it and be ready for those risks; then have the patience to wait for all the elements to fall into place.

— As told to Peter Haapaniemi

Spring/Summer 2014 BusinessMiami
INTRODUCING

THE MIAMI EXECUTIVE MBA FOR THE AMERICAS

LEADING IN MIAMI AND THE AMERICAS FOR 85 YEARS

Designed for HIGH-POTENTIAL EXECUTIVES engaged in the AMERICAS

WORLD-CLASS FACULTY FROM 31 COUNTRIES

45,000 ALUMNI IN 123 COUNTRIES

17 months
7 weekend residencies every 2 months
2 1 week-residencies

Distance Learning

PROGRAM BEGINS IN AUGUST

FOR MORE INFORMATION OR TO ATTEND AN INFORMATION SESSION

VISIT bus.miami.edu/umamericas
EMAIL MBA@miami.edu
CALL 305-284-2510

UNIVERSITY OF MIAMI
SCHOOL of BUSINESS ADMINISTRATION