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As the school transitions to a new dean with the appointment of John Quelch, I would like to thank our alumni, parents, corporate partners, faculty, staff and other friends in the community for your support during the past year. I have been energized by the opportunity to meet many of you in South Florida and across the country while participating in President Julio Frenk’s “We Are One U” tour and other events in my role as interim dean.

Working together, we continued the momentum that the School has experienced in recent years. For instance, we have just finished a banner year in terms of fundraising. Just as importantly, the School of Business is more engaged than ever with the business community and the business leaders who serve on the School’s advisory boards. We have grown the number of companies we partner with for student projects and internships, and our student job placement rates have increased significantly.

We added new events this year, focused on topics such as women in leadership and international logistics. And we grew the size, attendance and scope of our annual conferences. I invite you to read about the insights from these and other events in this issue of BusinessMiami.

We also continued to strengthen and grow our unique portfolio of academic programs. Applications for our various specialized master’s programs are up dramatically, and we will see record enrollment this fall. In addition, we will grow with the inauguration of a new Master in Health Administration program. In all of our programs, we continue to evolve to meet the shifting needs of business – introducing critical thinking and “learning to learn” initiatives in many courses, for example.

Finally, in June, we received re-accreditation from AACSB International, an important mark of excellence in business education.

It has been an honor for me to serve as the School’s interim dean, and I very much look forward to contributing to the School’s success as we move forward. Thank you once again.

Please join me in welcoming John Quelch as the School’s new dean. With your support and guidance, I am confident he will lead the School to our next level of excellence.

Warm regards,

Anuj Mehrotra
Interim Dean, Leslie O. Barnes Scholar, and Professor, Management Science
amehrotra@bus.miami.edu

Mission Statement: To develop innovative ideas and principled leaders that transform global business and society.
New Dean John Quelch Joins School of Business July 1

The School of Business has a new dean: John Quelch, who will assume the role on July 1. Anuj Mehrotra, who was vice dean for graduate business programs and executive education and a professor of management science, served as the interim dean while the global dean search was conducted last year.

Quelch, an internationally recognized scholar on the marketing implications of globalization, with a particular focus on patient centricity and consumer empowerment in the health care sector, comes to the School from Harvard Business School, where he has been the Charles Edward Wilson Professor of Business Administration. In addition to his role as dean of the UM School of Business, he will also become the University of Miami’s vice provost for executive education, overseeing customized training and development programs for executives and managers.

“I am honored and delighted to be joining the University of Miami community as a vice provost and dean,” Quelch said. “I especially look forward to serving alongside the dedicated faculty and staff of the School of Business Administration on behalf of our students, alumni and corporate partners.”

A former dean of two prestigious international business schools, Quelch was also a professor in the Department of Health Policy and Management at the Harvard T.H. Chan School of Public Health – the first ever to hold dual primary appointments in the public health and business schools, and one of only a few faculty members across Harvard University with this distinction.

“Dr. Quelch is a renowned scholar on globalization and a proven academic leader internationally,” said UM President Julio Frenk. “He is a great addition to our senior team and is poised to take the School of Business Administration to its next level of excellence. I am thrilled to welcome him.”

Prior to his recent time at Harvard, Quelch served as dean, vice president and distinguished professor of international management of the China Europe International Business School (CEIBS) from 2011 to 2013. Under his leadership, annual revenues increased by more than 25% to over $100 million; the school’s MBA global ranking in The Financial Times improved from 24 to 15 and its Executive MBA ranking from 18 to 7; and the school launched programs to integrate faculty and staff activities at the three CEIBS campuses in Shanghai, Beijing and Shenzhen, as well as the CEIBS campus in Ghana.

From 1998 to 2001, Quelch served as dean of the London Business School, where, among other accomplishments, he helped transform the school into a globally competitive institution and launched seed capital funds to invest in student and alumni startups.

In 1979, Quelch initially joined Harvard Business School, holding a number of positions over the years, including Sebastian S. Kresge Professor of Marketing, co-chair of the marketing department and Lincoln Filene Professor of Business Administration. He served as senior associate dean of Harvard Business School from 2001 to 2010.

Quelch is the author, co-author or editor of 25 books, as well as numerous business case studies on leading international organizations. He also is known for his teaching materials and innovations in pedagogy; during the past 35 years, his case studies have sold more than 4 million copies.

Quelch has also served on numerous corporate, nonprofit and public agency boards, including as chairman of the Massachusetts Port Authority.

He was educated at Exeter College, Oxford University (BA and MA), the Wharton School of the University of Pennsylvania (MBA), the Harvard School of Public Health (MS) and Harvard Business School (where he earned his PhD in business). Quelch was born in London and became a U.S. citizen in 1991. In addition to the United Kingdom and the U.S., he has lived in Australia, Canada and China. He was appointed a Commander of the Order of the British Empire (CBE) in 2011, and in 2017 was elected a fellow of the American Academy of Arts and Sciences.

“I would like to extend my gratitude to Dr. Anuj Mehrotra for serving as interim dean during the past year,” Frenk said in announcing Quelch’s appointment. “His dedication to the University and outstanding service to the school are exceptional.”
The researchers used game theory to model the behavior behind certain kinds of stock trades. They found that large traders, aware that they are sending a signal to others, often modify their activities to essentially try to minimize that signal. As a result, stock prices or movement can convey “false” information.

For example, if a stock price is declining due to problems at a company, short sellers often bet on a continued decline. But, says Kelly, “There’s a game they play. … The short sellers know that if they are too aggressive and drive the price down too much, the CEO might be replaced or the company might change strategies – and the stock price would go back up again. So short sellers tend to sell less aggressively than they otherwise would, pushing the stock price down a little bit, but not enough to trigger a response.” They may also hide in the “noise” created by other investors. “If they sell sufficiently modestly, then they can look like somebody who is selling stock because they are retiring or need to raise money for some reason,” Kelly says. From the CEO’s perspective, all this short-seller behavior can be an indicator that the markets deem the company to be in better condition than it is.

False signals can also come in from other markets. “Fannie Mae and many large banks have been shown to trade at excessively high prices relative to fundamentals,” Kelly says. One reason, he explains, is that “short sellers are reluctant to get involved, anticipating a potential bailout. In this case, the stock price is not always conveying an accurate signal of the health of the banks.”

Kelly and Boleslavsky also found that there isn’t much that decision-makers can do to counter that short-seller behavior. “It doesn’t seem to matter if a firm says it’s going to maintain its direction or a government says it will never bail that company out,” Kelly says. “That doesn’t have much effect according to our model, because the investors know that once a company is in a bad situation, [company executives are] not going to worry about their past statements. They are just going to do what they think is best at the time.”

Bottom line: Decision-makers need to rethink some of the conventional wisdom about what stock prices tell them. “In our framework, there’s information in there, but it’s often controlled to some extent by the short sellers,” Kelly says. “CEOs pay a lot of attention to stock price. But the message here is that it may not be telling them as much as they think.”

“Stock Prices: More Noise Than Signal

Traders often try to hide their motivations, which means prices offer far less information than conventional wisdom predicts. By Peter Haapaniemi

When stock prices change, that activity conveys information. “For example, if lots of people are selling a stock and the price goes down, that’s a signal to the world that something is wrong with the company,” says David Kelly, an economics professor at the School. That kind of signal is often used to inform decisions by CEOs, policymakers and others. But, says Kelly, those decision-makers should take that market information with a grain of salt.

Kelly and Raphael Boleslavsky, an associate professor of economics at the School, worked with a colleague from Duke University to explore the validity and value of information that can be gleaned from stock prices.
The Five-Year Itch

A company’s performance tends to fall after its CEO has been on the job for about five years, as the CEO loses touch with customers and gets too much information internally. By Peter Haapaniemi

Often, a new CEO makes changes at a company, and business performance improves. But over time, the company seems to lose momentum and performance lags. That’s a well-recognized cycle. The question is: Why does that happen?

To find answers, Vamsi Kanuri, assistant professor of marketing at the School of Business, worked with colleagues from the University of Texas and Temple University to examine CEO performance and tenure at 356 U.S. companies from 2000 to 2010. Their study—published in Harvard Business Review and Strategic Management Journal—identified two key reasons: CEOs lose touch with customers over time and become over-reliant on internal information networks.

New CEOs typically devote a lot of energy to understanding customers, and they cast a wide net to find relevant information. That leads to a deeper understanding of a company’s customers, which is crucial for improving business performance. “At some point, however, the CEO figures out what works with existing customers and then keeps going back to that same strategy,” says Kanuri. “In the process, they often forget that customers’ interests and what works for the customer are actually transient and change with time.” While customer-oriented strategy remains constant, customers themselves don’t, and the two diverge. Thus, after an initial period where an understanding of customers deepens, the CEO essentially begins to grow farther from the customer, impairing business performance.

On the other hand, the CEO’s relationship with employees tends to become stronger over time. The CEO works in close proximity to employees, learning what they need and how to support and enable them. “As the length of tenure goes up, the bonding with the employees increases,” Kanuri says. “So the CEO focuses more on improving the firm-employee relationship, which helps improve firm performance.” But this bonding also leads the CEO to increasingly rely on internal networks for information about customers. He or she tends to seek out “local” information that filters up through the company, rather than tap into a broad range of external sources. With layers of management delaying signals from the customer—not to mention employees’ frequent reluctance to share bad news about customer satisfaction—the CEO becomes further removed from customers. At the same time, the CEO’s stronger internal relationships mean that he or she is likely to be highly effective at motivating the workforce to continue to execute dated strategies for serving customers—essentially driving the organization to focus on doing the wrong things.

The study found that those factors held true “for numerous CEOs over many years, so this is a pretty generalizable finding,” Kanuri says. The researchers used their findings to calculate the optimal tenure—the point where a CEO’s two sets of relationships are fostering higher performance. The answer: 4.8 years.

That’s an average number, of course, and not applicable to every individual. What’s more, the research points to actions that could alter that tenure-performance pattern. Armed with an understanding of how these relationships evolve and affect performance, CEOs can consciously focus on seeking out customer-related information from a wider range of sources. They can also be aware that a comfortable strategy might not be the right strategy.

At the same time, boards and companies can look at changing the CEO’s compensation structure, which is usually based on financial performance. Kanuri suggests that compensation plans should also weigh CEO relationships with employees and customers, and how they evolve over time. By including those factors, he says, companies can address not just the outcome—performance—but also the underlying factors that help drive that performance.
Space: Why it Matters

SHoppers are more likely to buy products that have more space around them than the same products surrounded by less space (less interstitial space). Whether it’s clothes on a rack or chocolates on a shelf, more surrounding space enhances perceptions of the store’s prestige, as well as the aesthetics and value of products, according to research by Claudia Townsend, assistant professor of marketing at the School, and Julio Sevilla (PhD ’13) from the University of Georgia. That perception, in turn, makes shoppers more likely to make a purchase, Townsend explains, whether they’re looking at food items, accessories, personal care or other types of products.

This research, published in the October 2016 issue of the Journal of Marketing Research, is the first to consider the effects of interstitial space on consumer perceptions. Townsend and her colleague ran experiments both in the field and in the lab, keeping the number of units for sale constant and manipulating only the amount of space surrounding the items. For example, in one study they partnered with a retailer selling jewelry. The researchers tracked sales when the retailer used its typical display and when the retailer displayed the same number of items over twice as much space. The increase in space resulted in doubling the number of shoppers who purchased, which also increased revenue per shopper.

In subsequent studies, Townsend and her colleague found that the boost in purchase and revenue was caused by the increased space between products, which made the store seem more prestigious and which, independently, made the products seem better looking. Their research suggests that the effect also likely occurs for online retailing, in terms of the spacing of products on a screen.

“Stores can very easily manipulate product displays,” Townsend says. “Thinking more long-term, this research offers justification for seeking out larger retail space, even if it means paying a higher rent.” For consumers, this is a cautionary tale. “Importantly, this research helps shoppers by showing them how something external to the product may be biasing the way they evaluate items.”

Physical Attributes and Investing Decisions

TALLer and thinNer people take more financial risks.

BY TRACY SIMON

Peoples who are tall and normal weight take greater financial risks and are more likely to hold stocks than shorter, overweight or obese individuals. And this effect is strongest for those who grew the heaviest when they were teenagers.

Those findings come from research by George Korniotis, associate professor of finance at the School of Business, Alok Kumar, the School’s Gabelli Asset Management Professor of Finance and finance department chair, and Jawad M. Addoum of Cornell University. The research, which is forthcoming in Management Science, highlighted stark differences in investing behavior:

• An obese person is 10% less likely to invest in the stock market than a person of a normal weight.
• Those in the top 20th percentile for height are 7.5% more likely to invest in stocks than those in the lowest 20th percentile for height.

Why would someone’s physical attributes influence financial and investing decisions? “We found that the environmental feedback one receives due to physical attributes shapes people’s risk-taking behavior and affects their portfolio decisions,” Korniotis says.

Previous research has shown that physical attributes influence individuals’ earnings and that overweight individuals are less optimistic and confident, suggesting they may also take fewer financial risks. Further, tallness is associated with positive personality factors such as confidence and optimism, as well as positive social experiences. Obesity (as measured by body mass index - BMI), on the other hand, has the opposite effects.

The researchers used two U.S. and two European datasets to establish the pattern between stature, obesity and portfolio decisions. One of the U.S. datasets allowed them to observe the height and weight of people as teenagers and, later, as adults. They found that people who got taller faster as teenagers were likely to participate in high school sports and activities correlated with higher teenage self-esteem, generating a long-lasting effect related to how they invest their money later in life. “What’s clear now is that experiences while growing up, which may seem innocuous, have a strong impact on how we handle our money much later,” Kumar says.
MSNBC’s Chris Matthews Talks Leadership and Politics

BY ROCHELLE BRODER-SINGER

POlITICAL COMMENTATOR
Chris Matthews, host of MSNBC’s “Hardball,” discussed the mistakes he made in not predicting Donald Trump’s presidential win, his views on what leadership truly requires and more at the School’s Cobb Leadership Lecture on Feb. 1.

Some 350 students, alumni, faculty and staff packed Storer Auditorium and its overflow room for the event, which is funded by an endowment from Ambassador Sue Cobb in honor of her husband, Ambassador Chuck Cobb, a member of the School’s Board of Overseers and the UM Board of Trustees.

GETTING TRUMP’S WIN WRONG
Matthews – talking quickly and, often, with humor, began with what he called “a confession.” During the most recent presidential campaign, the self-described “center-left” leaner was confident that Hillary Clinton would win. “It’s not just that I got it wrong,” he said. “It’s the worst thing that’s ever happened to me in years of commentary and being just me. I followed the crowd. I hate following the crowd. I’ve made a living of betting against the margin, of not believing in the common wisdom.”

One reason he got it wrong, Matthews said, was because he went along with pollsters. They were incorrect, in large part, he believes, because those they surveyed didn’t want to say they would vote for Trump. “They thought the pollster would look down on them,” he said, noting that telephone polls conducted by live humans in Pennsylvania put Clinton ahead by eight points, while those conducted with recorded voices put Trump ahead by two. The recorded polls were accurate.

WHAT MAKES A GOOD LEADER: DEALMAKING MATTERS!
Campaigning in one form or another is key to success in business as well as politics, especially when you’re just starting out, Matthews said. He advised students, especially, to “ask for stuff from other people,” and noted that helpers become invested in a person’s success and are likely to keep investing in that person.

Another of Matthews’ lessons in leadership: “Leadership has to do with dealing with other people,” he said. “It has to do with relating with other people, taking the first step to cut a deal.” Good leaders, he said, must negotiate. “Trade-offs – they help you get what you want to get,” he explained.

This willingness to negotiate and make trade-offs is missing in Washington today, Matthews lamented; and he blamed, in part, the way parties fundraise. “You can raise a lot of money by arguing – but a solution shuts down all the fundraising,” he said. “We’ve got to press politicians for dealmaking.” These deals, he said, will only come from behind-closed-doors conversations and negotiations, in which each side finds out what the other is willing to give on. “The fear I have is that they’re all afraid, afraid to make the deals that will save this country,” he said.
Nourishing the Entrepreneurial Spirit
BY RICHARD WESTLUND (MBA ’83)

TO BECOME AN EFFECTIVE LEADER, show your passion, set an example and embrace teamwork — that’s the advice that Manos Spanos (MBA ’98), global senior director for Mountain Dew and energy drinks in PepsiCo’s Global Beverage Group, gave to students, faculty and alumni at The Johnson A. Edosomwan Leadership Lecture, “Nourishment for Success: Challenges and Opportunities for Global Leadership,” at the School on March 23.

Spanos was joined by Tomislav Kuljis (BBA ’84, MBA ’85), president of Bolivian supermarket chain Hypermaxi SA, and Juan Alberto Wu, a gastronomic entrepreneur in Peru, for a discussion on developing and applying leadership skills.

“We change the world through performance with purpose,” said Spanos, a native of Greece who is now based in New York. “PepsiCo has embraced health and fitness as a way of living. One of our long-term goals is to have two-thirds of our portfolio below 100 calories by 2025. We are also committed to reducing water use and greenhouse gas emissions, while making investments in sustainable farming, education and sectors.”

Kuljis, the son of Bolivian immigrants, said the lessons he learned at the School helped him build the largest supermarket chain in his native country. “I found I had an entrepreneurial spirit and learned the importance of marketing and creating a brand, as well as managing cash flows,” he said. “I also recognized the importance of surrounding myself with intelligent, talented people.”

Kuljis said he used Publix as a business model in opening his Hypermaxi stores in Bolivia. “We were able to differentiate ourselves from our local competitors in many ways,” he said. “We bake fresh bread every day, we introduced the refrigeration of meats and we have been using the latest software to track our sales since 1996. We also put the same stores in rich and poor neighborhoods, with the same offer and branding.”

Drawing on his Chinese and Latin American roots, Wu became general manager of an import and sales company, and a partner in several Peruvian restaurants. He also launched Sinba, a startup that collects kitchen grease for biodiesel fuel; created business leadership group Lideres +1; and serves as chair of Peru’s Special Olympics program. “My purpose in life is engagement,” Wu said. “In my businesses, I look for a balance between profit, people and nature.”

This was the third annual lecture in the series, made possible by a grant from Johnson A. Edosomwan (BSIE ’79, MSIE ’80), chairman of JJA Consultants. The lecture is one of the programs of the School’s Johnson A. Edosomwan Leadership Institute, and was also supported this year by the University’s Center for International Business, Education and Research (CIBER), which is housed at the School.

What Can Businesspeople Learn From Hostage Negotiators?
BY LAUREN COMANDER

WHETHER NEGOTIATING in the boardroom with a fellow business leader or on the other side of a barricade from a terrorist, similar strategies can help steer the outcome. Drawing on his 30-plus years of experience as a crisis and hostage negotiator for the Miami-Dade Police Department, Scott Allen shared hostage negotiation strategies with students in the School’s undergraduate negotiation classes. With moderation by Patricia Abril, chair and professor of business law, students then worked to answer the question: What can businesspeople learn from hostage negotiators?

1. USE COMMUNICATIONS TO ESTABLISH TRUST. When Allen, a senior staff police psychologist, arrives on a scene, it’s already in crisis. “Most likely shots are fired and the subject is barricaded,” he said. “We use communication to influence someone’s emotional state, their thinking, their problem-solving, their decision-making and, hence, their behavior.” Allen also maintains a policy against lying to hostage takers for several reasons, including the possibility of eroding trust and reputation, and the potential to forget the lie.

2. BECOME COMFORTABLE WITH SELF-DISCLOSURE. “The more you self-disclose, the other person feels continued on next page
compelled to self-disclose back to you at a similar level of intimacy,” Allen said. “But police officers are not very skilled or comfortable self-disclosing. Most of my effort in monthly training is practicing self-disclosure by members.”

3. PLAN LOGISTICS CAREFULLY.
In police negotiations, Allen explained, the primary negotiator does all the talking, while the backup negotiator shares information from other team members who are gathering background information (on handwritten notes in real time).

4. HELP EVERYONE SAVE FACE.
“There’s always a power differential when you’re negotiating, and you don’t want to make them feel bad,” Allen explained. As one student noted, saving face is even more important in business, “where you have an ongoing relationship with the other person.”

Quantitative Easing’s Unintended Consequences

IT CAUSED A $28 BILLION REDUCTION IN BUSINESS LENDING BY TRACY SIMON

DURING THE FINANCIAL CRISIS, the Federal Reserve purchased $1.7 trillion worth of mortgage-backed securities. This move, part of quantitative easing to stabilize the U.S. economy, kept mortgage interest rates low. But, it likely caused a $28.2 billion reduction in corporate and industrial lending by financial institutions, according to new research by Indraneel Chakraborty, assistant professor of finance at the School. Banks, knowing they had a buyer ready to take home mortgages off their hands, tended to favor using their resources for mortgage lending over business lending, plus, home purchases and refinancings increased as interest rates stayed low.

“For some time, companies have been left asking why they can’t get a loan even though they have great credit history, which in turn slows down the investment companies can make toward new opportunities,” says Chakraborty, who conducted the study with colleagues from Virginia Tech and the Wharton School of the University of Pennsylvania.

Until now, there was no dollar figure to illustrate the overall impact of quantitative easing on businesses in need of loans. Now, the Federal Reserve is considering cooling a potentially overheated economy by selling some of those mortgage-backed securities. “In contemplating its next steps in regards to possibly pulling back on the second part of its economic stimulus strategy, the Fed can now look to a number that quantifies the unintended consequence suffered by businesses while it stimulated mortgage lending,” Chakraborty notes.

Find Your Purpose
SUCCESSFUL WOMEN ON BECOMING LEADERS AND CHANGE AGENTS BY DOREEN HEMLOCK

THERE WAS PLENTY of good advice when more than 400 women turned out March 30 for the School’s annual Women in Leadership panel discussion. Four women leaders in finance, tech, government and nonprofits shared their experiences in becoming leaders and change agents, suggesting, as wealth manager Teresa Valdes-Pauli Weintraub put it: “You can do it all, but not at the same time.” All four emphasized the importance of empathy and a higher calling as vital to leadership and change.

Carmen Perez-Carlton recalled taking a top role at a tech firm, when going through difficulties in her personal life. “It’s taking it one day at a time and finding that bigger purpose,” said Perez-Carlton, whose firm, FiberNet, went on to become one of the fastest growing and leading fiber-based communications companies in the southeast U.S. under her leadership. The company was sold this year for $1.5 billion.

For Alina Hudak, the deputy mayor of Miami-Dade County, there’s no substitute for hard work and commitment in order to achieve long-term success. Hudak has been a trailblazer as the first woman to run a major operational department, the first Hispanic woman appointed assistant county manager and the first woman to serve as county manager.

“You just keep focused and do what you have to do to accomplish the goals,” said Hudak, who concurrently serves as director of the solid waste management department — with close to 1,000 employees and providing service to 350,000 households, along with the many other departments she supports.

‘Tracy Wilson Mourning, founder of the nonprofit Honey Shine mentoring program for girls, follows the lead of her mom, who often worked three jobs and “never looked back” to dwell on problems. She tells girls in her program to proudly walk “shoulders back, heart to God and crown on your head.”

MORE INSIGHTS AND PHOTOS: magazine.bus.miami.edu
TWENTY-THREE UNDERGRADUATE STUDENTS and five professors huddled into teams in the glass-enclosed meeting room at the School of Business on a Saturday afternoon in January at a meeting of participants in the Innovators for the Americas program. Six students and one faculty member came from the University of Miami, while the rest had traveled to Instituto Tecnológico y de Estudios Superiores de Monterrey (Monterrey, Mexico), Universidad Icesi (Cali, Colombia), Universidad del Pacifico (Lima, Peru) and Universidad Adolfo Ibáñez (Santiago, Chile). Their goal was to develop startup ideas and business plans to address market needs in the four participating countries, and the meeting was one of three in-person and many virtual meetings throughout the semester.

The Innovators for the Americas program, funded by a grant from U.S. Department of Education’s Title VI, is an undergraduate-level experiential learning course organized by the University’s Center for International Business Education and Research (CIBER), which is housed at the School of Business. The participants work together in search of innovative solutions to some of the most pressing problems faced by under-represented populations in Latin America. This was the School’s second year participating in the program.

The student teams also met twice in Latin America. During a mid-term trip, they met in the country in which their startup idea was focused to validate their business assumptions. Once the business plans were developed, students pitched their solutions to a panel of potential investors, entrepreneurs and academic advisors from each country during the final event in late April at the Universidad ICESI in Cali.

“The Innovators for the Americas program gave me the opportunity to conduct in-country market research for our project that put me and my team in front of top Peruvian airline executives,” says Altaïr Larbi Dahrouch, a School of Business entrepreneurship and marketing major who participated in the program. “This type of exposure to market research provides globally minded students firsthand experience on what it takes to gather data in countries that don’t have similar databases to the U.S.,” added Dahrouch, who is from Cabo San Lucas, Mexico.

Greg Smogard, director of the University of Miami program, noted that the course also helps students develop a global mindset, practice cross-cultural collaboration and learn to work in virtual teams. “By partnering with these top academic institutions in Latin America, students from different backgrounds can leverage their cultural and academic expertise to develop and present comprehensive business plans,” Smogard says.

One team created a business plan to develop an alliance for low-cost Peruvian airlines to help improve their operations, marketing and customer relationships. Another developed an online, e-commerce platform to help local and indigenous Chilean artisans access greater markets and sell more products. A third team developed a business plan to utilize drone technology and software to help Peruvian agricultural cooperatives improve their members’ production and income. A fourth created a business plan that featured the development of a comprehensive, online information platform to assist the Colombian eco-tourism industry and international ecotourists planning their trips to Colombia. The fifth team’s business proposal showcased collaboration with local haciendas and hotels in Mexico’s Yucatan Peninsula to provide luxury camping/eco-tourism experiences to international and local travelers.

The students’ final presentations were “thorough and innovative business plans addressing various issues in select Latin American countries,” says Smogard, who accompanied the students.

“The class calls for students to become proactive learners,” Dahrouch says. “It is a program for the student who wants to think beyond the classroom, using all available resources – from your own knowledge, to your professors’.”
Alex Rodriguez Courtyard Dedication
HONORS ALL-STAR’S $500,000 DONATION TO SCHOOL OF BUSINESS
BY LAUREN COMANDER

When New York Yankees all-star Alex Rodriguez was a grade-schooler in Miami, he and his buddies would regularly sneak into ‘Canes baseball games, slipping in near the right or left field poles just after school let out and often-times not making it home until midnight. It was the only way the boy from a single-parent home would make it into the stadium, and he vowed that if he ever found financial stability, he would repay this debt to the University.

The longtime UM Board of Trustees member has spent 15 years doing just that. His latest contribution is a $500,000 gift establishing the Graduate Entrepreneurship and Innovation Endowed Fund at the School of Business. As a thank you for his gift, the School in February dedicated the Alex Rodriguez Courtyard in the interior of the School of Business complex. It was a festive ceremony that drew Rodriguez’s mother and siblings, as well as University President Julio Frenk, former President Donna Shalala, School of Business Interim Dean Anuj Mehrotra, UM Board of Trustees members and others.

Standing under a green and orange balloon arch, Rodriguez talked about his lifelong love of the University, which took hold during those Ron Fraser-era baseball games. “It made a huge impact on my life,” he said. He added that, as a UM trustee, “I’ve never spoken up at a board meeting – I’ve come close a few times…. I hope over the next 15 years I’ll get a chance to put to work what I’ve learned on this board and be an integral part in what happens at this University.”

Rodriguez’s endowment will help fund enrichment workshops in areas like negotiation, multinational leadership and entrepreneurship for participants in the School’s Miami Executive MBA for Artists and Athletes program and for other MBA students.

UM’s Florida 50 Update
SCHOOL’S STOCK INDEX OUTPACES BROADER MARKET BY NEARLY DOUBLE
BY JEFF HEEBNER

The University of Miami’s Florida 50 Index (UMIAMIFL), a bellwether on the state’s economy established by the School of Business, was up 10.39% during the first quarter of 2017. It outperformed both the S&P 500 and S&P 1500 by nearly double: the S&P 500 saw a gain of 5.53% and the S&P 1500 rose 5.22%.

UMIAMIFL, which tracks all Florida firms in the S&P Composite 1500 Index, was established by the School in 2016 and weights stocks based on their market capitalizations. It is the first custom S&P Dow Jones index to be owned by a university and the only index that focuses solely on public companies headquartered in an individual U.S. state.

“One of the biggest winners in UM’s Florida 50 Index is CSX Corp., which yielded a first-quarter return of more than 30%, and because its capitalization is nearly 11% of the index, it positively influenced the performance of the index overall,” says Tie Su, an associate professor at the School of Business. “The index is also heavily weighted by the financial, energy and consumer discretionary sectors, which have all significantly beat the broader market indices.”

Florida’s Top 10 Performers During Q1 2017
• TopBuild Corp.: +32.02%
• The GEO Group Inc.: +31.06%
• CSX Corp.: +30.06%
• Jabil Circuit Inc.: +22.52%
• Tupperware Brands Corp.: +20.49%
• Royal Caribbean Cruises Ltd.: +20.17%
• Lennar Corp.: +19.33%
• Marriott Vacations Worldwide Corp.: +18.19%
• ACI Worldwide Inc.: +17.85%
• HCI Group Inc.: +16.34%
Turning High School Students Into Social Entrepreneurs

BY LAUREN COMANDER

High school juniors Tony Bernardo and Ashanti Brown knew they wanted to attend college, but they had no idea what their career paths would look like. But their paths came into focus through innovate:miami, which brings together Miami-Dade high school students and University of Miami graduate students to design a social impact enterprise that addresses an existing problem.

Innovate:miami is a program of the UM Center for International Business Education and Research (CIBER), which is housed at the School of Business. Bernardo and Brown were among the program’s latest crop of students – all from Breakthrough Miami, an academic enrichment program for students from underserved communities. Innovate:miami students spend three months defining the problems, devising matching solutions and designing detailed business plans, then they pitch them to a panel of judges for the chance to win $2,000. Bernardo and Brown’s team, which won the competition, pitched an arts education program for disadvantaged students, a plan they hope to actually implement this summer and possibly beyond.

“I never thought of myself as an entrepreneur before, but now I want to minor in business in college,” says Bernardo, a student at New World School of the Arts. “It was really exciting figuring out how a business can grow.”

Brown, a student at Robert Morgan Educational Center who now wants to major in business and marketing and pursue a career in public relations or advertising, says, “I got to see how a business plan comes together and how you market and sell products.”

Such realizations are exactly what Jorge Mendez (MAIA ’15) hoped for when he launched the program as a graduate student in 2014; he’s now its program director (he also works at Miami Dade College’s The Idea Center). Innovate:miami pairs each team of four students with a mentor from the University and real-life community leaders in their chosen field. Bernardo and Brown were paired with executives at The Motivational Edge, a local nonprofit that uses art to motivate students. “This year was the first time we paired the groups with community leaders, so we could expose the students to adults who are making a change in the community,” Mendez says. “The students got great feedback on what it’s like to run a company in the real world.”

A Fresh Look For bus.miami.edu

The school of Business launched a full redesign of its website in early June. The site is visually rich, with photography and videography that showcases the School’s students, alumni and faculty and illustrates the momentum of the School and the unique UM experience.

A new alumni section features profiles of alumni, ways to stay connected with the School and former classmates, and information on the many ways alumni can get involved – from serving as mentors to attending events.

You’ll also find new sections devoted to cutting-edge research produced by faculty, opportunities for organizations to partner with the School, videos and session papers from impact conferences, and much, much more.

We invite you to visit the new site, and provide any feedback to jheebner@miami.edu.

BusinessMiami magazine is online, at a new home: magazine.bus.miami.edu. There, you’ll find links to web-exclusive content, including video and photo galleries, as well as all the stories in the print magazine.
The Case for Impact Investing
NEW COMMERCIAL REAL ESTATE COMPETITION
BY RICHARD WESTLUND (MBA '83)

SUCCESSFUL COMMERCIAL real estate investing can look beyond the financial pro forma, and the School recently launched a new case competition to get graduate students thinking seriously about investing with a social or environmental impact.

“The right investment can bring real benefits to a neighborhood,” said School of Business graduate student Yoni Bender during the final stage of the inaugural “Impact Investing in Commercial Real Estate” competition. It was held in April at the J.W. Marriott on Brickell Avenue.

Bender teamed up with graduate business students Ariel Freynd and Stephen Englert to present “Havana NEXT,” a small-scale apartment development project adjacent to a new Cuban cultural center in Miami’s Little Havana neighborhood. “We wanted to offer a model for the redevelopment of the area’s small residential lots while staying faithful to the community’s Hispanic heritage,” he explains.

Andrea Heuson, professor of finance, organized the semester-long competition with guidance from the School’s Real Estate Advisory Board. It offered $25,000 in prizes and drew entries from the Northeast as well as Florida. “We hosted the event to educate students about the many types of impactful investing that are available in any community,” Heuson says. “Real estate investment is often perceived as being immune to social issues – but that is just not true, as demonstrated by the many different projects in the competition.”

Heuson adds that impact investing refers to commercial real estate projects that are designed to generate a beneficial social or environmental impact along with an appropriate financial return. The four finalist teams identified vacant or underutilized commercial properties and proposed uses for each site that included at least one of those impact components.

The Rutgers University team took first place and an $11,000 prize, while the Cornell University team was second with a $9,000 prize, the University of Miami team was third with a $3,500 prize and the Florida International University team was the fourth-place finalist, earning $1,500.

“We felt all the student teams made very good presentations,” says Jaret Turkell, managing director of HFF, who was one of the competition judges. Others included Arnaud Karsenti of 13th Floor Investments in Miami and Kasia Pozniak of Prudential Global in New York, whose company prepared a tutorial on impact investing that was sent to the competing teams ahead of time.

Heuson plans to make the competition an annual event and eventually add an undergraduate division.

Details on the four teams’ projects: magazine.bus.miami.edu

Leadership Awards Recognize Alumnus, Student
BY RICHARD WESTLUND (MBA ‘83)

THE SCHOOL’S Johnson A. Edosomwan Leadership Institute gave its Excellence in Leadership Award to Adam E. Carlin (MBA ’94), senior partner of The Bermont/Carlin Group at Morgan Stanley in Coral Gables. Johnson A. Edosomwan (BSIE ’79, MSIE ’80), whose gift supports the institute, presented the award to Carlin. “It is an honor to receive this award,” said Carlin, who was accompanied by his wife, Shannon, and their twin sons. “I believe leadership is not based on who you are, but on what you do. Anyone who gets up every day and tries to make a difference – at home, at work or in the community – is showing that spirit of leadership.”

With partner Richard B. Bermont, Carlin co-founded the Bermont/Carlin Scholars Program, which supports annual learning trips to Wall Street for School of Business students interested in the investment sector. He also serves on the School’s Board of Overseers and is chairman of Sylvester Comprehensive Cancer Center at the University of Miami Miller School of Medicine.

Edosomwan also presented the Student Leadership Award to Samantha Chatkin, a senior with a double major in marketing and liberal studies. In accepting the award, Chatkin said, “What I have learned goes well beyond the classroom. I believe that leadership means knowing the people you are serving, understanding their needs and wants, and building a better future for everyone.”
Zaman Rashid has vivid memories of his childhood as a sickly Afghan boy. He can still hear the rain falling as he slept alone in the night, curled up outdoors with no bed of his own. He can still smell the dead bodies he encountered while looking for a spot to relieve himself during one of his many 16-hour bus trips to Kabul, the nation’s capital, desperately searching for a doctor to fix his congenital sinus tumor. He can still see the Taliban wielding AK-47s as they considered wounding him. “It was a very dangerous and mean place, especially when you’re alone,” Rashid says. “It’s also full of good people, and I’ve been blessed encountering so many good people. That’s how I’ve made it this far.”

One of his proudest moments, other than the May 11 graduation that brought his North Carolina family to town, is being named to the “Who’s Who Among Students in American Colleges and Universities” list after Linda Neider, a professor of management at the School, nominated him for the honor. “It meant the world to me,” Rashid says. “The entire program has great respect for her, and she chose me!” A job awaits Rashid in North Carolina as a senior analyst for Torrent Consulting, the technology consulting firm where he worked before entering the master’s program.

Born the seventh of nine children in Farah, Afghanistan, in search of surgery for his tumor. Thanks to an organization where he’s now a grateful volunteer, his break came in 2007 when he crossed the globe to Wake Forest Baptist Medical Center in Winston-Salem, North Carolina. What had been planned as a six-week trip lasted four months, during which he stayed with a local family. “The world is a very dangerous and mean place, especially when you’re alone,” Rashid says. “It’s also full of good people, and I’ve been blessed encountering so many good people. That’s how I’ve made it this far.”

When he returned to Afghanistan with a new lease on life, Rashid was determined to make a difference there by helping his country’s children. “There was a fire in my heart; it wouldn’t let me rest,” he says. He returned to North Carolina in 2010 to learn English at a community college, with the family he now calls his own taking him in rent-free. Next, he headed to Pfeiffer University, where he found creative ways to earn money: “I joined the Division II swimming team and got a scholarship!” he says. “It kicked my butt. It took two minutes to swim my first lap, and by the end of the year I swam it in 31 seconds. I was the last to arrive, but I beat my own time.”

After working for a year at Torrent Consulting, Rashid headed to the University of Miami for his master’s. While he says he did face discrimination trying to lease an apartment off-campus (a predicament he solved by pretending his name was Simon and bringing a check for a deposit with him), he immediately fell in love with the University and its diversity. “I didn’t feel any prejudice on campus. As challenging as the year was, it was one of the best years of my life. I’d love to come back for another degree.”

But Rashid still holds the same ultimate goal: to help the kids back home. “There are more than 2 million orphans in Afghanistan, and I want those children to have a house, love and education,” he says. He launched a nonprofit, Supporting Education – Achieving Dreams (SE-AD), that he says has sponsored education for 20 Afghan kids, with the goal of bringing one to the U.S. for a master’s degree. Further, he wants to start a business – one that runs Afghan buses equipped with restrooms and air conditioning – to fund another nonprofit, this one to build home-based orphanages around the world. He’s heading to a business plan competition in Orlando in search of investors. “Because I struggled as a child, I work hard and use every opportunity I have,” Rashid says. “You don’t have to be the smartest guy in the world. If you work for it and focus, you can do anything.”
A Classroom Without Borders
STUDENTS’ CONSULTING WORK TAKES THEM TO PERU BY LAUREN COMANDER

RISING JUNIOR KYLE KINGMA stood on top of a mountain in Lima, Peru, looking down at an impoverished neighborhood. Next to him was a towering 10-foot wall, built by the town’s destitute residents. On the other side of the wall, a high-end residential neighborhood and busy city center beckoned. Kingma, up on the mountain with 14 other undergraduate students from the School of Business to consult with Peruvian micro enterprises with a social mission, had a realization. “Seeing the physical divide between the two income classes was really powerful,” says the finance and economics major. “It showed the problems in the country with being able to scale the social ladder, and we saw that the work we were doing to help these people climb that social ladder is really needed.”

The students, half from the school’s Hyperion Council (an undergraduate honor and service organization) and half from a pilot class on social entrepreneurship (called Scaling the Social Enterprise), were consulting for the social-minded businesses. Their assignment: help them figure out how to grow or scale. The students had already spent the spring semester brainstorming ideas to help their assigned business clients, and then they made the one-week journey to Peru in mid-May to conduct in-country research and present their recommendations. “The Hyperion Council has never had the opportunity to work with a class in its social enterprise activities,” says EllenMarie McPhillip, assistant dean of undergraduate business education. “This was really a unique way to be mentored by faculty in a formal way.”

Kingma and his Hyperion Council team worked with Spray Wash, a company that uses a novel solution to wash cars with very little water and then donates profits to a water-bottling company. That company, in turn, distributes clean water to those who need it most. There are 8 million people in the area without access to clean water.

Though Kingma’s group spent the semester drawing up a marketing plan after a Skype meeting with Spray Wash’s founders, once they arrived in Peru, they quickly realized that the company had more urgent needs. “They needed a viable pricing model, a business plan, everything under the sun,” McPhillip says. “Our students did some in-country surveys to see whether they were targeting the right market, and they revamped their pricing structure. They showed them an alternative way to create some different revenue streams so they could be more efficient.”

Kingma says, “Creating a financial model taught me how to go about solving these problems. I also learned about giving a consulting pitch to a company without being too direct, [and] using our skills to really assist them.”

Robert Hacker, the instructor for the class, couldn’t be more pleased with how the semester and the week abroad unfolded. “They formed hypotheses in the classroom in Miami, and when they got there, they did fact-finding and realized their hypotheses had to be modified,” he says. “That’s a high-quality learning experience, and in a place like Peru, there’s definitely a shortage of consultants to social organizations, so the students were filling a market need.”

New Scholarship Fund in Memory of Maggie Alvarez

BY ROCHELLE BRODER-SINGER

IN OCTOBER OF 2016, the School of Business lost a dear member of the community when Maggie Alvarez, who had been a lecturer and program manager in the Department of Accounting, passed away unexpectedly.

Alvarez, the department’s first program manager, was deeply involved in many initiatives, including serving as chief liaison with accounting firms, helping prepare students for employer interviews, leading fundraising efforts and helping guide master’s programs. “She went out of her way for every single student,” says Anthony Joffre (BBA ’15, MAcc ’16). “She was one of the best resources [and] her door was always open.”

In Alvarez’s memory, the Department of Accounting founded a scholarship fund to benefit graduate students, called the Maggie Alvarez Memorial Scholarship in Accounting. To donate to the Maggie Alvarez Memorial Scholarship in Accounting, visit bus.miami.edu/maggiealvarez.
Examining the ‘Startup Nation’
SCHOOL CELEBRATES ISRAEL’S FOOD, CULTURE AND LEADERSHIP POSITION IN ENTREPRENEURSHIP
BY DOREEN HEMLOCK

A small country (the size of New Jersey) with 8.5 million people (fewer than New York City), Israel has the second-highest concentration of startups worldwide, after California’s Silicon Valley. It has more companies on the NASDAQ exchange than Japan, South Korea and India combined—a total of 93.

Those are just two reasons the “Startup Nation” was the subject of the School’s “Focus on Israel” event April 4.

Israeli officials and company leaders active in South Florida headlined the event, which also gave attendees the opportunity to enjoy Israeli food and dance.

“Every year, there are 1,000 new Israeli companies being launched. Every eight hours, a new company comes to life,” Inon Elroy, Israel’s economic minister to North America, said to the business school audience gathered in Storer Auditorium. He added that Israel is known for innovation in mobile tech, cybersecurity, health care and water. Recently, U.S. giant Intel agreed to purchase Jerusalem-based developer MobileEye for $15.5 billion; Intel will use its driver-assistance systems in autonomous vehicles.

Meital Stavinsky, a lawyer at Holland & Knight in Miami who helps Israeli startups expand in the U.S., outlined the nation’s unique ecosystem: an active government that invests in and promotes innovation; strong universities; and a military that encourages draftees born in diverse countries to think “out of the box.” Israeli innovation also is spurred by “necessity,” needing to find methods to create water and food in the desert, she said.

“The way we were brought up is to think for yourself,” added Itay Tayas-Zamir, CEO and founder of Woosh Water, an Israeli startup now expanding in the U.S. “There’s a lot of chutzpah that makes it easy to imagine something that doesn’t exist yet.” His Tel Aviv-based company has developed “smart-water stations” that let customers clean containers and fill them with filtered, chilled drinking water. Miami Beach will be installing about two dozen of the stations later this year.

Israel’s government encourages startups in myriad ways, even offering high-tech visas for skilled immigrants and, soon, innovation visas for immigrants to start companies in Israel, Stavinsky said.

That openness to immigrants helped draw Uri Benhamron, a Venezuelan who now runs a venture capital group focused on Israeli clean tech. He noted that Israel’s government has set up incubators nationwide and funds them, pouring more cash per capita into R&D than any other nation.

Miami doctor and serial entrepreneur Maurice R. Ferre has used Israeli technology in all his ventures and now leads an 18-year-old Israeli company developing a new generation of non-invasive surgery techniques. Insightec directs beams of ultrasound to problem areas in the brain and elsewhere to treat essential tremor and other disorders. It has worked with more than 10,000 patients so far. “You might as well think big,” said Ferre, “because it takes almost the same amount of energy.”

The Focus event also featured a welcome from Israel’s consul in Miami, Lior Haiat; falafel, hummus and other Israeli foods; and an Israeli dance performance.
New Master in Health Administration Expands School’s Health Care Industry Programs

BY RICHARD WESTLUND (MBA ’83)

THE SCHOOL OF BUSINESS is offering a new Master in Health Administration (MHA) program focused on the business of health care, led by experienced faculty members and featuring guest lectures by Donna E. Shalala, former UM president and U.S. Secretary of Health and Human Services.

The 40-credit program, starting in August 2017, will be offered over 18 months with the option of taking longer to accommodate career or personal responsibilities. Each class will be capped at approximately 20 applicants.

The program has a strong foundation in finance, accounting, process improvement and timely health care issues, as well as elective courses on marketing, entrepreneurship and other topics. Each student will participate in a paid local internship with a health care organization, arranged by the School of Business.

“Prospective students could range from health care professionals in the early stage of their careers, to graduating seniors who want to continue their business education within the health care sector, to future physicians seeking to boost their business skills before entering medical school,” says Karoline Mortensen, associate professor of health sector management and policy and director of the MHA program. “Students will be offered a blend of business and population health perspectives, with an emphasis on strategic thinking and leadership skills.”

Alumnus Becomes U.S. Treasurer

PRESIDENT DONALD TRUMP named Jovita Carranza (MBA ’02), a graduate of the School’s Executive MBA program, as the U.S. treasurer. Her signature will eventually join that of Trump’s Treasury Secretary on paper money printed during her time in the position. Carranza’s appointment does not require Senate approval.

Carranza is the founder of JCR Group, which provides services to companies and non-governmental organizations. She previously served as deputy administrator of the U.S. Small Business Administration under President George W. Bush and was a member of Trump’s National Hispanic Advisory Council.

Before that, Carranza had a long career at United Parcel Service, where she started as a part-time night-shift box handler and worked her way up to president of Latin America and Caribbean operations (she was the highest-ranking Latina in company history).

Repeat Champions!

THE SCHOOL OF BUSINESS BRINGS HOME THE UM MADNESS IN MARCH TROPHY AGAIN.

BY ROCHELLE BRODER-SINGER

FOR THE SECOND YEAR IN A ROW, the School of Business won the University of Miami’s Madness in March fundraising competition. The coveted trophy – introduced last year for the inaugural competition – continues to live at the School. And, even more alumni donated during Madness this year than last year: 826, up from 619.

Madness in March is an alumni donations challenge, in which each of the University’s schools and colleges competes for two $5,000 prizes: most alumni donors and highest donation participation rate by alumni. The School of Business won the prize for most alumni donors. The School of Arts and Science placed second, with 649 donors, and the School of Law placed third, with 582 donors.

The $5,000 cash prize will go to the School’s Business United Day, which is part of the freshman FIRST Step program and exposes the students to hands-on teamwork.
FORMER COLOMBIAN PRESIDENT ÁLVARO URIBE CALLS FOR STRONGER DEMOCRACY IN LATIN AMERICA DURING INFORMAL TALK  BY ALINA ZERPA

Álvaro Uribe lectured to MBA students, then spent time talking and posing for selfies.

“He is the guide and shares in our sense of patriotism.”

The visit marked Uribe’s second time to the University of Miami; during his first visit in November 2015, he spoke out against the peace negotiations his successor, Juan Manuel Santos, initiated with the Revolutionary Armed Forces of Colombia (FARC), warning that the negotiations would weaken the country’s institutions. His vocal opposition was seen as critical to last year’s failure of a national referendum on the peace accord.

During this most recent visit, Uribe echoed many of the sentiments he expressed previously, particularly his call for democracy and his belief in Latin America’s ability to be incredibly successful. “In Cartagena [Colombia], there is an acceptable quality of life on the side of the city that has industry,” he said. “On the other side, it is full of poverty due to the lack of [business].”

Pointing to Venezuela as an example of a country that should not be in its current state of impoverishment and turmoil, Uribe told the story of the time he advised the late Venezuelan President Hugo Chávez that Venezuela needed a strong private sector because the country’s oil wealth would not sustain it forever. Chávez’s answer was that the late Cuban dictator Fidel Castro told him Venezuela did not need a private sector.

Uribe also urged the crowd to seek more information, especially since technology is so readily available. “I had to ask my son how to use my first MacBook,” he joked. “I watched so much television and read so many newspapers.”

As the two-hour talk ended, Uribe urged governments to be more responsible to the people they represent. “There are three factors that should be in the model: confidence in investments, strengthening the press and having integrity in your region,” he said.
ANN OLAZÁBAL (MBA ’97), the School’s vice dean for undergraduate business education and a professor of business law, won the University of Miami’s 2017 May A. Brunson Award. The award is presented each year by the University’s Women’s Commission to the member of the UM community who most contributes to improving the status of women on campus.

The American Marketing Association (AMA) recognized A. “PARSU” PARASURAMAN, holder of the James W. McLamore Chair in Marketing and professor of marketing, for his lifetime achievement and contributions to the field of marketing by naming one of its new Global Support Center rooms in his honor. In naming the workspace, at its new international headquarters in Chicago, “Parasuraman’s Grateful Room,” the AMA cited his “revolutionary work” in services marketing.

The Academy of Legal Studies in Business awarded PATRICIA SANCHEZ ABRIL, professor of business law, its 2016 Hoebler Memorial Award for Excellence in Research. The award recognized “Digital-Ownership: A Publicity-Right Framework for Determining Employee Social Media” as the best article of the year published in the American Business Law Journal, as selected by the journal’s peer editors.

The American Psychological Association named management professor TERRI SCANDURA a fellow—an honor bestowed upon APA members who have shown evidence of unusual and outstanding contributions or performance in the field of psychology. Fellow status requires that a person’s work has had a national impact on the field of psychology.

The American Marketing Association named management professor TERRI SCANDURA a fellow—an honor bestowed upon APA members who have shown evidence of unusual and outstanding contributions or performance in the field of psychology. Fellow status requires that a person’s work has had a national impact on the field of psychology.

ALJANDRO RUELAS-GOSSI, a management lecturer, received an award from the Research Centre for Corporate Excellence & Innovation at BarcelonaTech, the largest engineering university in Catalonia, Spain. The award recognizes his research on disruptive ideas.

HENRIK CRONQVIST, a professor of finance, has been appointed to a three-year term as associate editor of the Review of Financial Studies. The publication is one of the world’s top journals for the promotion and dissemination of significant new research in financial economics.

Research firm Pulsenomics recognized ANDREA HEUSON, a professor of finance, for consistently providing one of the most accurate forecasts of future home prices made by leading experts. Heuson earned an honorable mention in its annual awards for “Outstanding Consistency” in the accuracy of her forecasts since the survey started. She has been among the top 10 most-accurate forecasters nine times since 2010 and in the top five three times. She is one of seven experts recognized with the honor for accuracy.

Clockwise, from top left: Henrik Cronqvist, Andrea Heuson, A. “Parsu” Parasuraman, Terri Scandura, Patricia Sanchez Abril, Ann Olazabal

Faculty Awards & Honors

THOUGHT LEADERSHIP
men dominate the field of finance in academia – although six out of the School’s 10 PhD students in finance are women, bucking the norm. One of those students, Julia Hatamyer, had heard it could be harder for women to publish papers in the field. She asked Henrik Cronqvist, professor of finance and director of the School’s PhD program, about the issue. He remembers her saying, “So, how do women approach that; do they try to publish under a false name?”

Cronqvist took the question, and its implications, to Renee B. Adams, a finance professor at the University of New South Wales in Australia who co-founded AFFECT, the American Finance Association’s “Academic Female Finance Committee.” Adams and several PhD students at the School worked with other School faculty to create the School’s “Showcasing Women in Finance” conference, which AFFECT co-sponsored. The first conference was held March 4, and it explored ways to boost the presence of women in academia studying finance. More than 40 academics attended, and six women presented research papers on related topics.

Adams laid out the gender issue in terms both personal and statistical. When she took her job 10 years ago, she said she was the first female finance professor in Australia. Worldwide, women hold roughly 20% of finance jobs, more on the lower than senior levels, she estimated. And, women faculty in finance earn less than men at all levels, Adams said, citing work with the Finance Research Network in Australia and similar studies at U.S. universities.

Although women tend to underperform in math compared to men, math alone can’t explain this disparity, because other math-related fields are adding females faster, Adams explained. Some people claim women are too risk-averse for finance. Yet Adams offered three data sets – from the Certified Financial Analyst Institute, academics in Australia and doctoral students in Europe – that all show women in finance to be more achievement-oriented, less traditional and less conformist than their male counterparts in finance, debunking that claim. “The evidence suggests women may face different challenges than men in finance,” said Adams. “I think what we should do is change the narrative that it’s the women’s fault.”

Vidhi Chhoachharia, one of two women on the School’s finance faculty, was one of the driving forces behind the conference. “It’s important to have more women in the field, as they really do act as role models,” she said. “Having women finance professors might encourage women to think of finance as a career, either as an academic or otherwise.”
Faculty Share Their Expertise

CNN en Español – 5/31/17
Patricia Abril, a professor of business law, appeared in a live interview on “CNN Dinero” to discuss the Supreme Court’s recent decision on patent litigation and its effect on business.

Miami Herald, Atlanta Journal-Constitution – 5/15/17
In an article questioning the accuracy of statements by Health and Human Services Secretary Tom Price that people are uninsured because they don’t like the Affordable Care Act, Steve Ullmann, chair and professor of health sector management and policy, said:

“They are uninsured because there is no way that they can afford the insurance... then there are others, generally the ‘young invincibles,’ who find that the penalty of $695 is less than the cost of the insurance policies.”

WLNR Radio – 5/16/17
Manuel Santos, a professor of economics, shared his thoughts about how the Trump administration might impact Latin America during a segment taped during an Executive MBA en Español class he was teaching.

Wall Street Journal – 4/2/17
In an article authored for the newspaper’s “The Experts” column, Robert Plant, associate professor of business technology, discussed blockchain technology as a new approach to storing data, especially for distribution and use in health care, writing that:

“By storing data across a network, it avoids the perils of data being stored in one location.”

ESPN – 4/19/17
In an article about how being able to speak Spanish may help Miami Dolphins linebacker Kiko Alonso become more successful, Arun Sharma, vice dean and professor of marketing, noted that “Speaking English and Spanish allows athletes to reach twice the population in Miami compared to when athletes are monolingual.”

CNN en Español – 4/12/17
In an interview on “CNN Dinero,” Alejandro Ruelas-Gossi, a management lecturer, discussed the Pepsi television advertisement that the company later pulled after facing criticism that it trivialized civil rights protests.

Wall Street Journal – 4/6/17
An article featured research by Alok Kumar, Gabelli Asset Management Professor of Finance, which found male stock analysts write more favorably about public companies headed by men than about companies led by women, among other analyst biases. Kumar noted that his biggest surprise “was the fact that the market consistently doesn’t recognize that this bias exists.”

Politico – 3/31/17
The publication’s “Morning Brief” included research by Indranee Rajaratnam, an assistant professor of finance, and Rong Hai, an assistant professor of economics, which shows:

Britain’s exit from the European Union may reduce GDP growth for the entire region.

WLNR Radio – 3/29/17
In a segment on President Trump’s executive order to roll back the Obama administration’s Clean Power Plan, David Kelly, a professor of economics, noted that it won’t have much impact on coal production because we will continue to “move more in the direction of natural gas and away from coal.”

Politico – 3/14/17
In an article questioning whether President Trump and Republicans are “sabotaging” the Affordable Care Act by creating uncertainty about the law, Steve Ullmann, chair and director of health sector management and policy, noted that:

“They must know sabotage won’t work now that they control Washington.”

HealthZette – 2/26/17
In an article about the cost of nursery care in hospitals, Karoline Mortensen, an associate professor of health sector management and policy, noted that: "The big-picture academic data suggests that the [nursery] charges are pretty well in line with the cost.”

Ozy – 2/22/17
In an article about research that found people enjoy impromptu social outings more than those that are planned, Juliano Laran, a professor of marketing, noted that:

People plan even their weekends “because they think it makes them feel happier... but as we can see, it doesn’t.”

Harvard Business Review – 2/9/17
Uzma Khan, an associate professor of marketing, co-authored an article about her research that found that promoting a product’s multiple risks causes people to perceive it as less risky, writing:

Noting smaller side effects that make the drug objectively more dangerous can in fact make it appear less dangerous by making the larger side effect seem even less likely to happen.
Getting Value From Analytics
By Jennifer Pellet

We’ve all experienced the power of data analytics in action. It happens every time you tap into Uber to see how long you’ll need to wait for a car or scroll through the list of “Recommended for You” movies, books and products on Netflix or Amazon. It’s going on in the background when you apply for a mortgage, get quoted a premium for car insurance, or book a hotel room or plane ticket. Increasingly, businesses across industries are collecting and analyzing demographic, behavioral and contextual data to do everything from boost customer satisfaction and improve operating efficiency to streamline processes and choose the right job candidates.
At a time when both data collection and computing power are increasing exponentially, these examples of how companies are crunching numbers to unlock value are just the tip of the proverbial iceberg. According to a recent report by IBM, 90% of the data in the world today was created during the last two years alone. In fact, thanks to the growing prevalence of data collection methods – including internet search engines, cell phone signals, sensors, social media and downloadable government data – we now amass 2.5 quintillion bytes of data a day.

“For a long time, people were developing algorithms that they weren’t able to use because of computing limitations or lack of data,” says Daniel McGibney, assistant professor of professional practice in the School’s Department of Management Science and co-director of the School’s Master of Science in Business Analytics program. “Now that we have the necessary computing power, and that just about every industry either has data or can get it, you’re seeing data analytics taking off everywhere.”

This untapped potential represents both an opportunity and a challenge for businesses, many of which are finding themselves inundated with information that they haven’t yet figured out how to mine, let alone monetize. “There is just a ton of data out there, and different companies and industries are at different levels in terms of understanding what they can do with it,” notes Doug Lehmann, assistant professor of professional practice in the School’s management science department and co-director of the Master of Science in Business Analytics program. “While a lot of people are still at the point where they want to jump in and do something with all the data they have without knowing exactly what, virtually every industry has examples of some standouts that are doing well in analytics.”

Data analytics has already revolutionized business-to-consumer marketing, as more companies glean insights from information about potential and current customers and use it to tailor their messages to specific audiences. “Google, Facebook and other companies are collecting all of that information and either using it themselves to target ads more effectively or selling it,” Lehmann says. “Marketing is so much more sophisticated now than it was when you would just blindly send a message to 100,000 people and hope for the best. Now, you can accurately target the people who have the highest probability of following through with what you’re hoping to achieve and focus your efforts there.”

PROFITING FROM PROBABILITY
But the possibilities for consumer-facing businesses stretch far beyond getting more bang per advertising dollar. The more progressive companies combine internal and external data and use predictive modeling to not only identify target customers, but to zero in on those who represent the most profit potential. They create complex models to do things like assess the likelihood of customer attrition and adjust prices when demand spikes or softens. Entire industries are being disrupted by startups based around businesses that have data analytics at their very core.

At ride company Uber, for example, data on traffic patterns, passenger volume, weather and other variables churn through complex algorithms to predict demand, which then determines where its drivers should congregate and how much they should charge for a ride. The information-driven model has proved devastating for taxi companies. They’ve responded with mobile booking apps, but they don’t change prices or reposition cars based on demand.

In a similar vein, the peer-to-peer lodging site Airbnb uses data analytics to optimize both the type of properties it targets for listings and the prices its participating hosts charge. In addition to variables like location, time of year and access to transportation, the company’s algorithms factor in the prices of rooms at competing hotels, which are losing business to travelers intrigued by Airbnb options. “Airbnb scoops all the hotel pricing information in an area and says, ‘Here’s the price you should set if you want your room to rent,’” explains Pete Gibson, founder of Datlytics, a data analytics consultancy that works with School of Business students who undertake projects for local companies as part of their management science coursework. “They have a huge data machine that the hotel brands don’t have.”

While industry disruption makes headlines, established companies making incremental advances lead most analytical endeavors. In industries like insurance, for example, data analytics is increasingly being...
used for a broad range of purposes. Analyzing claims and claim histories can help insurers predict the types of claims they’re likely to receive, as well as outcomes such as payout amounts and the likelihood of litigation. They’re able to use that information to optimize their limits for instant payouts and settlements.

In sports, team franchises are looking at the demographics and purchasing patterns of fans to maximize ticket sales. “Everyone thinks about ‘Moneyball,’” says Lehmann, referring to the movie that showcased the use of analytics to evaluate potential players. “But there is a whole business side to analytics in professional sports. By looking at things like price elasticity and whether more people come on Saturdays than Wednesdays, we can consider the outcome of putting headline games on Wednesdays to draw a bigger crowd or the impact of a 10% price increase on a certain seating section.”

That’s exactly the kind of market research that Master of Science in Business Analytics student Kevin Keating has been working on as part of a project for the National Hockey League’s Florida Panthers. “We created a map of South Florida that pulls in census information for Dade, Broward and Palm Beach counties that we can sort by things like driving time to the stadium, age, median income and so on, to give the team a better understanding of their local market,” he explains. “Knowing the average income can help the team consider where a mail campaign might pay off or whether to offer a lower-tiered package in some areas and bump up prices in others.”

In health care, data analytics can both improve efficiency by helping physicians assess treatment options, and literally save lives. Image classification and processing technology have the potential to enable faster and more accurate analysis of CT and MRI scans to predict heart disease and diagnose health issues. Furthermore, DNA sequencing research is expected to unlock invaluable information about genetic characteristics that can be used to improve health care outcomes. “Researchers are basically trying to see what anomalies in your DNA are associated with various diseases,” Lehmann says. “If they can identify a certain gene mutation that’s associated with a specific condition, they may be able to develop a drug that specifically targets that gene.”

**Understanding Opportunities**
The more you delve into data analytics, the more it becomes clear that the question isn’t whether data analytics can deliver value for a specific business or industry, but how to go about identifying and pursuing the opportunities it offers. “Car rental companies, for example, typically figure out how many cars they’ll need by looking at what they did last year and figuring that the market will go up by a given percentage,” Datlytics’ Gibson says. “But by using predictive analysis and...”

**Answering the Call for Analytics**

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| With data analysis rapidly transforming entire industries, it’s increasingly critical to equip business school students with the foundational skills to understand how to use data to solve real-world problems. Launched three years ago, the School’s Master of Science in Business Analytics program is designed to do just that, says Doug Lehmann, assistant professor of professional practice in management science and co-director of the program. “It’s an accelerated, specialized program that enables people to get the skills necessary to understand, manage and apply data analysis in a business context in just 10 months,” he says. While undergraduates at the School can choose a major or a minor in business analytics, the master’s program is intended to enable students across disciplines to get up to speed in the latest data-related technology and tools. “We get a wide range of students in the program,” Lehmann says. “The common ground is that they all understand the importance of analytics.” The business analytics master’s program includes courses in areas like data modeling, data management, data mining and programming for analytics, and it’s updated annually to keep up with the pace of change in the field. “Next year, we’re adding a machine learning class and a generalized linear models class,” says Daniel McGibney, assistant professor of professional practice in management science and co-director of the program. He notes that, while jumping into sophisticated programming languages “is a bit of a learning curve,” students in the program have risen to the challenge and tend to progress quickly. In addition to months of coursework, the program includes a capstone – a real-world project that students complete for a sponsoring organization, under the oversight of an industry professional. The students receive a data set and a problem or situation to address; they are charged with finding and presenting actionable items or data-driven solutions to their sponsors. Past students have conducted projects for the Florida Panthers, Miami Heat and a local hospice. (See Sidebar:...
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Tapping Into Analytics With the Florida Panthers

As any sports fan can tell you, data analytics plays an increasingly pivotal role in decision-making at virtually every major professional league team. Managers and coaches who once made gut decisions about which players to draft, trade and develop—as well as about game strategy—now routinely pore over reports generated by mathematicians and factor in statistics when weighing their options. With more teams getting into the analytics act, it came as little surprise when the NHL’s Florida Panthers joined the race to leverage data by hiring Brian Macdonald as director of hockey analytics three years ago.

Brought in to provide the team’s scouting, coaching and training staff with data that would inform decisions about team personnel, Macdonald soon found his role expanding to encompass business strategy analytics. “Our approach became: Anywhere that data exists, we want to analyze that data and use it to make smarter decisions,” he says. “And we had lots of data—from ticket sales, from finance, from marketing—to draw from on the business side.”

Recently, Macdonald tapped into the School’s Master of Science in Business Analytics program, which assigns groups of students to work with local businesses on capstone projects that enable them to wrap up their studies with real-world experience. “We asked them to build us a data-visualization tool that would give our marketing department a way to look at customer and census data on a map of southern Florida,” says Macdonald, who explains that the students were charged with acquiring, cleaning and organizing the data. “We didn’t come up with a project for the sake of coming up with a project; we asked for something that we really needed, wanted and will use going forward,” he adds.

Kevin Keating, one of the master’s students who worked with Macdonald, says the experience of using the R programming language learned during his studies to work on a real-world project was invaluable. “We were able to build an application that enables the end-user to go in and select one of the criteria that we populated the map with—median income, for example—to see a color-coded map of South Florida by income,” he says. “We had exposure during the program to many different technologies—regression analysis, machine learning, high-performance computing—and various programming languages. At the end, the work with the Panthers was an eye-opening experience in terms of showing us what pulling together information from disparate places can achieve.”

The outcome was equally eye-opening for the Panthers, who have already gleaned market insights from the tool. It was a win-win. “The students got a lot of really good experience doing data analysis, and we got something that we are actually going to use,” says Macdonald. ~JP

[generating] demand curves, we can give them a much more accurate idea of the number of cars and type of cars they need, which can save a company millions of dollars across a fleet.”

In working with companies seeking to mine their data to address a specific challenge, Gibson has found that projects tend to multiply as businesses get a taste of success. “We often find that people don’t know all the great things they can do with the data they have,” he says. “Once they start seeing the results, their eyes light up and they say, ‘Can you do this? And that?’ The other neat thing is that once the data has been prepared and the predictive model algorithms have been written, the heavy lifting is done and it can be relatively easy to pull more out.”

As companies across industries recognize that leveraging the potential of data analytics is a competitive imperative, demand for people with an understanding of the capabilities of analytics and proficiency in data science is rising. “There’s an awareness that you need people who may not be data scientists, but who have the understanding to think about what analytics can offer their business,” Lehmann says. “They don’t necessarily need to be the PhDs in advanced math who create the tools, but they need the competency to be able to sit down at the computer with a data set and use the models to come up with answers for the questions.”

Today’s companies have an unprecedented ability to gather, aggregate and analyze data on production processes, sales, customer interactions and more. The potential exists to optimize virtually every major business decision—but companies need people capable of applying the kind of advanced modeling techniques that data scientists develop, McGibney agrees. “Strategic decisions are increasingly being made using data, so it is in a company’s best interest to hire people with the analytical skills to use these tools to inform their decisions,” he says. “People are increasingly at a major disadvantage if they don’t have a core understanding of business analytics.”

That thinking resonates with Keating, who enrolled in the master’s program determined to add a solid foundation in analytics to his repertoire. He saw a steady increase in the use of information technology during a career that spanned positions at several Wall Street financial institutions. “During my last two job searches, I noticed more companies looking for technical rather than financial skills,” he recounts. “I didn’t want to wind up having worked hard to achieve a level of success and have it ripped out from under me because I didn’t keep up with the skills you need today.”

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Under the Surface

The School’s Behavioral Finance Conference explored the sometimes-hidden factors that influence our financial decisions.

By Richard Westlund (MBA ’83)
HOW SPOUSES MAKE FINANCIAL DECISIONS

Gender identity norms continue to play a role

“Families with a financially sophisticated husband are more likely to participate in the stock market than those with a wife of equal financial sophistication,” said School of Business finance doctoral student Da Ke in his presentation of his paper, “Who Wears the Pants? Gender Identity Norms and Intra-Household Financial Decision-Making.” Ke added that this pattern is best explained by gender norms that constrain women’s influence over intra-household financial decision-making.

Ke analyzed microdata covering more than 30 million U.S. households. “Rather than treating households as single agents in studies of financial decisions, my research emphasized the interactions between spouses,” he wrote in the paper. “Opening the black box of the decision-making process within families is not only a necessary condition for evaluating the impact of gender-identity norms, but also a promising route for understanding how households manage their financial decisions.”

Because spouses’ financial decisions are made in private, Ke had to use external factors to infer the internal dynamics. He focused on households where the husband, wife or both had careers in the financial sector – and therefore were likely to be financially sophisticated. He found a 49% stock market participation rate when the husband had a financial career, compared with 37% when the wife had a financial career. As a baseline, only 29% of households with spouses in non-financial careers were active in the market. “That difference is best explained by gender norms, which constrain women’s influence over intra-household financial decision-making,” Ke said. “Consistent with this interpretation, the baseline effect is attenuated among individuals brought up by working mothers, but becomes stronger among descendants of pre-industrial societies in which women specialized in activities within the home, and in households with a husband born and raised in a Southern state.”

As part of his study, Ke conducted a randomized, controlled experiment among participants in employee stock purchase plans (ESPPs), which provide investment opportunities with relatively low risk. “This revealed that female identity hinders idea contribution by the wife. In contrast, male identity causes men to be less open to an opposing viewpoint of their wife, even if her proposition is optimal,” he said. “These findings suggest that gender-identity norms can have real consequences for household financial well-being.”

DISCRIMINATION AND INVESTMENT PORTFOLIOS

LGBTQ people, women and African-Americans less likely to invest in stocks

Discrimination against the LGBTQ community, women and African-Americans can affect an individual’s financial decision-making in many ways, according to School of Business finance doctoral student William Bazley. “We wanted to look at how this widespread social problem affects perceptions of risk,” he said in presenting a groundbreaking paper on “Discrimination, Social Risk and Portfolio Choice,” co-authored by Korniotis and Kumar, as well as Yosef Bonaparte of the University of Colorado.

Bazley noted that 50% of LGBTQ individuals, 33% of African-Americans and 25% of women report feelings of discrimination in the workplace. Along with depression, hypertension and other physical and emotional problems, that sense of marginalization can also have a negative impact on financial decisions, Bazley said.

Financial decisions might be affected by discrimination for many reasons. “Specifically, we wanted to study if discrimination, a negative social experience, has lasting effects on the victims’ personality and how they perceive risk,” Bazley explained. “If discrimination makes victims more cautious and afraid of making risky decisions, it may have a negative impact on investment decisions.”

Through an experiment, the researchers tested whether susceptibility to social discrimination biases minority individuals’ perceptions of risks, particularly their perceptions about income risk (for example, the possibility that their wages and salaries might unexpectedly fall). They found that perceptions of discriminatory experiences do lead to elevated perceptions of income risk. They termed this biased perception “social risk.”

Social risk, Bazley explained, has important economic implications. One of the researchers’ key findings was that LGBTQ people, women and African-Americans are less
Jeff Bronchick, founder and principal of Cove Street Capital, presented the session, “Older But Not Necessarily Wiser: A Practical Guide to Aging and Investing.” He explained that hormones, emotions and instinctive thinking patterns can make it difficult to make logical financial decisions at any age. “Sports and some types of art are geared to the young, where boldness and high energy are invaluable,” he said. “On the other hand, good investing is exactly the opposite” – success tends to come from patience and thinking through decisions. He cited an example: “A lower level of testosterone can make it easier for men to be patient, rather than react quickly to a change in the markets.”

Bronchick suggested that financial advisors should simplify investment choices for their clients and look at short- and long-term lifestyle goals as well as a portfolio’s performance. “Older investors should work with a trusted advisor with low fees, set up an investing plan and turn off CNBC,” he suggested.

Keynote speaker S. Katherine Roy, chief retirement strategist for JP Morgan Asset Management, discussed “Converting Big Data Into Retirement Insights.” She said her research team has debunked many assumptions related to retirement planning and is using big data to improve the investor experience and produce better outcomes. “We want to get defined contribution (DC) plan participants across the finish line successfully as often as possible,” she said. “To do that, we need to understand what the average participant is likely to do.” For example, Roy said financial advisors should not assume that retirees’ spending patterns will be the same as they grow older. “We have also found that people spend more [during] the year they retire and in the following year than they did while they were still working,” she said. “We also know that individuals’ self-reporting of their spending is not reliable.”

Cynthia Hutchins, director of financial gerontology at Bank of America/Merrill Lynch, and Gregory Samanez-Larkin, assistant professor of psychology, cognitive science and neuroscience at Yale University, discussed how likely longevity should affect investment choices and estate planning. Noting that one in four 65-year-old Americans will reach age 95, Hutchins said good health is retirees’ top concern. “They also believe that passing on values and life lessons is even more important than leaving a financial legacy for their heirs,” she added. “That means financial advisors should talk with them about those issues, as well as traditional estate planning.”

Participants in another panel added that financial institutions should consider more active management strategies to preserve elderly clients’ wealth. Churchill Management’s Levy said passive strategies may offer lower fees, but active management has more of an impact on portfolio outcomes in volatile markets. “Rather than taking an increasingly conservative approach with age, you have to look at clients with different lifestyles and provide advice based on what matters to them at different ages,” he said.

Peter Tsui, director of global research and design for S&P Dow Jones Indices, agreed. He said older investors are most concerned about the level and sustainability of their income streams. “To assure stability, you have to manage those funds,” he noted.

Stephen S. Schaefer, senior vice president – wealth management at UBS, added that active management can help retirees guard against “availability bias,” a tendency to take action on the most recent news. He added, “The world is changing fast, and investment strategies need to do so as well.”

Data debunks many retirement planning assumptions
Although she’s only in her mid-30s, Kourtney Gibson (BBA ’03) is already changing lives at the School of Business through an endowed scholarship she has funded. Gibson is president of and partner in Chicago-based Loop Capital Markets, where she leads the firm’s global equity, taxable fixed income and transition management divisions. Four years ago, she funded the Kourtney K. Ratliff Endowed Scholarship (named for her maiden name), and she put in additional money so that scholarship funds could be given out immediately (instead of waiting for the endowment to mature).

The scholarship helps close the gap between what students have in scholarships and other funding and school costs. It supports sophomores with a 3.5 or higher GPA, with preference given to African-Americans who are U.S. citizens. The award is renewable each year, and a new sophomore receives the award each year as well. Gibson’s gift has so far aided a trio of School of Business students.

The decision to create the scholarship arose from Gibson’s own college experience. Though she had received academic merit and University scholarships, she still faced a funding shortfall of several thousand dollars after her freshman year. Her parents took out a loan to cover the difference. Gibson wants to save others from experiencing that kind of worry, especially as some families can’t secure outside loans or access other funding. She says the extra support can mean the difference between finishing an education and dropping out.
Knowing how education made all the difference in her life, Gibson didn’t want to wait to help students faced with such challenges. “It’s important for people to give back and make sure others have the opportunity you have had. I take that very seriously,” says Gibson, who earned an MBA from Northwestern University’s Kellogg School of Management after graduating from the School of Business. “I knew I was the recipient of someone else’s scholarship. When you have been blessed, it’s your obligation to bless others.”

In 2015, Nautica Allen (BBA ’17) became the first Kourtney K. Ratliff Scholar. The finance major, who is minoring in business technology and sociology, didn’t even know she was up for the award, because the Office of Financial Aid chooses the students. “To be selected and not even know you are under consideration – I was ecstatic,” says Allen, who graduated in May. The award meant financial relief during her remaining years at the School.

Allen, who hails from Atlanta, says she came to know Miami through family vacations, which made choosing the University an easy decision, especially because it represented a change from her hometown. “I wanted to go to a whole new place,” she says. After receiving the Ratliff scholarship, she became interested in knowing more about Gibson’s background. “I actually went back and read her story again,” she says. “If I make it big and can give back support to UM, that is what I want to do.” Allen plans to apply to law school.

The 2016 Ratliff scholar, Shannon Roberts, is majoring in accounting with a minor in finance and will graduate in December. She was born in North Miami Beach, went to high school in Atlanta and is of Caribbean descent; her parents hail from Antigua. A post-acceptance tour of the University and a talk by EllenMarie McPhillip, the School’s assistant dean for undergraduate business education, were decisive in Roberts’ decision to attend the School. “I loved the campus, and I wanted a school that was big on diversity,” she says.

Roberts was tremendously excited to become a Ratliff scholar. She had received other scholarships that semester, but the fact that Gibson is African-American had an extra impact on her. “That stuck with me; I was really happy to learn about all her accomplishments,” she says. The scholarship has made a big difference, she adds, noting that her parents were able to access additional money to supplement her other scholarships, but Roberts worried about their financial stresses and even contemplated leaving school. The scholarship put an end to those thoughts. “I was so grateful because I love the University of Miami, I really do,” she says. “I don’t know where else I would get the type of experience I’ve gotten here.”

Like Allen, Roberts hopes to follow in Gibson’s footsteps. “I think it is very important that you acknowledge you are where you are today not only because of your efforts,” she says, “but because a lot of other people worked for you to achieve what you wanted to achieve.”

For Gibson, lending a helping hand comes naturally. The Racine, Wisconsin, native was wooed by the University with several scholarships, and was enchanted with the region’s diversity and the presence of faculty and students from around the world. During her time at the School, she volunteered with a program that tutors kids in South Miami – some of whom knew no one who pursued higher education. At some point, Gibson says, she would like to craft an initiative within her scholarship that would encourage similar kinds of outreach.
Fostering a Generation of Entrepreneurs

Looking back on 15 years of the University of Miami Business Plan Competition, hosted by the School of Business

By Bob Woods

By 2003, it was already clear that entrepreneurs would have a major part of the 21st century’s business landscape. The rush to claim entrepreneurial gold was on, and the nation’s top business schools were at the forefront of preparing a new generation of stampededers. That year, School of Business faculty and the dean at that time, Paul Sugrue, launched what would become the annual Business Plan Competition. School of Business students were invited to submit outlines for new products and services, the entries were evaluated and finalists were chosen. Those individuals and teams were then required to write a formal business plan, which would ultimately be judged by a panel of real-world entrepreneurs and venture capitalists, with winners receiving cash prizes. “Those who make it into the finals get a lot of questions and feedback from the judges and come away with a true understanding of what it takes to be an entrepreneur,” says Bill Heffner (BBA ’77), a judge and student mentor since the program’s inception (and a member of the UM President’s Council).

Fifteen years later, the competition has flourished and evolved, keeping up with disruptions in the startup world, as well as a growing entrepreneurial appetite among the University’s entire student body. Along the way, several successful ventures have been created and entrepreneurs nurtured. During this year’s competition, which concluded in late March, nearly $50,000 was awarded, including $10,000 each to two grand prize winners: a pair of juniors building water-cooled computers for video gamers and an alumnus whose website allows high school officials to track student-athletes’ eligibility for college scholarships. The competition’s 2017 sponsors included JES Global Capital Partners GP LLC, Sean Goldstein, the Heffner family, the Gomberg family, the Nunez family and Voalte.

This year’s competition introduced a number of changes, such as opening up the two rounds of judging (choosing the finalists and winners) to the public, with live pitches presented in Storer Auditorium. That venue was also the site of the School’s first entrepreneurship symposium, held during the competition’s final day. “We put together an agenda that featured two lively panel discussions with some great speak-
ers who offered their ideas, advice and insights to students,” says Marianna Makri, an associate professor of management and the School’s director of entrepreneurship programs (she and Amarylis Wallace, assistant director, run the competition). Symposium speakers included past competition winners, venture capitalists and serial entrepreneurs (read more online at magazine.bus.miami.edu/bpc).

This year’s changes are hardly the first. In 2005, the competition widened eligibility to include the University’s entire student body. “It would have been a narrow focus to have it only for business school students,” says David Epstein, a member of the University’s Board of Trustees and an ex-officio member of the School’s Entrepreneurship Advisory Board. A local serial entrepreneur, he’s been involved with the competition from the start, including as a judge. “People who want to create and build a business may not be the traditional business school graduate or MBA,” he says. “It was an important realization early on that the competition needed to be more inclusive.”

Since that change, a number of winners have come from the Leonard M. Miller School of Medicine, Rosenstiel School of Marine and Atmospheric Science, Frost School of Music and School of Law. “Entrepreneurship is not just a major, it’s a way of thinking,” says local entrepreneur Robert Rubin (JD ’84), chair of the School’s Entrepreneurship Advisory Board and an original competition judge and mentor (as well as a member of the UM Citizens Board). “Encouraging entrepreneurship across the University is extremely important and is feeding students’ dreams of creating and developing their own business.”

Other changes to the program have coincided with the real world of startups, such as separating small businesses from high-potential ventures during 2006, giving proportionate weight to a new tech venture valued at $1 billion and a $400,000-a-year coffee shop. “Both of them are legitimate startups,” Epstein contends, “but to look at them through the same lens doesn’t make sense.” The official category designations have since been dropped, but the judging criteria remain.

While the School’s alumni have always been integral to the Business Plan Competition, they weren’t invited to compete until 2013. “I was really excited to learn that alumni were included,” said Sandi Vidal (BBA ’88) shortly after she won the grand prize in the new category that year. She and her teammate, Royce Gomez, had been developing the idea for Savory Community Café, an eatery that combined food with social welfare, “but entering the competition forced us to move faster on creating a business plan.”

The competition, which begins during the fall with summary business plans, has increasingly emphasized matching students with mentors who have expertise in specific sectors. Entrepreneurship Advisory Board member Betty Amos (BBA ’73, MBA ’76), for example, is the retired president of Abkey Companies, which operated several Fuddruckers restaurant franchises in southeast Florida. She’s often paired with students proposing food-related businesses, including Vidal and Lucy Calamari (BBA ’13), who captured the alumni grand prize in 2014 for Lucky Lucy Chocolates. “I’ve stayed in touch with Sandi, Lucy and several other mentees,” says Amos, who, in addition to mentoring and judging the competition, is on the board of the University’s Alumni Association, a UM trustee and a UM President’s Council member.

Mentors like Amos can be especially important in guiding non-business students’ financial forecasts. “Many have never taken a business course,” Makri observes, so their plans may lack in that required component, leading judges to downgrade an otherwise outstanding pitch. Makri plans to further strengthen that component by setting up at least two mandatory workshops dedicated to financial matters for next year’s competitors. Amos applauds the idea, noting that “some students have no idea how much capital it takes to start a business.”

This year’s Business Plan Competition winners took home nearly $50,000 in total prizes; graduate/alumni grand prize winner Kelly Pierce received a $10,000 check.

School of Marine and Atmospheric Science, Frost School of Music and School of Law. “Entrepreneurship is not just a major, it’s a way of thinking,” says local entrepreneur Robert Rubin (JD ’84), chair of the School’s Entrepreneurship Advisory Board and an original competition judge and mentor (as well as a member of the UM Citizens Board). “Encouraging entrepreneurship across the University is extremely important and is feeding students’ dreams of creating and developing their own business.”

Other changes to the program have coincided with the real world of startups, such as separating small businesses from high-potential ventures during 2006, giving proportionate weight to a new tech venture valued at $1 billion and a $400,000-a-year coffee shop. “Both of them are legitimate startups,” Epstein contends, “but to look at them through the same lens doesn’t make sense.” The official category designations have since been dropped, but the judging criteria remain.

While the School’s alumni have always been integral to the Business Plan Competition, they weren’t invited to compete until 2013. “I was really excited to learn that alumni were included,” said Sandi Vidal (BBA ’88) shortly after she won the grand prize in the new category that year. She and her teammate, Royce Gomez, had been developing the idea for Savory Community Café, an eatery that combined food with social welfare, “but entering the competition forced us to move faster on creating a business plan.”

The competition, which begins during the fall with summary business plans, has increasingly emphasized matching students with mentors who have expertise in specific sectors. Entrepreneurship Advisory Board member Betty Amos (BBA ’73, MBA ’76), for example, is the retired president of Abkey Companies, which operated several Fuddruckers restaurant franchises in southeast Florida. She’s often paired with students proposing food-related businesses, including Vidal and Lucy Calamari (BBA ’13), who captured the alumni grand prize in 2014 for Lucky Lucy Chocolates. “I’ve stayed in touch with Sandi, Lucy and several other mentees,” says Amos, who, in addition to mentoring and judging the competition, is on the board of the University’s Alumni Association, a UM trustee and a UM President’s Council member.

Mentors like Amos can be especially important in guiding non-business students’ financial forecasts. “Many have never taken a business course,” Makri observes, so their plans may lack in that required component, leading judges to downgrade an otherwise outstanding pitch. Makri plans to further strengthen that component by setting up at least two mandatory workshops dedicated to financial matters for next year’s competitors. Amos applauds the idea, noting that “some students have no idea how much capital it takes to start a business.”

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ALUMNA KELLY PIERCE (BSEd '08, MSEd '12) had three eye-opening experiences along her way to launching PIERCE Plan, a web-based service to automatically track high school athletes' eligibility for college scholarships. Her business plan convinced the competition’s judges to award Pierce the grand prize in the graduate/alumni category.

Pierce had her first eye-opener while tutoring University of Miami athletes with learning disabilities during her junior year at the University. “I realized they had so many fans in the stands and on the fields, but so few fans in the classroom,” she says, recalling not only the frustrations felt by those students — many of them standouts in their sports — but more so the positive impact tutors can have in overcoming those frustrations.

The experience solidified Pierce’s desire to become a special-education teacher in the Miami-Dade County Public School system. But she graduated in 2008, just as a ripple effect of the Great Recession led to a hiring freeze in the county’s schools. Fortuitously, the University’s athletic department ended up hiring her as an academic advisor and tutor coordinator for the entire student-athlete body. “It was my dream job,” Pierce says. She spent significant time evaluating transcripts of high school recruits, determining whether they were eligible for athletic scholarships from the University. “It was a pain point for me,” Pierce says of the arduous, paper-and-pencil process of manually matching students’ grades against requirements established by the National Collegiate Athletic Association (NCAA). There had to be a better, more efficient method, she figured.

In the process of dealing with that system, Pierce realized how many high school star athletes aren’t prepared for the rigors of college academics — and therefore get shut out of scholarships. So she quit her dream job at the University and became a math teacher and boys basketball coach at SLAM (Sports Leadership and Management) Academy in Miami, a sixth-through-12th-grade public charter school. “I thought [the lack of preparation] was the teachers’ faults, but I couldn’t blame them without becoming one of them,” she explains. At SLAM, Pierce came to understand that not just teachers, but administrators, coaches, guidance counselors and parents need to collectively address what she saw firsthand was a broken system. “I finally decided to bring all those stakeholders together onto one platform and to be proactive,” she says, and that became the impetus for PIERCE Plan.

Her winning business plan describes the online service as what is known in the K–12 technology market as a SaaS (software as a service) learning management system (LMS). Pierce’s LMS automatically tracks, in real time, academic requirements set by the NCAA for high school student-athletes to be eligible for scholarships to play college sports. It will be marketed primarily to the approximately 37,000 public and private high schools in the U.S., as well as colleges and universities, on an annual subscription basis. The NCAA reports that nearly 8 million students currently participate in high school athletics, and more than 480,000 of them will go on to compete at NCAA schools, in Divisions I, II or III.

Through the website, students and their parents will be able to access up-to-the-minute NCAA eligibility rules. Guidance counselors will get updates on NCAA-approved core courses or view grade point averages and required SAT/ACT scores, and parents are alerted when their children’s grades are slipping. High school coaches will be able to obtain progress reports on students’ grades, behavior and truancy, as well as colleges’ eligibility indicators. Even principals are in the loop, able to track their student-athletes who receive scholarships and learn about sports-related grants and funding.

Pierce had been honing her idea at The Launch Pad, the University’s entrepreneurship resource center, and at the Women Innovating Now (WIN) Lab in Miami, an extension of a program started at Babson College to help women entrepreneurs accelerate and grow their businesses. Her mentor at WIN, Suzy Alvarez-Diaz (BBA ’93, MBA ’95) – a management lecturer at the School – suggested that Pierce enter the competition.

With advice from her assigned mentor for the competition, Dean Fogel (BBA ’70), a member of the School’s Entrepreneurship Advisory Board and the University’s President’s Council, Pierce pieced together a winning plan. “As an exceptional student education major, there was a huge learning curve in understanding the financial, marketing and strategic planning necessary to build a business,” she concedes.

Pierce is now developing version 2.0 of her proprietary software, which she aims to roll out in August at a private school in Broward (“my first paying customer!”), a few local charter schools and two Miami-Dade public high schools. “My immediate goal is to get a stamp of approval that confirms that the program works,” she says.
Totally Cool Idea

Therion Computing tames a scorching beast that preys on video gamers.

Overheating is a problem in many situations: radiators on a 100-degree day, the economy when it grows too fast, and, of course, your personal computer – at least if you’re a serious videogame player like School of Business student David Gantt. His solution for cooling down hot gaming PCs scored Gantt and his teammate the undergraduate grand prize in this year’s Business Plan Competition.

“I’ve been a gamer since I was 10,” says Gantt, a rising senior who’s been cobbling together his own computers for nearly as long. He was playing on a distinct one in his dorm room freshman year, with fellow freshman and St. Louis native Chet Montefering looking on in wonderment. He was impressed by the computer’s cooling system: plastic tubing bundled inside the computer, with a distilled water-based solution coursing through it. “We should sell this,” blurted out Montefering, who had been an avid gamer himself. What was then merely a casual remark by a bright-eyed teenager would materialize two years later as Therion Computing, the pair’s proposed venture to build and market water-cooled PCs to gamers.

Gantt had rigged the cooling system into his custom-built PC to protect it against overheating, which is a huge problem in high-end gaming that can’t be solved with a conventional fan and heat sink. “It’s not necessarily the heat that’s an issue, but what it causes,” he explains. “The gaming card will downclock itself to try to keep cool, thus limiting its performance.” That, in turn, causes the computer to slow down, sophisticated graphics to appear jittery rather than smooth, and gamers’ input to be translated too slowly for gameplay. The worst outcome overheats both the computer and the gamer, a dual dilemma Gantt has overcome. “I’ve been using my handcrafted computer since 2014 and it’s stood the test of time,” he reports.

The business idea stood the test of the competition’s judges, too. But winning the undergraduate grand prize “was a lengthy process,” Montefering says, recalling countless hours spent researching the niche market for gaming computers, analyzing competitive models, devising a sales and marketing strategy, calculating financial projections and writing the 32-page plan.

Gantt and Montefering leaned on their academic experiences to get the job done. Gantt, a finance and classics major, crunched the numbers. Montefering, a finance and classics major, crunches the numbers. He’s minorin in industrial engineering, which is Montefering’s major, so they spoke the same language when it came to the hardware design. Montefering, meanwhile, is minorin in economics and had taken entrepreneurship classes at the School of Business.

Team Therion (Greek for “wild animal”) also relied on the real-world advice of their two assigned mentors, Elliot Smerling (MBA ’97), managing partner at JES Global Capital in West Palm Beach, and Ben Kosinski (BBA ‘11), who runs Kosinski Ventures in New York. “They provided tremendous support,” Montefering says, citing several phone calls to discuss raising capital and setting sales goals.

A key element of the business plan is differentiating Therion’s computer from three existing companies’ water-cooled PCs aimed at the serious gamer. “Ours is like comparing a gourmet burger to the fast-food variety,” Gantt says. He says Therion distinguishes itself through “pretty incredible” aesthetics that gamers desire, a cooling system that protects more critical components than their competitors do and generally more bang for the $3,500 they’ll charge per computer.

Gantt is currently testing a few prototypes he built for family and friends, and he’s gaining online buzz with posts on gaming websites. While he and Montefering still have one year left to earn their bachelor’s degrees, they hope to debut their finished product and a marketing campaign this summer as they continue an ongoing search for investors. “We’re putting together the infrastructure to support a successful business,” Montefering says. If that happens, Therion Computing could be heating up – and cooling down – the gaming world before too long.
continued from page 33

Even with the competition’s 15-year evolution, one constant remains: the undeniable benefit it provides students, who get to practice what’s preached in textbooks and classes. “These students need to cut their teeth on something that’s not a classroom exercise,” says Rick Tonkinson (MBA ’84, MPA ’85), who runs a family-owned financial services firm in Miami, has been a competition judge for several years and is a member of the School’s Entrepreneurship Advisory Board and the UM Citizens Board. “And what better way than the Business Plan Competition?”

Rubin concurs, noting that so many of the School’s entrepreneurship majors “are not just taking classes to get a degree. They have a clear vision of launching the next great business idea. I’m a big advocate of experiential learning, and this competition clearly offers students this opportunity.”

WINNERS OF THE 2017 UNIVERSITY OF MIAMI BUSINESS PLAN COMPETITION, HOSTED BY THE SCHOOL OF BUSINESS

GRAND PRIZE ($10,000 EACH)
UNDERGRADUATE
David Gant and Chet Montefering
Therion Computing
GRADUATE/ALUMNI
Kelly Pierce (BS’08, MSE’12)
PIERCE Plan

HONORABLE MENTION ($1,000 EACH)
UNDERGRADUATE
Don Sirivat and Kevin Fich
CleanSwipe
GRADUATE/ALUMNI
Marcella McCarthy (BA ’05)
Skilled
PAUL K. SUGRUE ENTREPRENEURIAL SPIRIT AWARD ($2,000)
Benjamin Leis (BA ’04)
Comic Cure
PEOPLE’S PICK AWARD ($1,000)
Kelly Pierce
PIERCE Plan

2ND PRIZE ($6,000 EACH)
UNDERGRADUATE
Dylan Cohen
Frest
GRADUATE/ALUMNI
Thomas Byrd Jr. (MBA ’16), Jason Keasler (MBA ’16) and Joe Rjeili (MSE ’04)
VarDragons

BEST PRESENTATION AWARD ($2,000 EACH)
UNDERGRADUATE
Dylan Cohen
Frest
GRADUATE/ALUMNI
Jennifer Pierre (BBA ’15)
Melanites

3RD PRIZE ($4,000 EACH)
UNDERGRADUATE
Nelly Sudri and Lauren Peaslee
Sobe Media Group
GRADUATE/ALUMNI
Josh Fu (BS BA ’10)
Haathi Cloth

GIVING SUMMER INTERNS A FINANCIAL BOOST

Winners of the 2017 Heffner Fellowship Awards

“I enjoy helping students,” says Bill Heffner (BBA ’77), who has been putting his money where his mouth is for the last 12 years, donating $250,000 to fund the Heffner Fellowship Award through an endowment his family established with the School of Business in 2006. Since then, the endowment’s earnings have provided over $100,000 to more than 40 of the School’s undergraduates who receive summer internships, helping them pay travel and living expenses.

“This year there were five recipients of $2,500 each,” reports Heffner, who is president of family-owned Agg Rok Materials in Columbus, Ohio, and a Business Plan Competition mentor and judge. The individual awards to Heffner Fellows have fluctuated over the years, and more than 40 interns have benefited from the Heffner bump.

The reward for Heffner, he says, is that close to 90% of the interns have received job offers from the company that brought them on for the summer. “It’s like the ultimate job interview for prospective employers,” he adds. “But it’s also a great way for the students to find out if that’s the field they really want to work in after graduation.”

The 2017 Heffner Fellows and where they’re interning:
• Emily Gerstein – Jerry Media, New York
• Justin Levy – NOVO, New York
• Nicole Millman – Northern Trust, Chicago
• Jonathan Ovadia – JUMP Investors, Los Angeles
• Cody Skylar – FARE (Food Allergy Research & Education), McLean, Virginia

Read about all of the Business Plan Competition winners, plus panelists’ insights from the Entrepreneurship Symposium: magazine.bus.miami.edu/bpc
Zeroing in on Disruptive Forces

8 things to know from the 2017 University of Miami Real Estate Impact Conference, hosted by the School of Business and the School of Architecture

By Rochelle Broder-Singer, with reporting by Jennifer Leclaire
Craving more from real estate heavyweights?
bus.miami.edu/re2017 has:
• Articles on the conference’s keynote conversations with Gregg Pasquarelli, principal and co-founder of SHoP Architects, and David Simon, chairman and CEO of Simon Property Group
• Articles on the two panel sessions: “Finding Opportunity in Disruption” and “Redevelopment Ready: Miami 2.0”
• Full video of each of the four sessions

On Feb. 10, real estate experts from around the world converged in Miami at a standing-room-only industry conference. The sixth annual Real Estate Impact Conference was made possible by sponsors including Douglas Elliman Real Estate, the Kislak Organization, The Wirkoff Group and Fortune International Group.

1. BRICK AND MORTAR RETAIL ISN’T DYING, AS LONG AS IT’S A SOCIAL EXPERIENCE.
“If you go to good centers, you see a lot of people with bags,” said James Bry, executive vice president of development and construction at REIT Seritage Growth Properties. “Retail is about the entertainment as well as the shopping experience. We’re all still social. The majority of us want to get out of our house and do things.” David Simon, chairman and CEO of retail giant Simon Property Group, said centers need to invest in better architecture, diversify their mix of uses and create a sense of place that doesn’t exist online.

2. BUT IT DOESN’T HURT TO GIVE PEOPLE A PUSH, SINCE THEY REALLY NEED A REASON TO HEAD TO THE MALL.
Bob Gray, a partner in real estate investment firm Rockwood Capital LLC, sees malls, in particular, bringing in supermarkets, health care providers and fitness centers to give people additional reasons to hit the mall. Michael Comras, president and CEO of retail developer and leasing firm Comras Company, agreed about giving people a reason to go to the mall, but disagreed about the best way to lure them. “The challenge is to look for opportunities to get people off the couch,” he said. “When you think about health clubs or movie theaters … It’s about the social atmosphere. People want to see people. People like to see people.”

3. OUTLET MALLS ARE GOOD BUSINESS, BUT THEY’RE TOURISM-DEPENDENT.
In 2007, when Simon Property Group bought the Sawgrass Mills outlet mall west of Fort Lauderdale, it had net operating income of $55 million. That figure has risen to $150 million, said Simon. “Outlets have been a good industry for us,” he added. “It’s been a little touchier recently … because a lot of outlets are tourism-oriented, and with the stronger dollar we see a little softness in the business – not just for us, but for retailers.”

4. ECONOMIES OF SCALE MATTER IN PROPERTY OWNERSHIP, AND, YES, BIGGER IS BETTER.
“I believe in scale,” Simon said. “Real estate is capital intensive. The bigger and better relationships you have with retailers, the more you can accomplish together. … Your overhead can be spread out over many properties. [Plus,] it gives you lots of opportunity globally.”

5. YET, THE U.S. MAY HAVE TOO MUCH RETAIL, ESPECIALLY COMPARED TO EUROPE AND CANADA.
Simon believes that most U.S. cities have too much retail space, and he noted that the U.S. has about 24 square feet of retail per person, versus between three square feet and 10 square feet per person in London, Paris or Canada.

6. DEVELOPERS AND BUILDERS DON’T LIKE TO TAKE RISKS ON NEW TECHNOLOGIES, BUT WHEN THEY SEE SOMETHING WORKS, THEY JUMP ON IT.
“Real estate tends to do things the same way until one person innovates, and then they all instantly change,” said SHoP Architects’ principal and co-founder Gregg Pasquarelli. He shared that the company worked for years on automated digital design and fabrication techniques for creating a building façade. Such techniques could lower construction costs, speed up design and allow for more design freedom, but no clients would take a chance on them. “We had to test our ideas on our building,” Pasquarelli explained. Then, clients started signing on – including Barclays Center, the landmark sports and entertainment arena in Brooklyn (home of the NBA’s Brooklyn Nets). “Every time we’ve been able to use technology to improve cost control or transparency or manufacturing costs in one of our buildings and we’ve had hard data showing it works, everyone jumps on board,” Pasquarelli said.
7. Location is becoming all about workforce, as companies increasingly move to where the high-talent workers are (often, that’s secondary cities).

“Value of talent is what’s driving location today,” said Rockwood Capital’s Gray. “San Francisco is a wonderful exporter of talent to other parts of the country because it’s too expensive for people to rent apartments or buy homes.” Michael Gross, vice chairman of alternative workspace provider WeWork, noted that the company is following workers as it decides where to open its co-working offices. “A lot of secondary cities are starting to populate, and we can’t get buildings up fast enough,” he added.

8. Health and wellness isn’t a fad - it’s a money maker.

“We are looking at health and wellness from a product perspective,” Bry said. “It’s going to be a critical component of meeting the needs of this generation. That’s not a fad.” SHoP’s Pasquarelli noted that hard data is now showing the financial benefits of LEED certifications. He pointed to the Genzyme Center in Cambridge, Massachusetts – the first LEED Platinum-certified building in the country. Genzyme now has 15 years of data showing that workers at that building take fewer sick days than workers in its other buildings (even when they have the same education and income levels).
Graduate students from throughout the School studied business and culture in China and India during spring break, as part of the two-credit elective, Global Learning Opportunities in Business Education, from the UM Center for International Business Education and Research (CIBER), which is housed at the School. One class went to India and the other went to China.

In India, March 6-16, the class visited Chennai, Mumbai, Delhi, Agra and Jaipur.

PHOTOS BY YAMIRCA BLANCO,
ADMINISTRATIVE ASSISTANT AT UM CIBER
Road in India and China

In China, March 6-17, the class visited Beijing, Xi’An and Shanghai.

PHOTOS BY ANTONIO ROJAS, STUDENT IN THE SCHOOL’S MASTER OF SCIENCE IN FINANCE PROGRAM
Port Competitiveness and Security in Spotlight at Hemispheric Conference

By Richard Westlund (MBA ’83), with additional reporting by Rochelle Broder-Singer

SECURITY, SAFETY AND EFFICIENT SEAPORT OPERATIONS are complementary goals, according to leading maritime government and business professionals who spoke at the “Hemispheric Conference on Port Competitiveness and Security: Finding the Right Balance,” hosted by the UM Center for International Business Education and Research (CIBER), which is housed at the School.

“Look at security as an investment, not just a cost,” said keynote speaker Captain Michael Brown, chief of the International Port Security Evaluation Division at the U.S. Coast Guard, in his talk to 85 attendees from 28 countries.

The port competitiveness conference was part of a multiday series that took place at the School Feb. 20-24. CIBER organized the port competitiveness conference along with the Inter-American Committee on Ports (CIP) of the Organization of American States (OAS), with support from sponsors Hudson-Analytix and T&T Salvage. It followed the two-day Miami Conference on Operations (MCO), also hosted by CIBER and organized by the School’s Operations and Supply Chain Management group. The MCO, during which 12 thought leaders presented cutting-edge research in operations and supply chain management, drew 60 participants from 33 different academic institutions, industry organizations and companies.
PORT SECURITY
“We have the top dogs of the port management business here to learn about successful practices in security and logistics,” said Jorge Duran, chief of the Secretariat of the GIP. “Countries throughout the Americas are investing in expanding their commercial ports, and it is vital to address security concerns in the modernization process.”

Noting that 90% of the world’s trade travels by sea, Lonnie Kishiyama, director of the Office of International Activities at the U.S. Department of Transportation’s Maritime Administration (MARAD), said, “An attack on any aspect of the maritime system could put economic activity at risk, so it is critical that ports address security vulnerabilities.”

In his keynote talk, Coast Guard Captain Brown said threats to port operations range from criminal activity and drug smuggling, to terrorism and cyberattacks. “Identify your vulnerabilities, conduct a risk assessment, and incorporate security into your business practices,” he said. “For example, training your operational personnel to be alert to security and safety threats can be a low-cost approach that improves your operations and makes your port more competitive in the global market.”

In a panel discussion on “Innovation for Competitive Port Security Operations,” Fernando Huarcaya Ugarte, a delegate for Peru-based ISPS Network, emphasized the importance of sharing best practices, such as exchanging information among regulatory agencies and working with local communities. Channing Burgess, deputy chief of the U.S. Coast Guard’s International Port Security Evaluation Division, gave an overview of his agency’s Homeport international outreach program.

Horacio Artemio Prieto, prefect major for Argentina’s Naval Prefecture, said his nation is investing billions in improving port infrastructure, including security. “We are setting higher benchmarks for protection of the perimeter, including uniform standards for fencing, alarms and video cameras,” he said. “We posted those standards to make them easily accessible for everyone in the private and government sectors.”

HOW LOGISTICS AND SECURITY INTERSECT
Discussing “Trade Facilitation through Dependable and Safe Logistics Operations,” panelist Jorge Metz, undersecretary of ports and waterways for Argentina’s Under-Secretariat of Ports and Waterways, said his nation is investing billions of dollars to modernize its canals, waterways and ports and to accommodate increased trade and cruise ship operations.

Panelist Frances Bolnsack, director of MARAD’s (the U.S. Department of Transportation’s Maritime Administration) South Atlantic Gateway office in Miami, said modernization requires a long-term strategic plan, as well as a public and private sector partnership policy.

Romaine Seguin, president of the Americas Region for United Parcel Service, emphasized the importance of training employees in security procedures while investing in the latest technology. “Understand your risk points, and be proactive in addressing any gaps,” she said. “Be sure to validate your processes, and be sure your employees are following the security procedures.”

SUPPLY CHAIN MANAGEMENT
The Miami Conference on Operations brought together thought leaders to discuss cutting-edge topics in the area. “Miami plays a vital role in global supply chains,” said Hari Natarajan, an associate professor of management and co-organizer of the conference. “It is the nation’s seventh-largest export hub, with $33 billion in goods exported each year, and is the gateway of the Americas. The Miami Conference on Operations leveraged the School’s Miami location to connect institutions, individuals and ideas across the Americas and throughout the world.” Nan Yang, a professor of management at the School, also co-organized the conference.

Speakers included fellows of the Institute for Operations Research and Management Sciences (INFORMS), the Manufacturing and Service Operations Management (MSOM) Society and the Production and Operations Management Society (POMS). School of Business participants included Interim Dean Anuj Mehrotra; assistant professors Xin Geng, Vamsi Kanuri and Christos Zacharias; and doctoral students studying operations management at the School.

Natarajan noted that the conference complements the growth of the School’s supply chain management expertise. Yang is one of the faculty members with expertise in that area who have joined the School during the past few years. The School’s PhD concentration in operations management is expanding, and new experiential learning opportunities are helping students better understand complex global supply chains. “Hosting events like the MCO is directly aligned with UM President Frenk’s vision of achieving hemispheric leadership and with the School’s goals of continuing to strengthen our supply chain programs,” Natarajan said. “With the support of UM CIBER, we hope that this will become an annual event.”

Key Takeaways From the Miami Operations Conference
From Conference Co-Organizers Hari Natarajan and Nan Yang

1. Pricing is a key element of every strategy.
2. Complex mathematical models are helping retailers estimate demand and optimize price in a competitive marketplace on a real-time basis.
3. Online retailers are judiciously evaluating service subscriptions and how to price them, in concert with demand and price models.
4. The sharing economy and new industries have led to new decision requirements for pricing and matching of supply and demand.
5. Inventory can be managed more effectively with opportunities provided by new technologies such as 3-D printing.
Dispatches from ‘The Business of Health Care Post-Election’ By Richard Westlund

Back in March, experts at “The Business of Health Care Post-Election” predicted the Trump administration and U.S. Congress would likely make major changes to U.S. health care policies, with profound impacts on patients, providers, investors and businesses. The sixth annual conference, presented by Florida Blue, brought more than 850 health care executives, physicians, consultants and students to the University’s Watsco Center on March 3. Excerpts from a few conference sessions follow. Read papers from each session, watch video and more, online at bus.miami.edu/health2017.

NO SUCH THING AS CLOSED BORDERS

Health care is the quintessential example of a ‘glo-cal’ sector, where services are delivered by local hospitals, doctors and nurses who are deeply connected with global networks, Frenk added, pointing out that infectious diseases such as Zika and Ebola don’t respect national borders.

“Every aspect of U.S. health care has global components, including the foreign physicians and nurses who practice here, the medications made outside our country, and the knowledge we export around the world,” Jha noted. Expanding on those topics, Jha pointed out that about 25% of U.S. physicians and nurses were trained abroad. “This is a mobile field of talent, where professionals are in demand around the world,” he said. “And it’s not just professionals who can move around. Patients also seek out lower-cost settings to receive elective services. … There are already foreign clinics that cater to the wealthy,” Jha said. “When middle-class Americans face a $12,000 deductible, that market may change dramatically.”

Would the U.S. be better off if it could shut its borders, health-wise? “The answer is a resounding no,” Jha asserted. “Instead, we must make investments in public health to protect the American people in an interdependent world.”

For decades, U.S. politicians have offered bipartisan support for health care as an instrument of foreign aid and soft diplomacy. U.S. aid, Jha said, has been enormously successful in saving lives around the world. “But even if you don’t feel that’s enough to justify spending, that money has been well spent in terms of its impact on the stability of these countries and their attitudes toward America,” he said. “This is a much better way to protect our country than sending in the military.”

Continued U.S. investment in global public health is also essential for identifying and containing outbreaks of infectious diseases, reducing the risk for Americans, Jha said. “Ebola was a warning to us,” he added. “We got lucky, because this disease doesn’t spread that easily. But 100,000 people fly into the U.S. every day, so it’s impossible to keep out an infectious disease.” Jha likened the threat of pandemics to that of a fire in a crowded city neighborhood. Building a
protective wall around one home is unrealistic, he said. Instead, the U.S. should be sure other countries have the “smoke detectors and fire extinguishers” they need so a problem doesn’t engulf the entire neighborhood.

Frenk added that much of the conversation in Washington revolves around the “upstream” aspects of health care, like the costs of treatment and medications. But investments in disease prevention and wellness can help address “downstream” obstacles and deliver a powerful return on investment by keeping Americans healthy.

THE COUNTRY’S ‘MOST EXPENSIVE DATA-ENTRY WORKFORCE’

PHYSICIANS NEED DATA, BUT THERE MUST BE A BETTER WAY TO GET IT

More data could lead to medical care that is lower in cost and has consistently better outcomes, but right now, data entry is a significant burden on medical practices. That was one issue raised by panelists in a discussion that brought together – for the first time ever – leaders of five major provider associations: the American Hospital Association, the American Medical Association (AMA), America’s Health Insurance Plans, the Healthcare Financial Management Association and the Medical Group Management Association (MGMA). AMA CEO and Executive Vice President James L. Madara, M.D., noted AMA surveys show that, for every hour a physician spends with patients, another two hours are needed for data entry. “We have created the most expensive data-entry workforce in the country,” he said. “We badly need interoperability between electronic health care records (EHRs) so that data can flow among patients and providers. We also need technology that allows individuals to control their own data, just as they do with their bank accounts.”

About 78% of physicians now in practice said they were dissatisfied with their burdens, said Halee Fischer-Wright, M.D., president and CEO of the MGMA. That number comes from a recent survey by the association, which also found that $40,000 per physician per year is spent just documenting care quality. “That interferes with the physician’s ability to build a relationship with the patient, and getting better outcomes largely depends on that relationship,” she said.

Madara isn’t advocating giving up on documentation and data gathering. He believes that better data on patient outcomes may be able to lower costs, as well as increase quality of care. “We created AMA tools for pilot studies of hypertension,” he said. “That has helped individuals gain more control of this chronic condition, decreasing strokes and heart attacks. In this case, even marginal improvements can save big dollars.”

But, Madara pointed to the importance of measuring outcomes from the patient’s perspective, rather than the provider’s. “We have extensive data on the input side, such as how many knee replacement procedures are being performed,” he said. “Patients with knee replacements derive value from being able to drive a car, walk the dog and get around without pain. So, we need to look at the whole series of health care events that lead to that positive functional outcome and see where we can improve the process.”

WHERE TO INVEST NOW?

ELECTION IMPACT ON THE BUSINESS OF HEALTH CARE

Tax reform, a border adjustment tax, immigration restrictions, loosening of Dodd-Frank financial regulations – President Donald Trump has talked about all of these policy changes, which may have global implications for business and investment. But how does uncertainty related to politics affect investment? “There is always regulatory and political change,” said Karthis Jayaraman, managing director of The Carlyle Group, a private investment firm based in London with health care holdings in the U.S. and other parts of the world. “You have to deal with that uncertainty in making investment decisions.”

U.S. health care businesses will continue to attract capital due to demographics that mean the nation’s health care demands will only increase, said Brian Kinkead, vice chairman of the Global Healthcare Group at Bank of America Merrill Lynch. However, he added, political risk is a growing concern. “With the high level of polarization in Congress, the GOP might push a program through now, only to have the Democrats overturn it [if] they come back into power,” Kinkead said. “Legislation used to be bipartisan, and you could be reasonably confident as an investor that the basic foundation would be in place. Now, it is a challenge to determine where to invest in health care at the right valuation.”

Another concern for investors is the potential for U.S. tariffs on imported medical devices or drug products, said Jacques Mulder, global health sector leader at Ernst & Young. But, he said, “a tariff might not be as frightening as one might expect,” because
the $175 billion spent on pharmaceutical products is only a small percentage of the $3 trillion U.S. health care market.

Some of the companies that investors and lenders feel more comfortable about right now include managed care companies serving the Medicare Advantage market, said Kinkead, who explained that Medicare has typically received bipartisan support in Washington.

Mulder said investors should also take a close look at innovative medical technology companies. “We are embracing the science of outcomes, and new products and devices can reduce risks and improve the delivery of care,” he said. “In the undeveloped world, technology can provide people with remote access to physicians and other services.”

Noting that the Carlyle Group likes to “hedge its bets” by building a varied investment portfolio, Jayaraman said diversification is also a major theme for many health care companies. “We are seeing U.S. provider companies investing in European markets,” he said. “As a result, we expect to see more global health care companies in the future.”
University of Miami 2017 Real Estate Impact Conference
Four Seasons Hotel Miami, February 10, 2017

1. Antares Capital Corp.’s Jonathan Kislak and Tom Bartelmo, president and CEO of presenting sponsor Kislak and a member of the School’s Real Estate Programs Advisory Board.

2. Michael Comras (BBA ’83), principal of Prestige Sponsor Comras Company and a member of the School’s Real Estate Programs Advisory Board, with Andrea Heuson, professor of finance and director of the School’s real estate programs.

3. UM students at the conference with UM President Julio Frenk (center).

4. Interim School of Business Dean Anuj Mehrotra; Lennar Corp. CEO and UM Board of Trustees member Stuart Miller (JD ’82); Simon Property Group Chair and CEO David Simon; UM President Julio Frenk; and School of Architecture Dean Rodolphe el-Khoury.

Because of U Scholarship Donor Recognition Luncheon
UM Donna E. Shalala Student Center, April 21, 2017

1. Eloise Kimmelman Scholars with Jan Yelen, Kimmelman Foundation trustee, and Interim Dean Anuj Mehrotra.

2. Allan Herbert (BBA ’55, MBA ’58), a UM trustee; Diana Cabrera (MA ’12, MBA ’17), The Pat McBride and Allan Herbert Scholar; and Interim School of Business Dean Anuj Mehrotra.

3. Berkowitz Pollack Brant – Barry J. Dick International Tax Scholars Matthew Vidal (BBA ’16, MSTX ’16) and Holly Jy (BBA ’16, MSTX ’16) with Richard Pollack (BBA ’75), partner at Berkowitz Pollack Brant Advisors and Accountants.

4. Melanie Lustig, Terri Clark, Edward and Hillelne Lustig Scholar in Accounting Amy Yastrow, Irv Lustig and Irina Sumitrescu.

5. Guests from luncheon sponsor First National Bank of South Miami: Giselle Huqes (BBA ’03 LLME ’15), associate vice president, wealth strategist, and Barry Givner (BBA ’77), senior vice president, chief trust officer.

6. UM Citizens Board member Veronica Flores, executive vice president of sponsor First National Bank of South Miami, and Natasha Lowell, the bank’s senior vice president, private banking.

HAPPENINGS ON CAMPUS AND OFF

Events
EVENTS

Mentor Appreciation Dinner
School of Business, April 27, 2017

1. Kristin Doneva and Sebastian the Ibis.
2. Bella Tendler Krieger; Rebecca Staton-Reinstein, a mentor and president of Advantage Leadership; Sebastian the Ibis; Fernando Herrero (MBA ’17); and Zaman Rashid.
3. Peter Kleinerman (AB ’73, MS/MBA ’74), a founding mentor and president of Jadan Capital Corp.; Mary Young, director of the School’s Ziff Graduate Career Services Center; Rick Lavina (BBA ’84, MBA ’87), a mentor and managing director of The Private Bank; Dan Ennis, a mentor and attorney; and Daniel Medina, mentor and program director for the Department of Accounting.
4. Christopher Daniels and Jose Lamela Jr. (BBA ’86), a mentor and partner with Crowe Horwath LLP and a member of the School’s Accounting Advisory Board.

7th Miami Behavioral Finance Conference
University of Miami, December 7-9, 2016

1. Katherine Roy, managing director, chief retirement strategist and head of individual retirement at JPMorgan.
2. School of Business MBA students at the conference included: Cameron Smith, Be- nina Lopez (MBA ’17), Oscar Molina (MBA ’17) and Sarina Patel (MBA ’17).
3. Thomas M. Mierswa Jr., executive director of the Branch Advisory Group, Legal & Compliance at Morgan Stanley; Ronald Long, senior vice president and director of regulatory affairs and elder client initiatives at Wells Fargo; Susan Axelrod, executive vice president, regulatory operations at FINRA; Shawn Scholz, vice president for compliance policy, training and field oversight at Ameriprise Financial; and School of Business Finance Professor Henrik Cronqvist.
4. Stephen S. Schaefer (BS ’80, MBA ’86), a mentor and senior vice president–wealth management at UBS; Peter Tsui, director of global research and design at S&P Dow Jones Indices; Ed Levy, vice president of sponsor Churchill Management Group; and George Korniotis, associate professor of finance at the School of Business.
The Business of Health Care Post-Election 2017
Watsco Center at University of Miami, March 3, 2017

1 Patrick J. Geraghty, CEO of GuideWell Mutual Holding Corporation and presenting sponsor Florida Blue; Felicia Knaul, professor in the Department of Public Health Sciences at UM’s Miller School of Medicine and director of the Institute for Advanced Study of the Americas; UM President Julio Frenk; Donna E. Shalala, former U.S. Secretary of Health and Human Services and former UM president; Ashish K. Jha, professor of international health and director of the Harvard Global Health Institute, Harvard T. H. Chan School of Public Health; Kathleen Sebelius, former U.S. Secretary of Health and Human Services; Mauricio Ortega, president-Latin America of chairman sponsor Boston Scientific and a member of the School’s Health Sector Management and Policy Advisory Board. 2 Constantin Schoen (BBA ’14), director of friend sponsor Silony Medical; Dieter Schoen, CEO of executive sponsor Schon Klinik; Susanne Nolte-Schoen, member of the supervisory board of Schon Klinik and the School’s Health Sector Management and Policy Advisory Board; UM President Julio Frenk; and Christopher Schoen (BBA ’11, MBA ’13), chief operating officer of Schon Klinik.

Alumni Event
Wetlab Restaurant at Rosenstiel School of Marine and Atmospheric Science, May 18, 2017

1 Cristina Zeinali-Ghalah (MBA ’14) and Carolyn Hicks (BBA ’10, MBA ’14).

School of Business & College of Engineering Joint Alumni Event
University of Miami’s Lowe Art Museum, Jan. 26, 2017

1 Interim School of Business Dean Anuj Mehrotra with UM College of Engineering Dean Jean Pierre Bardet. 2 Jefferson Iles (BSBE ’14, MSBE ’14) and Marianela Aran (BSIE ’80, MS ’86).
**Spring Commencement**
Graduate: May 10, 2017
Undergraduate: May 12, 2017

1. Andrea Vorícek (BBA ’17), Ana Vorícek and Anita Vorícek.
2. Julio García (BBA ’17) and Caroline Lorenzo (BSBA ’16).
3. Spencer Duke (BBA ’04, MBA ’06, MPRA ’17) with his son, Syrus, who turned 1 on graduation day.
4. Lucas Mendelson (BSBA ’17), David Silverman (BBA ’17), Terrance Lam (BSBA ’17), Zoheib Chatoor (BBA ’17) and Bai Ou (BSBA ’16).
5. Kathryn Meyers (BSBA ’17) and Connor Masterson (BBA ’17).

Alan Hess has been giving to the School of Business for 52 years – making him one of the School’s longest-giving donors. A member of the University’s President’s Council and a Hurricane Club member since he started at the “U,” Hess made his first gift the year he graduated. “I love the University,” Hess says. “They took me as a 17-year-old kid, and I became a man at the University. It prepared me for my future life better than any place I could have gone.”

Guided into a marketing career by faculty member Martin Kahn, Hess worked in sales in a variety of industries before entering the toy industry some 45 years ago. He’s turned companies around, founded U.S. companies for European toymakers and now is a sales representative for a couple of international toy businesses. He continues to give to the School.

“Universities need money to build, they need facilities, they need tenured professors,” Hess says. “The more money you give, the more kids you can educate in the Miami way.”
The Omni-Channel Beauty Guru

DAVID OLSEN, JD ’00, MBA ’00
CEO, COS BAR, LOS ANGELES
BY JENNIFER PELETT

When David Olsen decided to “grow up,” quit a gig as a roadie for a band and apply to graduate school at the University of Miami, he decided on law, a “degree you could always fall back on.” Fortunately for Olsen, who admits he “wasn’t sold on being an attorney,” the school was in the midst of rolling out a dual JD and MBA program. He leaped at the chance to broaden his educational pursuits. By graduation, Olsen knew for certain what he had formerly suspected: “I loved advertising and marketing,” he says. “I didn’t want to be a lawyer; I wanted to get into e-commerce.”

Heading back home to California, he set up a website to market the skin-care products that his dermatologist mother was selling in her office, taking a job in a local law office to pay the bills. “For three years, I was litigating by day and packing boxes at night,” he recalls. As sales grew, Olsen realized that he could expand by offering similar services to other physicians. He quit his law job, teamed up with a partner and launched DermTeam, a company providing e-commerce management for doctors’ offices and spas.

When the duo sold their company to competitor DermStore, Olsen stayed on as head of business development until online retailer Net-a-Porter lured him away to head its beauty and grooming operations in 2012. Steeped in both internet commerce and luxury beauty brands, Olsen was a natural pick when, four years later, brick-and-mortar beauty retailer Cos Bar was looking for a new CEO to optimize its existing stores, expand its retail footprint and improve the e-commerce experience.

For his part, Olsen was intrigued by the opportunity to work in brick-and-mortar retail. “My whole career has been about trying to re-create digitally the experience you used to get in the ’50s when shopkeepers knew your name,” he explains. “That’s something Cos Bar does really well. The idea of connecting the physical to the internet, what they call the omni-channel, is what attracted me to this role.” After all, that’s exactly what he was doing with retail for dermatologists.

Cos Bar charged Olsen with growing the company from 14 stores to 50 and increasing e-commerce from 2% of the company’s total sales to 20%. A year and a half into the role, he has already made inroads. E-commerce now accounts for 10% of total sales, and the company has opened four new locations, with three more openings planned in the coming months. While expanding the company’s physical stores at a time when so many stores are floundering might seem counterintuitive, Olsen believes that “until a computer can touch your face, brick and mortar isn’t going away in this business.”

Olsen’s early entrepreneurial experience still influences his work. “Doing your own thing with your own ideas and on your own dime is a 100% commitment, 24 hours a day,” he says. “After you’ve had your own business, you really appreciate the need to maximize how every dollar is spent and hire the best people you can hire.”
Transforming Finance at the Coast Guard

CHAD BRICK, MBA ’13
COMMANDER, SEVENTH DISTRICT BUDGET OFFICER, U.S. COAST GUARD, MIAMI
BY PETER HAAPANIELI

After he graduated from the Coast Guard Academy in 2001, Chad Brick was sent to Hawaii and then to Florida. Along the way, he rescued pilots and migrants and pursued drug smugglers. As commanding officer of the Coast Guard cutter Drummond, Brick was involved in two major drug seizures off Florida that netted $1.1 million in illicit goods.

In 2013, Brick moved into a finance role for the Coast Guard, becoming the budget officer for its Seventh District in the Southeastern U.S. and managing finances for some 110 Coast Guard Commands. The role challenged him right off the bat. “Our budget is about $84 million, about four times the size of most other districts,” he says. However, his staff was relatively small. He rethought the way finance operated and essentially began re-engineering the function. “I started standardizing and automating processes as much as possible,” Brick says. His goal: “Instead of fighting fires every day, I wanted to deal with the basic problems of finance in ways that would be sustainable.” In addition to streamlining work, he created a website that provided a single point of access to all Coast Guard finance information. “When we started, information was all over the place, across a lot of websites,” he says. “It was good information, but unless you knew what you were looking for and where it was, it was difficult to find. Now, it’s all in one place.”

Over time, Brick added procurement and property management to this approach, sharing it with financial managers through a SharePoint work area he created. Known as Common Core, it manages knowledge and information and offers a standardized workflow for 15 key processes, increasing transparency and enhancing audit compliance. More than 500 Coast Guard units use the practices.

In June 2016, the Coast Guard recognized Brick’s work with its Chief Financial Officer Award for Excellence. The citation noted that he had transformed finance, and that “compliance increased from 58% to an astounding 80% amongst 125 Coast Guard units located in five different countries.” Overall, it said, Brick implemented more than a dozen savings initiatives that are projected to save $50 million by 2027. This May, Brick received the Coast Guard’s Commander Joel Magnussen Innovation Award for Management for Common Core.

The standardized approach also supports the Coast Guard’s ability to respond. “If there’s a hurricane, for example, the portal gives us a central point to manage things like supplies,” Brick explains. “We are always searching for better ways to use our staff and do our work.”
A Financial Fairy Godmother
KATHLEEN GRACE, BBA ’89
MANAGING DIRECTOR, UNITED CAPITAL ADVISORS, BOCA RATON
BY DOREEN HEMLOCK

ROMANCE AND FINANCE are two words that usually don’t go together, but financial planner Kathleen Grace thinks they should. She’s seen too many women fall in love and put off talks on money, only to find themselves in a hole later when their once-ideal mate drains their bank account or moves on.

A longtime fan of romance novels, Grace opted to write one herself to address the problem: “Prince Not So Charming: Cinderella’s Guide to Financial Independence.” The book has ranked as a best-seller in the U.S., U.K. and Australia in some Kindle business categories, with thousands of copies sold worldwide. Grace writes with compassion, for she too has been “overcome with euphoria in a relationship, and you can easily lose good judgment on your finances.”

She started the novel after a divorce, aiming to reach generations of women like herself raised on fairy tales.

“Based on the title, some people may think it’s a ‘prince’-bashing book, but it’s not at all. My point is there is a happily ever after. You really don’t need anyone else to succeed,” she says. “You can become financially independent all on your own.” Crafted with romance novelist Donna Peerce, the book tells the story of Cinderella Patterson – Cindi – a divorced mom and fashion designer living in South Florida. Cindi meets an enchanting lawyer who regales her with meals at fine restaurants and lavish vacations, but after they marry, he turns out to be a fraud. There were warning signs, but Cindi overlooked them and never squarely addressed finances.

And why don’t women – even smart, successful ones – talk financial priorities with their new mates? “Because it’s an uncomfortable, awkward and unromantic subject,” Grace says. “And historically, women have been programmed to take a back seat when it comes to finances.”

Grace is the daughter of an options-trader dad. She studied accounting and then finance at the School and became a certified financial planner and a certified investment management analyst. She started her own advisory firm, which she sold to United Capital Financial Advisers, where she now is a managing director. She’s back at the School these days too, studying for the certified public accountant (CPA) exam.

Spurred by success with the book, Grace is looking for other ways to empower women. She’s developing a pitch for a TV series about professional women “in the swipe-right dating world,” with episodes that will offer nuggets on finance. After all, she says: “Money is one of the leading causes of divorce.”

HELPFUL FAIRY TALE
Find financial guidance in Kathleen Grace’s novel.

with a high school diploma and college credits if they so choose.

SCOTT MUELLER (BBA ’85), CEO of Dealer Tire, was honored as a visionary entrepreneur at the Sixth Annual LaunchHouse Bootstrap Bash in Ohio.

GEORGE PITA (BBA ’83), a member of the School’s Accounting Advisory Board, earned the South Florida Business Journal’s 2017 CFO Award for Turnaround Achievement for his work as executive vice president and CFO of MasTec.

SHERRY ULSH (MBA ’83) relocated to Pennsylvania to take a job in indirect sourcing at the Hershey Company.

1990s

TONY ALHADEFF (MBA ’95, MS ’95) is chief operating officer for Louis Poulsen USA, a design lighting supplier.

JEFFREY A. DEROSE (MS ’96, MBA ’96) was promoted to director in Deloitte & Touche’s advisory function, helping to lead the National Cyber Risk Services practice in Orlando.

STEVEN HOLTZ (BBA ’91, MBA ’94) was named audit director in EisnerAmper’s South Florida office. He previously was a partner at Goldstein Schechter Koch.

JEFFERY LEVINSON (MBA ’91) was promoted to senior vice president and market leader for north Dade, Aventura and Broward County for Bank of the Ozarks.

GABE NAVARRO (BBA ’95) and MARTIN PICO (BBA ’92, JD ’96), both of MMG, helped put together a $38.6 million real estate deal for Kendall Corners in Miami.

JOSÉ SUQUET (MBA ’91) was appointed to the board of directors of Regions Financial Corp. He is chairman, president and CEO of Pan-American Life Insurance Group.

JAMES TAINTOR (BS ’96, MBA ’99) published his first book, “Building Authentic Confidence in Children.”

MICHEL JOHAN VAN DE KREEKE (MBA ’96) is a senior project manager at Bermello Ajamil & Partners in Coconut Grove and is currently leading a project in the Bahamas.

CHRISTOPHER WOOD (MBA ’93) celebrated his 10th anniversary at SunTrust Robinson Humphrey in Atlanta, where he helps lead
Merging Construction and Health Care

TOM KOULOURIS, MBA '08
SENIOR PROGRAM MANAGER, AECOM, MIAMI
BY JENNIFER LECLAIRE

Tom Kouloris has walked through the valleys and climbed to the mountaintops. Today, the senior program manager for AECOM is overseeing construction on a $1.5 billion, five-year capital plan at Jackson Health System, Miami-Dade County’s public health system.

Kouloris, who has worked in the construction industry since graduating from the University of Florida with a bachelor’s in building construction, says he needs what he learned in the School’s Executive MBA in Health Sector Management and Policy program to be able to manage a project like the Jackson one. “Just imagine a road 500 miles long with gaps of understanding in the road. I had a vast knowledge of health care but there were gaps in my knowledge stream,” Kouloris explains. “UM’s program helped me close those gaps, leading me to a point where I am doing my best work.”

Working in the construction industry had been Kouloris’ dream since an eighth-grade drafting class, when an instructor inspired in him a passion for the industry. That passion carried him, at age 13, through the pain of his sister’s death, his brother leaving home, and emotional abandonment from his parents. His life took another hard turn in the 1990s, when his adopted son was diagnosed with Asperger’s syndrome. His wife quit work to take care of their son. When a recession hit the construction industry, they both found themselves practically jobless. Then something changed. “I will never forget this as long as I live,” Kouloris recalls. “Late on a Sunday night, the phone rings. It’s a CEO of the hospital where my wife used to work. They’ve got problems in their design and construction program and he asked me to come talk to them.”

That system, AMH (now Tenet Healthcare), hired Kouloris as an owners representative. That work led to his big career break with Columbia HCA (MBA ‘09), who asked me to come talk to them.”

And even though Jackson is another career pinnacle, Kouloris says the most profound moment of his life was serving six months operating a hospital in Haiti after the 2010 earthquake. “I was one of many that set up the University of Miami’s Project MediShare’s trauma field hospital,” Kouloris says. “I saw more death and horror than you can even imagine. But I was not overcome with it, because I know pain when I see it; I couldn’t take my focus off the mission, which was to save lives. I came back a better man.”
LUCAS IRWIN (MBA ’07), who, with his wife, launched Steelhouse Guided Fitness Systems in 2008, opened its newest location in downtown Homestead.

ANDREW LANE (BBA ’06) joined RSP Nutrition as vice president of finance and operations. FRANCESCO ZAMPOGA (BBA ’05) founded RSP. JASON MILLS (BBA ’02) became a partner at Lanigan Ryan Malcolm & Doyle.

STACY NAGY (BBA ’06) was promoted to mergers and acquisitions manager at Deloitte in New York. MARCEL LUIS NAVARRO (MBA ’01) of MMG helped put together a $38.6 million real estate deal for Kendall Corners in Miami.

LAURA PURVIS NOLASCO (BBA ’04) opened Beach Lion Studios advertising and design agency in Ellenton with her husband, MIKE NOLASCO (BFA ’04).

ROSHAN SHAH (BBA ’03), a commercial real estate attorney at Scarinci Hollenbeck in New Jersey, was promoted to counsel.

MICHELLE STEELE (BSBA ’05) was promoted to audit senior manager at Ernst & Young.

GEORGE VAIL (MBA ’04), a capital markets specialist, joined Avison Young in Miami as a principal. He had been managing director of Ackman-Ziff in Miami.

ARMANDO VALDES (MBA ’04) is assistant controller of GEICO companies, where he has worked since 2006.

SCOTT WADLER (BBA ’09) of HFF helped put together a $38.6 million real estate deal for Kendall Corners in Miami.

KRISTEN WIGGINS (BBA ’07, MPRA ’08) was promoted to audit senior manager at Ernst & Young.

2010

ALEXANDER ADMIRE (BBA ’13) was promoted to tax supervisor at Ernst & Young-based MBAF.

RICH ASHENOFF (MBA ’12) was named to the inaugural list of 50+ innovation leaders by AARP and MedCity News. He and TODD FLORIN (MBA ’12) launched Room2Care.com, a network of private caregiver homes for seniors.

ERIK BIGGART (BBA ’12) was promoted to tax senior at Ernst & Young in New York.

MARIA CORONADO (BBA ’10, MPRA ’11) was promoted to audit manager at Ernst & Young in South Florida.

SCOTT D’AMBROSIO (BBA ’13) is founder and CEO of JOffer, Inc., a job-recruitment tool and search platform.

THIERRY DJEMMO (BBA ’11) was promoted to audit manager at Ernst & Young.

PAUL ESCHBACH (BSBA ’14, MACC ’14) was promoted to audit senior at Ernst & Young.

DARIEL FAGUNDO (BSBA ’15, MACC ’15) was promoted to audit senior at Deloitte in Miami.

EMMA FLOREA (BBA ’10) was promoted to risk advisory senior manager at Miami-based MBAF.

CHARLOTTE FUSCHETTI (BBA ’12) was promoted to audit senior at Ernst & Young in Denver.

WILLIAM FRICK (BSBA ’11), a vice president at BNY Mellon in New York, was included in Features magazine’s 2017 “30 Under 30.”

ANTHONY GENTILE (BSBA ’14, MACC ’14) was promoted to audit senior at Ernst & Young’s West Palm Beach office.

ALEXA GRAND (BBA ’13, MACC ’14) was promoted to audit senior at Deloitte in South Florida.

ALLISON HIGBEE (BBA ’12) was promoted to audit senior at Ernst & Young.

ROBERT G. HODSON (MACC ’13) was promoted to tax senior at Berkowitz Pollack Brant.

JEREMIAH IRVING (BBA ’11, MSTX ’11) was promoted to audit manager at Ernst & Young in Orlando.

MAX KEIL (BSBA ’14) was promoted to tax senior at Berkowitz Pollack Brant.

ALYSSA LAFERRERA (BBA ’11) was promoted to audit manager at Ernst & Young in New York.

KRISTEN MATTIOLI (BBA ’11, MACC ’11) was promoted to transaction advisory services manager in Ernst & Young’s Sydney, Australia, office.

EDWARD MICHALSKI (BBA ’14) was promoted to audit senior at Ernst & Young.

AL-LYNN NGUYEN (BSBA ’14, MSTX ’14) was promoted to tax senior at Ernst & Young in South Florida.

ASHLIE NUTTER (BSBA ’11, MSTX ’12) was promoted to audit supervisor at Miami-based MBAF.

JILLIAN PACE (BSBA ’14, MSTX ’14) was promoted to tax senior at Grant Thornton.

WEN QI (MACC ’14, MSTX ’16) was promoted to audit senior at Miami-based MBAF.

ANDY QUINTANA (BBA ’15, MACC ’15) was promoted to audit senior at Deloitte.

KELLY RILEY (BBA ’11) was promoted to audit manager at Ernst & Young in New York.

JESSICA A. SAVIN (MACC ’13) was promoted to audit senior at Berkowitz Pollack Brant in South Florida.

CODY SCHREIER (BBA ’13) was promoted to audit senior at Deloitte and transferred to the company’s Chicago office.

NIKITA M. SIPIN (BBA ’12, MSTX ’12) was promoted to tax manager at Berkowitz Pollack Brant’s Fort Lauderdale office.

JUSTYN R. SPEIER (BBA ’12, MSTX ’14) was promoted to tax senior at Berkowitz Pollack Brant in South Florida.

GARETT VAN HOUTTEGHEM (BBA ’11, MSTX ’12) was promoted to tax manager at Grant Thornton in South Florida.

WILLIAM WALDON (BBA ’14, MACC ’14) is an audit senior at Ernst & Young in Boca Raton.

TAYLOR WIGHT (BSBA ’13, MACC ’14) was promoted to audit senior at Deloitte and transferred to the firm’s New York office.

YIYUN XIE (BSBA ’13, MACC ’13) was promoted to audit senior at Ernst & Young in New York.

ZIYUE XIE (MSTX ’13) is a tax senior at Miami-based MBAF.

IN MEMORIAM

TATE VOLINO (BBA ’92), 45, died March 3 after a high fall from the Angels Landing Trail in Springdale, Utah. The author and father of two teenage boys was an active member and supporter of the University’s alumni club in Sarasota.

UPCOMING EVENTS

SEPTEMBER 2017

Sept. 26: New York Alumni Reception, UBS Building

OCTOBER 2017

Oct. 19: Finkler Frenkel Family Promenade Dedication

NOVEMBER 2017

Nov. 2-4: UM Alumni Weekend and Homecoming

Nov. 3: School of Business Alumni Cookout, Cesaroni Plaza

alumniweekend.miami.edu

More details on these and other events: bus.miami.edu/events
 Bringing Home the Gold

BY ALLAN HERBERT (BBA '55, MBA '58) AND PATTI HERBERT (BBA '57)
The Herberts have had successful careers: Allan as a group executive and insurance company president at Teledyne, and Patti at the Grubb & Ellis commercial real estate firm. More recently, they renovated the historic Richmond Hotel in Miami Beach, which they continue to own and operate. Here, they discuss “one of our more unusual projects,” from 2000.

**BETWEEN THE TWO OF US**

We’ve worked on a fair number of business projects over the years, but one in particular stands out: our gold medal-winning entry in the world-famous Chelsea Flower Show in England. The project presented a number of business challenges, from creative design to the sourcing of hard-to-find materials and the need for aggressive time frames – not to mention the sheer number of local and international phone calls involved to coordinate it all.

The idea to get involved in the Chelsea show was planted years ago, when we were doing business in England. A colleague there told us that the English are the best gardeners in the world. They do love gardening, but we decided to challenge that notion. We said we would put together an exhibit for the Chelsea Flower Show – one of the world’s premier horticultural events – and predicted we would win a gold medal. I don’t think we convinced the colleague, though. Few Americans even participate in the show. However, the thought stuck with us, and in 2000 we decided to give it a try. To design and build our exhibit – a display of exotic tropical plants – we worked with Fairchild Tropical Botanical Garden in Coral Gables. We collected various species of flowers and plants from places throughout Florida – some even came from individuals’ backyards. We also ended up sending our garden designer to the Netherlands to pick out exotic plants that weren’t available in Florida.

The final product contained thousands of plants, including orchids, bromeliads and 32 grown palm trees. The plants were displayed as a tropical rain forest around a small lake and a concrete and fiberglass “mountain” with a waterfall tumbling down the front. More than 30 people in Florida and England were involved in pulling it all together, and the exhibit filled a custom-made shipping pallet that measured about 25 feet by 40 feet.

Of course, we then had to get it all to England. The exhibit was disassembled, and the mountain was put on a ship, while we made plans to fly the plants over. It turns out it’s not that easy to find a carrier in Miami to take a huge crate filled with plants. So, we contacted the British consulate in Miami, which helped us find a British Airways cargo plane that would do the job. At that time, though, British Airways did not fly to Miami, so we had to load the exhibit onto a truck, drive it to the airport in Atlanta and load it on the plane – which was named, appropriately enough, the Chelsea Rose. The typical route for this flight was through Frankfurt, Germany, and then on to London. But because of the perishable nature of our cargo, the plane changed its itinerary and flew to London first, safely carrying all those plants and the two people we sent along to watch over them.

There was one plant that had to be flown to England separately because of timing issues. This plant – called the corpse flower – blooms only once over the course of several years, and then only for a day or two. When it does, it smells bad, but the large flower is dramatic and beautiful. So we booked a separate flight to make sure this unusual plant arrived at the right time to bloom for the show.

In England, it took us a week to reassemble the exhibit. We were given a place in the center of the Chelsea show, where the ceiling was high enough to accommodate the 24-foot palm trees. During the show, people were lined up 10 and 20 deep to see our display. The corpse flower bloomed right on cue. We met Queen Elizabeth and the rest of the royal family.

When the event was over, we sold the flowers to show visitors, a Chelsea Flower Show tradition. But we had decided in advance to donate the palm trees to the nearby historic Royal Botanic Gardens, Kew. At one point, Prince Charles stopped by and asked if he could get two of the palms. However, we had to say no because of the donation. He had to settle for just one of our palm trees.

It was very gratifying to win a medal at the show, of course. But we achieved another goal, as well. We had set out to highlight Miami (and promote our hotel) and Fairchild, and we succeeded. In fact, attendance at Fairchild increased significantly after the show.

When we ask ourselves how we did it, we find that the answer really lies in applying the same kind of business acumen we’ve drawn on in our careers. We began with an idea, created a plan and executed the plan. Along the way, we ran into obstacles that had to be overcome, adjusted the plan to adapt to changing realities and kept moving toward the goal. And yes, we won the gold medal!  

– *As told to Peter Haapaniemi*
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