SPECIAL REPORT: THE 2011 GLOBAL BUSINESS FORUM

HealthCare’s Real Opportunities

Experts on the front lines define the future of an industry in transition

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In January, nearly 1,000 people were on campus for the second UM Global Business Forum, organized by the School of Business Administration. This incredibly successful event, spearheaded by Barbara E. Kahn, the School’s former dean, was a phenomenal opportunity for our faculty and staff to engage with alumni and the wider business community. It was a demonstration of the kind of work the School does so well: bringing academia from multiple disciplines together with the business and public sectors to address key topics and explore new business opportunities.

On the heels of the Forum, the School continue its progress. And please join me in helping the School continue its progress.

Alumni and supporters were key players in many of the stories you’ll read in this issue of BusinessMiami, including our Global Business Forum and a recent trip to Colombia, during which UM President Donna E. Shalala and I met with high-ranking officials, executives and alumni.

I have already had the opportunity to speak with some of you, and I thank you for the warm welcome and your willingness to share ideas. Please continue to do so. I am here to help the School, our alumni and the business community in any way that I can. Please feel free to contact me. And please join me in helping the School continue its progress.

—Frances Aldrich Sevilla-Sacasa (BA ’77)
Interim Dean
francesaldrich@bus.miami.edu

Mission Statement: The mission of the University of Miami School of Business is to provide an environment in which the creation and dissemination of business knowledge can flourish.
Dean Search Underway
SEARCH COMMITTEE ESTABLISHED TO IDENTIFY CANDIDATES FOR NEXT DEAN OF THE SCHOOL OF BUSINESS

An international search for the next dean of the School of Business Administration is underway, with a search committee headed by UM School of Law Dean Patricia D. White. The diverse committee includes administration and faculty from the School of Business and from other UM schools, as well as students, alumni and other key constituents.

The committee and an executive search firm have cast a broad, global net as they look for the School’s next dean, who is expected to be in place by the beginning of the Fall 2011 semester.

In January, School of Business Dean Barbara E. Kahn stepped down from her position to return to the Wharton School of the University of Pennsylvania. During this transition period, the School is being led by Interim Dean Frances Aldrich Sevilla-Sacasa (BA ’77).

Corporate Partner Program Deepens Business Community’s Engagement with School

The business community is engaging with the School of Business in new ways through the recently inaugurated Corporate Partner Program. The program offers businesses opportunities to develop their workforce, tap into the School’s knowledge base and build their corporate brand.

Linking businesses with the School in this way opens up unique possibilities for participating companies, students and faculty. Corporate partners can network with some of the nation’s top business faculty, School alumni and business leaders from around the world, as well as with current undergraduate and graduate students and executive education participants. These partners give back to the School in a variety of ways including mentoring students, speaking at educational programs, recommending speakers for events and participating in student and alumni programs. Corporate partners have the opportunity to sponsor student organizations, as well as trips and programs in the U.S. and abroad, all the while engaging with students and faculty.

Partners also receive placement on the UM School of Business website, BusinessMiami magazine and the Adam C.J. Ziff display screens located in the atrium of the School of Business.

More on the Corporate Partner Program: bus.miami.edu/cp

Read more about the transition:
• Initiatives Begun Under Barbara Kahn Set the School on the Road to Global Preeminence – Page 15
• Interim Dean Frances Aldrich Sevilla-Sacasa Is Building on the School’s Strong Partnerships and International Recognition – Page 15
Connecting in Colombia

DEAN SEVILLA-SACASA’S TRIP TO COLOMBIA HELPS CEMENT EXISTING RELATIONSHIPS, FOSTER NEW ONES.

On March 1, a delegation from the University of Miami led by President Donna E. Shalala and including Frances Aldrich Sevilla-Sacasa, interim dean of the School of Business, met with Colombian President Juan Manuel Santos and several of his key ministers at the Presidential Palace in Bogotá. The meeting was one of the highlights of a three-day trip to Colombia that sought to affirm the University’s role as a key resource for the region and to strengthen existing ties there.

“One of the School’s most important assets — that sets us apart — is our ability to act as a connector for Latin America and the rest of the world,” Sevilla-Sacasa said. “Our strategic location, our strong ties to the region, and our strengths in international research and education uniquely position us as the platform for the Americas.”

The presidential visit was among many meetings with government and industry leaders. On behalf of UM, President Shalala accepted the Colombian Congressional Medal of Honor, the highest honor given to an institution. Colombian Senator Efrain Torrado Garcia, a student in the School’s Spanish-language Master of Science in Professional Management program, presided over the ceremony.

“The Congressional Medal of Honor will always represent the bond of friendship and mutual respect between the people of Colombia and our University,” Shalala said in her remarks, noting UM’s founding 85 years ago as a center of higher learning with a Pan-American mission. Shalala also received the key to the City of Cartagena, where she, Sevilla-Sacasa and the entire delegation attended the groundbreaking of the new Boca-grande Hospital.

The delegation also visited the Universidad de Los Andes to explore potential collaboration opportunities with the School of Business and UM’s Miller School of Medicine. Meanwhile, the School of Business held a reception for alumni, organized in part by Ruben Dario Lizarralde (MSPM ’99), the president of Indupalma. Sevilla-Sacasa also addressed the Colombian-American Chamber of Commerce, where the heads of the nation’s largest companies were in attendance.

The Colombia trip was made possible through the work and generosity of Daniel Haime Gutt, president of Bogotá-based Grasco Group. Haime and his wife, Kathy F. Haime (AB ’83), have been involved with the School of Business for several years, and funded the School’s Haime Endowment for international scholars (read more about the endowment on page 68).

The trip was an opportunity for the School to cement key relationships and foster new ones in an important country in Latin America. “We were very well received,” Sevilla-Sacasa said. “Colombia is poised to do very well economically, and we believe we can play an important role — through research and education — in fostering economic growth there. We should be the region’s ‘go-to’ school for business education and other initiatives that support this shared interest.”

—Tristram Korten
Puerto Rico Offerings Increase

THE SCHOOL has expanded its commitment to training a new generation of executives in Puerto Rico through executive education programs and its Executive MBA program (EMBA).

The Puerto Rico Executive MBA celebrated its first anniversary in 2010. Demand for the program has been so strong that shortly after the celebration, Anuj Mehrotra, the School’s vice dean for graduate programs, announced that the Puerto Rico EMBA would be offered annually instead of biannually. The second class will begin in July.

Around the same time, the School began working with Argentina-based Arcos Dorados, the McDonald’s franchisee for Latin America, on a custom executive education program for its employees. “The Arcos Dorados program takes our star faculty talent to a new venue,” said Amelia Rea Maguire, associate dean for external affairs, who oversees executive education offerings. “We have made our high-value academic brand accessible in Puerto Rico.”

Indeed, the School is in talks with a number of companies about developing executive education programs in Puerto Rico. “Working with Arcos Dorados provides entry into a new market through a top-tier client, and that’s very important for our brand,” Maguire explained.

The School’s Puerto Rico Programs Advisory Board was instrumental in both the decision to offer the EMBA program more frequently and the connection with Arcos Dorados. The board, named in late 2010, includes Farid Chehab (MBA ’83), president of Commonwealth Oil Refining Company (CORCO); Ray Lugo (MBA ’02), managing director of Chrysler International Services; Agustin Mezioso (BBA ’86), vice president and general administrator of El Nuevo Dia; Francisco J. Rodríguez Castro of UBS Financial Services Inc. of PR; and ex-officio member Pedro Fabreaga (MSPM ’08), president and CEO of American Eagle, Puerto Rico, the Caribbean, Bahamas and Florida.

School Co-sponsors Puerto Rico Health Conference

NEARLY 300 INVESTORS, entrepreneurs and professionals in the health care industry attended the Puerto Rico Health & Insurance Conference in San Juan on Feb. 2, an event co-hosted by the School of Business in conjunction with the Puerto Rico Chamber of Commerce.

“We have formed this strategic alliance … to promote and nurture entrepreneurship in Puerto Rico in the health sector,” said Roberto Pando, vice president of business development for Medical Card System and chairman of the conference. He added that the conference partnered with the School because it is “one of the best and most prestigious institutions in the business of health care, which is internationally recognized as a resource for education, training and research.”

The conference theme was “A New Economy in Health Care.” Keynote speakers included the secretary of the Puerto Rico Department of Health, Lorenzo González-Feliciano, and Steven G. Ullmann, a management professor and the School’s director of programs in Health Sector Management and Policy. Ullmann, in discussing the need for health care reform, cited challenges including the aging population and a nursing shortage, both of which he called “tsunamis.”

The School will partner with the Puerto Rico Chamber on future events as it continues to build ties to the local business community. On April 7, Interim Dean Frances Aldrich Sevilla-Sacasa will open the First E3 Summit of the Americas 2011, where she will be a keynote speaker.
Custom Executive Education Program Created with J&J

FOCUS IS ON HEALTH CARE COMPLIANCE IN LATIN AMERICA

A NEW THREE-DAY custom executive education program developed by the School of Business is helping pharmaceutical executives better manage health care compliance concerns in Latin America. The program, currently in the pilot phase, was initially designed for consumer health and pharmaceuticals giant Johnson & Johnson, but has been expanded to other companies.

School faculty worked with J&J executives to create the program, with input from an advisory board that includes key executives from Novartis, Ernst & Young, Bristol-Myers Squibb de Mexico, AstraZeneca and others.

The interactive program, taught by UM faculty and industry experts, uses customized case studies, ongoing projects and consultation exercises that address the specific needs of Latin American pharmaceutical companies. Project presentations are included as part of a compliance leadership challenge.

Anti-corruption conventions, enforcement issues, industry regulations and approaches to decision making are among the topics covered.

The School is offering select corporate partners the opportunity to enroll employees in the program, and expects to eventually offer it in an open-enrollment environment.

Cruise Ship Cabins + Website = Fantastic Fundraising

TWO SCHOOL ALUMNI came together this past September to help the School auction off a night at sea aboard Royal Caribbean’s brand-new cruise ship, Allure of the Seas. The fundraising event helped finance key initiatives at the School.

First, Brian Rice (MBA ‘82), executive vice president and CFO of Royal Caribbean Cruises and a member of the School’s Board of Overseers, offered the School five onboard cabins for a special Nov. 28 charitable sailing. The sailing included the Allure of the Seas’ elaborate naming ceremony and the traditional breaking of a Champagne bottle.

But even with such a great package, conducting an online auction is no small matter. Enter Brian Rechtman (MBA ’08), founder of BlueTree Marketing. BlueTree, which won first place in the School’s Business Plan Competition in 2009, is an online marketing company specializing in auction website design. When Rechtman learned that the School was looking for a way to auction off the rooms, he donated BlueTree’s services to create and host a website where people could bid on the five cabins. The company had the website up and running within hours. The two-week auction ended Oct. 13.

MSPM Expands as Global Executive MBA

THE SCHOOL HAS EXPANDED its Spanish-language Master of Science in Professional Management/Executive MBA program. Though the new Global Executive MBA in Spanish includes a few curriculum changes to make it even more valuable to students, its basic thrust remains the same: helping highly experienced Spanish-speaking executives and entrepreneurs enhance their business skills and expand their professional network.

The 18-month program includes six two-week sessions held at the School’s Coral Gables campus, plus a two-week residential session outside the U.S.

The program was the first in the U.S. taught in Spanish when it launched 14 years ago.

Come Back to School

MBA ALUMNI CAN NOW ENROLL IN GRADUATE-LEVEL BUSINESS ELECTIVES

MBA ALUMNI who would like to explore new areas of business, brush up on certain skills or learn the latest ideas on fundamental business topics now have the opportunity to enroll in MBA electives.

The program, open to all UM MBA alumni, makes available several of the School’s graduate-level, two-credit electives. Alumni join current MBA students and faculty in the classroom, participating in all coursework and receiving credit for completed courses. (Completed courses will appear on alumni transcripts.) Alumni may be able to complete a concentration as well.

Alumni receive special pricing for the electives, which are taught on Saturdays and some Friday evenings.

6 BusinessMiami Spring 2011
A team of MBA students from the School took second place in the final round of a national health care case competition in February. The Seventh Annual Goizueta Healthcare Forum, hosted by Emory University’s Goizueta Business School in Atlanta, also included teams from Emory, the University of Chicago, the University of Texas at Austin, Ohio State University, Vanderbilt University, Texas Christian University and the University of Houston.

The competition focused on potential issues faced by a hospital’s chief operating officer. The five-student UM team faced Emory, Vanderbilt and Texas Christian in the final round. Emory took first place; Vanderbilt finished third.

“This was a great opportunity to take what we have learned in the classroom and apply it to a potential real-life situation in front of industry professionals,” said UM team member Geoff Todd.

The team, the first from the School to compete in this competition, also included Rohit Kapai, Darryl Doonie, Nikunj Desai and Marian Johnson.

MBA Students Take 2nd Place in Health Care Case Competition

Partnerships Open Opportunities for Foreign Exchanges

ONE UM MBA STUDENT spent a semester studying in Spain, while three students from China and Spain spent a semester at UM, thanks to the School’s partnerships with leading business schools around the world.

The School’s relationship with Instituto de Empresa (IE) Business School in Madrid paved the way for an MBA student to spend the entire fall 2010 semester studying there. At the same time, two students from Fudan University in China spent the semester studying here. This spring, the School is hosting an exchange student from IE.

MBA semester-abroad opportunities, while limited, are growing. MBA students can choose from at least four business institutions to spend a semester abroad this fall. These programs provide graduate business students the opportunity to experience the culture and lifestyle of other countries, while also acquiring a different perspective on the business world.
New York Student Visit Expands
MARKETING, REAL ESTATE TRACKS AMONG ADDITIONS TO ANNUAL TRIP

NEW REAL ESTATE and marketing tracks enhanced the School’s annual trip to New York City this past October, adding to the traditional finance track. Nearly 50 undergraduate and MBA students visited companies in the city and networked with high-level alumni executives, laying the groundwork for future internship and job opportunities.

The newly introduced marketing program brought 18 MBA and undergraduate students to New York through the sponsorship of the marketing and communications network MDC Partners. They were able to visit several advertising and public relations firms that are part of MDC and attend presentations given by MDC executives. Students also got a chance to show MDC executives some of what they’ve learned by helping to create a mock media campaign for a client.

The rest of the MBA students traveled to New York as part of a program organized by the School’s Ziff Graduate Career Services Center. The program, for which students had to apply, is supported by Adam Carlin (MBA ’94), principal of Bermont/Carlin Group, and the James W. McLamore Graduate Business Fellowships. Hosting the students were alumni and board members working at such companies as Credit Suisse, Bank of America Merrill Lynch, Citigroup, DRA Advisors, CBRE, UBS, Newmark Knight Frank, Jones Lang LaSalle, New York Stock Exchange, Morgan Stanley, Deloitte, NAI, HSBC and BNY.

Fourteen undergraduate finance students joined the trip as part of the School’s Bermont/Carlin Scholars Program. They met with executives at major investment banks and walked the floor of the NYSE.

The entire group took part in the UBS Young Alumni Mentor event, which has been hosted for the past three years by Alfred Marsicano (BBA ’76), UBS’s senior vice president of investments. At the informal event, alumni who are leaders in their fields offered career advice to the students.

Undergrads Shine at Spanish-Language Competition

A TEAM OF UNDERGRADUATE STUDENTS from the School of Business beat out teams from 11 other business schools to win the Spanish-language BYU Business Language Case Competition.

The competition, held Nov. 12 at Brigham Young University, gave the students the chance to showcase both their business skills and their mastery of a foreign language. Each team was presented with a hypothetical business problem and had to research, come up with and present their solution, all in Spanish.

The winning team, which included Daniel Lopes, Justyna Milewski and Nikolay Nedyalkov, received their case assignment two weeks before the competition. At the competition, they presented to three different panels of judges, then participated in a 10-minute question and session about their solution, also in Spanish.

Winning the top prize was exciting, they said, but the competition’s real value was in developing a real-world business solution and mastering their presentation skills in Spanish.

“During the competition, there was no wiggle room,” Milewski said. “I had to speak Spanish and I had to communicate some tough business-related concepts and vocabulary. I didn’t have time to translate my thoughts, I simply had to speak, and the pressure was just what I needed to gain confidence in the language.”
Community Project Builds Team Skills

At 8:30 a.m. on a Saturday morning in September, while most students were still asleep, freshman Kyle Brantley was already wide awake, preparing for the 2010 Business United Day. Brantley, along with more than 350 of his classmates in the School’s FIRST Step program, dedicated the day to improving sites throughout the Miami area.

“We’re really excited that we are getting to help out an elementary school that really needs it,” said Brantley, who was assigned to help plant trees, shrubs and paint classrooms at Jesse E. McCreary Elementary School. “We just want to make this a place where kids want to succeed and want to be here.”

In addition to sprucing up the school, FIRST Step students picked up trash in Overtown in conjunction with the Funder’s Network, repaired and painted a home in South Miami, painted and performed trim work with Rebuilding Together at a home in Homestead, and helped remove exotic species and plant new plants with The Tropical Audubon Society.

They also took on an artistic endeavor in helping to restore a mural painted alongside the Miami River. The mural, painted in 2003 by local artist Xavier Cortada, depicts a beautiful sunset on the waterfront.

Freshman Shane Bornstein worked at the mural site. “This project makes us realize that everyone can give back, and it’s satisfying to know that we’re doing something good for the community,” he said. Senior Christina Farmer, UM’s student government president, who was on hand to help assist her team of freshmen build stronger communities, praised the students for their impact. “They needed our help and we used our skills to make a difference,” she said. “We forget about that sometimes with school and work, and this is our time to give back.”

— Tyler Franz

FIRST STEP PARTICIPATING ORGANIZATIONS

Freshman students worked with nearly 30 different nonprofits around Greater Miami this year, helping each of them with a critical business project. The organizations included:

- American Cancer Society
- American Heart Association Greater Southeast Affiliate Miami Office
- Darrell Gwynn Foundation
- Epilepsy Foundation of Florida, Miami-Dade
- Bankruptcy Bar Association
- C.A.R.E. Credit
- Financial 51
- Citizens’ Crime Watch
- Miami Council for International Visitors
- Fairchild Tropical Botanic Garden
- Florida Heart Research Institute
- The American Friends of Jamaica Inc.
- Girl Scout Council of Tropical Florida
- Goodwill Industries of South Florida
- Hearing and Speech Center of Florida
- Informed Families
- Lowe Art Museum
- An N Avanse
- Miami Children’s Museum
- Zoo Miami
- Neat Stuff
- Drip Drip
- Program for Emotional Problems in Children (PEP-C)
- Shake-A-Leg Miami
- Tropical Audubon Society
- Green U
- University of Miami-Nova Southeastern University CARD (Center for Autism & Related Disabilities)

United Way of Miami-Dade Center for Excellence in Early Education

350

Freshmen worked to beautify the community
SBA faculty share their expertise with media around the world

Harvard Business Review — 2/18/11
In a blog post, Robert Plant, an associate professor of computer information systems, wrote that CIOs could learn a lot from physicians about how to deliver difficult messages and communicate effectively with senior management:

“As doctors, they’ve been trained to speak truthfully in fraught situations.”

Miami Today — 1/27/11
In an article about a Securities and Exchange Commission investigation into the city of Miami’s finances, Brian Barrett, an associate professor of finance, explained how the investigation could hinder the city’s ability to issue debt.

Investors Chronicle (London) — 1/24/11
An article about stock trading featured findings by Alok Kumar, the Gabelli Asset Management Professor of Finance, that suggest equity traders tend to be gamblers, which leads companies’ shares to move together as their taste for a bet rises and falls.

The Miami Herald — 12/31/10
In an article about whether Florida Gov. Rick Scott will try to eliminate government-owned hospital systems, Steven Ullmann, a professor of management and director of the School’s programs in health sector management and policy, said that while in theory it makes sense for tax dollars to be paid to any hospital that treats indigent patients, rather than to public health systems, abandoning the current system and its small amounts of government-paid primary care could ultimately cost taxpayers more money.

Caribbean Business (Puerto Rico) — 12/24/10
Steven Ullmann, a management professor and director of the School’s programs in health sector management and policy, discussed the importance of the School’s partnership with the Puerto Rico Chamber of Commerce in hosting a health and insurance conference.

The Wall Street Journal — 12/4/10
The “Week in Ideas” column featured research by Alok Kumar, the Gabelli Asset Management Professor of Finance, which found that:

Older investors had annual returns that were three to five percentage points lower than those of young investors.

The Miami Herald — 11/15/10
In an article about interest in entrepreneurship during the troubled economy, Susan Amat (MBA ’04), management lecturer and the director of The Launch Pad, noted that:

“A lot of people are realizing that when you start your own business, you actually know what your future is going to look like to a better extent.”

Daily Business Review — 11/5/10
Discussing an increase in consumer haggling due to economic hard times, Shweta Oza, an assistant professor of marketing, said that:

“Businesses have realized that consumers are not going to come to them ready to pay them whatever they ask.”

The Miami Herald — 10/25/10
Terri Scandura, a professor of management, wrote about the leadership lessons that can be gleaned from the Chilean mine disaster, including the importance of “bifocal leadership.”

The Times of India — 9/21/10
The Times featured research by Juliano Laran, an assistant professor of marketing, who found that resisting a craving can actually be fun if you want it to be.

AméricaEconomía — 10/20/10
In an article about UM’s leadership in developing Miami’s health sciences industry, the Latin American business magazine discussed the importance of the School’s Center for Health Sector Management and Policy. Barbara E. Kahn, then the School’s dean, noted that the School’s programs in health sector management “are more necessary than ever.”

International Business Times — 10/14/10
In an article about the price of Apple stock surpassing $300 per share for the first time, Sundares Ramanth, associate professor of accounting, offered insight about why companies might refrain from stock splits to keep share prices lower. “Higher-priced stocks tend to have very high institutional ownership,” he said, and:

“There’s no real upside to having a lot of retail stockholders.”

Valor Economico (Brazil) — 10/13/10
An article in the leading Brazilian business newspaper featured research by Sandro Andrade, an assistant professor of finance, which shows that foreign investors were more pessimistic about the Brazilian economy than domestic investors around the 2002 Brazilian presidential elections.

The New York Times — 9/20/10
A column focused on research by Juliano Laran, an assistant professor of marketing, which found that while consumers unconsciously act in accordance with a brand’s persona, they do the opposite of what product and company slogans urge. Although brands aren’t perceived as trying to do more than merely persuade, Laran said:

“Slogans are clearly there just to persuade us.”
unemployed workers become more desperate for a job as their unemployment benefits get close to running out. This usually means they’re willing to accept lower pay for a job. It’s a fact that employers often exploit, and one reason that wages can vary dramatically among workers at the same company with the same productivity.

S. Nuray Akin, an assistant professor of economics at the School of Business, has been studying just how that may affect overall wages, using a model he developed with Brennan G. Platt of Brigham Young University.

The model’s predictions about wage disparities, which are most applicable to low-skilled workers who are less likely to bargain when taking a job, line up with actual economic realities. Akin found some surprises:

- Increasing the size of monthly unemployment benefits causes overall wages to fall. More money coming in each month encourages workers to delay their acceptance of jobs (holding out for a better offer), which leads to more unemployed workers whose benefits are about to expire. Firms can exploit this fact, successfully offering lower wages as increasingly desperate workers are willing to accept lower pay.
- On the other hand, extending the duration of unemployment benefits — say, from six months to a year — leads to rising wages. How? With longer benefit periods, there are fewer workers at the “desperation” end of the spectrum where their benefits are about to expire. Firms aren’t able to drop their offerings as much.
- Extending the duration of unemployment benefits also increases the unemployment rate because workers are more willing to delay accepting a job.

Akin and Platt estimate that President Obama’s 2009 extension of unemployment benefits (an additional 14 weeks in all states, and another six weeks on top of that in states with very high unemployment) could, in the long run, increase unemployment by 5 percentage points.

The pair’s findings were published in June 2010 in a working paper, “Running Out of Time: Limited Unemployment Benefits and Wage Dispersion.”

— Rochelle Broder-Singer
Blurring the Competitive Edge

MEN SOMETIMES OUTCOMPETE WOMEN, BUT THEY DON’T ALWAYS OUTPERFORM THEM

We often think of men as more competitive than women, but the picture is more complicated, suggests recent research co-authored by Christopher Cotton, assistant professor of economics. While, initially, males perform better in some areas when they believe they’re in a competition, that advantage disappears quickly.

Cotton and his colleagues had more than 500 primary-school students participate in up to five rounds of competitive math quizzes. Here’s what they found:

During the first round of competition, boys performed significantly better than girls. That was true even when the researchers controlled for math ability based on standardized test scores.

In rounds two through five, however, the boys performed no better than the girls. In fact, there was some evidence that boys performed worse.

If the researchers told the students that the competition was “not a race,” or if they substituted language-arts questions for math, there was no male advantage.

“The implications are that male competitive advantage depends on the context, that it exists only for certain tasks, and that even when it does exist, it vanishes after an initial period,” Cotton explains.

What does that suggest about the male-female competitive gap in the workplace? Cotton believes it rules out several past explanations, such as male overconfidence and misperceptions of relative ability. Instead, he offers a few possibilities:

• Males are initially less risk-averse than females.
• Males at least initially care more about winning or gain greater enjoyment from competition.

As a result, males are more likely to enter competitive fields and compete against co-workers for advancement.

Cotton contends that efforts to eliminate gender-based achievement gaps should focus on encouraging female participation in competitive settings.

One way would be by increasing exposure to competition through laws such as Title IX, which mandates equal opportunity for sports activities in schools that receive federal funding. — Eric Schoeniger

FACULTY FAVORITES

Nudge: Improving Decisions About Health, Wealth and Happiness
Richard H. Thaler and Cass R. Sunstein (Penguin Group, 2009)

The authors distill findings from research in behavioral economics and decision making, explaining how to apply the science of “choice architecture” to personal decisions. Real examples of how managers and policymakers have helped improve people’s choices makes this a particularly “concise, informative and enjoyable book.”

“This book is a fascinating read and useful for anyone who wants to understand how subtle aspects of choice architecture can have real consequences.” — Claudia Townsend, Assistant Professor of Marketing

Too Big to Fail: The Inside Story of How Wall Street and Washington Fought to Save the Financial System — And Themselves
Andrew Ross Sorkin (Viking Adult, 2009)

Financial journalist Sorkin pulls back the curtain on the financial crisis, delving into the ways a decade of Wall Street decisions led to the crash and how the crisis played out, from Lehman Brothers’ executive offices to Washington.

“In my opinion this is the best book written so far about the subprime mess.” — Ann Morales Olazábal, Associate Professor of Business Law

Web Poll:
In the business world, do you think men or women are more competitive?
Vote at bus.miami.edu/businessmiami
New Endowed Professorship
ALOK KUMAR BECOMES SCHOOL’S FIRST GABELLI ASSET MANAGEMENT PROFESSOR

THE SCHOOL HAS ESTABLISHED a new endowed professorship thanks to a gift from New York financial executive Mario Gabelli. The Gabelli Asset Management Endowed Professorship in Finance will be held by Alok Kumar, who joined the School’s Department of Finance last fall.

Kumar specializes in behavioral finance, empirical asset pricing, corporate finance and computational economics. His work has been widely referenced in the media.

A longtime supporter of the School, Gabelli is the chairman and CEO of GAMCO Investors, a New York City-based provider of investment advice to alternative investments, mutual funds, institutions and high-net worth investors.

“Endowed professorships … are critical to our strategy,” says Frances Aldrich Sevilla-Sacasa, the School’s interim dean. “They provide us with critical support for our faculty, research and service initiatives.”

(From left) Thomas J. LeBlanc, UM’s executive vice president and provost; Interim Dean Frances Aldrich Sevilla-Sacasa (AB ’77); Alok Kumar, Gabelli Asset Management professor of finance; and donor Mario J. Gabelli, chairman and CEO of GAMCO Investors.

NEW HEAD FOR LEADERSHIP INSTITUTE Arun Sharma, professor of marketing, was appointed executive director of the School’s Johnson A. Edosomwan Leadership Institute. The institute, founded in 2006, seeks to facilitate global research and teaching in the area of leadership.

LEADING INTERNATIONAL SCHOLAR JOINS FACULTY David Weinstein, Emeritus Van Leer Professor of Industrial Marketing at INSEAD, one of the world’s leading graduate business schools, joined the School’s marketing department as a visiting faculty member. He will teach in the School’s Spanish-language Global Executive MBA program.

ACADEMY OF MANAGEMENT EDITORIAL BOARD Cecily Cooper, associate professor of management, joined the editorial board of the Academy of Management Journal, one of the top five most influential and frequently cited management journals.

SERVICE SECTOR HONORS A. Parasuraman, James W. McLamore Chair and professor of marketing, won a Best Article Award from the Journal of Marketing Theory and Practice. He was also appointed to the International Advisory Panel for a project for the government of Dubai, related to services delivery, and was named one of the directors of the Indian nonprofit Customer. In addition, Maastricht University in the Netherlands awarded Parasuraman an honorary doctorate. Parasuraman recently made plenary presentations at the Customer Experience Conference in Johannesburg, South Africa; the 13th Annual International Conference on Quality and Service Sciences, in Cottbus, Germany; and the International Conference on Services in Emerging Markets, in Hyderabad, India.

FORMER DEAN RECOGNIZED The UM Board of Trustees honored former School of Business Dean Barbara E. Kahn for her distinguished service to the University. Kahn in January returned to the Wharton School at the University of Pennsylvania.
Continuing the Momentum

Interim Dean Frances Aldrich Sevilla-Sacasa (left), Senior Vice President of University Advancement and External Affairs Sergio M. Gonzalez and former Dean Barbara E. Kahn during this year’s UM Global Business Forum.
Interim Dean Frances Aldrich Sevilla-Sacasa is building on the School's strong partnerships and international recognition.

By Richard Westlund

IN JANUARY, Frances Aldrich Sevilla-Sacasa (BA ’77) became interim dean of the School of Business when Barbara E. Kahn stepped down to return to The Wharton School at the University of Pennsylvania. Sevilla-Sacasa will remain interim dean while the University completes the search and selection process for a new School of Business dean, which is expected to take approximately six months. Sevilla-Sacasa has 30 years of experience in financial services and global wealth management, most recently as president of U.S. Trust, Bank of America Private Wealth Management.

Sevilla-Sacasa knows how to build strong and sustainable partnerships. During her long career in financial services, she reached out to individuals and families around the world, helping them achieve their financial goals.

Now, Sevilla-Sacasa is putting those professional skills to work on behalf of her alma mater, adding value to the School’s longtime ties with alumni, business and community leaders. She plans to enhance career opportunities for students and turn alumni into goodwill ambassadors for the School.

“My primary goal is to foster relationships with all our stakeholder groups — in South Florida, New York, London, Latin America and other global business centers,” Sevilla-Sacasa says. “We know that strong partnerships are important for our students, who can take advantage of internship and placement opportunities. In turn, we have a great deal to offer our business partners, including our suite of executive education programs and cutting-edge research by our faculty.”

Intelligent, articulate and an active listener, Sevilla-Sacasa believes strongly in the importance of lifelong learning. “Because the world is evolving rapidly, we need to reexamine and upgrade our skill sets on a regular basis,” she says. “If your career path has changed or if you need to expand your horizons, our School of Business can help keep you moving in the right direction. After all, our commitment to our alumni only begins with graduation.”

Continued on page 66
“From my conversations with wealth management clients and business leaders … I know the University of Miami is held in high regard throughout the Americas.”

She is already taking steps to maintain the School’s solid foundation, execute its strategy and help move current initiatives forward while the search for a new dean continues. “I want to make sure the School stays on course, while using my business background in any way to help foster partnerships in the local and international business community,” she says.

The School, Sevilla-Sacasa notes, is already engaging the business community, which has taken notice of initiatives such as the Global Business Forum and the investment in bringing new thought leaders to the faculty. “We also have a strong reputation on Wall Street for our finance and accounting programs,” Sevilla-Sacasa adds. “From my conversations with wealth management clients and business leaders through the years, I know the University of Miami is held in high regard throughout the Americas. Given our strategic location and partnerships with leading South Florida multinationals, we can capitalize on those international ties and extend those global relationships.”

ENHANCING CAREER OPPORTUNITIES
Confident that the School’s strong administration team — led by Anuj Mehrotra, vice dean for Graduate Business Programs and faculty affairs, and Linda L. Neider, vice dean for internal university relations, global initiatives/cross-disciplinary programs and Undergraduate Business Programs — continues to develop and manage internal programs, Sevilla-Sacasa is free to spend much of her time working on those global relationships. She is meeting with alumni, talking to key supporters and interacting with students.

In fact, one of Sevilla-Sacasa’s goals during her tenure as interim dean is to enhance career opportunities for the School’s 2,500 undergraduate and graduate students. In the months ahead, she will be striving to open new doors for them, developing additional...
SPECIAL REPORT:

The Business of Health Care:
DEFINING THE FUTURE
The more than 150 industry thought leaders who served as presenters and panelists for the Forum, "The Business of Health Care: Defining the Future," brought a sense of urgency: costs must be cut, quality must be improved, and the U.S. needs to tackle chronic conditions and prepare for the aging baby boomers who could easily overwhelm the system. The price of doing nothing is too great, for business and the nation as a whole.

Attendees packed venues throughout the University, with many sessions standing room only. In between sessions and at lunches and special cocktail receptions, participants informally discussed the research, ideas and predictions they had heard, while networking with peers who shared their interest in health care’s future.

The stakes were clear from the start. Kathleen Sebelius, the U.S. secretary of Health and Human Services, delivered the opening keynote speech, putting the nation’s health care challenges in stark business terms: Americans take 45 million avoidable sick days, the equivalent of 180,000 full-time employees being out sick for a year. She called health care reform “a chance to close our

AN UNPRECEDENTED ARRAY of international health care experts descended on the University of Miami Jan. 12–14 for the second Global Business Forum, organized by the School of Business Administration. Altogether, nearly 1,000 people — those who provide care and those who pay for it, as well as researchers, regulators and investors — participated in an intensive debate about the future of health care.

Reality Check

The Global Business Forum takes a cross-discipline approach to the business of health care. By Susannah Nesmith
dramatic health disparities, but also to produce a healthier workforce.”

“Despite having the world’s best doctors, the finest hospitals, the best technology, we continue to lag behind the rest of the world [in health outcomes],” she said. “We live sicker and die younger than we should.”

The consensus was that health care reform is here to stay, in some form or another. “Reform is not going to be repealed,” said James Forbes, global principal investments executive for Bank of America Merrill Lynch, during his keynote address. “It’s not going to happen, folks. That’s the political reality.”

The discussions centered largely on the opportunities presented by reform: to improve health, to improve the experience of receiving medical care, to cut costs, to raise quality and to make a profit. For businesses, reform opens the door for innovations that improve the cost and quality of care. For caregivers, it means trying new treatments and even entirely new approaches to keeping people healthy, treating them when they are ill and improving the quality of every stage of their life.

**CONVENCING DISCUSSION**

In 30 panel sessions, two signature panel sessions and five keynote presentations, the Global Business Forum covered a diverse range of topics related to the business of health care. Although the School organized the Forum under the auspices of Academic Director Steven G. Ullmann, director of the School’s programs in Health Sector Management and Policy, nearly every UM college and school contributed, as did the Arnold Center for Confluent Studies, The Launch Pad and the Lowe Art Museum.

“All the schools participated, so that we have lots of different perspectives on the subject,” said Barbara E. Kahn, who left her post as dean of the School of Business shortly after the Forum, whose creation she had spearheaded. “And a topic like health care needs that kind of approach. It needs the cross-discipline approach.”

It is an approach that the School of Business has long taken with its programs in health sector management and policy. It has offered a specialized Executive MBA for more than 30 years, as well as a joint MD/MBA degree and undergraduate major in health care management. Academia, business and health care also come together at the School’s Center for Health Sector Management and Policy.

The Forum was an opportunity to share expertise from around the University with an even wider audience. “The Global Business Forum gives us tremendous visibility, not only in the United States but also in the world, as a real thought leader,” said Frances Aldrich Sevilla-Sacasa, interim dean of the School of Business.

UM President Donna E. Shalala noted it was the type of gathering that universities do best, adding that the University took a unique role in the health care debate by organizing the Forum, with the support of key sponsors including Blue Cross and Blue Shield of Florida and Bank of America Merrill Lynch.

“We’re actually a convener of people to have serious discussions of serious problems. That’s what universities ought to do, not simply in the classroom, but using their convening authority to look at the business of health care,” Shalala said. “We invited high government officials and high business officials to come and have a dialogue with many health care professionals, as well as our students, our alumni, and people in our community.”

The response to those invitations was remarkable, bringing together a range of high-ranking executives, industry analysts, public policy makers, medical practitioners, and faculty and leading researchers from UM as well as other institutions. Top law enforcement officials even joined the discussion during a panel session on reducing health care fraud.

At another session, the heads of several major health care and insurance industry groups debated how health care will be paid for in the future. “This is the first time that anybody can ever remember that you had the head of the American Medical Association, the deputy head of the American Hospital Association, the head of America’s Health Insurance Plans, the head of the Healthcare Financial Management Association, sitting down at a table at the same time,” Ullmann said.

Attendees and sponsors alike were impressed by both the breadth and depth of the Forum’s experts. “It was an eclectic group of people from the industry who all touched, in some way, the business of health care. There are a lot of different perspectives,” said David L. Epstein, managing partner of Presidential Capital Partners, a UM Trustee and member of the School of Business Entrepreneurship Programs Advisory Board.

For Brian Keeley, president and CEO of Baptist Health South Florida, one of the event’s plenary session sponsors, “the quality and credibility of the faculty and guest speakers were the highlight of this event.” Keeley is chairman of the School of Business advisory board for Health Sector Management and Policy programs.

**HEALTH CARE IS CENTRAL TO COMPETITIVENESS**

While the debate was lively, one thing everybody agreed on was that health care in the United States costs too much.
much. “We’re on a trajectory that’s going to see us pretty soon devoting one-fifth of our economy to health care, and pretty soon after that, one-quarter,” warned panelist Michael Tuffin, vice president of America’s Health Insurance Plans, which represents 1,300 health insurance companies.

“That’s not all bad,” he added. “If we’re consuming health care, people are choosing to spend money for life-sustaining and life-enhancing medical care. But we’re not getting enough for what we spend, and we’re on a path that is not sustainable. Other priorities, like defense and education, are just going to be swamped. There aren’t enough dollars to go around.”

Several people warned that the country’s competitiveness will suffer if it doesn’t find ways to at least slow the growth of health care costs. Jeffrey Immelt, CEO and chairman of General Electric, one of the nation’s largest companies, shared his own concerns as well as some of the ways that GE is trying to rein in costs. The company spends $3 billion annually on health care for employees and former employees, he said, and runs an $18 billion health care business. He was adamant that unless the U.S. can get a handle on health care costs, hiring will not pick up and unemployment will remain higher than Americans would like.

Immelt believes the recent reform legislation is just the first step in a process that will ultimately remake health care in the U.S. “No matter how old you are, we are going to be working on health care in the U.S. for the rest of our lives,” he said. “Big business has the most to lose if we don’t get it right.”

The experts debated a variety of ways to contain costs, from the radical to the common sense. Several suggested that the health care payment system must be completely upended, because the current fee-for-service model only encourages providers to order unnecessary tests, perform unnecessary operations and spend more time treating problems that could have been prevented; there is simply no incentive in that model to provide preventive care that can help patients avoid costly treatments later. “The savings physicians make by keeping patients out of the hospital actually increases the volume of care they give, and they are penalized for that,” said Cecil B. Wilson, president of the American Medical Association.

The dual problems of chronic disease and an aging population came up frequently, as participants offered ideas for cutting costs and improving care through prevention initiatives and new delivery methods. Current figures show that approximately 75 percent of health care spending is on chronic disease. Several pointed out that once a person reaches age 65, his or her health care costs rise to two and a half to three times what they were in the previous decade. As the oldest of the more than 74 million baby boomers begin to turn 65 this year, the nation’s health care system needs to be ready.

Preventive cardiologist Arthur Agatston, author of The South Beach Diet, pointed out that unfortunately, chronic conditions are not solely a problem for the elderly. Agatston, an associate professor of medicine at UM’s Miller School of Medicine, spoke with concern about the rising rates of diabetes and heart disease, in particular among younger generations, which threaten to lower life expectancy.

“There’s this continuing debate about what health care system to adopt. I can tell you that whether it’s a one-payer system, multi-payer system or market system, it doesn’t matter,” said Agatston in his keynote speech. “It’s going to be overwhelmed by chronic disease if we don’t make changes, particularly in the younger generation, today.”

Education — of physicians, nurses and patients — got attention from
several perspectives. Professors from the Miller School talked about new ways of training medical students, international nursing experts looked at how to fill a looming nursing gap, and educators and activists discussed ways to put children more in touch with healthy food and exercise.

Others approached education from a different perspective: the health care consumer. Several predicted that high-deductible, consumer-driven health plans — which can empower patients to help keep costs down — will be the only option for most people in the near future. Troyen Brennan, a physician and chief medical officer for pharmacy giant CVS Caremark, described several efforts by the company to educate health care consumers, including programs aimed at cutting costly hospital readmissions and prescribing drugs more effectively. But, he acknowledged, none of those efforts will dramatically cut costs. “The costs of health care are big. Providing access to health care to everyone in the United States is big and important,” he said. “To cut costs, you’ve got to do a lot of small things.”

**THE OPPORTUNITIES**

Even as the nation focuses on cutting health care costs, there are opportunities for business, beginning with the Affordable Care Act. “Quite honestly, most … private equity firms view this as a tremendous opportunity,” Bank of America Merrill Lynch’s Forbes said.

Technology-related ideas got the most attention, especially innovations that aim to improve care and cut costs. From telemedicine to nanotechnology, the potential to build a better and cheaper health care mousetrap is enormous. Researchers are trying to develop art and music therapies as cost-effective treatments for devastating injuries. New joint replacement devices, regenerative technologies to create living tissue to repair organs and gene-based personalized medicine were just a few of the areas that presenters explored.

Some believe the real game changer may be electronic medical records. Thought leaders in health care and information technology talked extensively about the ways in which electronic data have the potential to save lives and money. “If you have a solution, such as information technology, that can put more information in the hands of doctors [and contain costs], then you will have a successful business,” said Michael Mindlin, a health care investment analyst at Stelliam Investment Management.

Alan Wheatley, a vice president at Humana, a national provider of insurance plans, believes that electronic medical records “will drive unbelievably improved quality of care and improved decision making.”

**WHERE BUSINESS AND ACADEMIA MEET**

For attendees, the diverse nature of topics covered at the Forum was part of the attraction, as was the opportunity to network with others from a variety of fields, to cross-pollinate ideas and explore potential business opportunities. Larry Green (BBA ’68) said he has been to university-sponsored forums around the country — many on the topic of health care — but he had never attended one nearly as comprehensive as this one. “I was extremely impressed with the level of panel members from every area,” said Green, chief product development officer for the nutraceuticals company PHX Partners. “It was an eye-opening experience.”

This was UM’s second Global Business Forum, following on its successful 2009 event. Both were organized under Kahn’s leadership. Even she was amazed by how much larger the 2011 Forum was. “The level of engagement is much higher,” she said. “People are really trying to work together to think of solutions to these problems.”
Web Highlights

Find much more from the Global Business Forum at the official website: www.UMGlobalForum.com

Participants continued the conversations in a variety of online settings at hashtag #GBF2011.

See more tweets like these on the Global Business Forum website.

jmathews: FDA Commish did a great job of making me want 2 learn more about ‘regulatory science’. New & important subject I learned 2day@#GBF2011

staceysinger: UM Biz School Dean Barbara Kahn: debate over hcr has never been more intense. #GBF2011

quiqueTVMC: Great discussion on Health and food risks and regulatory sci improvements with FDA commish to improve safety and speed to mkt #GBF2011

agostojuan: “Meaning: Intention, purpose, aim, function, significance, value, worth”, the importance of aging well with meaning... #GBF2011
Keynote Sessions

08 GBF Toward a Better Health Care System: Kathleen Sebelius, Secretary, U.S. Department of Health and Human Services

09 GBF Tackling the Health Care Cost Monster: Jeffrey R. Immelt, Chairman and CEO, General Electric Co.

10 GBF The Investment Opportunities in Reform: James D. Forbes, Global Principal Investments Executive, Bank of America Merrill Lynch

11 GBF The Pharmacist in the Field: Troyen Brennan, Executive Vice President and Chief Medical Officer, CVS Caremark

12 GBF Prevention Focus Preserves Public Health: Margaret A. Hamburg, Commissioner, U.S. Food and Drug Administration

13 GBF Ancient DNA vs. Modern Life: Dr. Arthur Agatston, Preventative Cardiologist and Author

AGGE OF INNOVATION PANEL SESSIONS

26 GBF Information Leads to Automation

27 GBF Targeted, Tailored Marketing: Segmenting Health Care Consumers

28 GBF High-Tech House Calls

29 GBF A Legal Minefield

30 GBF The Rhythm of Rehabilitation: Music Therapy

GLOBAL HEALTH ISSUES PANEL SESSIONS

31 GBF Foreign Affairs: Avoiding Misconduct

32 GBF Pharma at a Crossroads

33 GBF Crossing Borders for the Best Care

34 GBF Building the Bridge Between Government and Business

35 GBF Rethinking the Unthinkable When Disaster Strikes

36 GBF Nurturing the Next Generation of Nurses

37 GBF Integrating Alternative Therapies

38 GBF A Sea of Potential

THE AGING POPULATION PANEL SESSIONS

39 GBF A Question of Care – and Payment

40 GBF Prepare for Difficult Decisions

41 GBF Elderly Adopters and Technology

42 GBF Advances in Aging: Science vs. Spirituality

WELLNESS AND PREVENTION PANEL SESSIONS

43 GBF The Art of Observation: Helping Physicians Become Better Caregivers

44 GBF The Sounds of Change: Music and At-Risk Youth

45 GBF Tackling Obesity

EXTENDING THE ENGAGEMENT

46 GBF Bringing together leaders from around the industry with sponsors and UM faculty

47 GBF A glimpse of the three-day Global Business Forum in photos
Health care reform will speed up the pace of improvements in promoting wellness and quality care.

For too long, the federal government has lagged the private sector in promoting wellness and quality care, Sebelius continued. But when government puts its support behind improvements, the pace can speed up dramatically. She noted that the Affordable Care Act increases worker rewards for participating in wellness programs and meeting health benchmarks. It also gives employers an extra incentive to invest in a healthy workforce.

In addition, the federal government is examining changes in financial incentives to encourage providers to keep patients out of the hospital. “Right now, hospitals benefit from readmissions,” she explained, “so we are looking at strategies like bundled care payments to reward hospitals. In Denver, that approach reduced readmissions by 30 percent.”

Another cost-reduction strategy is the medical home model, where patients receive care from a team of doctors, nurses and community health workers. “This is particularly effective for managing chronic conditions,” Sebelius noted.

She added that electronic medical records — an imperative in the recent legislation — can help improve patient care. “Going to an EMR doesn’t just shift those records from paper onto a computer — it also helps coordinate best practices,” she said. For example, a Cincinnati hospital used EMRs to reduce medical errors and improve clinical efficiency, and as a result went more than 1,000 days without a serious safety incident in its neonatal ward.

Finally, Sebelius emphasized the need for public-private partnerships throughout the health care sector. “Employers have spent billions trying to deal with health costs and strategies,” she said. “Our willingness to join with them and invest in strategies that work can help make America competitive in the global economy.”

—By Richard Westlund

Baptist Health South Florida sponsored the keynote address.
Tackling the Health Care Cost Monster

Rising health care costs threaten the country’s global competitiveness, said Jeffrey Immelt, chairman and CEO of General Electric Co. The nation’s $2.5 trillion health care spending rose by 10 percent in 2010, despite a tough economy with high unemployment.

“Somehow, some way, there’s going to have to be something done about [the inflation],” Immelt said. “We are going to be working on health care in the United States for the rest of our lives. The challenge is: How do you do it without destroying it?”

Immelt implored the private and public sectors to work together to preserve U.S. innovation, increase access to health care and cut the health care cost inflation rate in half.

The problem isn’t limited to the U.S. Health care, Immelt said, is “the world’s biggest systems problem” — and one he sees clearly from two angles. GE is the world’s largest health care diagnostic equipment maker, generating $18 billion a year in revenues. And it spends $3 billion annually on health care costs for its 600,000 employees.

He outlined several strategies to control costs without stifling innovation. To begin with, costs must be clearer. “There needs to be broad transparency in the industry so that people can really understand what they are doing. [Health care] is the least transparent industry of any that we deal with,” he said.

Consumers must understand these costs, and will play an important role in tackling them, Immelt noted. And businesses should look for ways to “engage consumers to be healthier, more well informed and more accountable” about their health — with a particular emphasis on prevention.

“In the end, prevention is going to be the only thing that can help us really bend the cost curve,” Immelt said. He predicted that the future of health insurance will be in high-deductible plans that force consumers to make smart choices about spending.

But changes in insurance structure can only go so far, said Immelt, who called treating chronic disease the “holy grail.” In fact, GE spends most of its nearly $2 billion annual medical research and development budget on chronic disease treatments and diagnostics.

“All of the areas around marrying diagnostics and therapy to make therapy more effective are extremely important,” he explained.

The industry must harness the power of information, Immelt added, saying that information technology is at the core of simultaneously lowering costs while increasing quality and access. He noted that advances in health care IT have so far mainly improved connectivity between various systems and allowed for teledmedicine. In fact, about 90 percent of the impact of health care IT has been concentrated in those areas, he said. Yet, he believes those areas account for only about 10 percent of the value that IT can bring to health care.

The bottom line: Unless the U.S. does something about health care costs, it will not see healthy employment figures, Immelt said. The country must promote accountability that drives productivity and gets inflation under control.

He stressed, though, that just making one group more accountable for spending won’t be enough. “I think it’s a good step. But health care costs in the U.S. are a big blob,” he said. “Unless you take the whole blob and reduce it, the cost is just going to shift to other pockets. So we have to work on it as a system in its entirety. … That’s going to take public-private partnerships.”

—By Jennifer LeClaire
Ultimately, the controversial health care reform legislation passed in 2010 will not be repealed, and the changes are creating a tremendous opportunity for investors, James D. Forbes, global principal investments executive at Bank of America Merrill Lynch, told the Forum.

The Patient Protection and Affordable Care Act will generate at least 36 million new customers for doctors, clinics and other providers, he said. That’s the number of people who will have health insurance for the first time under the act.

Half of those new customers will be Medicaid recipients, so Forbes is particularly enthusiastic about companies in the business of Medicaid managed care. He also noted opportunities revolving around the family doctor — which most of the newly insured haven’t had. “We need to create primary care physicians, lots of them, in a hurry,” he said, adding that companies which come up with new ways of meeting this demand will be good investment candidates.

Then there are the 74 million baby boomers, the first wave of whom turn 65 years old this year. Forbes suggested that many of them already are, or will become, part of the 20 percent of the population that accounts for 80 percent of health care spending. “The more shocking statistic,” he noted, “is that 5 percent of the population is responsible for 49.1/2 percent of health care expenditures. These are people that, by and large, have multiple conditions — diabetes, hypertension, heart disease.”

Forbes cited studies indicating that because of such chronic illnesses, once people turn 65 they typically consume two and a half to three times more health care than they did at younger ages. So he envisions big growth potential over the next five to 10 years for companies that provide acute care and home care to seniors. He also sees significant room for improvement in managed care. “If I can find the person in this room that has an idea about that, come and see me … because I really think that’s the opportunity here going forward,” he said.

Another opportunity is what Forbes called the “holy grail” for venture capitalists over the next several years: electronic medical records and the technology required to perfect their use. He noted that federal stimulus dollars have already gone into this area. Additional auspicious investment targets are companies developing medical devices, especially stents, artificial joints and other products typically used by the elderly. He anticipates new opportunities in the pharmaceutical industry as name-brand drugs, such as Lipitor, go generic, and corporate giants consolidate and spin off smaller product lines.

Forbes believes private equity firms have plenty of idle investment capital — about $480 billion — with which to take advantage of these opportunities. Banks and other lenders are sitting on another $800 billion, he said. Auguring a health sector investment surge is the fact that most venture capital firms currently under-weight health care, with roughly 15 percent or less of their portfolios in the sector.

If historical trends are any indication, the health care sector seems poised for an infusion. Its growth rate of 4 percent last year was a 50-year low, Forbes noted. He speculated that many insurers had a “cooling effect” on growth by hitting customers with higher deductibles, thus discouraging consumption. For example, about 25 percent of policies now have deductibles of $500 or more, while only 2 percent did in 2000.

Because of these economic conditions, Forbes envisions “a lot of buyout activity over the next few years.” “You’ve seen certain valuations of certain public companies drop dramatically, and that creates opportunities,” he said. “So now you can buy companies at a more reasonable price.”

—By Kirk Nielsen
NEW TECHNOLOGIES, old-fashioned personal contact, easily accessible care and cost transparency can make people healthier and reduce health care spending, according to Troyen Brennan, CVS Caremark’s executive vice president and chief medical officer.

CVS Caremark is experimenting with a number of ideas that it believes will alleviate both concerns. For starters, as one of the country’s largest pharmacy providers, “we want to make sure patients are taking the right medications, and then actually that they are taking the medications,” Brennan said.

On the “right medications” front, the company uses genetic testing to identify people who are slow metabolizers of certain drug therapies, such as Plavix, so doctors can adjust the dosage or prescribe an alternative. “There are costs associated with that genetic test and there are costs associated with the doctor’s visits,” Brennan acknowledged. “But those costs pale in comparison to the costs associated with a catastrophic coronary event.”

Of course, making sure a patient gets the right medication doesn’t guarantee he will take it. Brennan, a physician who is responsible for the company’s MinuteClinic, Accordant Health Care, clinical and medical affairs, and health care strategy, pointed to data showing that up to 70 percent of hospital readmissions stem from patients not taking their prescriptions appropriately.

To change that, CVS Caremark is experimenting with having pharmacists make follow-up phone calls to customers and even visit patients released from hospitals. A recent CVS study found that outreach from a retail pharmacist is about 10 times as effective as a call from a nurse and about 100 times as effective as a follow-up note. Why? People go into learning mode when they talk with a pharmacist. “Pharmacists are a critical part of the health care system,” Brennan said. “People who have chronic disease, they feel like they use their pharmacist almost as much as they use their physician.”

“The company, which has 7,200 retail pharmacy locations in the U.S., is also looking at ways to use its 500 in-store MinuteClinics to educate patients and check on medication compliance. At the MinuteClinics, which are open seven days a week, health care providers see patients without an appointment — usually within 15 minutes. They’re designed to diagnose and treat common illnesses, often at a lower cost than an appointment in a doctor’s office.

“This is a matter of taking your retail pharmacy and turning it into something that can really help individuals do better with regard to their health care,” Brennan said.

The idea of empowering consumers to improve their care dovetails with the corporate movement toward high-deductible, consumer-directed insurance plans. These plans require users to pay the first few thousand dollars of their medical care each year out of pocket, in hopes that they will choose lower-cost medications and service providers.

“The costs of health care are big. Providing access to health care to everybody in the United States is big and important,” Brennan said. “So we have to come up with big ideas to be able to maintain the system that’s in place and to be able to support the push for greater access. But in order to do those big things, we have to be able to do a lot of small things very well.”

—By Jennifer LeClaire
Prevention Focus Preserves Public Health
The FDA’s mission is turning to prevention in areas from food safety to drug recalls to tobacco.

Shifting gears into on-market drugs, Hamburg noted the FDA’s own limited authority for drug recalls. She called for drug companies to have strong systems in place for monitoring and checking quality, and for them to have a transparent relationship with the FDA. To that end, she spoke of a new initiative that will make it easier and clearer for industry to understand FDA expectations and avoid possible legal intervention.

Hamburg, who was at one time the New York City health commissioner and who worked for Shalala at the Department of Health and Human Services, explained that she sees the FDA as far more than a regulatory body. She believes the “much beleaguered, chronically underfunded” agency has a core public health mission.

“At the end of the day we are involved in so many issues that directly impact on public health,” said Hamburg, citing tobacco regulation as one example. New legislation gives the FDA more power to regulate tobacco, a prospect that Hamburg said was daunting but that would bring tangible public health benefits.

For the first time, the FDA will be allowed to examine tobacco products and their components, in hopes of understanding the underlying science and health risks they may present. One of the first results, she said, was the removal of candy and fruit-flavored “cigarettes” from the market in an attempt to block the recruitment of younger smokers.

The agency will also be introducing new practices in tobacco marketing and advertising, centering on nine different risk-based messages, along with graphic warning labels covering 50 percent of cigarette packaging. “You’ll be seeing a real change in tobacco,” she said.

—By Andrea Carneiro

“We have to make sure that we can turn those ideas into viable products that are stable and reproducible and delivered safely.”

Donna E. Shalala
President, University of Miami

Prevention is a core principle of public health, key to facing challenges from food safety to tobacco, Food and Drug Administration Commissioner Margaret Hamburg told the audience in her keynote remarks.

Food safety has been a hot-button topic for the FDA recently, with Hamburg deeming it an “enormous ongoing challenge” for the agency. “Congress is calling on the FDA to put into place a whole new approach to food safety [that is] based on prevention,” she explained. “It’s much more cost-effective and much more effective in terms of reducing unnecessary illness to try and identify points of vulnerability ahead of time, address them, and prevent problems from happening in the first place.”

She called the recently passed Food Safety Modernization Act “historic.” It requires food production facilities to have written plans to prevent safety problems and the FDA to establish science-based standards for the safe production and harvesting of produce. The bill also authorizes the FDA to mandate the recall of unsafe food and to inspect foreign and domestic food facilities more frequently.

UM President Donna E. Shalala, a former U.S. Secretary of Health and Human Services, joined Hamburg for the keynote presentation, which took the form of an informal interview of Hamburg by Shalala. She questioned the commissioner on everything from bioterrorism to regulatory science, the discipline that studies the science and tools used to evaluate product safety, efficiency, potency and quality. Hamburg said it is critical to further develop this discipline; doing so could make it easier for researchers to identify, early in their process, which advanced medical therapies might have the best chance of working.

“We need not only to develop the science that underlies the opportunity, but we also have to make sure that we can turn those ideas into viable products that are stable and reproducible and delivered safely,” she said. “It saves time, it saves money, and it saves preventable problems in the human clinical studies as well.” She pointed out that almost 90 percent of drugs in development never make it to the marketplace.

Margaret A. Hamburg
Commissioner, U.S. Food and Drug Administration
Ancient DNA vs. Modern Life

Americans are getting fatter and more are diabetic, negating medical advances that should be prolonging our lives.

Americans between the ages of 30 and 45 have more plaque in their coronary arteries than their elders did when they were in that age range, and more young people are having heart attacks. The reason, according to preventive cardiologist Arthur Agatston, the creator of the South Beach Diet: Modern humans’ diet and activity are contrary to the way we evolved.

Autopsy-based studies by researchers at the Mayo Clinic corroborate other findings that show plaque levels in this demographic are indeed going up. “What these data tell us is, despite all our advances in preventing heart disease, our lifestyle is actually trumping those advances,” warned Agatston, who is also a professor at UM’s Miller School of Medicine. He did note that the incidence of heart disease has generally continued to decline in the United States, after peaking in 1967. But Americans are getting fatter and are more likely to develop diabetes than ever before.

Those 30- to 45-year-olds are the nation’s “first fast-food generation” and “video-game generation,” Agatston said. “The fact is, you can sit and work and shop and do everything without moving at all.” Consequently, a rising tide of overweight, sick people is threatening to engulf the U.S. health care system.

“It may be the first generation that won’t live as long as their parents,” he added.

Fast food and less movement both contribute to the potbelly. That belly is the result of a “survival mechanism” that kept Homo sapiens alive in the wild 20,000 years ago but “is literally killing us today,” Agatston explained. Our DNA triggers the storage of fat, especially in the stomach area, which enabled our hunter-gatherer ancestors to survive through annual feast-and-famine cycles.

Belly fat also plays a role in producing chemicals involved in the inflammation process, which normally helps the body fight infections. But our DNA never planned for the belly to keep growing and growing. “Today, where there’s no famine, there’s only feast, and the belly continues to grow, we’re literally bathing our tissues with these inflammatory chemicals,” said Agatston, adding that those chemicals are contributing to cardiovascular disease and other chronic illnesses such as macular degeneration, Alzheimer’s and cancer.

Belly fat has another disease-causing byproduct: insulin resistance, or pre-diabetes, a condition in which insulin works more slowly after meals to get nutrients into the bloodstream. In the process, blood sugar surges, then dives when the insulin kicks in, resulting in reactive hypoglycemia.

Twentieth-century comforts such as the automobile, refrigeration and longer shelf lives for food have also contributed to an increase in heart disease. Over the past several decades, Americans have been consuming more foods made with artery-clogging tropical oils and trans fats, which keep food tasting good even though it might be several weeks old.

At the same time, Americans have become less active. “A decade or two ago, we were still going out to the sandlot and the fields and playing baseball, football, basketball. Today, most of those sports are being played on video games and computers,” Agatston lamented. Unless society changes, the system will be overwhelmed by chronic diseases, he warned.

One of the most important places to start, he said, is with children. Agatston offered some hope: the results of a study conducted by the Agatston Research Foundation’s Healthier Options for Public Schoolchildren, which worked with elementary schools to make their cafeteria menus healthier. The students gained less weight, had better concentration and improved test scores. “But the most important thing that I learned was these young elementary kids … love healthy food,” Agatston said.

And what does healthy food mean — for children and adults? Agatston said medical scientists have reached consensus: “more fruits and vegetables, more high fiber, whole grains, fish, good fat, lean sources of protein.”

—By Kirk Nielsen

“Despite all our advances in preventing heart disease, our lifestyle is actually trumping those advances.”
Unrealistic Expectations

There are ways to reduce health care costs, but Americans still expect more than they’re willing to pay for.

“There is no single silver bullet that can magically rein in health care costs, according to the top executives of the nation’s leading health care industry organizations. There are ways to lower costs, but the bottom line is that many Americans expect more from their health care than they’re willing to pay for.

One way to keep costs in check is to change the way providers are paid, emphasizing positive outcomes rather than paying per hospitalization, procedure or doctor visit, said participants. “The reimbursement system is based on volume, not quality,” said physician Jon R. Cohen, chief medical officer of Quest Diagnostics. He noted that 25 percent of health care costs pay for paperwork, and 80 percent of health care spending occurs during the last six months of life.

American Medical Association President Cecil B. Wilson noted that a system that pays doctors for the number of times they see a patient without looking at the patient’s overall care ends up providing “fragmented care.” “The [cost] savings physicians make by keeping patients out of the hospital actually increases the volume of care they give, and they are penalized for that,” said Wilson, who is himself a physician.

But he and other panelists said consumers must also change the way they manage their health and use health care services. “Seventy-five percent of the costs of health care is related to chronic disease, lung disease, heart disease, diabetes — pretty much preventable conditions,” Wilson said. “Unless we tackle those problems, I would suggest we’re doomed to a lack of effectiveness.”

Richard J. Umbdenstock, chief executive of the American Hospital Association, agreed that part of the problem lies with consumers, who he said view their health insurance as “prepaid health care.”

He also pointed out that many people invest in health care companies, relying on them to be profitable. “How many of us have health care stocks in our 401(k) and count on them for our retirement?” Umbdenstock asked. “We not only want health care reform that protects us … from costs in our retirement. We also want health care to fund our retirement. You can’t have it both ways.”

Richard L. Clarke (MBA ’72), chief executive of the Healthcare Financial Management Association, worried that the debate has focused too narrowly on cutting provider fees. “If you look at the reform bill … the single largest cost containment or cost reduction is payment cuts,” said Clarke, who is a member of the School of Business Programs in Health Sector Management and Policy Advisory Board. “The unintended consequence of making substantial cuts in any part of the system is it shifts over to another part of the system.”

For example, he suggested that cuts to Medicare payment rates would prompt providers to charge private insurance companies more, something he called “a hidden tax.”

Interestingly, just talking about health care reform may cause a temporary slowdown in cost increases, noted UM President Donna E. Shalala, who was Health and Human Services secretary during the Clinton administration. “During the times in our history in which we’ve debated health care reform, health care costs have actually slowed down,” she said.

Shalala also noted that some earlier health care reforms contributed to increased spending. For instance, during her tenure as HHS secretary, the U.S. began allowing drug companies to advertise directly to consumers. Although the Clinton administration claimed such a move would push up costs, then–Sen. Bill Frist — who is a physician — argued at the time that it would not. “Senator Frist told me last month that it was the biggest mistake he made, because it did indeed push costs up,” she said.

One way to counteract those types of pressures is to give consumers more information, suggested Michael Tuffin, executive vice president of the industry group America’s Health Insurance Plans. “If a patient can log on to the Internet and see there are three medications for people like me and this one is the best, and Io and behold it’s the cheapest,” that will bring costs down while improving care, he said.

Without that information, too many patients demand the costliest care. “It’s hard to escape the conclusion that what people want is unlimited access to care and someone else to pay for it,” Tuffin said.

—By Susannah Nesmith

Quest Diagnostics sponsored the session, which was presented by the School of Business Administration.
A Broken Relationship
Innovation will be stifled if physicians cannot work with the private sector.

LIFE-SAVING DISCOVERIES in medicine generally don’t occur because a company decides to create a new device or drug, says Pascal J. Goldschmidt, dean of the University of Miami Miller School of Medicine. “These innovations occur because great physicians want to do more to help their patients lead full and healthy lives,” he said during a signature plenary panel session. “But the relationship between physicians and the commercial sector now is broken. We need to fix it if we want to continue to make progress in medicine.”

Clinicians and academics are still trying to figure out the best ways to interact with developers and manufacturers of medical products while protecting patients and managing conflicts of interest. “We do not believe that interactions between physicians and industry should be proscribed,” said Goldschmidt, a physician. “If you take the patient-centric view, it’s clear that those relationships are important for developing new medicines and devices.” He added that UM supports transparency in these relationships, including the creation of a searchable public website that describes university physicians’ industry relationships and compensation.

The question of how best to manage provider-industry conflict goes well beyond the traditional physician-patient relationship, noted Richard S. Stack, an interventional cardiologist and managing general partner of medical device developer Synecor. “It has all kinds of implications for innovation in the U.S., and for people with serious medical conditions who may well be blocked from getting life-saving therapy,” he said.

So that innovative treatments reach the patients who need them, the industry must make sure that the public understands and trusts that conflicts of interest between physicians and industry are appropriately managed. “We need to restore trust in the collaborative approach, agree on a set of common principles and have incentives aligned in the right way,” said William A. Hawkins, CEO of medical device maker Medtronic. “We also need transparency, so people can see how those payments are structured in terms of clinical research, training and education.”

From a different perspective, Thomas P. Stossel, director of the Translational Medicine Division of Brigham and Women’s Hospital at Harvard Medical School, cautioned against a tendency toward “administralgia,” which he defined as an excessive academic concern over public opinion.

“As a practicing physician, I know that medicine is incomparably better today than when I started my career, because of the tools we have now,” Stossel said. But since the 1980s, he continued, more conditions have been applied to academic medical research. “That opened the floodgates for aggressively bashing the medical products industry. … We need to mobilize patients to say we’ve gone too far.”

Medical licensing boards and hospital peer review panels pay close attention to potential conflicts of interest, noted interventional cardiologist William O’Neill, executive dean for clinical affairs at the Miller School of Medicine. “The medical profession is actually doing a good job of policing itself,” he said. “It’s just that the pendulum of public opinion has swung too far. We have to allay the concerns of the public, and let them know that adequate safety checks are in place so they feel confident about their medical care providers.”

—By Richard Westlund

UM Health System sponsored the session, which was presented by the Miller School of Medicine. Peter van der Goes Jr., Jon R. Cohen, Pascal J. Goldschmidt and William O’Neill also participated.

CONFLICT OF INTEREST: WHO SHOULD SEE LAB TEST RESULTS?

Jon R. Cohen, senior vice president and chief medical officer of Quest Diagnostics, focused on a different aspect of managing conflict: whether to send laboratory test results directly to patients. Citing studies that show that 7 percent of abnormal results are never communicated to patients, Cohen said Quest decided to provide patients with test results in 33 states where it is permitted. “We built in a 48-hour delay so the results still go to physicians first, and we continue to send HIV screening results, genetic tests and cancer diagnostics only to physicians,” he said. “We believe that empowering patients will ... improve the doctor-patient relationship.”

—R.W.
Zeroing in on Health Care Fraud

Prevention — not prosecution — is the answer, say the experts.

SOUTH FLORIDA LEADS the nation in health care fraud, and the sheer scope of the problem — $60 billion is lost annually — should worry leaders, said a panel of frontline fraud fighters.

“We’re known as the capital of health care fraud. It is embarrassing,” said Wifredo Ferrer (AB ’87), U.S. attorney for the Southern District of Florida. And criminals take what they learn here to other states. “People are migrating and moving, exporting their fraud knowledge and their schemes,” he added.

Ferrer’s office began focusing on health care fraud in 2005, looking at billing anomalies. Since then, 1,000 people responsible for $3 billion in fraud have been prosecuted. “And we’re not hitting everybody. We only have so many agents and so many prosecutors,” he said. “Prosecutors are not the answer. We can prosecute this over and over, and double the numbers, and it’s not going to end.” Prevention, he concluded, is the key.

Cecilia Franco, Miami field office director of the Centers for Medicare and Medicaid Fraud, gave the audience an idea of the difficulty investigators have dealing with the problem. Every business day, Medicare pays 4.4 million claims totaling $1.1 billion to 1.5 million providers. Approximately 19,000 new providers apply to the program every month. And Medicare and Medicaid are required to process claims within a 15-day window. So they end up doing what’s called “pay and chase” — paying first, then looking at anomalies.

“All this money went out to the providers because we had such a small window,” Franco said. “Most of the time we don’t get it back [when fraud is found].” Her conclusion was that a moratorium on the approval of new providers is the only thing that will enable investigators to get a handle on these frauds.

Providers do need more scrutiny, agreed John V. Gillies, special agent in charge of the Miami Division of the FBI. “It’s got to be more difficult to apply to be issued a provider number,” he said. He also called for changes from Congress and from Franco’s agency, noting that the nation loses an estimated $164 million a day to health care fraud. And he expects the problem to get worse with new requirements for electronic medical records. With security for these records not part of reforms, he expects a spike in identity theft. “We expect, with the rush to get these records up and the security following, we’re going to see fraud go up,” he noted.

—By Susannah Nesmith

Modern Healthcare sponsored the session, which was presented by the School of Business Administration and moderated by Brian Keeley, president and CEO of Baptist Health South Florida and a member of the School of Business Programs in Health Sector Management and Policy Advisory Board.

“People are migrating and moving, exporting their fraud knowledge and their schemes.”

[big ideas]

Health care fraud is made easier by the sheer number of billings and providers, and by Medicare’s 15-day payment requirement.

Prevention, not prosecution, is the most likely cure.

The first step should be a moratorium on approval of new providers to give prosecutors time to catch up on cases.
Accountability in Action

Patient-centered, outcome-focused care requires new models for providers and payers.

Hospitals, physicians and payers must work together to make health care patient-centered and outcome-focused. That will mean developing new models for both providers and payers, panelists said.

One of the most frequently cited provider models is that of the Cleveland Clinic, which U.S. News & World Report ranked as one of the nation’s top four hospital systems. The organization differs from most, explained Delos M. “Toby” Cosgrove, president and CEO of the Cleveland Clinic Foundation: All employees, including physicians, are salaried; everyone operates under renewable one-year contracts, rather than tenure; and centralized electronic medical records are always available to patients. Patient outcomes are measured to ensure quality care, and operations are organized around disease or organ systems. “The idea was … to have a single leadership and a common location,” Cosgrove explained.

The Cleveland Clinic is one model that might be followed to form accountable care organizations, as called for in 2010’s health care reform legislation. ACOs are networked groups of physicians and hospitals that accept responsibility for the cost and quality of care delivered to a specific population.

But implementing an ACO is challenging, said Stephen Jones, president and CEO of the Robert Wood Johnson University Hospital system, which has created an ACO in New Jersey. For one, physicians may be reluctant to cooperate, and even if they are willing, there may not be enough primary care physicians to serve the population. There are also technological challenges, including getting everyone on the same platform for sharing medical records. Still, there is demand for this type of care. “There is a strong business case for health care reform: an increase in quality and managing cost,” Jones said. “It is our responsibility to businesses to manage down costs.”

To do that, however, “ACOs are the tip of the iceberg,” said John Bigalke, vice chairman and U.S. national industry leader for health sciences at Deloitte LLP. Payers, including health insurance companies and Medicare, must create systems that cover all aspects of care, from prevention to rehabilitation, he explained. They must also implement a payment model based on long-term, patient-centered care, instead of today’s case-by-case model.

Some of the blame for that case-by-case model rests with the government, admitted Anthony Rodgers, deputy administrator for the Centers for Medicare and Medicaid Services. “The system does what it’s paid to do, and right now it’s paid to initiate transactions, and not coordinate care,” he said. “We take that responsibility and are realigning how CMS will operate in the future. … If we’re successful, there will be less of a regulatory environment in health care.”

The current system has to change, but doing so will require a new level of trust among physicians, hospitals and payers. “The system is broken, whether you’re government, physician or patient,” Bigalke said. “Try to start the conversation by giving the other party the benefit of the doubt, because they are trying to do the right thing.”

—By Brandon Ballenger

Squire, Sanders & Dempsey LLP sponsored the session, which was moderated by Partner John M. Kirsner and presented by the School of Business Administration.
Left to Their Own Devices

Faced with skittish investors, the medical device industry struggles to find new strategies for product development.

Commercial success for any medical device starts with a realistic assessment of its viability and requires its developers to have an appetite for navigating an increasingly complex approval process. These were just two of the insights from serial entrepreneurs who have taken multiple startup firms to profitable exits.

“Fundamentally, you are starting with an idea. You are making sure that idea has merit. It can take years to determine if the idea has merit,” explained Duke Rohlen, founder and CEO of the medical device company CV Ingenuity. “Concepts and ideas are great, but they evolve over time.”

The opportunity is tremendous. Demand for health care services in emerging nations, the need to reduce hospital stays and an aging world population will contribute to a $312 billion global market for medical devices this year, according to Kolarama Information. But challenges abound too. The economics of health care have changed — or have seen proposals for change — and both regulators and investors are scrutinizing the medical device industry.

“The medical devices industry is looked on with a great deal of suspicion by policymakers. Rightly so — there are things that have happened in this industry that we should not be proud of,” said Fred Khosravi, managing director of Incept LLC, a health sciences technology company, and founder and chairman of the medical device maker Access Closure. Investors, too, are taking a hard look at device makers. “We are in a transition period,” Khosravi said. “Investors don’t know how to make money. … You can’t calculate ROI. So investors are hesitant about putting money into companies. There’s a flight to quality in our innovation ecosystem.”

Part of that flight to quality is a focus on companies with multiple products. Stacy Enxing Seng, executive vice president of the endovascular company ev3 Covidien and president of its Worldwide Peripheral Vascular venture, suggested that investors are placing more value on product portfolios than on individual products.

“It’s tough for individuals trying to establish companies based on a single technology unless they are quite disruptive,” she said. “I still think the best mousetraps win and there is a lot of innovation, but it takes much more to bring it forward.”

In October, Rohlen raised a $50 million inaugural fund through his firm, TauTona Group, to address that challenge. “We are trying to create a step in the ecosystem whereby we fund those single products and sell them at a fixed investment,” he said. “That reduces the risk.”

Christopher Owens, president and CEO of IDEV Technologies, had perhaps the simplest advice for his fellow medical device innovators. “It takes discipline and infrastructure,” he told attendees. “If you want to be profitable, you have to have the foundation and the discipline.”

—By Jennifer LeClaire

The session was presented by the School of Business Entrepreneurship Programs and moderated by Barry S. Weinstock of Mid-Florida Cardiology Specialists.

“It’s tough for individuals trying to establish companies based on a single technology unless they are quite disruptive.”

[big ideas]

The medical device industry is in a period of transition, caused by a changing regulatory and economic environment.

Investors are emphasizing product portfolios rather than single products.

The industry needs new approaches to valuing and funding single-technology companies.
ECONOMICS AND HEALTH CARE. Security and Innovation in Health Information Technology

Protecting Patients — and Providers

**Innovation meets risk in the world of health care technology.**

The world of health care technology is ripe for innovation. But with new technology comes new security risks, and those risks could cost providers millions of dollars.

Chris Davenport, a global security consultant for IBM Global Business Solutions’ health care division, warned that though innovations continue to hit the market, they often bring with them unintentionally negative consequences. For instance, secure cloud computing systems, which store data in off-site servers that can be accessed from anywhere, could be hacked or accessed by a disgruntled employee who decides to post confidential information on the Internet.

What’s more, penalties are increasing for patient-privacy breeches. In 2009, Congress enacted the Health Information Technology for Economic and Clinical Health Act (HITECH), which levies higher penalties against institutions and professionals that inadvertently lose confidential information. Mark Blatt, a physician who now serves as Intel’s director of health care industry solutions, said fines can run up to $1.5 million a year, which can devastate a small medical practice. The legislation also includes criminal sanctions for health care providers that fail to publicize a breach that affects more than 500 people, and allows a state attorney general to pursue civil penalties.

HITECH sanctions can be avoided if providers encrypt their patient records or install anti-theft technology on their computers, Blatt said. He described a service called LoJack for Laptops, which renders a laptop inoperable if it can’t find a particular network within 24 hours, and which can inform law enforcement of its location. Blatt said this service has had a 75 percent success rate for recovering stolen laptops, compared to a 3 percent recovery rate for laptops without it.

Gary Bahadur, CEO of KRKA Security, recommended that companies create social media policies to educate health care professionals about the risks of disclosing sensitive information on sites like Facebook or LinkedIn. Still, some experts feel that the benefits of social networking outweigh its risks. Albert Santalo, president and CEO of CareCloud, says the Facebook-like software that his company created is a secure, inexpensive tool that is custom-made for the industry. Thus far, investors have been enthusiastic about CareCloud, enabling it to raise about $8 million in venture capital in less than two years.

Of course, technology innovation isn’t always on the wrong side of risk. Bill Taylor, president of Panasonic System Networks, described new facial recognition technology that helps identify established security risks as soon as a security camera detects an individual’s image. His company has also developed a system that can broadcast three-dimensional videos and 360-degree sound from operating rooms and disaster areas.

Bal Harbour, Fla.-based plastic surgeon Michael Salzhauer said such technology will enable doctors to supervise operations from miles away. Or, “an older doctor whose hands might not be as steady can supervise from the hallway,” he said. “Or watch from a golf course.”

—By Erik Bajnansky

The School of Business Administration presented the session, which was moderated by Sara Rushinink, a professor in the School’s computer information systems department.

Innovations often bring with them unintentionally negative consequences.

**[big ideas]**

Health care providers must carefully assess the risks of cloud computing.

Precautionary measures should be enacted to protect patient confidentiality, especially online.

New technology, such as facial recognition software, can help offset security risks.
Opening Doors
As standards change, opportunity abounds for innovators in health care technology.

Entrepreneurs scouting prospects in the post-health care reform world should find plenty of opportunities, especially in technology. “If you have a solution, such as information technology, that can put more information in the hands of doctors [and contain costs], then you will have a successful business,” said Michael Mindlin, a health care investment analyst at Stelliam Investment Management.

One development that should help open those doors is a new set of federal standards for the secure exchange of health information over the Internet, according to Kevin Hutchinson, an entrepreneurial health care executive who is helping to craft the standards. The rules will allow patients to share test results and medical histories across care providers easily and securely, and will force vendors to share data across their systems. Hutchinson suggested entrepreneurs should be looking at new ways to ensure that interoperability.

As information-gathering systems improve, providers should be able to use the collected data to spot trends in patient care. “The uses of data for good — to drive utility and improvement and patient satisfaction and coordination and care management — are huge opportunities that are undefined right now,” Hutchinson said.

Certainly, data-driven care is the future of the pharmaceutical industry, added David McLean, CEO of NovoLogix, a pharmaceutical benefit management company. “If you go back and look at the last 100 years of pharmacy, the first 50 years [were] focused on manufacturing drugs, the next 50 years [were] focused on the distribution of drugs. The focus for the profession for the next 50 years has to be on how we use information to improve patient care and drive more value,” he said.

McLean gave the example of a company he recently helped start that has developed what he calls a therapeutic records system. The system helps track the delivery of very high-cost drugs to patients with multiple conditions and medications, and better coordinates their care. With the shortage of primary care physicians, these kinds of tracking systems can help fill gaps, he said.

“The technology can support clinicians in better managing patients, demonstrating those results and … demonstrating value,” he explained.

While many of the opportunities for health care entrepreneurs will be in information technology, there are other areas to keep an eye on. In 2014, some Americans will begin buying health insurance through health exchanges, and as that time approaches, health insurance companies will be fighting to keep their customers, according to Anthony Masso, former president and CEO of Consortium Health Plans. They will look for innovative ways to do so. One company is testing a new strategy: sending coupons for healthy foods and activities to customers as a way to foster loyalty. “How do you get the consumer to play a role and give the consumer new information so that he or she can recognize they are getting some benefit from their insurance carrier?” Masso asked. “Opportunities exist all over the place.”

—By Marika Lynch

The Launch Pad presented the session, which was moderated by William Scott Green, UM senior vice provost and dean of Undergraduate Education.
New Rules for Employee Health Care Benefits

Incentives for at-risk employees are one strategy that may help curb costs.

Faced with sharply rising health care costs, U.S. employers are likely to have “leaner and meaner” health insurance plan designs, with larger deductibles and “carrot and stick” incentives to promote wellness, according to Ken Sperling, health care practice leader at the human capital consulting and outsourcing firm Aon Hewitt.

“We will also see employers move away from traditional defined-benefit health care plans, just as we did in the pension area, because of similar financial pressures,” Sperling said. “Employees will be more responsible for making health-related decisions.”

William Werther, a professor of management at the School of Business, noted that it has become increasingly difficult for companies to provide comprehensive health care benefits and remain competitive in today’s global marketplace. “It’s important [for businesses] to take a proactive approach when dealing with high costs as well as the impact of health care reform legislation,” he said.

The biggest category for health care spending is caring for people with chronic diseases like obesity, diabetes and congestive heart failure, according to Jack Bailey, senior vice president of public and private institutional customers at GlaxoSmithKline. Companies — and the American public — must understand this. But, he added, “The key question is: How do we manage and navigate chronic diseases to get better quality care, ensure access to care and reduce costs?”

Employers are looking to do that by working to change their employees’ unhealthy behaviors, though their methods vary. “In some cases a $50 gift card or a $50-a-month reduction in premiums can serve as a reward,” Sperling said. “In other cases, you might need to penalize unhealthy actions in order to change employees’ behaviors.”

Different strategies may be needed for different populations. Sperling cited a Las Vegas casino’s successful weight management program for its dealers. “No one wanted to get on the scale individually,” he said. “So the supervisors formed teams of five people and weighed them together on a truck scale in the loading dock. The dealers looked at it as a competition. They had a lot of fun with the contest and literally lost tons of weight.”

But how do you balance an individual’s rights with the employer’s need to manage benefits costs? “You can set strict limits against smokers in the workplace,” Sperling said. “But you can go to jail if you refuse to hire someone because she’s pregnant. … There is a gray area in between. Employers may need to weigh an individual’s health care costs against the value that person brings to the organization. But you should not let health issues encroach into hiring practices.”

Employers need to answer these questions, because whatever its flaws, the employer-based health care system is unlikely to go away. “Our employer-based system is an anachronism dating from World War II’s wage and price controls,” Bailey said. “But it’s now locked in as the predominant mechanism for any company with more than 200 employees. The real question today is how you level the playing field for the individual purchaser.”

—By Richard Westlund
Designing Better Patient Care

Utilizing new ideas and technology, architects and designers aim to improve care by tackling its delivery locations.

In the new era of health care, a dramatic physical transformation is sweeping through hospital planning. Led by teams of health care administrators, planners, designers and architects, and backed by research, the latest generation of buildings elevates safety and well-being for patients.

Session panelists said that design can be an important reason why physicians, nurses and even patients fall short in the simplest aspects of care, such as hand washing and preventing patient falls. “Historically we have designed hospitals around the staff,” said Frank Sacco (AB ’70), president and CEO of Memorial Healthcare System and a member of the School of Business Programs in Health Sector Management and Policy Advisory Board. “We forgot to design hospitals around the patients.”

In fact, updated hospital designs can improve outcomes. For example, rooms can be built with sinks and soap at the entryway to encourage more frequent hand washing, said Craig Zimring, an environmental psychologist and professor of architecture at the Georgia Institute of Technology. Or consider the move from semi-private rooms to private rooms. Zimring cited research showing that when ICU patients slept alone in their rooms, infections fell by 50 percent, patient stays were 10 percent shorter, and hand washing was more common.

“We know solutions to some of the problems presented here,” said Zimring, noting that one in seven Medicare patients is harmed (by such events as medication errors or falls) in U.S. hospitals. “We cannot accept a health care system where this is everyday practice.”

The move to private rooms cuts down on another problem: noise. Simple steps can also reduce unnecessary noise, including sealing doors with materials that can be scrubbed and sanitized.

Yet, in many hospitals today, moans of pain and loud conversations adversely affect patients and staff. For instance, noise in on-call rooms diminishes the benefit of rest for medical residents; one study found that residents who slept in on-call rooms across from labor and delivery wards had no benefit at all from their sleep, said David Birnbach, a physician and professor at UM’s Miller School of Medicine, and associate dean and director of UM/ Jackson Memorial Hospital Center for Patient Safety. The results of these studies must drive design, panelists stressed.

“You’ll hear it again and again,” Birnbach said. “We need to practice evidence-based design.”

Hospital architecture must also incorporate the ever-improving technology that can improve care, said John J. Greisch, president and CEO of medical technology company Hill-Rom. “The question we should be asking is, How can we leverage technology with medical devices to provide more safety and better care?” he said.

For example, Greisch noted, hospitals now have access to machines that monitor the compliance of hand-washing policies, and that technology can be built into rooms.

But unless a hospital’s culture embraces the practices it preaches, even a design overhaul won’t improve patient care, said Tom Tulloch, a corporate vice president of construction at Baptist Health South Florida. “Culture eats strategy’s lunch,” he said. “Culture makes a big difference in every organization. … We must never lose sight of why we’re there: for the patient.”

—By Brett Graf

The School of Business Administration and the School of Architecture presented the session.
The Hospital as Town Center

Blending retail and even residential space, urban planners seek to merge health care centers with community centers.

Planning are creating new health care facilities that serve as walkable town center environments, with shops, hotels and even contemplative spaces. “Town center campuses for hospitals are the future,” said Elizabeth Plater-Zyberk, dean of UM’s School of Architecture.

Panel moderator Charles C. Bohl, an associate professor and director of the master in real estate development and urbanism program at the School of Architecture, showcased health care facilities planned with an eye on the well-being of the whole community as well as those they serve to heal.

The faith-based Bon Secours Virginia Health System, for instance, transformed a once-overlooked grocery store into a flagship primary care center. Another site, a 130-bed facility, includes a light-filled lobby with a waterfall and chapel, with views to a meditation garden and walking trails. Incorporating hospitality strategies gleaned from The Walt Disney Co. and The Ritz-Carlton Hotels, Bon Secours CEO Peter Bernard, whose organization sponsored the session, described the intent to welcome and comfort patients and visitors, as well as support staff.

“We’re trying to design the hospital so that at any particular place within the organization you can have a spiritual experience,” he explained.

Macro trends and changes in health care facilities are being driven by those they employ and serve, said Andrew K. Bachrodt, a partner at Kurt Salmon Associates, a global management consulting firm that specializes in retail, consumer products and health care. “Consumers and patients are more health care savvy,” he said. “And they’re faced with sharing a greater portion of the financial burden. They’re going to demand better access, greater convenience and better clinical results.”

What’s more, hospitals are typically a community’s largest employer. “It’s time for them to be re invested and redeveloped,” Bachrodt asserted. “It’s important that health care providers think not as an institution but as a community asset.”

That is exactly how RAM Real Estate approached its recent work on the Detroit Medical Center, said Chairman Peter Cummings. That project included collaboration with members of the community, including the Detroit Symphony Orchestra, with an eye toward recharging a debilitated neighborhood. “Quality neighborhoods depend on convenience and safety. … There’s nothing that substitutes for people living and working there,” Cummings said.

Joseph A. Reagan, vice president and regional executive at Wexford Science + Technology LLC, pointed out that medical facilities and research parks are successful thanks to surrounding activities. “The opportunity for collaboration and commercialization is important,” Reagan said. “We see an advantage of density to bring people together.”

Health centers, hospitals and research parks can do more than bring people together. They can also give them something to do. That’s why Plater-Zyberk urges hospitals to participate in urban programming like the weekly roller-skating event at the Detroit Medical Center. “Hospitals are community leaders,” she said. “Creating walkable communities that enhance health is an important role for health care systems.”

—By Brett Graff

Bon Secours Health System sponsored the session, which was presented by the School of Architecture.

[big ideas]

Hospitals should be mixed-use community centers.

Promoting community and safety advances the health care mission.

Health care facilities must serve not only patients but families, employees and the community as a whole.
Looking Back to Build the Future

Architects are inspired by the changes in health care and the people who will use their facilities.

The hospitals of tomorrow are being built today, using evidence-based design that closely follows health care history and the outcomes of earlier plans.

A panel moderated by Elizabeth Plater-Zyberk, dean of the UM School of Architecture, concluded that hospital design is evolving based on the increasingly comprehensive understanding of how to make medicine more efficient. Many architects are using evidence-based design, which offers the kind of proof that comes only with experience and research.

“From a health care designer’s perspective, it involves dealing with those principles and fundamental truths that research now supports,” said Donovan K. Smith Jr., a senior health care planner with KTH Architects.

Those architectural concepts, including sustainability and collaborative spaces, are a far cry from hospital construction in the mid-20th century. The institutions still standing from that era are left disadvantaged by isolated spaces. “Barriers were built … that we’re still living with today,” Smith said. The future, he added, is one of open design, with modular partitions that let patients, families and caregivers interact comfortably.

These designs often require a large upfront investment, but Smith asserted that the payoff “is equivalent to the investment.”

David M. Schwarz, president of David M. Schwarz Architects, talked about a $30 million project for Cook Children’s Medical Center in Fort Worth, Texas, which evolved into a $300 million project. Once complete, occupancy rates rose to 90 percent, from between 40 and 60 percent.

“It’s planning from the inside out,” Schwarz said. To that end, his team considered the patients the hospital would be serving — children — and implemented features that would accommodate them and their families. For instance, Schwarz learned that “the most distressing thing for a child is seeing all the apparatus,” so the designers encased machinery in head walls to hide the devices when they were not in use.

Patients and their families are not the only considerations. Health care professionals are taken into account, and designs focus on making it easier for them to collaborate across disciplines while bringing more transparency to the process, said Jose Gelabert-Navia, a managing director of Perkins & Will and a professor at UM’s School of Architecture.

While considering patient and provider needs, hospitals increasingly seek buildings that can attain worldwide recognition. “Clients come to us from different parts of the world wanting us to design buildings that meet international standards,” said Gelabert-Navia, whose project for Hospital Universitario San Vicente de Paúl in Colombia should be complete next year. “They were frustrated by having patients come to the U.S. for treatment,” instead of being able to provide care in their own countries.

Yet not all design innovation is taking place in the U.S. “A lot of the innovation in planning that’s taking place is happening overseas, which is largely less constrained by the insurance and code regulations of the U.S.,” Gelabert-Navia said. “We find a more eager and open audience in China, the Middle East and Africa than we do in our own backyard.”

—By Brett Graff

The School of Architecture presented the session.

Evidence-based design supports hospitals with fewer fixed barriers and more open construction.

Newer designs can be costly to implement, but may pay off with higher occupancy.

Much design innovation is taking place outside the U.S., where hospitals are less bound by rules.
As the FDA remains cautious, device manufacturers push for speedier approvals.

The United States has one of the world’s most risk-averse regulatory climates, said William O’Neill, executive dean for clinical affairs at UM’s Miller School of Medicine. “As a result, U.S. patients are going out of the country for clinical use of new devices,” he said. “Americans take pride in having the most sophisticated medical care on the planet, but that is really at risk right now. Venture capital is drying up, companies are shutting down, and the public is afraid of new devices, even though they might well extend their lives.”

Physician Richard S. Stack, managing general partner of medical device maker Synecor, agreed, saying that long product approval periods increase development costs, add uncertainty and make medical products makers less attractive to investors. He suggested the FDA is stifling innovations that could help American patients. “Other countries welcome our advanced technology,” he said. In fact, Stack went on to say that his team has developed a device that they believe could save hundreds of thousands of lives. But, after an investment of $80 million to date, another $150 million would be needed to bring it to the FDA. “Since venture capitalists can’t afford that much, we have no choice but to continue the work outside the U.S.,” he said. Synecor is working with UM to find ways for people to access new medical device technologies outside the country.

William A. Hawkins, CEO of medical technology company Medtronic, noted that when the FDA took jurisdiction over medical devices in the 1970s, it had two clear goals: to protect public health and to promote innovation. “Now those goals are out of balance,” Hawkins alleged, noting that in the past two years the number of approvals for new products has dropped from about 40 a year to 16. “I think we need a stronger, more transparent FDA that works with companies to be sure that devices that go on the market are safe and effective,” he said.

O’Neill, who is a physician, called for a robust FDA post-approval surveillance system to detect potential complications, noting that some occur too infrequently to show up until after products are in use.

Jon R. Cohen, senior vice president and chief medical officer of Quest Diagnostics, noted that the FDA’s rules for diagnostic tests are designed to assure accuracy and reproducibility, rather than patient safety, so the approval process for them is typically shorter. For example, he said, the FDA rapidly approved a diagnostic test for H1N1 influenza.

Physician Thomas P. Stossel, director of the Translational Medicine Division for Brigham and Women’s Hospital at Harvard Medical School, suggested the FDA look at the potential rewards of approving innovative medical devices. “The agony of balancing risk and benefit has not changed,” Stossel said. “But it’s obvious that the willingness to take some risk on new medical products has paid off for U.S. patients.”

Pascal J. Goldschmidt, dean of the Miller School of Medicine, agreed. “Regulatory agencies may seek to limit risks, but the only way to avoid them is to do nothing at all,” he said. “We need a strong FDA that realizes there will be unpredictable complications from time to time.”

“We need a strong FDA that realizes there will be unpredictable complications from time to time.”

—By Richard Westlund

University of Miami Health System sponsored the session, which was presented by the Miller School of Medicine.
Information Leads to Automation

Centralized, computerized data can save lives and improve health — and might turn the insurance industry on its head.

The move to electronic medical records — digitizing personal medical data and inputting it into a networked system — will improve more than just the bottom line at health care facilities. It will also lead to automation that will help save lives and prevent complications. And it just might turn the insurance industry upside down.

“We are in critical need of modernizing and automating our system,” said Maria Currier (MSN ’83, JD ’88), chair of the national health care and life sciences team at the law firm Holland & Knight. “We are in the information age, and we need to bring health care into the 21st century.”

Neal Patterson, chairman and CEO of Cerner, the largest stand-alone provider of health care information technology, said digitizing and properly indexing records will allow the health care industry to become automated within five to 10 years. Automation, in turn, will give doctors and nurses essential data that could save lives and prevent complications. For example, he said, imagine the value of a system that alerts a nurse to a blood-borne infection that could cause a patient to suffer a stroke if there isn’t a proper response within six hours.

As a side effect of this automation, Patterson believes, “health insurance companies will be eliminated as they exist today,” replaced by “intelligent middle” entities with a greater focus on patient outcomes.

Companies are rushing to provide the tools that could engender such a revolution. Masimo Corp., which makes pulse rate monitors and similar products, is focusing on wireless devices that can take patient data and feed it into an automated system, said Joe Kiani, the company’s chairman and CEO. That, he said, will allow doctors to “fill a piece of the puzzle” on a patient’s condition.

Unfortunately, gathering that information really can be like putting together a puzzle, with data scattered among different providers. “You can get health care in a mall, in a school, in a church,” but right now those services are not connected, noted M. Narendra Kini, president and CEO of Miami Children’s Hospital and a specialist in pediatric emergency medicine.

Electronic records will make it easier to keep information in one place.

Of course, having lots of information is not the same as understanding and using it. The human psyche is easily overwhelmed with information, cautioned Terry Rajasenan, senior vice president of data processing company ProcessProxy Corp. Multitasking minds can only handle two or three goals at a time. “We are taking on so much and we think we are juggling it all, but we really aren’t,” he said.

Rajasenan and Kini (who once oversaw IT for GE Medical Systems and is a member of the School of Business Programs in Health Sector Management and Policy Advisory Board) agreed that software will need to help clinicians process and use information.

“[big ideas]”

Digitized records could lead to automated care within a decade.

Multitasking minds can only handle two or three goals at a time.

Clinicians will need software to help them process and use information.

“We are in the information age, and we need to bring health care into the 21st century.”

—By Erik Bojnansky

Holland & Knight sponsored the session, which was presented by the School of Business Administration.
Targeted, Tailored Marketing

Segmenting consumers in a shifting health care marketplace.

Health care is moving from “pricey, passive and prescriptive” to “personalized, preventative and participatory,” and marketers are looking to capitalize on that shift, according to Thomas Finn, head of global health care business for Procter & Gamble.

“Marketers need to determine who they are targeting and tailor their offerings and communications based upon their wants and needs,” said Finn, adding that they must keep in mind that the health care shopper — usually the female head of household — is not always the consumer. Segment-specific marketing, P&G has found, leads to increased compliance.

“The health care consumer market is not homogeneous,” added Paul Keckley, executive director of the Deloitte Center for Health Solutions. Although he agreed that the industry is becoming consumer-driven, Keckley thinks we’re years away from truly understanding consumerism in health care. “Industry is not ready to deal with it yet,” he said. “The tools to equip consumers to make rational decisions are not readily accessible today.” Still, that does open up new doors for companies that can manage consumers in a health care environment.

P&G and Deloitte use two different segmenting models: P&G’s concentrates on key attitudes, while Deloitte’s focuses on system usage and compliance.

—By Robert S. Benchley

Deloitte LLP sponsored the session, which was presented by the School of Business Administration.

Two Models of Health Care Consumer Market Segmenting

**P&G’S MODEL: SEGMENTING BY KEY ATTITUDES**

<table>
<thead>
<tr>
<th>Consumer Segment</th>
<th>% of Market</th>
<th>Key Attitudes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td>39%</td>
<td>“Health is achieved through balance and moderation. I want to quickly restore my health so I can keep going.”</td>
</tr>
<tr>
<td>Natural Living</td>
<td>28%</td>
<td>“Health is my responsibility. I want to support my body’s natural systems to maintain and restore my health.”</td>
</tr>
<tr>
<td>Trusted Guide</td>
<td>20%</td>
<td>“Health is what I aspire to achieve and maintain. I want reassurance I am treating my body right so I do not worry about my health and well-being.”</td>
</tr>
<tr>
<td>Proactive Regimen</td>
<td>13%</td>
<td>“Health is a gift I work to protect. I want to protect, restore and transform my health and well-being so I can achieve my goals.”</td>
</tr>
</tbody>
</table>

**DELOITTE’S MODEL: SEGMENTING BY USAGE AND COMPLIANCE**

<table>
<thead>
<tr>
<th>Consumer Segment</th>
<th>% of Market</th>
<th>System Usage</th>
<th>Compliance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content &amp; Compliant</td>
<td>29%</td>
<td>Accepts what the doctor recommends; less likely to seek additional information</td>
<td>Most compliant</td>
</tr>
<tr>
<td>Sick &amp; Savvy</td>
<td>24%</td>
<td>Takes charge of own care; seeks information and is sensitive to quality</td>
<td>Compliant</td>
</tr>
<tr>
<td>Online &amp; Onboard</td>
<td>8%</td>
<td>Leans toward relying on self, seeks information and uses online tools the most</td>
<td>Compliant</td>
</tr>
<tr>
<td>Casual &amp; Cautious</td>
<td>28%</td>
<td>Leans toward relying on self, price-sensitive and unprepared financially for future needs</td>
<td>Less compliant</td>
</tr>
<tr>
<td>Shop &amp; Save</td>
<td>2%</td>
<td>Leans toward allowing doctor to make decisions; price-sensitive and changes insurance</td>
<td>Less compliant</td>
</tr>
<tr>
<td>Out &amp; About</td>
<td>9%</td>
<td>Independent and makes own decisions; interested in alternative approaches and nonconventional settings</td>
<td>Least compliant</td>
</tr>
</tbody>
</table>

“Marketers need to determine who they are targeting and tailor their offerings and communications based upon their wants and needs.”
High-Tech House Calls
Technology that bridges gaps in geography can save lives and money.

Telehealth — everything from caregiving via videoconference and remotely controlled tools, to the remote monitoring of health signs and nursing call centers — is gaining momentum as hospitals look for ways to provide more care to patients at lower costs. Indeed, the U.S. and European market segments for telehealth and home health monitoring are predicted to grow to an estimated $7.7 billion by 2012, according to Data Monitor.

“We see telehealth as catalytic, using technology to bridge gaps of geography in medicine,” said Scott Simmons, the University of Miami’s director of telehealth. He believes it will de-institutionalize health care, and offered what he called “proof points” — five ways that this is already happening. Telehealth, Simmons said, is redefining the point of care, expanding specialist reach, enabling collaboration between primary and specialty care, improving customer service and using consumer electronics as medical devices. “We can deliver medical care at home, school, the workplace and anywhere through mobile devices,” he said.

Those devices include remote-presence robots like one manufactured by InTouch Health. Such a robot allowed Yulun Wang, chairman and CEO, the University of Miami’s director of telehealth. He believes it will de-institutionalize health care, and offered what he called “proof points” — five ways that this is already happening. Telehealth, Simmons said, is redefining the point of care, expanding specialist reach, enabling collaboration between primary and specialty care, improving customer service and using consumer electronics as medical devices. “We can deliver medical care at home, school, the workplace and anywhere through mobile devices,” he said.

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Physician Jeffrey S. Augenstein, professor of surgery and director of the UM-JMH Ryder Trauma Center, called computer technology the key to the future of health care, noting its particular applications for trauma care. “Trauma is America’s most expensive disease,” he explained. “It costs hundreds of billions of dollars a year.” Telehealth, he said, can reduce the likelihood of “horrible” mistakes by making patient information more transparent and available for trauma care personnel.

“Trauma quality and costs can be improved by identifying and addressing problems through monitoring, computerized education and evaluation, and computerizing the point of care,” Augenstein said. “Like it or not, medicine is changing. We have to use tools like these. We have no choice.”

—By Jennifer LeClaire

The panel was sponsored by 3Cinteractive and presented by the School of Business Administration and the Miller School of Medicine. Anne Burdick, professor of dermatology and associate dean for telehealth and clinical outreach at the Miller School, moderated.

“High-tech house calls”

There is a new enabler on the scene that was not there 10 or 20 years ago — ubiquitous bandwidth.

[big ideas]

The market for telehealth in the U.S. and Europe is expected to be worth $7.7 billion by 2012.

Telehealth may de-institutionalize health care.

Mistakes in trauma care could be reduced with more transparent patient information.
AGE OF INNOVATION

Emerging Technologies and Health Care: A Conversation with Gary Marchant

A Legal Minefield

As the pace of health care innovation advances, providers must be conscious of a lagging legal system.

Breakthroughs in genetics, nanotechnology and telemedicine hold the promise of healthier lives and more efficient care. But they also pose a legal minefield, according to a leading law professor.

Attorney Gary Marchant, executive director of the Arizona State University Center for Law, Science and Innovation, said that the law isn’t prepared for the current and coming pace of scientific innovation. “It’s going to be an extraordinary ride. The law is going to play an increasingly important role in how we employ these new technologies,” he told the audience.

Marchant pointed to discoveries in genetic testing that can help doctors pinpoint who will likely benefit from drug treatments — and who might suffer complications. “More than 100,000 people die every year from complications of drugs taken properly. Genetic tests could prevent many of those deaths,” he said.

But when are doctors obligated to use those tests? Studies have found that very few do, even at top-ranked facilities like the Mayo Clinic, where a computer program reminds doctors about such tests when they write certain prescriptions. Historically, one of the key tests of legal liability in medical malpractice has been whether a particular practice is the norm for most physicians. Does that still apply today, when the speed of innovation is forcing doctors to evaluate new, potentially life-saving therapies and tests ever faster?

“There’s a legal danger in being too slow to adopt and in being too fast to adopt,” Marchant said.

For example, consider a doctor’s dilemma for when and how to treat breast cancer. “Many women will never develop aggressive cancer and don’t need treatment.” Marchant explained. “We just don’t know which women don’t need it and which women do.” Eventually, new tests will help to answer this question, but that will likely raise tricky legal issues. The current standard of care is to aggressively treat breast cancer. But, once tests can determine which cancers most likely need treatment, doctors who recommend aggressive treatment without ordering the tests may find themselves in legal jeopardy.

The question of safety looms large when even scientists are unsure about technological advances. The current regulatory structure is slow-moving, and the legal process takes years to reach a decision, Marchant said.

Take the issues raised by genomics. A 1980 U.S. Supreme Court ruling opened the way for patenting genes in their purified form — the ones required for genetic testing (but not the genes in your body). In 2009, the American Civil Liberties Union sued the company that controls a test for a breast cancer gene. Marchant predicts the case will end up in the Supreme Court, and a decision could reverse more than 30 years of legal precedent.

“Technology doesn’t wait for legal frameworks, Marchant warned. “We’re going to be constantly behind if we’re regulating last year’s technology.”

There’s a legal danger in being too slow to adopt and in being too fast to adopt.”

—By Susannah Nesmith

The School of Law presented the session, which was moderated by Mary Coombs, a professor at the School.
Neurologic Music Therapy: A Bridge Between Art and Science in Global Health Care

The Rhythm of Rehabilitation

Music therapy may hold the key to retraining the human brain.

A type of music therapy can help individuals with brain injuries, and is more efficient and cost-effective than traditional physical rehabilitation, according to recent research.

“Music is not the icing on the cake. Music is the cake,” said Michael Thaut, one of the leading experts in the field, who holds dual positions as a professor of music and neuroscience at Colorado State University and heads its center for Biomedical Research in Music.

This particular therapy, known as neurologic music therapy, works because the brain processes music not as a form of artistic expression but as a language. By tapping into this capability, music therapy helps reeducate and retrain those with stroke, Parkinson’s, traumatic brain injury and other conditions. Thaut noted that research from the past 15 to 20 years “points clearly to the fact that music can speed up and optimize recovery in patients, which is a critical factor in the business of health care and in patient care.”

Neurologic music therapy uses 20 standardized exercises that target key aspects of brain function, including information processing, moving, thinking, speech, reasoning and planning. To illustrate the process, Thaut displayed brain scans showing areas lighting up with activity as the patient listened to music. He also showed video of an ataxia patient whose coordination problems greatly improved as he walked to the beat of a metronome.

According to Thaut, the type of music used makes no difference; it is the exercises that matter. “The question of which is better, Bach or Mozart or Stevie Wonder, takes music back into realm of traditional music therapy,” he said.

Teresa Lesiuk, an assistant professor of music therapy at UM’s Frost School of Music, said she was inspired by Thaut’s work to see whether the therapy could help break the cycle of relapse in drug and alcohol addiction. Reports have shown that substance abuse destroys pathways in the brain, leading to damage similar to the type that occurs with injury or disease.

“During addiction, there is a loss of signaling between structures in the brain, and what happens is that eventually the ability to reason is lost. Such decision making existed in these individuals before drug addiction, and it has been demonstrated that the use of music stimuli can help,” Lesiuk said.

While music clearly has important uses in treating neurologic issues, Thaut did debunk the popular notion that playing music to babies, or indeed to anyone, can improve mathematical prowess. “Listening to music doesn’t make you smarter for something else. Listening to music just makes you smarter,” he said.

—By Charlotte Libov
While it may make good business sense to venture into Latin America and other emerging markets, U.S. companies must tread carefully if they wish to operate in places that are awash in corruption.

“In Brazil, 30 million people cross from poverty to the middle class every year. This is a very attractive market and it’s growing. But with these opportunities, we also have to face challenges,” said Rogerio Ribeiro, president for Latin America and the Caribbean for GlaxoSmithKline, which sponsored the panel discussion.

Corruption is a serious concern. Carlos Alonso, president of renal operations for Baxter Healthcare, said that he’s had to rebuild two operations, in Brazil and in Argentina, in the wake of misconduct. Clivetty Martinez, Johnson & Johnson’s vice president of Health Care Compliance and Privacy in Latin America, noted that the issue is complicated by different laws, standards, regulations and cultures throughout the region. Multinational companies are accustomed to complying with the U.S. Foreign Corrupt Practices Act, which holds them responsible for their actions whether they are in the U.S. or abroad. Now, Martinez explained, companies are seeing more anticorruption efforts at the local level, as more laws are being implemented in other countries at every level of government.

Employees need to be aware of both international and local requirements.

Companies must ensure that their suppliers and distributors are beyond reproach as well. “In the past, companies may have complied with the FCPA, but when it came to the distributor, there was a ‘don’t ask, don’t tell,’ policy,” said Alonso, who is a member of the School of Business Programs in Health Sector Management and Policy Advisory Board. “That is not acceptable anymore.”

Bidding is another potential quagmire, especially in Latin American countries, where the government typically administers about 80 percent of health care. “It’s very important to train your people on bidding,” Martinez said. Alonso agreed: “With some interactions, it’s absolutely required to bring an attorney with you, so make sure you create a crack legal team that can work side by side with your business team,” he said.

Solid compliance education materials, including a mission statement and a comprehensive and detailed manual, can help employees navigate potentially tricky situations. But no one in the company can be considered above the compliance code: “That response [to misconduct] should only be one way: zero, zero, zero tolerance,” Alonso said.

Unfortunately, some risks cannot be mitigated, the panelists noted, advising companies to do their research ahead of time and, if they find a country is just too risky, simply to stay away.

Said Alonso: “It all comes back to setting realistic goals, assessing the market, and knowing there may be certain markets you can’t compete in because of your standards. You don’t want to push your people into danger zones where they feel ‘My job is at stake, and this is what I have to do.’”

—By Charlotte Libov

GlaxoSmithKline sponsored the session, which was presented by the School of Business Administration and the Miller School of Medicine. Kenneth Goodman, professor of medicine and philosophy and co-director, ethics programs, moderated the session.

[big ideas]

**Anti-corruption laws are becoming more common around the world.**

Companies are responsible for their suppliers’ and distributors’ business practices.

Clear compliance manuals and well-trained employees can mitigate corruption risk.

“Make sure you create a crack legal team that can work side by side with your business team.”
Pharma at a Crossroads
Fighting development delays and generic substitutes, the pharmaceutical industry is looking toward new partnerships and global opportunities.

Faced with ebbing profits, soaring legal and compliance costs, and a boom in generic drugs, it’s not surprising that the nation’s pharmaceutical giants have a headache. But with careful planning, strategizing and repositioning, they should survive and prosper, say industry insiders.

Stan Bernard, president of Bernard Associates, a pharmaceutical consulting firm, says these challenges are not unexpected. “We’ve moved from the growth stage to the mature, or competitive, state,” he said.

With the industry now seeing single-digit profits, rather than the soaring bottom lines of the past, many point to generics as a key reason. According to Fred Hassan, a partner at the private equity firm Warburg Pincus and chairman of Bausch + Lomb, the generics industry soared from 50 percent of market volume just six years ago to nearly 85 percent today. Another challenge is an extremely long approval process from a cautious U.S. Food and Drug Administration. “This FDA is not the FDA that it was 11 or 12 years ago, when we led the world in new approvals and it was proud to be an innovation machine,” Hassan asserted.

Patients and insurers are demanding change too. “Patients are becoming more involved and demanding preventative medicine,” noted Susan O’Connor, marketing director for Pfizer.

But industry leaders still see tremendous opportunities. Aging baby boomers will be an enormous boon to health care. Treatments for conditions affecting the central nervous system, like Alzheimer’s disease, represent a huge, unmet need, and regenerative medicine — creating living tissue to repair organs — holds great promise, said Norbert G. Riedel, corporate vice president and chief scientific officer at Baxter International. Personalized medicine, which considers an individual’s genetic makeup to determine treatments, is also promising, said Bernard. As an example, he noted that Herceptin is a niche, personalized breast cancer treatment drug, but is still a $6 billion product.

To take greatest advantage of these opportunities, however, companies must think globally, said Adrian Thomas, a worldwide vice president for Johnson & Johnson Pharmaceutical Services. “Any changes in the marketplace flow right through to the others,” he said. But emerging markets require careful assessment. For example, even though China is investing a trillion dollars into its health care system, it’s going primarily into the low-cost rural market, so “the reality is that health care in China is very limited,” he explained.

Companies must also diversify, and many are striking partnerships in order to do so. Bernard pointed to successful examples such as Novartis, which, with its purchase of Alcon, now controls 70 percent of vision care sales.

Still, Bernard warned, competition will be stiff. “People say that the industry has been competing for years. Well, it will be much more intense. We are going from playing a friendly game of golf, where everybody wins and has a good time, to full-contact football.”

—By Charlotte Libow

The School of Business Administration presented the session.
GLOBAL HEALTH ISSUES Medical Tourism: Global challenges and Opportunities

Crossing Borders for the Best Care

Patients increasingly seek better or more affordable care outside their home countries, but legal issues loom.

Medical tourism — the practice of seeking health care outside one’s home country — on the rise, providers, facilitators, attorneys and insurance companies are racing to understand its legal and medical implications.

Thirty-five countries currently have medical tourism programs, and studies predict the industry will grow by close to 35 percent a year, according to Medical Tourism Association President Renee-Marie Stephano.

Panelists at the session on medical tourism painted a mixed picture of its future, weighing the possibility of huge economic gains against a plethora of legal issues. One of the biggest is that there is little to no legal precedent for any type of litigation related to medical tourism, said attorney Scott Edelstein, a partner with Squire Sanders & Dempsey.

“There’s … uncertainty when developing medical tourism programs to ensure that you actually are going to be able to minimize your liability exposure,” Edelstein told attendees. He also expressed concern over multiple jurisdictions (with providers, facilitators and patients potentially coming from different countries), varying laws and foreign fears of “litigious Americans.” And while many people opt for personal medical insurance to cover their treatments or procedures, Edelstein noted that if a problem arises, any party — from facilitator to referring physician — could end up facing litigation. However, he said, “None of these are legal issues that cannot be overcome.”

To be sure, medical tourists are economically attractive. Inbound patients — those seeking treatment in the United States — represent higher-than-average revenues for the industry. That has inspired many major U.S. health systems to market their services around the globe.

When choosing a destination facility, patients care most about the quality of their care, safety standards, access to treatments and privacy, according to Michael A. Stein, corporate vice president in Baptist Health South Florida’s International Division. “However, the patient’s overall experience is paramount to the sustainability of expanding inbound medical travel,” he said. Both he and physician William Ruschhaupt, chairman of Cleveland Clinic’s Global Patient Services division, stressed that staff must be trained to recognize the cultural diversity among their patients.

The U.S. faces competition as other countries — notably China and India — invest more in research and development, and noninvasive methods make it easier for other nations to offer treatments that previously required invasive surgery. In addition, Stein said, U.S. medical centers must work to earn inbound patients, and as costs for health care increase, this country becomes less attractive to medical tourists.

—By Andrea Carneiro

The School of Business Administration presented the session.
Building the Bridge

Government must draw on business expertise and leadership to advance global health initiatives.

The public and private sectors must work together to improve global health, for both economic and humanitarian reasons; the public sector simply cannot do it alone. “We face fiscal and budgetary restraints,” said University of Miami President Donna E. Shalala. “The question is, will we as a nation have the political will and political capacity to keep our global health commitments? We need to put a heavy emphasis on drawing on assets from the business sector.”

Shalala and other panelists discussed the results of a 2010 report from the Center for Strategic and International Studies Commission on Smart Global Health Policy. Shalala is a CSIS commissioner.

The report concludes that the private sector has core competencies that the U.S. government should tap to strengthen the performance of its global health programs. Companies could put to use their expertise in system design, supply chains, workforce training, marketing and information tools.

Such public-private partnerships are a win-win situation, said Rhona Applebaum, vice president and chief scientific and regulatory officer for the Coca-Cola Co. Her company, she said, brings its in-country experience, supply chain expertise and marketing prowess to global health projects including fighting AIDS/HIV in Africa, raising awareness of HIV in Haiti, and working to prevent a variety of diseases in China. “It’s not about charity. Charity is not sustainable,” Applebaum said. “It’s about business models. When you invest in health, it has outcomes and profits beyond dollar signs.”

With congressional support for global health projects waning, more private sector companies will have to make commitments like Coke’s. Indeed, physician Steven Phillips, medical director of Global Issues and Projects at ExxonMobil Corp., anticipates key challenges to the U.S. commitment to global health over the next 10 years. He does, however, feel that President Obama’s plan to spend $63 billion on a comprehensive global strategy is a positive development. It would be an investment that offers a public sector market for private sector goods and services, he said, but “It won’t happen unless and until there is a formal partnership that includes more business leaders in planning and execution.”

The American public, for one, understands the value of investing U.S. leadership and dollars into global health initiatives, said J. Stephen Morrison, senior vice president and director of the Center for Global Health Policy at the CSIS. “We’ve seen a remarkable explosion of U.S. leadership in the last decade — bipartisan support and U.S. population support,” he said. “Whether it’s shallow or reversible is the question.”

It’s a question that extends to vital defense interests as well, said Lt. Gen. James Peake, a physician and former U.S. Secretary of Veterans Affairs. He pointed out the complex weave of global health and U.S. military deployments. “At any given time we may be deploying our forces to places with endemic diseases,” he said. “It’s a security issue.”

—By Jennifer LeClaire

The School of Communication presented the session.

“Will we as a nation have the political will and political capacity to keep our global health commitments?”

Private companies must bring their expertise to the global health arena.

Core competencies include in-country experience, supply chain expertise and marketing prowess.

President Obama’s $63 billion global health strategy should create a public sector market for private sector goods and services.
GLOBAL HEALTH ISSUES  Disaster Preparedness, Pandemics, Natural and Man-Made Disasters

Rethinking the Unthinkable

From earthquakes to pandemics, cross-border cooperation can save lives.

A combination of quick thinking, preparedness and adaptability is key to working safely and effectively when disaster hits.

The team of doctors and volunteers from the University of Miami who decamped to Haiti last year following the devastating earthquake there had to use all of those skills — and more — as they treated 30,000 patients and performed 1,500 surgeries over five months at a 250-bed tent hospital they set up. Medicine and supplies were hard to come by, and surgeries were done by flashlight during the first few days.

Cross-border cooperation was also critical to saving as many lives as possible during those months, said Rafael E. Campo, a physician and professor at UM’s Miller School of Medicine. He recalled one case in which a child arrived at the hospital with a severe jaw fracture. He needed a maxillofacial surgeon, but the UM team didn’t include one. Hearing that a Cuban doctor at a nearby hospital had the expertise, a U.S. army helicopter was dispatched to get her. The surgery was a success and the little boy was saved.

Col. Doug Lougee, a physician with the U.S. Southern Command, described a very different rescue effort in Chile after a much stronger earthquake there. Chile asked the U.S. for help transporting supplies, and later for help setting up a field hospital. “What the Chileans said was ‘We don’t need your medical professionals. We need your hospital,’” he explained. Lougee noted that the U.S. military can be extremely helpful after a natural disaster, but not everyone wants the visible presence of soldiers.

And not every disaster requires the same kind of thinking, or action. William Blumentals (BS ’93), global head of epidemiology for virology and transplant at the health care company Hoffman-LaRoche, described a study done on the effectiveness and safety of the Tamiflu treatment for H1N1 virus. It turned out that early concerns about Tamiflu were overblown and the pandemic itself was much less severe than many initially feared, he said. In fact, one of the most effective ways to combat that potential epidemic was simply to know that “It’s good to wash your hands,” he said.

That uncertainty is where preparedness comes into play. Sally Phillips, deputy director of the Health Resilience Division at the Office of Health Affairs, under the U.S. Department of Homeland Security, stressed that everyone, including businesses, should have a plan in place that covers a variety of scenarios, from natural disaster to pandemic. Businesses, she said, need to be aware of their “surge capacity” — that is, how much they can effectively ramp up operations to deal with a disaster without putting people at risk.

“If only 20 percent of your workforce shows up and the CEO is dead or down and the vice president is dead or down, are there redundancies for recovery?” she asked. “What is your plan for sustaining your company if you have a period of time when there is no business?”

—By Susannah Nesmith

The School of Business Administration and the College of Arts and Sciences presented the session.
Nurturing the Next Generation of Nurses

Citing a recent report that concluded that nurses must be on equal footing with doctors and other health care professionals in determining the future of the U.S. health care system, UM President Donna E. Shalala declared, “The era of having a hierarchical system is over.”

The report, “The Future of Nursing: Leading Change, Advancing Health,” was published in October following two years of work by a committee chaired by Shalala, a former U.S. Secretary of Health and Human Services, and convened by the Robert Wood Johnson Foundation and the Institute of Medicine.

Among the report’s recommendations: Nurses must be allowed to practice to the full extent of their training, including writing prescriptions, but that practice is often constrained by state laws. “Nurses are educated to perform certain roles, but they are not able to do so because of structural barriers,” said Rosemary Bryant, president of the Geneva-based International Council of Nursing.

Even as the report argued for a more prominent role for nurses, it noted that they are overworked and in short supply, especially in the U.S. They also require higher levels of education to respond to increasing demands. A four-year degree “has to be the norm in nursing,” Shalala said, and education needs to be more accessible to prospective nursing students.

Unfortunately, attracting new nurses is not easy, especially because the profession is often undervalued. Alaf Meleis, dean of the University of Pennsylvania School of Nursing, said part of the reason nurses are taken for granted is that the majority of them are female. “Societies do not pay for caring, and women do most of the caring — and they do it for free,” she said.

The work is challenging too. There are few residency programs to transition nurses from school to job, yet, Meleis said, nurses are expected to work at the “highest capacity level” even on the first day. Throughout their careers, nurses are often left without proper guidance to fully utilize their skills, added Linda Burns Bolton, chief nursing officer of Cedars-Sinai Health System in Los Angeles. “We recognize that three million nurses in the United States and across the world are focused on doing good but often lack the leadership to make it happen,” she lamented.

Bolton said that nurses are vital to disease prevention and patient wellness, and in hospitals they play a key role in decreasing potentially costly adverse events, such as falls. Meleis suggested that nurses must do a better job of speaking out about their contributions if they want to raise their stature in the medical community.

Despite the challenges, panelists were optimistic about the profession. Bryant said that in spite of recent employment “blips,” the increase in chronic diseases creates more need for nurses. And Bolton warned that without input from nurses, health care won’t evolve. “Our knowledge, ability and skills will lead the way to an improved health care system.”

—By Erik Bojnansky

The School of Nursing and Health Studies presented the session.

[Nurses’] knowledge, ability and skills will lead the way to an improved health care system."

The report suggests that nurses be on equal footing with doctors in determining the future of health care.

State laws keep some nurses from practicing to the full extent of their training, including writing prescriptions.

Nurses require more guidance as they transition from school to job.
Integrating Alternatives

Therapies such as acupuncture and homeopathy can bring relief and help lower costs, but more research is needed to overcome industry skepticism.

Health care reform’s emphasis on cost-efficient, effective therapies that enhance quality of life offers a golden opportunity to take integrative medicine into the mainstream.

“Integrative medicine should not be separate from mainstream health care. In this new paradigm, let’s drop the word ‘integrative’ and call it what it is — health care,” said Todd Ambrosia, assistant clinical professor at the University of Miami’s School of Nursing and Health Studies.

Integrative health care combines Eastern-based treatments with Western medical care to create a complementary system. According to Ambrosia, it encompasses five domains: biologically based therapies such as homeopathy, which uses minute doses of compounds to obtain therapeutic effects; nutrition; mind-body interventions; manipulative therapies such as chiropractic; and energy therapies such as acupuncture and Reiki. Leading medical institutions including Duke University and the Johns Hopkins University School of Medicine now offer these types of care, noted panelist Maria Lamas Shojae (AB ’84), a UM trustee who is a Reiki master.

These treatments can be of great value when offered to patients suffering from some of the most devastating — and costly — conditions, including cancer, cardiovascular disease, orthopedic issues and chronic pain, Ambrosia said. “When we look at the costs associated with these fields, we can see how pivotal it is to integrate alternative health care.”

Convinced of their value, consumers already spend billions of dollars each year out of their own pockets for these treatments, noted Susan Luck, national director of UM’s Integrative Nursing School. “If major health care organizations do not understand what integrated health care is, they are missing a major opportunity,” she said. “We are not talking about changing their minds or changing their practice, but about their beginning to understand which modalities might be helpful to their patients.”

To be sure, integrative medicine faces many challenges, including a lack of reimbursement from insurance companies, the need for more research, and the fact that doctors and patients often do not take these therapies seriously. But Luck predicted that insurers will eventually begin reimbursing for many treatments. “They now have these programs within their own companies, and they have seen their own health care costs reduced. So … they will invest in prevention by using these modalities,” she said.

Perhaps one of the biggest challenges for integrative therapies is the lack of research into their effectiveness. That breeds skepticism among doctors, patients and insurers. “We need to get valid information into the media because this will help to change the mind-set of people who are in charge of creating the health care plans, as well as some of the insurance companies,” Ambrosia said, noting that nurses can play a leading role in spreading the word about alternative therapies.

“When we look at the costs associated with these fields, we can see how pivotal it is to integrate alternative health care.”

—By Charlotte Libov
A Sea of Potential
The world’s oceans can make us healthier on a variety of levels, but keeping them healthy is a priority as well.

The ocean produces 75 million tons of seafood per year, feeds more than 3.5 billion people, generates more than 50 percent of the oxygen we breathe and regulates the planet’s climate. Just being near it can improve human health, and its very depths have yielded everything from novel medications to the secrets of the human nerve system. Yet we continue to use the ocean as a dumping ground and act as if its resources were limitless.

“We’re just assuming it’s going to be there forever, and that’s not very smart,” said environmentalist Nicolas Ibargüen, publisher of PODER magazine.

The ocean provides opportunities to fight disease, promote human health and improve well-being, said Michael H. Depledge, interim director of the European Centre for Environment and Human Health at the Peninsula Medical School in Devon, U.K. “Many of the major discoveries about human health and well-being are being made using marine animal models,” he explained. Among them: a potent anti-cancer drug from the Caribbean sea squirt, and a potential treatment for cystic fibrosis derived from the Florida red tide toxin.

Just living near the ocean can help treat mental disorders and fight obesity. Depledge cited statistics showing that people living in coastal zones are 23 percent less likely to be sedentary than non-coastal dwellers.

At the same time, researchers have new concerns about the stress we put on the ocean, according to Lora Fleming, a physician and director of the European Centre for Environment and Human Health. Those concerns include pollution from sewage, marine food chain pollutants like the pesticide DET, and nanotechnology and the tiny particles in products ranging from lotions to medical devices. All are seeping into the marine environment.

Clearly, there are far-reaching environmental reasons to treat the oceans better. But there are also financial reasons. “Our company’s business depends on the ocean,” said Richard D. Fain, chairman and CEO of Royal Caribbean Cruise Lines and a UM trustee. The company has taken steps to mitigate its environmental impact, including using solar panels and ducktails on ships to save energy, and coming up with new ways to manage onboard waste. Fain noted that a person onboard a cruise ship generates an average of 4.5 kilograms of waste daily. Although the company compacted that down to 1.5 kilograms, the U.S. Public Health Service cited concerns about bacterial growth. Royal Caribbean came up with the idea to freeze waste to halt bacterial growth. “There are solutions if you look for them,” Fain said.

Companies will have to look for them. As Fleming warned: “Our impact on the oceans comes back to haunt us in terms of impacts on human health.”

—By Millie Acebal Rousseau

The Rosenstiel School of Marine and Atmospheric Science presented the session, which was moderated by Sharon Smith, co-director of the School’s NSF-NIEHS Oceans and Human Health Center.

[big ideas]
People living in coastal zones are less likely to be sedentary.
Many major health discoveries are made using marine animal models.
**THE AGING POPULATION** Supported Living Options and Innovations: Partnerships, Quality and Affordability

## A Question of Care

Where will our elderly spend their golden years—and who will pay for it?

As the elderly population in the United States continues to grow, even health care industry leaders remain baffled about how to adequately and affordably meet demand for long-term supported living services.

“I think it is a crisis,” said Randall Richardson, president of Vi, a national chain of senior living facilities formerly known as Classic Residence by Hyatt. “It is a huge issue…and we are going to have to deal with it.”

Some companies are looking to private-public partnerships to foster innovation. Joseph Steier (MBA ’06) III, president and CEO of Signature HealthCARE, an operator of retirement communities, reported that his company has been working with universities to research options. “Nobody has any real solutions by himself,” said Steier, who is a member of the School of Business Programs in Health Sector Management and Policy Advisory Board.

According to Jennie Chin Hansen, CEO of the American Geriatrics Society and past president of the AARP, 75 percent of the nation’s health care spending goes to treat chronic disease, and 82 percent of Medicare beneficiaries have at least one chronic condition. With people over 85 the nation’s fastest-growing demographic, that proportion could grow even larger.

But long-term care is expensive, and Americans need to make a significantly larger investment in the care of the elderly, said Paul Klaassen, founder and chair of assisted-living facility operator Sunrise Senior Living. “We don’t spend that much compared to other countries, and that is a tragedy,” he noted.

In many cases, family members care for aging relatives; one in five adults in the U.S. provides unpaid care for someone suffering from a disability — work Hansen collectively valued at $94 billion a year. Many of these caregivers are forced to reduce hours at their job or even retire to manage the burden, he added, with an annual impact of $36.5 billion on the nation’s economy.

The decision many people make to stay in their own home rather than move to a senior community also has ramifications. Richardson said senior communities offer “socialization,” while those “living at home, alone, experience something similar to solitary confinement.”

Miami Jewish Health Systems offers both options, said Jeffrey Freimark, the nonprofit’s president and CEO, who is a member of the School of Business Programs in Health Sector Management and Policy Advisory Board. Case workers and social workers offer day care to seniors over the age of 87 who remain in their own homes, while the system’s Douglas Gardens Campus is home to nearly 700 seniors, including 25 centenarians. Freimark says heavy social interaction and therapy combine to give these residents, whose average age is 90, “longer, healthier and more enriched lives.” The organization’s day care program leads to an average of three years of additional life, versus 18 months in a typical nursing home, he added.

To truly advance long-term care, Klaassen suggested, the U.S. should learn from other countries. For instance, the Netherlands mitigates costs by allowing seniors to determine how their care money is utilized — say, by entering an assisted living facility or hiring a grandchild as a caregiver. “We have to decide as a nation that we are willing to pay for quality long-term health care,” he said.

—By Erik Bojnansky

Signature HealthCARE LLC sponsored the session, which was presented by the School of Business Administration.

**big ideas**

75% of U.S. health care dollars are spent treating chronic disease.

Family plays a vital role in home caregiving, to the detriment of the economy.

The U.S. may need to make a much larger investment in caring for the elderly.

“We have to decide as a nation that we are willing to pay for quality long-term health care.”
prepare for difficult decisions

Health care providers, patients and their families must spend more time planning for end-of-life care.

End-of-life care requires a new model focused on a team approach and early intervention, as well as more education for health care providers, patients and their families.

Conversations about such care should be started early in the course of a serious illness, and involve everyone from the patient and his or her physician to family members and community services, said Barry M. Kinzbrunner, executive vice president and chief medical officer for VITAS, one of the nation’s largest hospice care providers. “By starting it earlier, the transition [to hospice] is much more smooth and seamless,” he said.

End-of-life care may include both palliative and hospice care. Each takes a holistic approach to a patient’s well-being, with a focus on managing pain and symptoms. But hospice care is only given during the last six months of life, while palliative care may include the management of chronic disease processes and treatment aimed at curing illness.

Hospice care, Kinzbrunner explained, “is tailored to the wishes and needs of the patients and their families, and that’s key.”

But that type of care should not be restricted to the patient’s last six months of life, argued oncologist Amy Abernethy, an associate professor of medicine at the Duke University School of Medicine and director of the Duke Cancer Research Program. Rather, she said, palliative and hospice care should be combined. “Why do we let the artifacts of a reimbursement system get in our way in figuring out how we’re going to take the best care of people who are potentially suffering from their illness, irrespective of their current length of life?” she asked. “Because frankly, it’s really hard to figure out how long people are going to live.”

Abernethy suggested a model in which physicians work with hospitals, community organizations and finally hospice providers to provide care to patients with advanced illness. And any such model should include the patient’s own doctors, she said, who often find themselves unprepared for such a role.

“We need to be able to transform, in many ways, the way we think about educating the workforce ... to provide better holistic care,” said physician Richard Payne, a professor of medicine and divinity at Duke University. Despite concentrated efforts to do so during the past decade, “we still have a ways to go,” he said.

Physicians aren’t the only ones who must be better prepared for end-of-life care. Patients, too, must plan for that time, noted UM Religious Studies Professor Stephen Sapp. Living wills and health care surrogates, for example, can ease end-of-life stress. “If we do some advanced planning at this point in our lives, our families won’t have to guess ... what we would want,” he said.

—By Andrea Carneiro

VITAS sponsored the session, which was moderated by VITAS CEO Tim O’Toole, a member of the School of Business Programs in Health Sector Management and Policy Advisory Board. The School of Business Administration presented the session.
**THE AGING POPULATION**  Elderly Adopters: Older Adults and the Promise of Health Care Technologies

**Elderly Adopters**

The Internet, mobile phones and telemedicine have the potential to make seniors healthier, but **usability issues** loom large.

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**[big ideas]**

**Telemedicine and other communication technologies can improve seniors’ access to care.**

**Older Americans generally find online information credible.**

**New software and devices must address seniors’ cognitive and physical barriers.**

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Older adults are becoming comfortable with mobile technologies, which also offer opportunities to improve patient care and treatment compliance. Barry Hix, director of health solutions for the mobile platform company 3Cinteractive, presented evidence that by 2012, 80 percent of the over-65 population will have sent a text message. The driving factors for learning to text — as for technology adoption in general among that demographic — are social pressures and the desire to communicate with children and grandchildren.

Still, any new software and devices must address seniors’ cognitive and physical barriers, Hix said. “You don’t get much experimentation,” he explained, “so you better get it right the first time with the senior audience.”

—By Andrea Carneiro

C3/CustomerContactChannels sponsored the session, which was presented by the College of Engineering and moderated by Shihab Asfour, the College’s associate dean and interim chair, department of industrial engineering.

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You don’t get much experimentation, so you better get it right the first time.”

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TODAY'S COMMUNICATION TECHNOLOGIES have the potential to enhance the health of older Americans and save billions of dollars on their care, but they must be designed and presented so that senior patients understand how to use them.

Telemedicine, for example, can make checkups easier for both seniors, who may have mobility issues or be homebound, and providers, who can use it to “visit” patients remotely. “There are a lot of logistical advantages in terms of eliminating the need for both patients and health care providers to travel to and from the clinic or to a patient’s home,” said Sara J. Czaja, co-director of UM’s Center on Aging and director of the Center on Research and Education for Aging and Technology Enhancement (CREATE) at UM’s Miller School of Medicine.

Some companies are exploring the use of patient portals to check test results and prescriptions. They are also looking at using video phones to provide support groups for home health care workers, and to allow providers and family members to communicate with one another.

There are plenty of challenges — including cost — to introducing the technology, providing technical support, and dealing with interface and usability issues. Joseph Sharit, a research professor at CREATE and in the College of Engineering’s industrial engineering department, presented findings from the center’s many studies showing that older Internet users had trouble finding information online and with “the mechanics of an Internet search.” However, when they did find what they were looking for, they generally considered the information credible.

“Unless these issues are resolved, I don’t think the potential of all these tools and systems is going to be realized for a large portion of our population,” Czaja said.

That potential may begin with the move to electronic medical records. Alan Wheatley, vice president and CFO of senior products at Humana, said he believes that electronic medical records “will drive unbelievably improved quality of care and improved decision making for not only our senior population but for all.”
Advances in Aging: Science vs. Spirituality

What is the secret to living longer – and better?

A combination of scientific and spiritual ideas from around the world may be the key to the ongoing quest for longer life.

That was the consensus among experts who shared their insights following the preview of a documentary about some of the challenges associated with aging. Clips from The Silver Mirror (www.silvermirror.org), which opened the session, featured scientists speaking about aging and lines of research that may someday treat or even “cure” it, as well as examinations of assisted suicide. The award-winning documentary filmmaker Ali Habashi, director of the University of Miami Arnold Center for Confluent Media Studies, is the film’s producer and director, and moderated the session.

Masami Takahashi, assistant professor of psychology at Northeastern Illinois University, presented a study suggesting that respecting elders’ place in society and keeping them involved in their communities may be one aspect of keeping people feeling youthful.

Noting specifically that the residents of Okinawa, Japan, live significantly longer, on average, than people in the rest of the world, Takahashi focused on how spiritual traditions shape their view of aging. “Their lives are intertwined with a sense of spirituality that enhances the lives of older individuals,” he said. For example, the eldest woman in a household is tasked with wandering the area to gather herbs for certain rituals. These activities help keep her active and give her a sense of purpose, making her a vital part of everyday life.

Contrast that with American culture, which tends to value youth in a way that makes aging more difficult to bear, noted Stephen Sapp, a professor of religious studies in UM’s College of Arts & Sciences.

“We place so much emphasis on youth. The things that we consider markers of aging well are those that we associate with youth,” Sapp said. “As long as we continue to do that, we devalue aging.”

On the other side of the spectrum, Carlos Moraes, professor of neurology and cell biology and anatomy at the Lois Pope LIFE Center at UM’s Miller School of Medicine, noted the scientific side of anti-aging research, specifically his study of the links between mitochondria and aging. He highlighted research on mice and primates showing that caloric restriction and a naturally occurring chemical found in red wine seem to slow physical decline by a number of measures.

But despite research and promise, Sapp worries that pure science can’t address a deeper problem many have with aging.

“Elderly and dying people have needs beyond the physical,” he said. “Modern science can offer us the means to live longer lives but … it is powerless to offer us a meaning to live for.”

—By Susannah Nesmith

The Arnold Center for Confluent Media Studies presented the session.
WELLNESS AND PREVENTION Harnessing the Power of Art to Improve Health Outcomes

The Art of Observation
Learning to understand art can help medical professionals become better caregivers.

By studying the humanities and art in medical school, providers can become better observers and diagnosticians, improve communication with interdisciplinary teams, and be more compassionate, humane medical professionals.

That was the message from a panel of educators and researchers. They have been studying Visual Thinking Strategies (VTS), a teaching method which helps develop the skills used to examine art for application in other professions. It asks students three basic questions: What is going on here? What do you see that makes you say that? What more can you find?

Those questions can be applied in a clinical setting, helping students improve visual observation, listening skills and communication — particularly interdisciplinary communication. VTS practice also nurtures analysis, empathy and self-reflection — all skills that are critical for creating compassionate medical professionals, said physician Alex J. Mechaber, senior associate dean for undergraduate medical education and associate professor at the UM Miller School of Medicine.

Abigail Housen, co-founding director of VTS, stressed the importance of using the eyes to open minds: “Our eyes are often the first to perceive, and our eyes remind us to test our thinking, our assumptions.”

Art enhances visual observation, which leads to sharper clinical skills, said Sherrill H. Hayes, professor and chair of UM’s department of physical therapy. “Diagnosis is often about pattern recognition, and the more people see and observe and develop their clinical expertise, the better they get at this,” she said.

Medical professionals must listen to and observe patients to make sure they’re hearing and interpreting correctly, explained Hayes, and the VTS practice of listening and paraphrasing teaches them to do just that — the counterpart to taking a good medical history.

Current students especially, being so adept with social media, may benefit from the VTS focus on observation. Hayes believes these young people often miss the nuances of looking at faces, which provide incredible information about health and disease through expressions of emotions and pain.

Studies have found a link between art exposure and the increased frequency and accuracy of visual observation, as well as improved accuracy of communication relating to patient history. Hayes’ surveys of her own students have found significant improvement in all those areas when artwork observation was part of the curriculum.

Bringing art into the medical curriculum also gives students the opportunity to express their feelings and thoughts, and discuss emotional and spiritual patient experiences, all which are often overlooked in medical training, Mechaber said. “This can be vitally important to help decrease the erosion of empathy that we see in our trainees over time,” he explained. “Patients are frequently unhappy with medical care because physicians often fail to demonstrate humanistic qualities that are so essential to providing good, quality care.”

—By Millie Acebal Rousseau

The Lowe Art Museum presented the session.

[big ideas]

Learning about art can lead to better observation and communication skills.

Diagnosis is about pattern recognition, yet it doesn’t always come naturally to medical professionals.

Medical students often fail to understand the nuances of facial expressions.
The Sounds of Change

Bringing music to at-risk youth may lead to better grades and a brighter future.

Music may not only make for healthier bodies and minds in children, it may also increase grades and lower dropout rates.

So says Harmony Project founder Margaret Martin, who began studying the relationship between music and at-risk youth in 1999, while a doctorate student at UCLA. During a trip to a street market in Los Angeles, she encountered a group of gang members who stopped in front of a child playing Brahms on the violin. After listening silently for five minutes, they tossed money in the child’s violin case and left.

That event inspired Martin to create Harmony Project, a nonprofit that runs after-school music classes and youth orchestras for at-risk kids in L.A. gang neighborhoods, where dropout rates exceed 70 percent. Martin attracted 36 kids the first year. Now, 10 years later, about 1,000 participate, with the help of 12 staff members and 80 professional musicians.

Practicing music not only keeps kids away from gangs, drugs and sexual predation; it also keeps them out of academic trouble, says Martin, whose organization requires its students to remain in school. She believes that Harmony students apply the same “concerted cultivation” required to play a musical instrument to their academic work. “You can’t learn an instrument by practicing once a week. You have to practice every day, and then you learn and get better,” she said. In fact, all of the Harmony Project students who graduated from high school last year were admitted to college.

One reason musical children become better students is because their brains are biologically altered from practicing music, said Nina Kraus, a professor of neurobiology, physiology and otolaryngology at Northwestern University’s School of Communication. “Musical training changes sound processes in the brain,” Kraus explained. “When you are actively engaged in music, you are making sound-meaning connections constantly. And this complex of what you hear and what you’re playing and the meaning that it has is very, very important for the wiring of your nervous system.”

Kraus and her colleagues at Northwestern’s Auditory Neuroscience Laboratory have produced data confirming that musical experiences refine the brain’s ability to “encode” sound. This improves its capacity to process not only music but also other phenomena on the ear-to-brain pathway, particularly speech and reading.

One of her studies found that schoolchildren who received musical training showed greater increases in reading scores compared to students who received art training. “Reading is quintessentially multi-sensory, as is music,” Kraus said. Her research also shows that kids who are musicians have better “speech perception in noise,” which correlates with better learning outcomes.

—By Kirk Nielsen

The Frost School of Music presented the session.

**[big ideas]**

- Musical training can change brain processes.
- Music programs aimed at at-risk youth have lowered dropout rates.
- Applying the discipline required to study an instrument to academic pursuits helps children improve grades.
Tackling Obesity
Attacking this $150-million-a-year problem requires creative partnerships.

Obesity is one of the nation’s most serious health problems, and attacking it requires effective partnerships and a focus on prevention.

“Our country spends almost $150 billion every year treating obesity-related diseases, most of which are preventable,” said Isaac Prilleltensky, dean of the UM School of Education and the Erwin and Barbara Mautner Chair in Community Well-Being. He noted that about two-thirds of American adults and a third of American children are overweight or obese.

Indeed, said S. Leonard Syme, professor emeritus of Epidemiology and Community Health/Human Development at the University of California School of Public Health, “We spend enormous energy helping to treat people who are obese, but we don’t talk a lot about the multiple causes. We need to pay more attention to prevention.”

Arlette Perry, professor and chair of the Department of Kinesiology and Sport Sciences at the UM School of Education, cautioned against looking at just one cause. “Forget genetics or the environment,” she said. “It’s everything, from sitting at a computer to advertisements on TV to cutbacks in physical education in school.”

Perry recently developed the School of Education’s THINK program (Translational Health in Nutrition and Kinesiology), which aims to help students think about their health on multiple levels. They see metabolic charts while doing weight training to understand what is happening in their bodies. They look at the labels of their favorite foods to identify sugars and fats.

Those labels are very influential in consumer food choices, noted Barbara E. Kahn, until recently the dean of the UM School of Business. For instance, studies have shown that people eat fewer cookies when they see a “heavy” image at the bottom of a box. “Just imagine what would happen if marketers were motivated to make you eat healthier, like marketing carrots as junk food,” she said.

Residents of impoverished urban neighborhoods may need help to make healthy food choices, noted chef Michel Nischan, CEO and president of Wholesome Wave. “It takes both access and affordability,” he said. “Someone who has only $2 to spend on dinner will buy an inexpensive cup of noodle soup for her family rather than expensive fresh fruit or broccoli.” To combat that, Nischan’s foundation launched a program that doubles the value of food stamps used to purchase fresh fruits and vegetables at local farmers markets.

Obesity must be attacked when children are young, said Richie Woodworth, president of athletic shoemaker Saucony, and president of the board of the Saucony Run for Good Foundation. “Strategies to prevent excess weight gain during childhood may be more effective than treating overweight teens,” he said. “Right at the top of the list is increased physical activity.”

Increased physical activity might just change a child’s life, noted two-time Olympian Lauren Williams, a former UM student who started running at age 9. She’s now working on healthy eating and sharing her experiences as a life skills coach and community coordinator.

―By Richard Westlund

The School of Education presented the panel session.
Extending the Engagement

The 2011 Global Business Forum brought together more than 700 thought leaders from around the world to talk, in both formal and informal settings, about the future of the business of health care. The Forum's key sponsors were Blue Cross and Blue Shield of Florida and Bank of America Merrill Lynch.
David L. Epstein, Managing Partner, Presidential Capital Partners, and a UM Trustee; and Penny Shaffer, Market President–South Florida, Blue Cross and Blue Shield of Florida, and a member of the School of Business Health Sector Programs Advisory Board

Peggy Hollander, President, UM Citizens Board; and James D. Forbes, Global Principal Investments Executive, Bank of America Merrill Lynch

Peggy Hollander, President, UM Citizens Board; and James D. Forbes, Global Principal Investments Executive, Bank of America Merrill Lynch

(From left) William A. Hawkins, CEO, Medtronic; Pascal J. Goldschmidt, Dean, UM Miller School of Medicine; and Frances Aldrich Sevilla-Sacasa (AB ’77), Interim Dean, School of Business

Steven G. Ullmann (left), Professor of Management and Director, Programs in Health Sector Management and Policy, School of Business; Tim O’Toole, CEO, VITAS, and a member of the School of Business Health Sector Programs Advisory Board; Frances Aldrich Sevilla-Sacasa (BA ’77), Interim Dean, School of Business

(From left) Michael Stein, Corporate Vice President, International Division, Baptist Health South Florida; Richard Fain, Chairman and CEO, Royal Caribbean Cruises Ltd. and a UM Trustee; Peggy Hollander, President, UM Citizens Board; Brian Keeley, President and CEO, Baptist Health South Florida, and a member of the School of Business Health Sector Programs Advisory Board

(From left) Michael Stein, Corporate Vice President, International Division, Baptist Health South Florida; Richard Fain, Chairman and CEO, Royal Caribbean Cruises Ltd. and a UM Trustee; Peggy Hollander, President, UM Citizens Board; Brian Keeley, President and CEO, Baptist Health South Florida, and a member of the School of Business Health Sector Programs Advisory Board

(From left) Barbara E. Kahn, Former Dean, School of Business; Steven G. Ullmann, Professor of Management and Director, Programs in Health Sector Management and Policy, School of Business; Margaret A. Hamburg, Commissioner, U.S. Food and Drug Administration; and Donna E. Shalala, President, University of Miami

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(From left) Silvia Mestre, Femwell Group Health; Maria Alonso (BSIE ’86), Bank of America; George Foyo, Baptist Health South Florida; and Martha de la Pena Rojas (AB ’79), Blue Cross and Blue Shield of Florida

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(From left) Sergio Gonzalez, UM Senior Vice President, University Advancement and External Affairs; Pascal J. Goldschmidt, Dean, UM Miller School of Medicine; Arthur Agatston, Associate Professor of Medicine, Miller School of Medicine, and Author; Ralph Sacco, President, American Heart Association, and Professor and Chair of the Department of Neurology, Miller School of Medicine
The UM Global Business Forum, Hosted by the School of Business

Events included presentations and discussions with leaders such as GE CEO Jeffrey Immelt (above, with former Business School Dean Barbara Kahn), as well as networking receptions and lunches.
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A very special note of gratitude to the School of Business Administration Advisory Board to Programs in Health Sector Management and Policy
Continued from page 16

Frances Aldrich Sevilla-Sacasa
Continued from page 15

mentorship, internship and placement opportunities. She plans to draw on her Wall Street connections as well as her worldwide network to extend the School’s professional relationships.

Although Sevilla-Sacasa travels frequently, she also spends time meeting with students. Individually and in small groups, they discuss their hopes, and the dean answers their questions and offers insights on today’s business world. She says she’s been reminded of how diverse the student body is, and how that plays into today’s job market. “Our students’ skill sets — including foreign language skills — are very appealing in today’s global, complex world,” says Sevilla-Sacasa, who is fluent in English, Spanish, French and Portuguese.

CREATING AMBASSADORS

The interim dean hopes to have a real impact on students’ lives. It is a familiar position for Sevilla-Sacasa, who has enjoyed a “sense of engagement” with her financial services and wealth management clients throughout her career. She spent much of her time getting to know individuals’ goals and objectives, learning about their challenges, finding effective solutions and building friendships along the way.

Now she plans to follow the same course in connecting and reconnecting the School with its worldwide base of alumni, who live in more than 100 countries. “For me, the alumni are one of our most important stakeholders,” Sevilla-Sacasa explains. “Alumni support is critical for us to continue to attract great students and faculty, and enhance our educational and research offerings.” She notes that this support must extend well beyond traditional financial gifts and volunteer contributions, and into the realm of advocacy, with alumni working to heighten the School’s visibility. “By serving as goodwill ambassadors, our alumni can help raise our School’s profile around the world,” she says.

Continued from page 16

Barbara Kahn

School’s undergraduate program No. 57, up from No. 71. Forbes ranked the School’s full-time MBA program No. 43 in 2009, up from No. 60 in 2005.

During Kahn’s tenure, “the School seemed to take on a reputation and a presence that it hadn’t had before,” says David Komansky, an alumnus who is chairman emeritus of Merrill Lynch & Co. and chairman of the School’s Board of Overseers. “Aside from having a vision and a strategy that made a lot of sense, she was a terrific representative and advocate for the School.”

Kahn, who left to become director of the Retail Center at Wharton, was vice dean and director of Wharton’s undergraduate division from 2003 to 2007. She will continue to be involved with UM as a visiting professor and as a parent of an undergraduate student.

“It was a great pleasure and honor to work with such a devoted group of faculty, students, alumni and staff who deeply cared about the School and the “U,”” Kahn says. “The School has made great advances in these last few years, but this is clearly just the beginning. There is no doubt in my mind that the University and the School are well positioned to achieve global preeminence in the next decade.”

Like any organization going through a change in leadership, the School will have some adjustments to make during the coming months. But the initiatives begun during Kahn’s tenure continue to pay dividends. Academic departments have recruited some of the top minds in academia as new permanent and visiting faculty. A new PhD program was established, with concentrations in Accounting, Management Science, Marketing, Operations Management, Organizational Behavior and Strategy/International Business, in addition to the existing PhD in Economics.

Kahn worked with Linda L. Neider, vice dean for Undergraduate Business Programs, and Anuj Mehrotra, vice dean for Graduate Business Programs, to introduce innovative enhancements to the School’s entire curriculum. From more cross-disciplinary programs to the integration of ethics and teamwork into every facet of the curriculum, academic programs now better reflect the realities of business today. The introduction of executive MBA electives and classes in career development for MBA students put the School at the leading edge of graduate curriculum thinking. New international learning and internship opportunities, including partnerships with seven leading

Ratcheting Up the Rankings

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<th>RANKING</th>
<th>2010</th>
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<td>Research (world)</td>
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<td>Executive MBA (U.S.)</td>
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1. Financial Times, Executive MBA Rankings
2. U.S. News & World Report

Bill Wissel

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Barbara Kahn

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On the Path

Key accomplishments at the School during Dean Kahn's tenure

Research Leadership
- Recruited additional world-leading faculty from top institutions including Harvard, Duke and MIT
- Strengthened research ranking to #26 in the world (Financial Times, 2010)
- Launched new PhD programs
- Established Behavioral Marketing Laboratory
- Established Center for Health Sector Management and Policy

Academic Innovation and Growth
- Front-loaded undergraduate business curriculum
- Introduced FIRST Step – Freshman Integrity, Responsibility and Success through Teamwork
- Established undergraduate Real Estate major and MBA concentration
- Established undergraduate Health Sector Management and Policy major and minor
- Created joint Bachelor of Architecture/MBA and MD/MBA programs
- Launched executive MBA program in Puerto Rico
- Introduced executive MBA electives
- Established Global Business Forum
- Established Board of Overseers
- Established boards of high-level executives for Health Sector Management and Policy, Real Estate, Accounting and Entrepreneurship programs
- Created partnerships with alumni clubs of the Wharton School, INSEAD and the business schools of Georgetown, Columbia and Harvard

International Engagement
- Established CIBER – Center for International Business Education and Research
- Partnered with seven leading business schools around the world

Fundraising Success
- Solidified fundraising support through millions of dollars in pledges, money and bequests

International Visibility
- Enhanced brand among academic peers, resulting in 14-point jump in program ranking (U.S. News & World Report)

business schools around the world, help students take advantage of UM’s location at a global crossroads.

In addition, the School expanded several academic areas, including health sector management and real estate. An undergraduate Health Sector Management and Policy major and minor, as well as a joint MD/MBA program, were added to the School’s long-running health sector executive MBA program, which earned a No. 5 ranking from Modern Healthcare. New real estate programs include an undergraduate major and MBA concentration, as well as a joint Bachelor of Architecture/MBA program with the School of Architecture.

The academic changes were accompanied by more robust research opportunities for faculty and students. Kahn helped shepherd new academic centers into existence, including the Center for Health Sector Management and Policy, with founding director Steven Ullmann, and a Center for International Business Education and Research, with founding director Joseph Ganitsky.

In the coming years, under the strong leadership of those directors, these centers will give the School further international exposure in two key areas of business research and consulting.

Kahn also changed the way the School connects with alumni, supporters and the business community. She strengthened the alumni relations, development and external relations departments, and helped form ongoing partnerships with alumni clubs from other leading business schools, as well as with important members of the local and international business community.

Some of these relationships were cemented with the School’s new board structure. The Board of Overseers, which Kahn established in January 2010, advises the dean, faculty and administrators on the School’s mission, goals and strategic planning. Comprised of alumni who are current and former top executives from companies around the world, the Board of Overseers promotes the School and serves as an important sounding board on everything from research projects and educational programs to external activities. In addition to the Board of Overseers, the School established boards for its programs in Health Sector Management and Policy, Real Estate, Accounting and Entrepreneurship, as well as for its executive education programs in Puerto Rico.

“Dean Kahn started many important initiatives that will continue to bear fruit in the future,” says UM President Donna E. Shalala. “Her leadership has positioned the School to build on its successes and maintain its upward trajectory during this transition and under the leadership of its next dean.”
Building a Global Perspective

The Daniel Haime Gutt Endowment helps students add international experience to their education

By Susan Delson

SIX SCHOOL of Business MBA students put their growing business knowledge to real use last year through a project that found them consulting on-site with a midsize company in Lima, Peru. Their efforts — including performing business, operational and technical analysis — helped the owner manage his inventory of marble, granite and other building materials more efficiently. And, according to Mario Russo (AB '07, BS '07, MBA '10), one of the student consultants, they provided at least one suggestion that the owner was able to implement even before they left the country.

Having majored in computer science as an undergraduate, Russo quickly zeroed in on the company’s technology needs, finding free, open-source software that would enable its owner to manage company data online. “He could see the sales reports and operational reports without physically having to be in the store,” Russo explains. “Normally, he would have to ask for a report and then wait a couple weeks. With this tool, he could just log on to a website. That blew his mind. It was instant information, right away.”

The consulting project was one of several business and cultural experiences included on the trip, which was made possible with support from the Daniel Haime Gutt Endowment, a recent gift from businessman Daniel Haime Gutt, a longtime friend and supporter of the University, and his wife, Kathy Haime (AB ‘83). The endowment helps provide international experiences for MBA students.

“The endowment supports our global initiatives,” says Anuj Mehrotra, the School’s vice dean for graduate business programs and faculty affairs and a professor of management science. “Its focus is international. It supports the learning and enrichment experiences that make our students more competitive in the global arena, exposing them to different cultures, different ways of doing business and individuals who could be important to them as their careers progress. These experiences help our students appreciate the nuances of business issues in various parts of the world — a critical skill to develop in today’s economy.”
Daniel Haime Gutt is CEO of the Grasco Group, an international industrial, agro-industrial and real estate conglomerate headquartered in Bogotá, Colombia. Haime says he actively supports the School’s global perspective — particularly when it comes to preparing students for doing business with, and in, Latin America. In 2009, he initiated an internship program at the Grasco Group for MBA students at the School. It has hosted four students to date.

“I believe that the University of Miami’s School of Business is in an impeccable position to develop strong, well-rounded professionals who will bridge the cultural gap between North and South,” Haime says. “As it becomes more and more evident that the United States’ best trade partner becomes more and more evident that North and South,” Haime says. “As it becomes more and more evident that the United States’ best trade partner

“It was interesting to learn that the things affecting Peru are similar to the things affecting the United States, even from a corporate point of view.”  — Mario Russo

states, even from a corporate point of view.”

Almira Akimbayeva, an MBA student from Kazakhstan, agrees. “This trip was a great opportunity to practice my skills in international business, especially taking into consideration how completely different Latin America is from my part of the world,” she says.

For Japanese-born student Yasuyuki Ueha, the motivation to join the Peru trip was partly historical. “Although a lot of Japanese emigrated to Peru in the 19th century, there is no substantive economic relationship between Peru and Japan right now,” he says. “I wanted to know how Peruvians live and do business.”

Mehrotra says hands-on projects like the students’ consulting work are precisely the experiences that he expects Haime Endowment programs to provide. “When you’re sitting here in the U.S. being taught about these topics, it’s one thing,” he says. “But when you see it in action, you connect what’s being taught in the classroom with what actually happens in the workplace. And that connection is invaluable.”

He points out that the global enrichment experiences the Haime Endowment offers are important whether students ultimately work in their home countries or elsewhere. “Working for multinational corporations in Miami or South Florida, students have a much better understanding of their counterparts in other parts of the world, and an appreciation of the business environments that their colleagues abroad are working in,” he adds.

The Haime Endowment will support a wide breadth of activities, including student trips, exchange programs and conferences with international leaders, with an eye toward both current and future opportunities. “As our needs change, we have the flexibility to use the endowment funds in the ways that work best,” Mehrotra says.

This year, for instance, the endowment will help full-time MBA students participate in the WHU European MBA Summer Institute, “The Changing Environment for International Business in Europe,” at the Otto Beisheim School of Management in Germany. It will also help those who wish to attend “Doing Business in Israel” at Tel Aviv University.

“The University of Miami business school is very creative in placing its students in different work and learning environments,” Haime says. “To be able to help make some of those programs happen is very positive.” While he feels his effort is a modest one, Haime nonetheless adds, “it’s the effort that’s within my reach, and it’s been not only a pleasure to do so, but very gratifying.”
Framing Self-Control

PRESENT HARD WORK – SUCH AS RESISTING TEMPTATION – AS FUN, AND PEOPLE ARE MORE LIKELY TO EXHIBIT SELF-CONTROL

About 2.4 million Americans engage in uncontrolled shopping. Around 25 million have a binge-eating disorder. More than 46 million binge-drink at least once a month. It would seem that we humans just can’t control ourselves.

One explanation is that we have a limited supply of self-regulatory resources. As we wear out our self-control muscles, it becomes harder to resist temptation. But new research offers a different perspective. It suggests that the success or failure of self-control is a natural consequence of how we perceive effortful behavior. If the behavior seems like work, it depletes our resources, and self-control becomes more difficult. If the behavior feels like fun, it’s rejuvenating, and self-control becomes easier.

“It’s self-reinforcing,” says Juliano Laran, assistant professor of marketing, who co-authored the research with Chris Janiszewski, the JCPenney Professor of Marketing at the University of Florida’s Warrington College of Business Administration.

“For someone with low self-control, every time they resist eating chocolate, say, they become more likely to indulge later. And for a high-self-control person, every time they resist, they become more likely to resist again in the future.” Their paper was published in the April issue of Journal of Consumer Research.

Laran and Janiszewski made this determination through a series of experiments. In the first, a set of individuals who identified as having low self-control and a set who identified as having high self-control both had to follow strict instructions to taste (but not eat) a small amount of candy. The participants were then asked to perform unrelated tasks while the candy was nearby. They key measure was whether they could resist eating the candy.

Next, participants had to make a series of tough choices involving trade-offs among multiple options. After that, they had the opportunity to voluntarily evaluate products. The researchers measured how many voluntary product evaluations they performed, looking to see how the initial effortful behavior affected their ability to perform a tedious task later.

What Laran and his colleague found is that people with low self-control viewed resisting the candy as work, while those with high self-control found it to be fun. As a consequence, the low-self-control people later failed to self-regulate during the trade-off and voluntary product evaluations tests. The high self-control people continued to achieve self-regulatory success.

Subsequent experiments strengthened the findings and provided additional insights. For example, high-self-control people could be made to act like low-self-control people when an activity was framed as work. Likewise, low-self-control people could be made to act like high-self-control people if an activity was presented as fun.

Laran and Janiszewski also showed that when a behavior provided extrinsic instead of intrinsic rewards, high-self-control people no longer experienced rejuvenation from it. As a consequence, they were more likely to fail at self-regulation.

The findings have implications for public policy. “If a public policy simply tells people what to do, that’s an extrinsic motivation, and people will tend to fail,” Laran explains. “Instead, the focus should be on having people participate, so they can develop an intrinsic motivation.”

That holds true in a business setting too. Weight-loss companies, for instance, would benefit by making healthy choices feel like fun. “In our experiments, just using the word ‘fun’ to describe an activity changed people’s perception of it,” Laran notes.

There are also applications for employee motivation. “If a supervisor tells employees that something will be hard work, that depletes them,” Laran says. “But if you make it seem like it could be fun, or if people can come up with fun ways to achieve objectives, that can vitalize them.”

Laran concedes that these concepts could be used to consumers’ detriment. For example, retailers could place their most tempting items at the store’s entrance. The harder it is for customers to resist them, the more likely it is that they’ll indulge as they shop.

— Eric Schoeniger
What’s It Worth to You?

CHANGING THE WAY ECONOMISTS VALUE INTANGIBLES LIKE CLEAN AIR AND WATER

The goal of public policy is, presumably, to benefit a nation and its people. But it can be difficult to measure the economic effects of such policy. For example, how do initiatives such as airport-noise laws or the Clean Air Act affect property values?

Those are the kinds of questions Christopher Parmeter, assistant professor of economics, seeks to answer. And he gets a step closer in a paper published in the Journal of Environmental Economics and Management, co-authored with Nicolai V. Kuminoff, assistant professor of economics at Arizona State University, and Jaren C. Pope, assistant professor of economics at Brigham Young University.

When local, state or federal governments propose public-policy projects or laws — a new airport runway, say, or stricter clean-air standards — economists measure the potential impact. Often they look at housing values, because they’re a good economic indicator.

“There’s no market for things like quiet skies or clean air,” Parmeter explains. “You can buy them only in the context of buying something else, like a home.”

One approach is to present people with hypothetical outcomes and ask which they prefer. By varying the outcomes slightly and asking the questions over and over, a picture emerges of what people value. Trouble is, it’s hard to know whether people are being honest, because they’re not actually paying for one outcome over another.

Another tack is to use complex mathematical models. Hedonic modeling, for example, is well suited to measuring outcomes related to quality, like the quality of air. In the case of housing valuations, it breaks down a house into its individual characteristics, such as the number of bedrooms or the size of the lot, to determine the value of each characteristic.

Parmeter and his colleagues chose to assess the accuracy of various modeling strategies. They created fictitious people and data to mimic the economic landscape. Then they had those people buy houses. Because the researchers controlled the data, they could control the outcomes.

“We compared a number of modeling strategies to determine what the best strategy is,” Parmeter says.

They uncovered two problems with the most commonly used strategies. The first has to do with nonlinear results. Let’s say you and your neighbor have identical three-bedroom houses. If you add a fourth bedroom, then presumably the value of your house increases. But if you add fifth and sixth bedrooms without increasing the total square footage, the home’s value may actually decrease, because the extra bedrooms are displacing other rooms. “There’s an important interaction between the various characteristics,” Parmeter notes. “And most models don’t account for that.”

The second problem has to do with location. For housing, the importance of location would seem obvious: The same house would likely have a different value in Coral Gables than in North Miami. But location is not factored into most models. So if your new airport runway will result in increased noise, the effects on housing prices could be very different in one neighborhood versus another.

By determining which modeling strategies have the fewest inaccuracies, Parmeter’s research has important implications for public policy. If your model shows that people will pay 5 percent more for a house that has access to clean air, but the actual number is 10 percent, your assumptions about the value of clean air would be wildly off the mark.

There are also applications for business. A carmaker, for example, could use such modeling to measure how much consumers value reduced tailpipe emissions. That sort of knowledge could help consumers and business executives alike breathe a little easier.

— Eric Schoeniger
December Commencement

Nearly 200 School of Business undergraduate and MBA students joined graduates from across UM at the Dec. 16, 2010, fall commencement ceremony, which featured a speech by singer Gloria Estefan (AB '78), a UM Trustee.

Homecoming 2010

The Nov. 4-6, 2010, Homecoming festivities kicked off with a special session on social media for School of Business alumni. Technology consultant Samuel “Sandy” Goldstein (BBA ‘81, MBA ‘84), president and founder of Capsicum Group and chairman of the School’s Entrepreneurship Programs Advisory Board, gave a presentation titled “Social Media: Risk, Responsibility and Reward.” The session was followed by the traditional Alumni Avenue and football game.
Distinguished Speakers at the School of Business

8/19/10: MBA Welcome Reception and Alumni Experience Panel Discussion featuring (from left) George Psomopoulos (MBA ‘85), EVP, City National Bank; Tere Blanca (BBA ‘81, MBA ‘83), CEO, Blanca Commercial Real Estate; Brian Rice (MBA ‘82), EVP and CFO, Royal Caribbean; and Daniel Quezada (MBA ‘01), senior manager and controller, Burger King Latin America.

9/22/10: Leadership Lecture Series featuring Omar Soliman (BBA ‘04), CEO, College Hunks Hauling Junk.

9/29/10: Alumni Lecture Series at New York’s University Club, featuring Joe Echevarria (BBA ‘78), U.S. managing partner of operations and vice chairman, Deloitte LLP.


11/18/10: 85 Broads 2nd Annual Pearls of Wisdom, with (from left) Linda Neider, vice dean of internal university relations, global initiatives/cross-disciplinary programs and Undergraduate Business Programs, and professor of management; Circuit Judge Valerie Manno Schurr (BSN ‘88, JD ’92), FBI Special Agent Kathleen Cymbaluk; and Amy Deem, UM’s head track coach.


Special Alumni Events


9/29/10: UM SBA Alumni and Wharton Club of South Florida Social Media Event featuring Bruce Turkel, CEO, Turkel; Jacques Hart, CEO, Roar Media; Eric Bradlow, K.P. Chao Professor, editor-in-chief of Marketing Science, vice dean and director of Wharton Doctoral Programs, and co-director of the Wharton Interactive Media Initiative; and Alex de Carvalho, UM adjunct professor and founder of StartPR.

2/7/11: Alumni Partnership event with UM SBA and Wharton Club of South Florida, in conjunction with INSEAD, the alumni clubs of Harvard, Columbia and Georgetown business schools, and Beta Gamma Sigma. The event, featuring author and Wharton Adjunct Professor Stuart Diamond, speaking on “Getting More: How You Can Negotiate to Succeed in Work and Life,” drew more than 300 people.

Stories and video from alumni events: bus.miami.edu/businessmiami
Mentor Programs

School of Business mentors and students met throughout the year in roundtables and networking events, including the Mentor Program Roundtable on Finance, Banking and Real Estate, where Rick Tonkinson (MBA ‘84, MPA ‘85), senior associate and founder of Rick Tonkinson & Associates, met with his mentee, senior Christina Daniel.

YPO Miami

The School conducted the Young Presidents’ Organization of Miami’s annual Advanced Management Development Program, part of the ongoing partnership with that organization. Participants included Wicho Hernandez (BBA ’95), YPO Miami chapter president, seen here with Chester A. Schriesheim (right), University Distinguished Professor of Management.

Board of Overseers

In October, students had a chance to meet with members of the Board of Overseers during a luncheon. Board members in attendance included T. Kendall Hunt (BBA ’65) (at head of table), chairman and CEO of VASCO Data Security International.

**UPCOMING EVENTS**

**MARCH**
- Mentor Program Roundtable: Entrepreneurship and Management
- Business Plan Competition Begins

**APRIL**
- Business Plan Competition Finals and Awards Luncheon
- Ethics Film Series: “Crude” documentary and discussion, moderated by Professor Daniel O. Suman
- Network and Learn Series featuring Dr. Howard Glibolow on “Professional Management in the Modern Age”
- UM/NYU Watsco Case Competition
- Executive in Residence featuring John Kanas, chairman and CEO, BankUnited
- Scholarship Donor Recognition Luncheon
- Ethics Film Series: “The Cove” documentary and discussion, moderated by Professor Kenneth Broad

**MAY**
- Mentor Program Appreciation Dinner
- Network and Learn Series featuring Dr. Arun Sharma on “Markets and Strategic Leadership”
- Graduate Awards Ceremony
- Undergraduate Senior Awards Ceremony
- School of Business Commencement
- Network and Learn Series featuring Dr. Linda Neider on “Managing Generational Differences in the Workplace”
PHILIP E. JULIANO (BBA ‘51), a World War II veteran, is retired, having worked for 31 years at Coca-Cola, where he was a district manager. He currently lives in Goshen, Conn.

PHILIP KAYE (BBA ‘50) is retired following 25 years as president of a New York City construction firm that built many of the high-rise buildings and housing developments on Long Island.

JAMIE S. BARKIN (BBA ‘65, MD ‘70) lectured at the first International Conference on Capsule Endoscopy and Double Balloon Endoscopy, in Paris. His presentation was titled “Revisiting the Concept of Obscure Gastrointestinal Bleeding and Iron Deficiency Anemia.”

KENNETH CHAMBERLIN (BBA ‘65) is a member of the Travelers Century Club, for individuals who have traveled to more than 100 countries. He recently visited his 110th country, Turks and Caicos. Chamberlin is also a member of the Titanic Historical Society and speaks regularly about the Titanic disaster.

ALAN FISKE (BBA ‘60), managing director of Fiske & Co., was honored with South Florida Business Leader’s IMPACT Award in Accounting. The award recognizes those in the legal or accounting profession who have made significant contributions to their firms, clients and peers.

FRED NANUS (BBA ‘61) is a CPA and has been in the business for 40 years.

BILLY PRUITT (BBA ‘66), president of Pruitt Enterprises LP and Pruitt Ventures, joined the board of directors of Auxis, a South Florida management consulting and outsourcing firm.

STANLEY SATZ (BBA ‘63), chairman and chief scientific officer of Miami-based Bio-Nucleonics, received a $1 million biomedical grant. He also presented at the UM Technology Showcase, displaying a technology licensed by UM to Bio-Nucleonics to treat cervical cancer.

Writing His Own Business Plan

BIOGRAPHICAL INFORMATION

CHRISTOPHER YINGLING, BBA ’09
ANALYST, BLACKROCK INC., PRINCETON, N.J.

Christopher Yingling’s blood. Or bloodwurst. As the great-grandson of the sausage maker who started Philadelphia’s family-run Dietz & Watson, a maker of premium deli meats, Yingling always felt he was called to business.

But, growing up in New Jersey and loving all things beach-related, from surfing and scuba diving to fishing, Yingling also felt the pull of the ocean. He decided the University of Miami was the place where both his interests could flourish. “I always loved business and knew that was the career path I wanted to follow,” he says. “I figured I’d major in marine biology because I loved it so much, and I’d pick up the business side as I went. But I started taking business classes, really enjoyed them, and never looked back.”

Yingling certainly has a plan going forward. After graduating summa cum laude with a double major in finance and legal studies, he secured a position as an analyst for BlackRock Inc.’s Global Allocation Fund. He’s getting plenty of experience at the largest asset management company in the world.

“I enjoy working with this group because our mandate for investing is very flexible,” he says. “We can invest in almost any type of asset almost anywhere in the world, so it makes for an exciting and dynamic work environment.”

His primary role is developing and deploying a research management system. “Because Global Allocation is an international, multi-asset-class fund, the amount of research our analysts were getting was out of control, and there was no efficient way of dealing with the information,” Yingling explains. To bring order to the chaos, he is working with the salespeople who submit the research, the fund’s team and a third-party vendor that does the programming to build a product that will help the analysts use and share the research more efficiently.

“What we do is very complex,” Yingling says, adding that’s all part of the plan. He wants as much experience in as many areas as possible.

“Before college I spent summers at Dietz & Watson, but there’s a lot more out there you can learn. I am hoping to get insight that I can bring back to the company,” His ultimate goal, he says, is to help run the financial side of the family business.

Still, Yingling retains a tight connection to UM, and is considering an MBA. “I’d love to get back to Miami,” he says. “But I wanted to get some solid experience first.” He also made a generous gift to the School, something few alumni his age have the opportunity to do.

— JILL COLFORD
A Taste for Travel
REGINA (HEINIGER) BORDA, MBA/MIBS ’00
MARKETING DIRECTOR, TACO BELL, YUM! BRANDS, IRVINE, CALIF.

Even before she graduated from the University of Fribourg, Switzerland, Regina Borda had her sights set on a career in international business. The University of Miami’s innovative MIBS lock-step program — a two-year MBA program with a certificate in international business — proved perfect. “The MIBS program provided me with the international exposure I wanted,” Borda says. It also gave her an opportunity to add to her linguistic skills: The Swiss native had already mastered Swiss German, German and French, and she picked up Spanish and Portuguese while in Miami.

The MIBS program includes a six-month internship, which for Borda was with FedEx Latin America and Caribbean. Impressed with her tenacity and leadership skills, FedEx offered her a permanent job upon graduation, but she turned it down to join The Hershey Company as assistant business manager for the Caribbean. A year later, Hershey’s named Borda assistant brand manager for a project in Europe, and shortly thereafter promoted her to associate brand manager, international. Her skills caught the attention of Yum! Brands, which, in 2003, recruited her to be the marketing manager for the Caribbean and Latin America for its restaurants group, which includes KFC, Pizza Hut and Taco Bell.

“Relating to people from diverse backgrounds, as well as my ability to empathize with them, is my greatest strength,” Borda says. “I understand and appreciate differences in the work world while being acutely aware that consensus is primary to move a company to the next level.”

That is exactly what Borda did when Yum! sent her to Dusseldorf, Germany, as senior marketing manager for Germany and the Nether-lands. There, she aligned franchisees with the central marketing calendar, a milestone for the company. Borda, who was later promoted to marketing director, recalls her seven years in Germany as some of her most creative: “I had a lot of freedom, and we implemented a global brand of KFC into a new market. But it remains a small market compared to the U.S.,” she says.

After three and a half years in Germany, Borda relocated to Irvine, Calif., taking on a new position for Yum! as marketing director for Taco Bell. “The stakes are higher. Both the environment and the team are larger, yet what remains the same is Yum!, which I believe is the best environment to work in,” Borda says.

Life isn’t all work for Borda, her husband, Carlos (MBA ’00), whom she met at the university, and their three children, “I love travel, but trips are close to home, exploring nearby Southern California mountain, beach and desert communities,” she says.

— Stephanie Levin

JACK WATSON (BBA ’67) in 1983 founded The Watson Co., a banking industry consulting firm based in Destin, Fla., which today has more than 600 clients.

1970s
RAUL ALVAREZ (BBA ’76) has been named to the board of directors of Lowe’s Cos. Alvarez, a founding member of the School’s Board of Overseers, was president and CEO of McDonald’s Corp. from 2006 until his retirement in 2009.

JEFF T. KETCHAM (BBA ’79) recently became UM’s director of supply chain operations and logistics, following 20 years of work in the health care supply chain with a number of organizations.

DARCY H. LAFOUNTAIN (BBA ’77) became a national champion in the 1500-meter swim for her age group at the U.S. Masters Swimming National Long Course Meters Championship in Puerto Rico.

PATRICIA NOONEY (BBA ’78) has been named senior marketing director of institutional services in Florida for CB Richard Ellis. Previously, she was the company’s managing director and market leader in Las Vegas.

RAY RODRIGUEZ (BBA ’73), longtime president and COO of the Hispanic media company Univision Communications, was elected to the board of trustees of the John S. and James L. Knight Foundation. The foundation focuses on digital communications and journalism.

BETH K. ROTHCHILD (MBA ’79) began working for BNP Paribas, a French bank, in May 2010. She specializes in reviewing Asian equities.

KARL SCHULZE (BBA ’74), president of Schulze Haynes Loewenguth & Co., celebrated his company’s 10th anniversary in October at a gala in downtown Los Angeles.

WILLIAM SHEEHAN (MBA ’74) is retired and was elected to the board of directors of the Multiple Sclerosis Foundation in Fort Lauderdale, Fla.

JOEL B. TABACHNIK (BBA ’71) has been named chief operating officer of PetLabsMD.com, a new pet health company based in Hollywood, Fla.
TED R. WOZNIAK (BBA ’79) was elected to the board of directors of the American Translators Association, the nation’s largest professional organization for translators and interpreters.

1980
BAYARDO AGUILAR JR. (BBA ’89) is a certified public accountant in Coral Gables, where he caters to small and midsize businesses in the traditional accounting and tax sectors.

ANTHONY G. ASKOWITZ (BBA ’89) recently launched a new website with his real estate firm, RE/MAX Advance Realty.

ROBERT J. BECERRA (BBA ’86, JD ’90) joined the Miami law firm of Fuerst Ittleman, specializing in business-related matters including white-collar criminal defense and dispute resolution.

BARRETT E. MINCEY (BBA ’89) was recently selected as Miami-Dade County Public Schools Teacher of the Year for Region VII.

JONATHAN B. POTOSKY (BBA ’87) was appointed a Colorado judge by then-Gov. Bill Ritter.

ROBERT REYNOLDS’ (BBA ’84) family business, Morris & Reynolds Insurance, celebrated its 60th anniversary in 2010. Reynolds, the company’s CEO, is the third generation to own the agency, following in his father DOUGLAS REYNOLDS’ (BBA ’57) footsteps.

GARY S. SALZMAN (BBA ’85, JD ’88) was voted president of the George C. Young First Central Florida American Inns of Court, which consists of judges, attorneys, law professors and law students who meet regularly to discuss ethics and professionalism in the legal community. Salzman is an attorney in the Orlando, Fla., office of GrayRobinson PA.

SCOTT SPAGES (BBA ’84) recently joined Adams Associates, which focuses on financial decisions for asset protection.

DONNA J. TURETSKY (BBA ’88, LLMT ’92) has been named partner in the Trust and Estates and Elder Law Practice Groups of Certilman Balin Adler & Hyman LLP.

Uncorking a Second Career

MARK A. TOBIN, BBA ’85, JD ’88
SHAREHOLDER, AKERMAN SENTERFITT, MIAMI PROPRIETOR/WINEMAKER, MATTEBELLA VINEYARDS, SOUTHLAND, N.Y.

As Mark Tobin was preparing to leave home for his freshman year at UM, his father — the second generation in a highly successful family real estate development company — sat him down for a chat. “Find a career you will enjoy and do your best,” his father said, “and I’ll be proud of you. But don’t proceed just presuming that you will have a position in the family business.”

At UM, Tobin majored in finance and took every real estate course offered to business students, graduating with honors. “The classes were terrific,” he recalls. “The professors had real-world knowledge, and it was great training for me.” He completed his studies with a law degree from UM and took aim at a real estate-oriented career that was inspired by, yet very different from, his family’s business.

“I have dedicated my entire career to representation of property owners in eminent domain and property rights cases,” Tobin says. “This has its roots in my boyhood, when my grandfather, Ben Tobin, owned the Hollywood Beach Hotel. The Florida Department of Transportation announced its intention to build a connecting ramp for A1A right through the property, and my grandfather was forced to sell. Today I have a passion for finding creative solutions to ensure that the government does the right thing by property owners.”

More recently, Tobin has been bringing that same passion to developing a sideline as a winemaker. He and his wife, Christine, established Mattebella Vineyards — named for children Matthew and Isabella — in the North Fork section of Long Island, N.Y., in 2005. “My wife’s Italian-American family has been making their own wines for generations,” says Tobin, “and her father has taught me a lot.”

The vineyard’s 22 acres yield about 2,000 cases of wine a year from the four varietals planted there. A tasting cottage will open on the property this summer.

Tobin describes Mattebella’s wines as European-style, sustainable and food-friendly, or having the right acidity to complement a variety of foods. He produces a rosé, a chardonnay and two red blends, including the premium Old World Blend. They received a highly favorable review in The New York Times. Tobin adds that Wine Spectator is recommending Mattebella wines in its April issue, and that President Obama enjoyed Mattebella wines at a recent private dinner in Miami.

— Robert S. Benchley

DUAL PASSIONS
Mark Tobin is successfully combining eminent domain law with a zeal for winemaking.
THOMAS BALCOM (BBA ’94, MBA ’00), founder of IBIS Wealth Management, has been named president of the Florida Planning Association of Broward County.

ROBERT D. BARBONI’S (BBA ’94) business, Ibis Financial Group, was named one of Florida’s Best Places to Work by Best Companies. It was also ranked No. 2 among small businesses in Florida.

ROBERT BARKIN (MBA ’90) was named executive vice president of the Jewish Reconstructionist Foundation in Jenkintown, Pa., the congregational arm of the fourth-largest denomination of Judaism in North America.

SCOTT W. BRYAN (MBA ’91) has been chief operating officer of Miami-based Pinnacle Aircraft Parts for the past 16 years. Recently, he developed and launched an iOS app, CaptureNotes, for note-taking via iPhone or iPad.

PAUL DONAHUE (BBA ’92) was promoted to president, chief operating officer and board member of Wackenhut Services. He also owns a helicopter leasing company, Rotor Me LLC.

PATRICK J. DWYER (MBA ’93) was listed in Registered Rep magazine’s “Top 100 Wirehouse Advisors in America.” He is a vice president and managing partner in the private wealth services division of Merrill Lynch in Miami.

MICHAEL J. MARRERO, ESQ. (BBA ’99, JD ’01) was named a partner at Bercow Radell & Fernandez, a Miami-based zon- ing and land use firm.

GILBERTO A. MERCAN (BBA ’99, MBA ’03) currently serves as Hard Rock International’s senior director of brand marketing in North America.

RAUL MENDEZ (BBA ’91) was named Dade Medical College’s chief operating officer.

RUDOLPH MOISE (MBA ’94, JD ’97) is starring in an upcoming film with Vivica Fox called Trapped Haitian Nights.

CHARLES PHARMS (BBA ’94) recently launched a healthy beverages company called The U Café. It has locations in 10 countries.

DANIELLE C. PRICE (BBA ’98, JD ’02) has been named a partner in the Miami office of law firm Holland and Knight LLP.

FRANCES CASTELLLVI SENTI (MBA ’97) is an account executive for the physician practice management firm ProMD Practice Management.

TATE R. VOLINO (BBA ’92) recently authored the book Gold Albatross.

DARREN J. ZEMNICK (MBA ’95) was promoted to director of human resources of Park Hyatt Avaria Resort in Carlsbad, Calif.

JENNIFER CORREA (BBA ’06, JD ’09) joined the Miami law firm of Fuerst Ittleman. She specializes in business-related matters including tax, white-collar defense and anti-money laundering.

WANDY E. CRUZ-VELAZQUEZ (BBA ’02) joined the University of Central Florida College of Medicine as admissions coordinator, following her 10 years in UM’s admissions offices.

DAVID S. CRYSTAL (MBA ’07) founded Crystal Clear Tutors, which coaches students in standardized tests such as the SSAT, SAT and GMAT, and is a board member of the Miami Beach Leadership Academy Alumni Association. He is running for mayor of Miami Beach.

BISHAM DARSLANI (BBA ’04) has been organizing a group of stakeholders to invest in Sri Lanka since graduating in 2004.

RAMON VESA DORTICOS (BBA ’02) is legal counsel for the automotive dealership network Autos Vespa Group.

MIGUEL E. GONZALEZ (BBA ’03) is the business director for MGP Group, a Miami-based firm that specializes in international business development.

SARA HECKER (BBA ’03) was named Royal Caribbean International’s employee of the year.

KEVIN M. JUSTICE (MBA ’04) became president and chief operating officer of HillStone International, a strategic technologies distribution and construction project development company with more than 90 offices internationally.

EDUARDO L. GONZALEZ LOUMIET (MBA ’08) has led the Centers for Disease Control and Prevention’s Pandemic Influenza Project between the states of Florida and Texas for the past two years.

KAREN MAEROVITZ (BBA ’00) launched Crème de la Crème, a full-service marketing, public relations and event planning firm.

ELGIN POLO (MBA ’02), CPA and a partner in the Litigation Support Department at Morrison, Brown, Arviz & Farra LLP, was recently elected president of the Florida Institute of Certified Public Accountants. Polo is also an adjunct professor of accounting at Florida International University. Additionally, he has been honored for the past five years as a Top CPA in Litigation Support by the South Florida Legal Guide.

BRIAN RECHTMAN (MBA ’03) founded BlueTreeMarketing.com, which specializes in online auctions for marketing purposes, as a part of the University of Miami’s annual Business Plan Competition. The company was recently featured in an article in The Miami Herald.

CARLOS A. REYES (BBA ’03) was promoted to district sales manager at Toyota.

DAVID A. ROSENHOUSE (BBA ’01, MSTX ’02) joined Rosenhouse Group, a public accounting firm in Dallas, as a director.

VINCE RUBIERA (MBA ’09) was recently honored by the Hispanic Association on Corporate Responsibility as one of the nation’s 29 most outstanding young corporate executives in its 2010 HACR Young Hispanic Corporate Achievers Program.

ESTHER M. SANTOS (BBA ’02) started her own marketing consulting firm, Restless Production, in Los Angeles. She is also director of sales for Onuru, a lighting technology company.

ERIC W. SCHREIBER (MBA ’04) recently left Royal Caribbean Cruise Lines and joined ABB as senior manager of marine solutions.

SANDRA SOSA-GUERRERO (MBA ’01) was named CEO of Larkin Community Hospital in South Miami. She previously was CEO of Metropolitan Hospital in Miami. She is also a member of the Florida International University Nursing Advisory Council and the Keiser College Advisory Council.

Spring 2011 BusinessMiami
In 2000, Sandy Goldstein (BS ’81, MBA ’84) was in his sixth year as the chief information officer at Airgas, a large industrial distributor, when he decided to leave the high-level corporate life to head up a new small, technology consulting practice at a law firm. Two years later, he bought the practice from the firm and formed Capsicum Group LLC. With Goldstein at the helm, Capsicum has expanded its scope of services to include everything from digital forensics and investigations to security and technology management. And, he says, “We’ve been in the black every year.” Goldstein, a member of the UM President’s Council and chairman of the School’s Entrepreneurship Programs Advisory Board, shares what he’s experienced since moving to a small company.
When I left my CIO position at Airgas, I was facing a big change, going from overseeing a staff of about 1,000 and supporting a company in 700 locations to a new, unproven, four-person organization within a law firm. Some might look at that as a foolhardy move, but I saw it as the culmination of many steps I had taken over the years. In previous roles at Coopers & Lybrand and KPMG, I had built new consulting practices. That, combined with my CIO experience, made me say to myself, “I’m a guy who very much likes building businesses from scratch, and I can do this.”

The new organization was focused on general technology consulting for the law firm’s clients. We had a good, solid plan in place, but I soon saw that there were opportunities within the firm itself that we hadn’t taken into account. When I talked to the firm’s corporate lawyers, they would point their fingers down the hall to the litigation department and say, “Those are the people who really need a hand with data — they are battling every day to look through discovery documents for trials, and it’s like trying to find a needle in a haystack.”

At that point, we departed from the plan and refocused the practice on litigation support and the legal community, providing services such as computer forensics, electronic discovery and testimony. Our group earned its stripes early on, in a case involving unethical practices at a technology company. There were huge amounts of the defendant company’s e-mails to go through, and the court was told that it would cost well over $1 million to recover them. However, we told the judge we could do it for less than $100,000. We were given the job, and found some incriminating e-mails from top executives — which helped lead to a settlement of more than $300 million.

Eventually, I realized that if we were to keep growing, we would have to separate ourselves from the law firm, because legal ethics issues would limit our marketing efforts as long as we remained under that umbrella. I bought the practice and became the sole owner. But we kept applying the principle of finding out what customers wanted and then being willing to take the company in new directions to give it to them.

“In a very real sense, our success has been the result of learning to “ride the wave” as opportunity arises. We have found planning to be vitally important, but we have avoided being overly attached to a plan.”

For example, we created a hosting environment that gives attorneys easy online access to legal documents and eliminates the traditional approach of having to manage boxes and boxes of paper. This system was used in a bankruptcy case in 2006 — one of the largest bankruptcy cases ever in the U.S. — and we ended up with 28 million pages of documents online. So that got us into the hosting business, where we were suddenly providing online, real-time services and 24/7 help-desk support to the 200 law firms involved in the case.

Being alert to new opportunities has taken us far beyond the legal field, into areas such as information security, data recovery and technology management. We are currently pursuing another metamorphosis and becoming more involved in helping companies with their social media issues. For example, we help clients take advantage of the “deep Internet,” which is essentially the hard-to-find data that’s online. We can analyze activity across social media sites to perform rapid market research and find out what people think about a company and its products and service, as well as uncover larger trends and issues in the marketplace. This deep Internet information can get to the personal level, so we also help companies understand how to avoid data privacy issues.

Overall, this approach has taken us down paths that we did not foresee when we launched Capsicum Group. There has been no silver bullet to growing this business. Instead, it’s been about taking many steps along the way that add up to a business and service focused on one’s customers.

In a very real sense, our success has been the result of learning to “ride the wave” as opportunity arises. We have found planning to be vitally important, but we have avoided being overly attached to a plan. That is, we have not allowed our assumptions to color our view of the real situation, or limit our ability to consider different opportunities as they emerge. In doing so, we’ve exploited one of the great advantages of being a smaller company: the ability to make the quick turn, to be more nimble than large corporations.

Still, we’ve stuck to services related to our core strength, which is data. It’s always been about data — finding it, understanding it and using it. And it’s always our clients that drive new services and lines of business. We’ve been careful to listen to what they have to say. It’s not about what we’re selling. It’s about what our customer wants.

So if something doesn’t add value to the proposition at the end of the day, I figure it’s probably not a good idea. I know that this is a pretty basic tenet that’s taught in undergraduate management courses. But it’s also the kind of thing that I always keep in the front of my mind, so that I am always putting that basic idea into practice.

— As told to Peter Haapaniemi
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