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Aug 2004

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Sloan Club of NY
New York, NY

MIT Sloan Club of New York

A letter from the President

Steve Resnick, SM'73

I'm pleased to report progress on a couple of important efforts for building Sloan alumni visibility and providing benefits to our members. We have just added three new board members from the '04 graduating class – Harris Rabin, Jay Landauer and Sara Weiss - and we look forward to using their additional capability to help expand services and membership. We added three new board members late last year – Karim Issa, Ingrid Huang and Bing Wang – and that has been very beneficial for the Club. The current version of the NY Club started in February 1998.

Membership is going well. **We're up to over 150 new members/ membership renewals** as of mid-year, a record by far. If your name is not on the **list on page 6**, then you're not signed up/ renewed (or you paid after this newsletter was published), and it would be great if you could contact us. Membership is via Paypal or check (see page 2 for payment instructions). **WE ARE ALSO OFFERING, FOR THE FIRST TIME, LIFETIME MEMBERSHIP for \$250. I have been the first to take advantage of this offer – please consider this option for yourself. If you've already paid for this year, and want lifetime instead, we'll be happy to credit you.** The normal dues price has been \$35 per calendar year. Current students and 2003/2004 alumni can join the club for free.

Thus far this year our event schedule has included a hedge fund dinner (75 attendees), the annual joint technology investment outlook with the MIT Enterprise Forum (80 attendees), and a couple of cocktail parties, including one with the summer interns (35 attendees). The NY Sloan Club newsletter continues to be published each quarter, led by Bob Fitzpatrick. We continue to provide our event schedule to the MIT Club of New York. And for the first time, the Boston and New York Sloan Clubs are advertising each other's events.

We also want to welcome contributors to this newsletter. Send us (Resnick@nav-capital.com) a short bio or statement about yourself, your business, connections you'd like to make, Sloan experiences, anything to do with quality of life.

We are interested in expanding our professional event schedule beyond our successful hedge fund series, which I lead, and we'd like to hear your ideas for other themes.

Your NY Board looks forward to working with you to continue to build networking and learning opportunities. Specifically, we're looking for people who can lead events for which they have a passion for the theme and have something to offer local alumni. Please feel free to contact me if you want to get involved.

Steve Resnick
Chairman MIT Sloan Club of New York, Membership
resnick@nav-capital.com

Employment in the Modern Economy

By Karim Issa SM '03

Modern capitalist economies are cyclical and they go through good economic times and recessions. These cycles can be seen as waves that both generate jobs and reduce jobs within the US economy. Each wave is defined by a dominant set of careers that are in high demand and a reduction in careers that are automated or migrated to countries that have a low cost advantage, an educated work force and an English speaking population. The recent 2000-2003 recession has raised awareness to the outsourcing trends that is occurring in the US. The migration of service jobs, including Information

Technology jobs, is a good example of the reduction of jobs during the current economic cycle. Recent improvements in costs in Information Technology and Telecommunications have allowed job functions to be completed anywhere in the world. It has leveled the playing field among all nations and will allow service jobs in call centers, research labs and hospitals to be migrated to other parts of the world at a fraction of the cost.¹ This wave of outsourcing will accelerate in the future. Furthermore, this wave will create new job opportunities for professional in the US. There are jobs in the US economy that are not being filled because there are very few qualified individuals that are preparing themselves to enter these professions. Therefore,

each wave in the US economy generates jobs and reduces jobs at the same time.

Waves within the Economy Drive New Careers

These waves drive changes in the economy. It creates jobs in high demand career areas and highlights the oversupply of jobs in low demand career areas. It is very important to distinguish careers into two categories: Old Careers and New Careers. An Old Career is defined as a career area where the supply of workers is greater than jobs that are available. Some of these careers are familiar you such as a telephone operators, farmers and machinists. A New Career area is defined as career areas where the supply of qualified workers is less than the jobs that are available. These are un-familiar career areas such as Nanotechnologists, Biomathematician and Neuro-physiologist. New Careers areas have been created during the current economic wave.

Alvin Toffler, a famous futurist, wrote in his book called the Third Wave, that the world is moving in waves.² He defines the past waves in the following manner:

Name	Wave	Timelines
Agricultural	First Wave	1650-1894
Industrial	Second Wave	1850-1949
Information	Third Wave	1940-1999

Each wave is different from the previous one. Each wave creates a demand for employees with new types of skills and reduces the demand for others. For example, the Agricultural economy required a lot of farmers. During the early 1900's, 85% of US workers were in agriculture. Now agriculture employs less than 3% of the
Continued on Page 3

Sloan Club of New York Membership...

The club provides a professional and social network for MIT Sloan alumni.

[Sign up online \(click here\)](http://mitsloan.mit.edu/alumni/clubs/newyork/join.php)

(<http://mitsloan.mit.edu/alumni/clubs/newyork/join.php>)(online membership enrollment using your credit card) and help support our efforts to bring together and enrich the Sloan alumni community in New York area. It's a great investment! Membership for the calendar year 2004 is **FREE for '03 & '04 graduates, current students, full retirees, and those "in between" jobs.**

Your 2004 membership fee is \$35. Contact Steve (info below) if you are not sure of your membership status. **Special Lifetime Membership \$250 (\$215 if you have already paid \$35 for this year).**

Pay by Credit Card: Sign on to www.paypal.com, select "Send Money" tab and direct your payment to resnick@nav-capital.com. (Detailed instructions are on the [Sloan website](http://mitsloan.mit.edu/alumni/clubs/newyork/index.php) (new URL <http://mitsloan.mit.edu/alumni/clubs/newyork/index.php>.) If you don't have a PayPal account, you will need to create one.

Send a check and sign up (payable to the MIT Sloan Club of NY) to:

Steve Resnick
c/o Navigator Capital Partners, LP
745 Fifth Ave, Ste 1400
New York, NY 10151

Be sure to include the following information with your payment.
Prefix, First Name, Last Name, Email address, Year, Program, Biz Ph, Business Title, Business name & address, Home Ph, Home address

Chairman & Membership

Steve Resnick
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Employment in the Modern Economy...

workforce. The Agricultural Wave led to the Industrial Wave. During the Industrial Wave in 1940, 73% of U.S. employees worked in production or manufacturing. Now less than 15% are in this sector. The Industrial Wave led to the Information Wave.

During the Information wave there has been a significant increase in the demand for IT professionals in the US economy. But, during this last recession, there was an oversupply of IT workers. The dotcom crash and outsourcing are the two main factors that have created this oversupply of IT workers. The combined effect has displaced 1-Million IT workers and 80% of these workers have not found jobs.³ This does not mean that there will not be any jobs in Information Technology, but it means that the demand for IT workers will decrease. New IT positions will require a sophisticated combination of skills such as IT combined with business skills or IT combined with biology skills.

Where will the Jobs be in 2012?

It is unlikely that the current trend of globalization and outsourcing will be reversed. But, there will be a demand for workers in the US job market. The demand will be in every professional area and industry. There will be a demand for people with a liberal arts, philosophy, sociology, pure sciences, teaching and research backgrounds. But, the combination of skills that will be required will be different.

The U.S. Bureau of Labor Statistics has predicted an increase in total employment of 21.3 million additional jobs, or an
Continued on Page 4

Demystifying Six Sigma Part 2: Alphabet Soup

Bob Fitzpatrick, MBA '00

GE Consumer Finance

Information from GE's Six Sigma Manuals.

DMAIC

Common Acronyms & Jargons used in each of the five phases:

Define (*What is the customer's expectations of the process?*)

CTQ: Critical to Quality. Process characteristics deemed important in reducing variability as defined by external customers and driven by internal customers.

VOC: Voice of the Customer.

Charter: Defines & clarifies what is expected of the team and deliverables.

SIPOC: Suppliers, Inputs, Process, Outputs, and Customer. Areas of focus for doing the process mapping in order to create a linkage between the customer and the process.

CAP: Change Acceleration Process. Influence strategy to help facilitate solution acceptance by the organization.

Measure (*What is the frequency of defects?*)

QFD: Quality Function Deployment. Methodology to identify CTQ's.

FMEA: Failure Modes & Effects Analysis. Analytical technique for preventing problems through identification of potential problems.

Project Y: Measurable customer CTQ characteristics to be improved. Comes from the equation, $y=f(x)$, y is the dependent variable affected by the independent variable(s) x .

MSA: Measurement System Analysis. Using appropriate tools to validate measurement system because we want an accurate picture of our process for identifying variations.

Gage R&R: Gage Repeatability & Reproducibility. Tool to validate measurement system. When we collect data, we see the process

"through the lens of our measurement system". What we see is the combined variation, actual & measurement; therefore, MSA enables us to measure how much of the variation is due to the measurement system. For attribute data (discrete instead of continuous), we would use Attribute Gage R&R.

Analyze (*Why, when, and where do defects occur?*)

Process Capability: Ability of the process to produce a defect-free product.

Sigma Shift: Short Term (ST) variation is less than Long Term (LT) variation by about 1.5 sigma. Six Sigma process (3.4 defects per million that everyone mentions) is actually referring to 4.5 Sigma Process LT -- 4.5 Sigma equals 3.4 defects per million. This 1.5 Sigma shift occurs because in the long term the data collected will experience shifts, trends, and/or cycles due to changing conditions (Special Cause).

Special Cause: Non-random variation due to shifts, trends, and/or cycles.

Common Cause: Random variation due to the 6 M's (Men & Women, Materials, Methods, Machines, Measurements, and Mother Nature).

Improve (*How can we fix the process?*)

DOE: Design of Experiments. Used in identifying and testing solutions to isolate the vital few causes [x 's -- remember $y=f(X)$] from the many factors affecting the process.

Control (*How can we make the process stay fixed?*)

SPC: Statistical Process Control.

Control Charts: Charts used to monitor the inputs and outputs of a process.

Look for part 3 in our next issue.

Employment in the Modern Economy...

increase of 15% from 2002-2012.⁴ For example, the number of people attending university in the US has grown and is anticipated to increase significantly in the future. Outsourcing and other factors will cause adults to attend postsecondary institutions in larger numbers and more frequently to change careers and obtain new skills. This trend will increase enrollment at postsecondary institutions from 14 to 16 million

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Bing Wang, SM '99bingw@alum.mit.edu

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students by 2008.⁵ This trend will lead to a shortage of postsecondary instructors. The demand for postsecondary instructors will grow by 38% or 623,000 instructors. The demand will be the greatest for instructors who can teach multiple subjects and can use new technology in their teaching methodology. This trend is a direct result of the outsourcing trend and it highlights the fact that you need to actively evaluate your career area every year and anticipate the requirements for your next job.

Managing Your Career – Three Keys

Managing your career as these waves progress is a complex process. These waves will force individuals to change careers 3-4 times during their lifetime and seek job retraining more frequently. The current outsourcing trend will force you to evaluate your career more closely to see if you are in an Old or a New career area. Focusing on three key areas will increase your career success. Participating in a professional organization, building transferable skills and learning new skills will allow you to be successful in the future. Actively participating in professional organizations will allow you to build important contacts and to anticipate changes in demand in your career area. Secondly, you should focus on obtaining transferable skill, which can be leveraged across functional organizations or across multiple industries. This will require that you develop a sophisticated combination of skills that will allow you to be “flexible”. Flexibility has its advantages because it will allow you to enter a new career area as the outsourcing trend accelerates. The third key to success is to commit to life long learning. This can be done in a formal setting such as a college or a vocational training institution or through web

based training programs. Each year you should take a course that increases your skills and allows you to be flexible. These three keys will allow you to successfully guide your career through current and future waves of change.

REFERENCES:

¹ The Guess which jobs are going abroad, February 25, 2004, CNN/Money by Leslie Haggin Geary at URL

<http://money.cnn.com/2003/12/30/pf/offshorejob/>

² Third Wave by Alvin Toffler, Bantam Books, April 1981.

³ U.S. We Can Shape The Global Economy an Interview with Lester Thurow at URL <http://www.cio.com/archive/121503/interview.html>

⁴ U.S. Bureau of Labor Statistics Employment Projections 2002-12 <http://bls.gov/news.release/ecopro.nr0.htm>

⁵ Job projections for teachers in the Postsecondary educational system published by the U.S. Department of Labor Bureau of Labor Statistics web site. At URL <http://stats.bls.gov/oco/ocos066.htm>

Karim Issa is an Associate on Sloan Club of New York Board. For the past 15 years he researched, developed and presented seminars on Future Careers to youths and parents in the US and Canada. His educational background includes a graduate degree from the MIT Sloan School of Management and a Bachelors of Computer Science degree from University of Toronto. Karim Issa currently works at American Express in New York as a Product Strategist. He can be reached at Karim.Issa@Sloan.mit.edu.

Events

We accept corporate sponsorship for our events. Contact Steve Resnick resnick@nav-capital.com

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Sloan Club of NY Events

Happy Hour for Sloanies in the Connecticut Area
Friday July 30, 2004
 At Telluride in Stamford, CT
 245 Bedford Street
7-8:30 PM (Cash Bar)
 Wear any Sloan gear to identify each other (pin, shirt, hat, etc...)

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[MIT Club of NY Events](#)

Click on the link above for the calendar.

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[Sloan Club of Boston Events](#)

Starting a Start-up: What do I do now? September 14, 2004

The focus is on technology, but the advice is broad, horizontal cross-platform, not narrow, vertical silos. We'll have senior attorneys from Nutter, McClennen & Fish giving a primer on three early aspects of your inchoate existence:

- > birthing process
- > intellectual property
- > financing

Time: 6:00 - 10:00 p.m. (first speaker starts at 7:00 p.m.)

Place: MIT Sloan School of Management, Tang Center, E51-345

For information contact: Jack Langworthy (617-350-3101) or e-mail

jiangworthy@techcapadvisors.com

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Health, Creativity and Inner Peace Column:
 Part I: Breathing Yourself into Balance

We live at such a fast pace today that taking care of our health has found its slot either in the mornings before work or after work at the gym. Recently however, in conversations with recent MBAs and professionals in NYC, the word Balance is coming up and people are trying to figure out what that means for them. Deep down we know that if we can create balance in our lives, our health will improve, we just don't know where to start from in this "re-org" process.

What is balance? We are often taught to think of balance as having to do with balancing the various categories in our lives: work, play, family, friends, personal interests, vacation: how to balance our time so we get to do a bit of everything in life. This is important, but people who are looking to improve their quality of life are starting to realize that to feel fully alive on a day to day basis, they need to feel balance from the inside so they can be fully present at work, at play etc. So where does one start from when it comes to beginning to explore and restore inner balance? What are the categories when it comes to making sure you are giving enough attention and care to different parts of you?

I've been taught to think about the human being as a physio-emotional-mental being. Physically, various systems in our bodies are responsible for balancing the hormones, getting rid of toxins, making sure that each organ in our bodies gets enough oxygen and rest. In this aspect we are like machines: when we get stressed, the systems get confused and overloaded with information and we begin to go into overdrive. Our emotions and moods are directly linked to the functioning of these systems and if there is overload on a regular basis, it will begin to affect our mental well-being. So if the physical energy flow is not optimal, imbalances begin to take place on an emotional level and we begin to overload our minds with worry, fear, judgments etc, as a result of those emotional imbalances.

Step 1? Learning to slow down and breathe correctly to release tension and get energy flowing smoothly again through our systems. This applies beyond the running track or gym. Begin to stay connected to your breath when you are at a computer. I have noticed that this is usually where people stop breathing most (at meetings too!). Start to notice when you are shutting your mouth and freezing your breath at work. Breathe in through your nose and out exhale that extra breath (or two or three) through your mouth.

To bring more awareness to the breath it also helps to find a practice that allows you to slow down enough to do so: for example, if you do weights, try to find a quiet time at the gym to do them and/or put some soothing music while you are doing them and stay very aware of how you are breathing. Make sure your belly is filling up with air every time you inhale and lift the weight using the power of your exhale rather than your muscles. If you already do yoga, make sure that the teacher you have chosen pays attention to the breath and remember that speed and intensity in yoga does not always equal health benefits-

Continued on page 7...

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Jobs

> \$7 bil fund looking to add minority or women owned funds to its data base for possible investment

> Strong quant wanted by fellow MIT grad in Risk Mgmt Dept with a major Bank

- contact Steve Resnick at Resnick@nav-capital.com for intro

Health Continued...

sometimes it is in effortlessness that we learn most about what it is that is making our lives stressful and by simply releasing the tension pattern in our body, the issue resolves itself without our having to do anything.

If you do cardio as part of your workout, reserve 5-10 minutes to sit and follow your breath when you are finished. If you have trouble keeping your mind focused on your breath, I recommend choosing a color that you find relaxing and centering and create a screen in your mind of that color.

Quieting the mind is also a wonderful way to notice what thoughts are the ones taking you away from your natural flow. Your natural flow is your key to your inner balance. And when your physical, emotional and mental aspects of your body are in balance, a more creative, playful and wise part of you takes over. Some people call it the soul, others synchronicity. We can also call it overall well-being and joy of being alive.

Have a glorious and relaxing summer and breathe!

(Vanessa Chammah is the founder of Everyday Souls, a company supporting your return to health, creativity and inner peace. vmc@everydaysouls.com. Visit www.everydaysouls.com for more information.)

**New York Business School Club
Ingrid Huang SM '02**

**Multi-School MBA Happy Hour
Sponsored by the New York Business School Club**

Wednesday, August 11th, 2004

6:15 PM – 10:30 PM

Boat Basin Café
212-496-5542

79th Street and the Hudson River (underneath the Westside Highway at 79th Street)

DIRECTIONS: 1/9 to 79th Street. Walk west on 79th Street past Riverside Drive and continue on the North Side of 79th Street until you see a stairway on the right and a sign that says Boat Basin Cafe. You will follow the stairs down to the right into the cafe. We will have an area by the stage for our happy hour including a private bar.

- Cash Bar and Full Foodservice Menu
- If weather is inclement, event will be canceled and possibly rescheduled in September

Bulletin Board

Superior tennis guy wants to trade tennis lessons for quant lessons. Contact Bill at 212-249-4863.

Everyday Souls, a company founded to restore the Health, Creativity and Harmony in human beings invites young female professionals to an evening of Color Dance, a new fusion of yoga, movement and color visualization. Co-sponsored by Dawn (www.dawn-ny.org), an organization focused on professional and personal development for young women. Wednesday July 21 from 7:45-9:45pm at Atmananda Yoga Center, 552 Broadway 3rd Fl. Visit www.everydaysouls.com for further details. This summer we are offering co-ed classes and workshops in NYC and the Hamptons, aimed to re-vitalize center and relax you to help you flow through your day with more ease and focus. For schedule, visit www.everydaysouls.com Vanessa Chammah, Class of '94 at vmc@everdaysouls.com. Classes Begin July 1st.

If you have Bulletin Board items to submit, contact Rob Varkonyi at varkor@alum.mit.edu.

- We will add 10 lines / 1/3 Column ads from Alumni and Alumnae looking for jobs.
- We will add 10 lines / 1/3 Column statements from members wanting to profile themselves and/or their companies.
- We will also publish relevant articles from member contributors.
- We will also accept "quality of life" letter/articles for publication.
- We will also post your job openings for free.