COMMUNITY NEWS
Stay on top of the news from all corners of our vibrant community.

ADVANCE YOUR CAREER
Meet with a trained career professional for a customized consultation and use exclusive job resources for alumni.

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Use the new directory to maintain and expand your network with the entire MIT Sloan community.

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Join your local MIT Sloan club, and participate in programs and events that help bring alumni together.

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Reconnect and reminisce with your classmates at Reunion, and renew your intellectual connection to the School at Convocation.

EVENTS
Keep up to date on upcoming events, speakers, and workshops.

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Take advantage of great opportunities for continual learning—including faculty videos, course notes, and upcoming executive courses.

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> http://mitsloan.mit.edu/alumni/
Globalization:
around the world,
around the clock

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20 Succeeding with virtual teams
Their offices may be virtual, but the results they achieve are very real. See how two alumni are helping to redefine the concept of outsourcing and contributing to the evolution of a 24/7 workforce.

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As political and economic changes make the world smaller, the responsibilities for today’s managers are growing bigger. Several of our alumni—working in various industries and capacities throughout the world—weigh in on managing across borders, time zones, cultural norms, language barriers, and ever-evolving expectations.

Feature
40 Advancing management theory and practice—the world over
Long committed to improving the world with innovative problem solving, MIT Sloan has established numerous groundbreaking educational initiatives across five continents—initiatives helping to shape the future of global business.

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On the cover
An instant connection
Bridging many gaps through globalization
Thanks to our neighbor, Cambridge Innovation Center (and CEO Tim Rowe, SM ’95), we had the room to create our surreal, multinational workspace—and convey the often-instantaneous connections resulting from globalization. Photograph by John Earle.

To see how we converted a gap of approximately 7,600 miles to mere inches, visit http://mitsloan.mit.edu/magazine.
Dear Fellow Alumni and Friends of MIT Sloan:

Welcome to the second issue of the MIT Sloan alumni magazine. Since our magazine debuted last fall, we have heard from our alumni around the world, and we were delighted to learn how much everyone has enjoyed reconnecting to the School and to each other through this publication. This magazine includes contributions from, and is published for, the entire community, including alumni, students, faculty, staff, and friends. We sincerely appreciate their ongoing involvement and support, which make this magazine possible.

This issue’s theme is globalization. In the feature stories, our alumni share their experiences and successes with globalization—how their industries and teams have been impacted, the challenges they have faced, and what they believe the future holds. Due to an unprecedented amount of alumni submissions, we have increased the Class Notes section by almost 50 percent and tripled the number of Class Notes pictures. Please join me in thanking our many enthusiastic alumni for sharing so many personal milestones and photos—and please keep them coming!

Our School enjoys a very rich history of international partnerships and collaboration, and we continue to build upon it. This spring, I traveled to Korea and to China, and I observed firsthand the strength of MIT Sloan’s longstanding global relationship with Korea’s Samsung Group and our new partnership with the SKK Graduate School of Business in Seoul. In China, I visited the schools where this July we will be celebrating the 10-year anniversary of our groundbreaking partnerships with Fudan (Shanghai) and Tsinghua (Beijing), two of China’s leading universities. All MIT Sloan alumni are invited to join Dean Schmalensee and esteemed guests at these exciting and high-profile celebrations, to be held in Shanghai July 7–9, 2006, and in Beijing July 14–16, 2006. More details about the anniversary and these events can be found on the MIT Sloan website at http://mitsloan.mit.edu/chinatenth.

Globalization has, in part, been driven by the advance of inexpensive and instantaneous digital communications. Although it has been more than a decade since the Internet became a household word and since mobile phones first became affordable, the development of new applications to leverage this technology continues to accelerate. In just the last year, video over Internet Protocol has made it possible to conduct free, high quality video conferences over the Internet. I was pleasantly surprised at how useful this service was in connecting with my staff and with my family during my recent trip to Asia. Now any global team with a computer and Internet access can inexpensively stay in touch, face to face.

Beyond new communications tools that bring us closer together, how will globalization impact some of the deeper issues of our world? Which languages will one need to know to succeed in business in this era? As people from different cultures collaborate more extensively over vast distances, how will those cultures be affected over time? Will global workgroups leverage their diversity to create better products and services, and will they become more or less diverse? Will we experience increasing peace and stability as economies become more tightly connected, or will this serve only to more strongly highlight our differences and drive us apart? How will individuals compete in a world where so many skilled workers can now be employed from anywhere? What languages and courses of study will best prepare our children for this new global world, and how can we help ensure that they have access to them?

One of our goals for this magazine is to provide a basis for ongoing discussions around these and other topics of interest to our readers. We have added a new section to the magazine, You were saying? (Please see next page.) to give you an opportunity to share your thoughts with the rest of the community. As with Class Notes, we will also post this new section online.

We hope you enjoy this new issue, and as always we welcome your comments and suggestions. You can reach me by phone at 617-452-2369 or by e-mail at sbrown@sloan.mit.edu. I look forward to staying in touch.

Best regards,

Sean E. Brown, SM ’94
MIT Sloan welcomes letters from our readers.
What do you think about this issue?
E-mail us at editor@sloan.mit.edu.

Keeping things in perspective ...
Any chance of getting a reasonably sized JPEG image of the cover of MIT Sloan, the one with the fellow working in his boat? I’d like to use it as my computer desktop image, just to help keep things in perspective ...

Hershel Safer, PhD ’92
Rehovot, Israel

We’ve made it easy to turn the fall issue’s cover photo into your computer desktop background. Please visit http://mitsloan.mit.edu/magazine for this feature, as well as full magazine content.

November 14th was my four score and 11th birthday. One of my best presents was Vol. 1, No. 1 of MIT Sloan ... I have in mind preparing an interesting story on what it was like to be accepted by course XV and live in a fraternity house in 1932.

Col. Edson B. Snow, AUS-Ret., SB ’36
Deerfield Beach, Florida

Great idea. We welcome other suggestions.

I just got the first issue of the revised alumni magazine ... it’s a SLAM DUNK! ... We have a real alumni publication that looks professional in content and format. Well done.

Patrick Kaufer, SM ’94
New York, NY
Dear MIT Sloan Alumni and Friends:

It is now difficult to find a business magazine, article, or website that doesn’t mention globalization and the “flattening” world, or its impact on national economies and workforces. This is good news for our School and for our community, since we have developed great expertise in global business over the last several decades.

MIT Sloan has always been a trailblazer in the global arena. Our faculty’s research in such areas as finance, organizational development, and managerial use of information technology has had a global impact on the practice of management. In the 1960s, Richard Robinson pioneered the field of international management; he was a founder and then president of what is now the Academy of International Business (AIB). One of Robinson’s early hires, Don Lessard, also served as AIB president and dean of the AIB Fellows; another, Eleanor Westney, is just completing her term as chair of the International Management Division of the Academy of Management. Former Dean Lester Thurow was one of the first to call attention to Asia’s growing economic impact and the importance of understanding Chinese-based economies. More recently, Kristin Forbes’ and Roberto Rigobon’s research on “contagion” among capital markets in emerging markets and Richard Locke’s and Simon Johnson’s classes in Global Entrepreneurship are both leading the thinking on major global issues and developing the next generation of global business leaders.

We have also been a pioneer in developing business education throughout the world. In the early 1960s, we helped to create the Indian Institute of Management in Calcutta, and this summer we celebrate the 10th anniversary of the pioneering and influential MIT-China Management Education Project. MIT Sloan has helped three of China’s leading universities develop market-leading English-language international MBA programs, by training many of their faculty in the MIT Sloan approach here in Cambridge. We have more recently added similar collaborations in Korea and Mexico, and we also participate in MIT’s partnerships in Singapore and the United Kingdom.

We were among the first U.S. management schools to actively seek the best students from across the globe to study here. MIT Sloan students have continued these efforts and regularly organize international trips and treks, regionally themed C-Functions, and globally focused conferences.

Many of our firsts are now being emulated by other universities—we consider this the sincerest form of flattery. We don’t worry too much about this, though, because we continue to break new ground.

I am delighted to share with you our next groundbreaking move—the commencement of construction on the new MIT Sloan campus next summer. Our programs and people are currently housed in nine buildings in and around the MIT campus. We are all looking forward to bringing this community closer together in an environment that fosters increased personal interaction in research and education, and that provides the space necessary for our diverse population to reach its full potential. As a graduate and a member of the faculty, I have witnessed an amazing amount of collaboration over the years, but I am confident that this new environment will help us to reach new heights.

The fact that this magazine is read around the world is a testament to our longstanding success in infusing classroom discussion, campus life, and our alumni network with a global perspective. I hope that you will enjoy this second edition of our alumni magazine, and that you have a wonderful summer.

Warm regards,

Richard Schmalensee
John C. Head III Dean
IT Sloan’s much-anticipated triennial Convocation attracted over 600 alumni and guests from around the world and gave them the opportunity to celebrate the thought leadership that is the lifeblood of MIT Sloan. Held October 6–8, 2005, the weekend celebration was a chance for alumni to connect with each other, with faculty, and with some of the great business minds of our era as they explored new directions in technology, entrepreneurship, consumer behavior, and management practice.

The 2005 Convocation weekend opened with the Passion to Action Summit—a confab of MIT leaders that served as the official launch of the MIT Leadership Center. In addition, this year’s convocation celebrated two key landmarks in the history of management education: the 75th anniversary of the MIT Sloan Fellows program, the first executive program in the world, and the 25th anniversary of the Management of Technology program, a trail-blazing program that inspired more than 250 imitators. (The two programs were integrated in 2004 to become the successful MIT Sloan Fellows Program in Innovation and Global Leadership.)

Among Convocation’s high points were featured talks by such world-renowned MIT alumni as Morris Chang, chairman and CEO of Taiwan Semiconductor Manufacturing Company; Carly Fiorina, SF ’89, former chairman and CEO of Hewlett-Packard; and John Thain, CEO of the New York Stock Exchange. Convocation attendees were also able to participate in an invigorating roster of talks, discussion groups, and seminars with the industry leaders and MIT Sloan professors who are defining their fields. Professor Rebecca Henderson, for example, explored strategies for competing in an increasingly open world. Entrepreneurship Center Director Ken Morse examined what’s hot and what’s not in high-tech entrepreneurship. And Professor Michael Scott Morton investigated corporate strategy for information technology. Other faculty led panel discussions, including Richard Locke, who hosted Hannah Jones, vice president for corporate responsibility at Nike, and Scott Nova, executive director of the Worker Rights Consortium, in a frank dialogue about socially responsible globalization.


In January, MIT Sloan alumni joined current students in IAP workshops on Distributed Leadership sponsored by the MIT Sloan Alumni Office and the MIT Leadership Center. One of the most popular MBA classes in the January session, this three-day workshop helped students and alumni strengthen their leadership skills. Taught by faculty leadership gurus Deborah Ancona and Tom Malone, the workshop utilized a unique combination of lectures, small group discussions, and self-reflection. According to feedback, alumni tremendously enjoyed this “return to the classroom,” noting that they learned a great deal and liked interacting with faculty and members of the current MBA class. Alumni also brought a special value to the workshops, by sharing their extensive experience with other students and alumni in the class. According to Tom Malone, “This is the first time we’ve combined both current students and alumni in the same leadership workshops, and we were very pleased with the richness of interaction that resulted.”
Nathalie Butcher spent her summer amid palm trees and ocean breezes, but her activities ranged far beyond tanning on the beach and sipping tropical drinks. Butcher was based in Jakarta working for the Indonesian NGO United in Diversity helping tsunami victims to rebuild established businesses and launch new ones.

When the tsunami hit Southeast Asia in 2004, Butcher believed that her MIT Sloan knowledge could make a real difference in the recovery effort. Her primary interest is in operations, and she realized that the flood-stricken country needed operations people to organize contractors, doctors, and relief workers. Twenty-four hours after committing to put her passion into action, Butcher landed the job in Indonesia that allowed her to do just that.

During the first half of the summer, Butcher met with government and business officials to formulate relief plans for the most devastated areas of Indonesia. She then used her MIT Sloan entrepreneurial expertise to establish a virgin coconut oil plant in the remote region of Sirombu. “I did the research and secured stage-one funding that paid for me, a manufacturing specialist, and an environmentalist to survey the area,” Butcher reports. “They looked at the coconut trees to see if this would be the right place to start a facility, and both thought it was.”

Under Butcher’s leadership, the enterprise is on the verge of securing $200,000 in stage-two funding. At that point, she believes, it will be possible to make the facility profitable. The business will provide 30 new jobs to the people of Sirombu and employ peripheral workers as tree climbers. Says Butcher, “We’ll get the community restarted and cash flowing into its economy.”

In addition to her work with the coconut oil plant, Butcher tracked the progress of construction on 240 houses for homeless villagers, coordinated the moves of the first families into their homes, and secured food aid for 18 remote villages. Along the way, the burgeoning social entrepreneur learned key lessons that can only come from real global business experience. “Everything around socialization and politics of aid work is fascinating to me,” says Butcher. “It is a side of life I’m very much not experienced in.”

Butcher’s blog (http://2ndstarleft.blogspot.com), A Year of Living Dangerously, records the trip in a compelling pastiche of photographs and diary entries, and explores her growing knowledge of the reality of getting things done in remote regions under stress. “This experience was absolutely fantastic. It was a great complement to what I was working on at MIT Sloan. The project management work drew on all of the skills I had built, from marketing to logistics to finance.”

Her experience in Indonesia was not a one-shot deal for Butcher. “I want to do this permanently,” she says. “I want to work for the Red Cross, the World Health Organization, or USAID.” For now Butcher has resisted the urge to take a leave of absence to work in the hurricane-stricken Gulf and is back at MIT Sloan, eager to complete her degree so that she can embark on a life of helping people weather disasters.
When most people hear of MIT, they think science, engineering, technology, and countless other “quant jock” areas of study. So those folks might be surprised to hear of our offerings in sports management, brush painting, Soviet poets, patent law, archery, and baking. Such are the wonders of January’s Independent Activities Period (IAP). This year, the IAP extravaganza offered the MIT student, alumni, and staff community more than 700 courses designed for both serious students and idle dabblers.

After three decades, IAP has given birth to scores of hallowed traditions, such as the 16th Annual Tribute to Dr. Seuss and the MIT Mystery Hunt, which has been a passion for the Institute’s aspiring detectives for a quarter of a century. A scavenger hunt for puzzlers, the Mystery Hunt challenges teams to solve a sequence of puzzles that leads to a coin hidden in the darkest depths of the campus.

Another beloved and equally whimsical tradition is Charm School. For more than a decade, this three-ring circus teaching nuance and niceties has been a great IAP favorite. Topics include walking like you mean it, buttering up big shots, and the ubiquitous but oh-so-necessary e-mail etiquette. Charm School began as a spoof on Emily Post, but grew to challenge her expertise in matters of politesse.

And then there’s food. How would you go about building a better brownie? MIT’s student-run Laboratory for Chocolate Science puts this dessert under the microscope. Perhaps spurred on by a “lab” devoted to the substance, the community is especially passionate about chocolate. Other IAP offerings include a Chocolate Tour of Boston, Chocolate Sculpture, Chocolate Truffle Making, and more. While the chocolate lab is not a federally funded research center, its members treat chocolate with the same studious inquiry they bring to the study of finance or DNA.

Speaking of which, serious, challenging, career-changing courses were also on the IAP roster. MIT Sloan alone offered a hearty helping, including several for-credit courses like High-Tech Startups with Ken Morse and Jack Gill, the Nuts and Bolts of Business Plans with Joseph G. Hadzima, SM ’77, and Distributed Leadership with Deborah Ancona and Thomas Malone. There are also noncredit courses in everything from patent law to investment banking.

The ultimate lesson of IAP? If it can be learned, it will be taught at MIT.

Investigate IAP’s many educational offerings at: http://mitsloan.mit.edu/mag/iap.

How to do ... just about anything

The Venture Capital & Private Equity Club sponsored a lunchtime seminar series entitled, What It Takes to be a Truly Value-Added Venture Capitalist, featuring the MIT Entrepreneurship Center’s Ken Morse and John Preston.

Associate Professor Richard Frankel and Assistant Professor Dirk Jenter were jointly awarded top honors at the 15th annual Excellence in Teaching Awards. Frankel, who received the award once before in 2002, was cited for teaching “not just with his brain, but with his heart,” and was complimented for his availability to students, both inside and outside the classroom. Jenter, who was nominated by more than 20 percent of the Class of 2005, was described as passionate, professional, inspiring, talented, and funny. Said one student, “Dirk Jenter is one of those professors who has the ability to be engaging, organized, and entertaining simultaneously.” Antoinette Schoar, Robert Pindyck, and Roberto Rigobon were recognized as Outstanding Teachers of the Year.
profile:

Michael M. Kaiser, SM ’77

President, The John F. Kennedy Center for the Performing Arts, Washington, D.C.

Hailed as the “Turnaround King” of the arts world, Michael Kaiser, SM ’77, has made a career out of revitalizing troubled arts organizations at a time when funding for the arts has been scarce. However amazing his list of successes in the arts world, Kaiser’s path to arts management has been anything but linear. After the once-aspiring opera singer discovered that vocal performance was not where his talents lay, he turned to economic consulting, eventually founding his own highly successful strategy firm. But he later realized he needed to find something he liked and for which he had a passion. “You have to like the product you are going to work with. The product must be interesting. Like others, I found that art is more interesting as a product than money.” Thus, he returned to the arts world as a business leader.

As general manager of the financially troubled Kansas City Ballet, he eliminated the organization’s deficit and subsequently turned around several other arts organizations—among them, the Alvin Ailey Dance Theater Foundation, the American Ballet Theatre, and Britain’s Royal Opera House. He has never run an operating deficit. Along the way, he developed his well-known mantra: “great art, well marketed.”

Kaiser’s appearance at MIT Sloan took the form of a fireside chat, with the guest of honor fielding questions from moderator (and former dean) William Pounds and students. On the topic of turning around an arts center, Kaiser likened it to turning around any business. “You can’t just address costs. You must address revenue,” he said. “If you have a good product, that will help turn things around. All the techniques I learned here [at MIT Sloan] can transfer to the business world. But success is the hardest thing to measure in the nonprofit world.”

“When arts organizations run into financial difficulty, their first impulse is to cut back on artistic initiatives and marketing,” Kaiser explained. “They don’t realize that they are cutting the very areas that are most responsible for their success. It’s essential to create a sense of excitement about your organization so that the community will want to participate. To do that, you need to program creatively and market aggressively.”

Kaiser took up the reins at the Kennedy Center in 2001 and immediately set about making it truly fulfill its role as the nation’s cultural center. This mandate, naturally, involves sophisticated marketing. It also demands new kinds of pro-

programming, such as festivals of the work of Stephen Sondheim and Tennessee Williams, creating a U.S. home base for the Kirov Ballet and Royal Shakespeare Company, and bringing the Iraqi National Symphony Orchestra to Washington, D.C. Kaiser has based this programming on the belief that “art is a great healer and a way to bring people together.”

It is little wonder that arts management education is near to Kaiser’s heart. “There is a serious shortage of managers in the arts, and those we have work in more and more difficult environments. In our business, there is no opportunity for productivity improvements—you can’t cast fewer actors or add more seats. So you have to manage well and learn to love fundraising,” he said.

Another key thing to remember in arts management? “You can skimp on everything but what goes on stage.”

At the Kennedy Center, Kaiser also has launched innovative education initiatives. The Capacity Building Program for Culturally Specific Arts Organizations trains leaders in small, high-quality arts organizations that have ethnic roots and audiences. The Kennedy Center Arts Management Institute annually brings a dozen professionals from around the world for intensive work, study, and direct participation in Kennedy Center activities. Other arts management programs are directed at midsize orchestras, board members, and New York City organizations. In his capacity as an official U.S. cultural ambassador, Kaiser has instituted arts management programs in Mexico and China and is starting one for Arab arts organizations.

For more on Michael Kaiser’s visit to campus, go to http://mitsloan.mit.edu/mag/kaiser.
A year of distinguished leaders:
Dean’s Innovative Leader Series

In addition to Michael Kaiser’s, SM ’77, standing-room-only performance, the Dean’s Innovative Leader Series brought the following all-star cast of speakers to campus for the 2005–2006 academic year and have become must-attend events for the community.

Steven Ballmer, CEO, Microsoft Corporation
Owning the distinction of being the first business manager hired by Bill Gates, Ballmer’s leadership and passion have become hallmarks of his tenure at Microsoft. In his 26 years with the company, Ballmer headed several Microsoft divisions, including operations, operating systems and development, and sales and support, before being named CEO in 2000.

Tim Brown, CEO and President, IDEO
Tim Brown spends his time innovating and fostering innovation. His company, IDEO, designs innovative products, services, environments, and digital experiences. It also provides strategic services to help direct an innovation effort or catalyze creativity within an organization.

Lord John Browne, Group Chief Executive, BP
Lord John Browne began at BP in 1966 as a university apprentice. In the succeeding 30 years, he rose to CEO, helped transform BP into a dynamic global energy company, and attained knighthood in Great Britain.

Marilyn Carlson Nelson, Chairman & CEO, Carlson Companies
A regular on lists of the most powerful women in business, Marilyn Carlson Nelson’s firm, Carlson Companies, is the parent corporation of a global group of integrated companies specializing in business and leisure travel, hotel, restaurant, cruise, and marketing services.

Peter H. Diamandis, MD, Chairman & CEO, The X Prize Foundation
A pioneer in commercial space flight, Diamandis is perhaps best known for establishing the $10 million prize awarded to the first team to build a viable commercial spacecraft. Diamandis and his foundation colleagues are applying the same methodology to catalyze innovation to solve problems in the areas of energy, the environment, genomics, nanotechnology, and the social arena.

Lawrence Fish, Chairman, President & CEO, Citizen’s Financial Group
Since he came on board in 1992, Citizen’s Bank has grown 25-fold under Fish’s leadership and is now the eighth-largest commercial bank holding company in the U.S. in total deposits.

Indra Nooyi, President & CFO, PepsiCo, Inc.
The highest-ranking Indian-born woman in corporate America, Nooyi has pushed PepsiCo to take bold risks, with moves that include acquiring Tropicana in 1998 and helping to spin off the company’s fast-food chains in 1997. Known for her innovative vision, Nooyi has been continually recognized by Forbes magazine as one of the “50 Most Powerful Women in Business.”

Ricardo Semler, President, Semco SA.
Semler, a leading global executive and management author, is internationally renowned as the creator of the world’s most unusual workplace. Twice named Brazil’s “Business Leader of the Year,” Semler heads up the Brazilian-based Semco, which is involved in such diverse ventures as manufacturing mixing equipment, making cooling towers, managing Latin American properties, and environmental consulting.

Campus snapshots continued ...

Professor Emeritus of Management
Robert B. McKersie received the Lifetime Achievement Award from the Labor and Employment Relations Association (formerly the Industrial Relations Research Association).

Michael Cusumano has been invited to deliver the 13th Annual Clarendon Lectures in Management Studies at Oxford University. In 2009. The lectures will be public and then published as a book by Oxford University Press in their Clarendon Press Series.

Professor Ed Schein received two awards from the national Organization Development Network at their annual meeting. Schein was honored with the organization’s Lifetime Achievement Award for Organization Development. In addition, his book, Process Consultation Revisited, received the Members’ Choice Award for books that have most influenced the practice of organization development.
Hedging some global bets

In a two-page interview in the European Business Forum, Eric von Hippel discussed what Europe must do to keep its innovative edge. He stressed the need to harness customer creativity rather than relying on manufacturers to develop the next breakthrough. In a similar vein, the Danish government is launching an entrepreneur program in collaboration with MIT Sloan and the MIT Entrepreneurship Center under the direction of Ken Morse. This effort was detailed in the Copenhagen Capacity and also was mentioned in an article in Børsen.

Kristin Forbes weighed in on a number of international economic matters in recent months. In an article in Il Federalismo in Italy, she discussed the prospects for global economic growth, explaining how oil prices and the war in Iraq have affected the global outlook. Relating to Europe, she discussed why growth is slow, the impact of the euro, and inflation risks. Keeping her perspective truly global, Forbes spoke on CNBC’s Street Signs about Chinese currency reform and the importance of addressing the U.S. trade deficit with China. Also commenting on the Asian market, Lester Thurow predicted in the Korea Times that Korea’s ambitious goal of becoming the world’s 10th-largest economy by 2015 could be a stretch.

Two MIT Sloan professors recently appeared in a number of retail-related news stories. Erik Brynjolfsson, PhD ’91, commented to the Los Angeles Times on the role of “preference engines” in consumers’ online shopping habits. The story appeared in a wide array of news outlets, both domestically and abroad. Some of these were The China Post (Taiwan); Denver Post, The Standard-Times, San Jose Mercury News; and the

Campus snapshots continued ...

Jack Welch, legendary former CEO of GE, will be offering a new course at MIT Sloan this fall, titled Conversations with Jack Welch. This course will be built around Jack’s recent book, Winning, and is targeted to students who are interested in effectively leading people and organizations.

T Wilson Professor of Management Lotte Bailyn won the Everett Cherrington Hughes Award for Careers Scholarship given by the Careers Division of the Academy of Management. The award recognizes scholarship that has contributed significantly to linking careers theory with the broader field of organization studies.

Seley Distinguished Professor of Management Deborah Ancona, along with Henrik Bresman, PhD ’05, and visiting scholar Katrin Kaeufer, won the Richard Beckhard Memorial Prize for the article, The Comparative Advantage of X-Teams. Given annually by MIT Sloan Management Review (SMR), the Beckhard prize annually recognizes the most outstanding SMR article on planned change and organizational development.
Greensboro News-Record. The Wall Street Journal highlighted Brynjolfsson’s research that shows the ability to find niche items—rather than lower prices—draws more shoppers online. Adding his own expertise to the mix, Duncan Simester, PhD ’93, appeared in a story about the holiday retail shopping season on ABC’s 20/20. In print, Simester was also quoted about extended warranties in both The New York Times and the Contra Costa Times and about price discounting in USA Today and Inc.

Last autumn, Dean Richard Schmalensee was questioned on CNN International about the United States’ current economic state and what it means for the global economy, the Federal Reserve’s next move on interest rates, and potential nominees for chairman of the Federal Reserve. On Bloomberg TV, the dean predicted a slowdown in the economy in the third and fourth quarters, followed by a pickup at the start of 2006.

Andrew Lo was quoted in a number of recent news stories pertaining to hedge funds. Lo discussed hedge fund failures and risks with The New York Times. Speaking more globally, he told CNN Money that due to a lack of data, “nobody knows” whether or not the large total of hedge fund assets worldwide could potentially hurt the U.S.

Michael Cusumano shared some strong advice for Microsoft over the past several months. He was quoted in both The Seattle Times and The New York Times regarding the software giant’s efforts to compete with fast-moving rivals. The New York Times piece also appeared in the Seattle Post-Intelligencer and the Taipei Times. Cusumano also critically discussed Microsoft’s development approach on a number of occasions with the Financial Times, regarding the forthcoming Windows Vista operating system.

For more faculty news, please visit the MIT Sloan Newsroom at: http://mitsloan.mit.edu/mag/press.
More than a desk job

MIT Sloan alumni are making an impact beyond their desks. “Deli Does Dinner” was the Boston Globe Magazine’s profile of Kendall Square’s MIT Sloan alumni-founded Zigo. Alumni Sandi Simester, SF ’03, and Mike Rorick, SF ’03, put their entrepreneurial spirit to work right here in MIT Sloan’s own backyard and made life a little tastier for all of us.

In The New York Times, Liane Pelletier, SM ’84, talked about her love of adventure, which prompted her to take on the role of chief executive of Alaska Communications Systems. And coming out of the Sofia News Agency in Bulgaria was a profile of Milen Veltchev, MBA, ’95, during the launch of his mayoral campaign. Euromoney named Veltchev “Finance Minister of the Year” in 2002, the same year that BusinessWorld chose him as Minister of the Year. In 2003, Veltchev was named one of the “100 Global Leaders for Tomorrow” at the World Economic Forum in Davos.

On MLB.com, it was announced that MIT Sloan alum Jamie McCourt, SF ’94, was named president of the Los Angeles Dodgers. McCourt was already the highest-ranking female executive in baseball. She is a member of the Sloan School of Management Visiting Committee to MIT and the MIT Sloan Dean’s Advisory Council. Daryl R. Morey, MBA ’00, formerly the Boston Celtics’ senior vice president for operations and information, is teaching a first-of-its-kind course on sports management at MIT Sloan. The course, Analytical Sports Management, aims to bring analytical management skills to the world of professional sports. The course was detailed in The New York Times, The Wall Street Journal, and in a Times of London piece.

On December 15, 2005, America tuned in to watch Donald Trump name MIT Sloan alum Randal Pinkett, LFM ’98, as his next Apprentice. Along with a dream job, this also earned Pinkett, and MIT, mentions in every conceivable media outlet. His job may involve some sitting behind a desk, but it’s assuredly one of the most well-known desks in America.

To read more about what’s happening in our alumni community, please check out our Class Notes on page 43.
MIT Sloan faculty rings more than just school bells

Given recent criticism that B-School faculty are not sufficiently involved with real-world organizations and their major issues, it is interesting to note the global “bell-ringing” activities of two of MIT Sloan’s senior faculty, involving major companies in India and China, both started by MIT alumni.

Patni Computer Systems, founded by MIT Sloan graduate Narendra Patni, SM ’69, went public on the New York Stock Exchange (NYSE) on December 8, 2005. Michael Cusumano, MIT Sloan faculty member in Strategy and Technological Innovation & Entrepreneurship, and a director of the company for the past two years, participated in the NYSE opening bell-ringing ceremony. Patni is currently the sixth-largest Indian software company, with more than 11,000 employees (including more than 2,000 in the United States) and 2005 revenues of approximately $450 million. It specializes in building customized software systems as well as providing maintenance and engineering services for companies in the financial services, insurance, manufacturing, and high-technology sectors.

Sohu.com, cofounded by its CEO, Charles Zhang, and Edward Roberts, SM ’60, founder/chair of MIT’s Entrepreneurship Center, just celebrated its 10th anniversary as a company by doing the NASDAQ opening electronic bell-ringing on March 13. Nasdaq also paid tribute to Sohu being announced as the official and exclusive Internet Content and Systems Sponsor for the Beijing 2008 Olympics. The company was founded in Boston but is headquartered in Beijing, with all of its 1,600 employees and activities based in China. The company is one of China’s leading Internet portals, carrying out major efforts in news, entertainment, search, e-mail, wireless messaging, games, and shopping. It had revenues exceeding $100 million in 2005. Professor Roberts and Dr. Zhang are the only company directors who have served since Sohu’s founding.

Daya Fields and Allison Marshall, two first-year MBA students who volunteered to put together a video for prospective students during AdMIT weekend, had the good fortune to meet TV’s latest Apprentice, Randal Pinkett, LFM ’98, before he began his new position working for The Trump Organization. Allison and Daya, along with classmate Kerry Twibell, spent an hour and a half interviewing Randal about his leadership style, the value of MIT’s business curriculum in the real world, student activism, and the nurturing environment at MIT which fostered his entrepreneurial interest.
The MIT Sloan Alumni Office, in partnership with local alumni clubs and student groups, organized over 50 events around the world during the six months since the fall issue of MIT Sloan was published. These events focused on connecting alumni to the School, and on building the alumni network, through content and conversation. Read on for a look back at some of these events, and then visit http://mitsloan.mit.edu/alumni/events for full event information and additional pictures. For individual updates on your classmates around the world, check out the Class Notes beginning on page 43.

**September / October**

**Boston**-area alumni had the opportunity to reconnect with each other and to meet new and returning students at the Welcome Back C-Function on the Sloan plaza. This event was hosted by MBA Student Affairs, in partnership with the Alumni Office, and was followed by an after-party at Flat Top Johnny’s.

In September, Gerrit Lydecker, SF ’66, organized a reunion for the MIT Sloan Fellows from the class of 1966. The group of 20 alumni and their guests reconnected at the Ocean Edge Resort in Brewster, Massachusetts.

Sean Brown, SM ’94, director of the MIT Sloan Alumni Office, hosted a brunch at the Brockton Villa Restaurant in La Jolla on September 24, 2005, for San Diego area alumni. He shared an update on current happenings at MIT Sloan.

Many Boston area alumni attended a Meet the Faculty C-Function on September 29, hosted by MBA Student Affairs, the MBA Student Activities Board, the Vintners Club, and the MIT Sloan Alumni Office. At the C-Function, they had the opportunity to visit with favorite faculty members and meet current MBA students.

In October, the MIT Sloan Alumni Office invited Boston-area alumni to participate in MIT Sloan Innovation Period (SIP) workshops for the first time. SIP began in 2003, when the School replaced its traditional 13-week semester with six weeks of coursework on either side of an intense week of experiential leadership learning and exposure to groundbreaking faculty research. Over 65 local alumni participated in SIP and enjoyed many workshop offerings focused on both leadership and research.

The MIT Sloan Golf Club invited local alumni to join their fall golf tournament on October 16, 2005. Several alumni participated in the festivities, both on teams and as individuals.

The MIT Sloan Club of New York hosted a wine-tasting dinner event in mid-October. The six-course dinner included a very fine selection of wines.

Denver alumni gathered at the Wynkoop Brewing Company on October 15, 2005, for a chance to reconnect with fellow graduates and hear updates on current happenings at MIT Sloan from Sean Brown, SM ’94, director of the Alumni Office.

**Pictured (l to r):** Haakon Brown, MBA ’01; Noah Rampf, MBA ’03; and Dave Harfisk, MBA ’02, at the Welcome Back C-Function in September.

**Meet the Faculty C-Function (l to r):** Jon Dahlke, guest of Charlie Lieu, LFM ’05, and Christine Kelly, senior lecturer.
November / December

In November, the MIT Sloan Alumni Club of Boston hosted Business Leadership in the Nonprofit World, an event which gave attendees an opportunity to meet key leaders and board members associated with well-recognized nonprofit organizations in the region. Through a panel discussion, attendees gained firsthand insight into nonprofit-sector careers, transitioning from the private to the nonprofit sector, and joining nonprofit boards.

The MIT Sloan Alumni Club of Boston partnered with the School to hold the 3rd annual MIT CFO Summit on November 18, 2005. The event was another resounding success with a sold-out audience of over 525 CFOs, controllers, and financial executives in attendance. Speakers included MIT Sloan alumni William Aulet, SF ’94, senior vice president and CFO of Viisage Technology; Bob Blakely, PhD ’70, former CFO of MCI and current CFO of Fannie Mae; and Paul Thomson, SF ’97, vice president of Otis Elevator Company. Save the date for this year’s event, which will take place on November 17, 2006, at the Newton Marriott.

Members of the MIT Sloan Club of London board worked with the student organizers of the 2005 Euro Trek—the largest MBA recruiting event in Europe, which brought together over 400 MBA students and 100 companies—to plan a gathering on November 23, 2005, at The Abbaye. This was a great opportunity for local alumni to reconnect and welcome current students to London.

January / February

Several MBA students traveled to Texas for the Austin Tech Trek on October 27–28. As part of the Trek, students gathered with local alumni and learned more about career opportunities in the Austin area.

Over 60 MIT Sloan students gathered with local Montreal alumni in late October as part of the Montreal Trek.

On January 5, Hong Kong-based alumni gathered with the 20 students participating in the Asia Trek for a reception at Grappa’s Cellar. Henry Tan, MBA ’04, worked with the MIT Sloan Alumni Office and with the students to coordinate the event. The students were thrilled to learn more about Hong Kong’s culture and companies, as well as about the experiences of the alumni who work and live there.

Thirty Los Angeles-area alumni welcomed the 15 students on the Los Angeles Trek for a reception at Gardens on Glendon. The event offered students the opportunity to meet and learn about the experiences of local alumni.


Sergey Persov, MBA ’07; Yu-Im Loh, MBA ’07; Sean Brown, SM ’94; and Yen Lee, MBA ’96, at the annual Silicon Valley Tech Trek reception at the Menlo Circus Club.

An MBA ’04 mini-reunion at the Massachusetts Tech Trek reception in Cambridge. Pictured (l to r): Aaron Kechley, Ori Spigelman, and Mary Wheeler.

while broadening their MIT Sloan network. Sean Brown, SM ’94, director of the MIT Sloan Alumni Office, shared an update on MIT Sloan. In addition, several alumni talked about professional opportunities for graduates in Los Angeles.

Each year, LFM students participate in a plant tour which takes them to several cities around the United States. This past January, the MIT Sloan Alumni Office helped to coordinate a reception where these students were welcomed to the Detroit area by members of the local MIT Sloan Club. A brief update on current happenings at MIT Sloan was delivered by Tom Kochan, George M. Bunker (1931) Professor of Management.

Over 25 Seattle-area alumni attended a reception at Fado Irish Pub with current MBA students visiting for the 2006 Seattle Tech Trek. Alumni and students alike enjoyed the opportunity to network and connect at this event. Dave Weber, SM ’83, director of corporate relations, shared news about MIT Sloan with the alumni.

The MIT Sloan Alumni Office was happy to invite Boston-area alumni to attend the 2006 Massachusetts Tech Trek reception at the Charles Hotel. With over 200 people in attendance, the event provided a great networking opportunity for current MIT Sloan graduate students, alumni, and local corporate representatives. Mitch Tyson, CEO and director of Advanced Electron Beams, gave the keynote address. General Catalyst graciously sponsored this exciting event. Sean Brown, SM ’94, director of the MIT Sloan Alumni Office, gave an update on MIT Sloan.

The MIT Club of Southwest Florida welcomed Dean Richard Schmalensee to a buffet luncheon in late January. The dean talked about the unique relationship between MIT and MIT Sloan.

The MIT Sloan Alumni Office hosted the annual Alumni Student Mentor Program reception on February 12. Nineteen student mentees met and networked with 16 alumni mentors over cocktails and hors d’oeuvres at the Faculty Club.

In February, the MIT Sloan Club of Northern California hosted a talk on Doing Business in the Flat World with Jim Champy, chairman of Perot Systems Corporation’s worldwide consulting practice. Champy is a leading authority worldwide on management issues surrounding business reengineering, organizational change, and corporate renewal. Members of the newly admitted MBA Class of 2008 attended the event as well, where they also met and networked with local alumni.

As part of their Third Tuesday Series of networking events, the MIT Sloan Alumni Club of Boston invited alumni to a special Chocolate Tasting Experience at Azure restaurant in Boston. Suzanne Oakley, MBA ’95, founder of Experience: CHOCOLATE®, organized a chocolate scavenger hunt designed to increase the chocolate savvy of attendees and showcase gourmet chocolate in various forms.

Also in February, Ken Morse, managing director of the MIT Entrepreneurship Center, visited the MIT Club of Minnesota to talk about Critical Success Factors in High-Tech Entrepreneurship: What’s Hot and What’s Not. Morse cofounded six companies in his career, including 3Com and Aspen Technology, and has led the charge in nurturing startups out of MIT.

Cathy Campaigne, MBA ’99, and Ben Cohen-Leidholf, MBA ’07, connected at the MIT Sloan Alumni Student Mentor program reception.
March / April

The MIT Sloan Alumni Office, in partnership with spring trip and trek organizers, hosted a series of March events for students and alumni in Dubai, Hong Kong, Istanbul, Mumbai, Shanghai, Taipei, and Tokyo. The gatherings coincided with student trips to China, India, and Turkey as well as the Japan and Middle East Treks. For more information on the student trips, see pages 8 and 9.

The MIT Management Club of Korea hosted an alumni and student dinner during the student trip to Korea. William Pounds, Dean Emeritus and Professor Emeritus of Management, and Hae-hyeong Cho, SB ’58, president of the MIT Management Club of Korea, spoke at the event. Sean Brown, SM ’94, director of the MIT Sloan Alumni Office, also gave a brief update. The dinner took place at The Korea House in Seoul.

The Association of MIT Alumnae, in collaboration with the MIT Sloan Alumni Club of Boston, held the first event of a three-part Alumnae Leadership Series, a panel discussion on Work & Family Integration, on campus on March 8. Panelists included Ann Bookman, executive director of the MIT Workplace Center and Ruby Chandy, SM ’89, vice president of marketing and commercial excellence for Thermo Electron Corporation, as well as several other prominent speakers. Save the dates—June 8 and September 15—for the next two events in this series.

The MIT Sloan Club of New York held a night of poker titled Know When to Hold ‘em, Know When to Fold ‘em. Rob Varkonyi, SB ’83, World Series of Poker 2002 champion, led attendees through the secrets of how he became the first amateur player to beat the pros at the World Series of Poker. He then walked participants through key hands from the 2002 World Series.

The MIT Sloan Alumni Office, in partnership with the MBA Program Office, hosted a reception in Tel Aviv for local MIT Sloan alumni, admitted members of the MBA Class of 2008, and current students participating in the Israel Trek. Debbie Berechman, executive director of the MBA program, shared updates on current happenings at MIT Sloan.

As a result of the popularity of the Sloan Innovation Period (SIP) Workshops in the fall, Boston-area alumni were invited to attend SIP workshops again in March. Over 55 alumni participated in 30 workshops over the course of the week.

During SIP, Ken White, SM ’69, career advisor in the MIT Sloan Alumni Office, offered a session titled, Continuing Education and Career Advancement, where attendees had the opportunity to discuss continuing education opportunities and how to leverage them in the context of career advancement.

Alumni leaders in the MIT Club of Beijing collaborated with the MIT Sloan Alumni Office to plan a dinner for local alumni and newly admitted MIT and MIT Sloan students. Sean Brown, SM ’94, director of the MIT Sloan Alumni Office, talked about current happenings at the School during the dinner.

Additional welcome receptions were held in Cambridge, New York City, and Washington, D.C., in honor of the admitted members of the MBA Class of 2008. The events were attended by alumni, staff, and other members of the MIT Sloan community, and they provided a great opportunity for admitted students to learn more about the School.

Look for us in a city near you

MIT Sloan staff and local clubs will soon be hosting events in your area. The locations listed below will be home to MIT Sloan events this summer and fall.

- Austin
- Beijing
- Boston
- Cambridge
- Cape Cod
- Chicago
- Dallas
- Detroit
- Denver
- London
- Los Angeles
- New York City
- Paris
- San Francisco
- Seattle
- Shanghai
- Silicon Valley
- Singapore
- Tokyo

Are you interested in adding an event in your city to this list? Contact Kristin LeClair, assistant director of special events, at kleclair@mit.edu.

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Eric Rosenblum (left), MBA ’97, dines with admits at the Beijing MIT reception for newly admitted students.

Rebecca Schechter, MBA ’96, and Audrey Daum, SM ’88, at the Association of MIT Alumnae panel discussion on Work & Family Integration.
Oh, the places they go!

China. India. Korea. Turkey. Four disparate places with one thing in common: This spring, they played host to inquisitive MIT Sloan students as part of the much-anticipated spring international trips. These trips, long a favorite for participating students and alumni, serve as an opportunity for the student travelers to witness firsthand—and hopefully gain a greater appreciation of—the culture, economy, and history of a country different from their own. Travel groups are often made up of students who are native to a particular country and wish to share some of their homeland with their classmates; other students are seeking a greater understanding of the country’s business trends as they entertain the possibility of working there upon graduation. Whatever their reasons for undertaking these trips, each student comes away with knowledge and memories that they remember as one of the highlights of their MIT Sloan experience.

While each of this year’s trips offered numerous opportunities to learn about business from different perspectives—and to meet with local MIT Sloan alumni in both professional and social environments—they also had separate goals specific to the countries they visited.

**China**  China has long held a mystique in the eyes of the western world. The goal of the 2006 China trip was for participants to see past that mystique and understand how government, business, and culture are evolving in such a dynamic country.

The MIT Sloan group also visited government offices and manufacturing, technology, and finance companies headquartered in three cities: Hong Kong, Shanghai, and Taipei. The flow of money and ideas among these cities has made them an increasingly interdependent economic entity, and the students learned about the shared economic activities among the cities as well as the resulting marketing dynamics. The visit to Shanghai had an added bonus: Because the city is considered the hottest place in China right now, the group was able to investigate what role Shanghai wants to play in the nation’s future economic growth.

**Carrie Huang, MBA ’07**, one of the trip’s organizers, says the highlight of the trip was by far the visits with local governments. She says that in China, the local governments have a great deal of authority, so the students learned about each government’s position and how it wanted to grow economically. Huang also said that such economic growth and emerging patterns are new phenomena in traditionally communist China and is something the country has only undergone within the last seven or eight years.

“The trip was valuable because it gave some participants their first look into China and served to dispel many myths,” says Huang. “The alumni were instrumental in this learning process because they offered practical business and career advice for those who plan to be in China in the future. Whether it is sourcing components or working there soon after graduation, the trip gave a ground-level view of the opportunities offered by one of the most exciting regions of the world.”

**India**  As was proven by its prevalent position in Tom Friedman’s bestseller, *The World is Flat*, India is an important economic entity right now. But for five of the 32 students traveling there this spring, India is also home, and a place they wanted their classmates to understand beyond what they could learn in a book.

Visiting Bangalore, Delhi, and Mumbai, the trip participants got to experience a great deal of India’s diverse culture, as well as gain a greater understanding of how business is done in the country as a whole.

The students were able to meet with top government and business leaders across a variety of industries, including Genpact, the largest business process outsourcer in India; Infosys, India’s IT leader; Westbridge Capital, one of the biggest VC firms in the country; and ICICI, India’s largest private bank. In addition,
the group met with Azim Premji, the wealthiest man in India, to talk about his nonprofit endeavors; they also ventured to Bollywood film production company Adlabs to check out the business side of entertainment. These visits created a very balanced picture of where business is going in India.

Perhaps most important, the native Indian students were able to share with their classmates the shift in India itself, a shift away from a history of economic isolation to a place where business leadership (capabilities) and education are world-renowned.

KOREA During the 1990s, the spring trips to Korea were focused on the shipbuilding and steelmaking industries. But as the focus of the Korean economy has changed, so has the focus of the student trip. Back after a four-year hiatus, this year’s Korea trip explored the transition from the old to the new, from a manufacturing economy to one that is more focused on technology and related services.

Transition and adaptation are nothing new to Korea. This world-class economy has seen astonishing development since the 1950s, culminating in the technological marvel the students witnessed this spring.

Visits to high-tech powerhouses such as Samsung, LG, and SK Telecom provided the students a window into the success of these corporations. Such company visits were interspersed with a myriad of culturally focused endeavors, including a kimchi-making workshop, a visit to a traditional Korean fishing village for a fresh sushi dinner, a tea ceremony, and tours of some of Seoul’s many palaces.

Lest the students leave without an appreciation of Korea’s political situation, the group visited the Ministry of Information and Communication and spent the greater part of an emotional day viewing the demilitarized zone (DMZ). The latter visit illustrated for the non-Korean students the social and cultural differences between North and South Korea and the realities of living in a country still so divided.

Trip organizer Joonki Song, MBA ’06, attests to the success of the trip: “Everyone loved the cultural events, the Gyeongju tour, and the DMZ visit. They also appreciated the opportunity to witness firsthand Korea’s development in IT. Our endeavors were detailed for posterity by many Korean media outlets!”

In addition to delving into the challenges faced by local business, participants on the first-ever Turkey trip took in a historical Ottoman city and a solar eclipse.

TURKEY The 2006 Turkey trip came about in the same way that many other student initiatives do at MIT Sloan: Students saw a void to be filled, and they took steps to fill it. Believing that some students on last year’s trip to Dubai (which included a side visit to Istanbul) had misconceptions about Turkey, their fellow travelers decided a dedicated Turkey trip was in order. Those student organizers wanted to highlight how Turkey is different from surrounding Muslim countries; to educate their peers about Turkish business and culture; and to combat misconceptions by letting their classmates see things with their own eyes.

Key among these misconceptions is the role of women in Turkish society. It is not widely known that some of the most powerful positions in the country are held by women, including that of prime minister.

And then there’s Turkey’s reputation in the business world. The trip organizers contend that Turkey is more integrated into the world economy than expected, and wanted to look at challenges faced by Turkish businesses.

In addition to the business and governmental visits typical of such trips, the Turkey trip also had some unique elements. As part of the organizers’ commitment to both MIT Sloan and the education of their countrymen, the students visited two universities to meet with their students to talk about MIT Sloan. The Sloanies shared their experiences and helped potential applicants understand more about the School. They also discussed the future of Turkey.

Turkey’s past also got some attention during the trip. At one point, the students stayed at a historical Ottoman hotel in Istanbul, where everything is done traditionally. The group visited museums, palaces, churches, and other key Ottoman and Byzantine cultural landmarks. They also were able to lunch with the head of parliament and attended a meeting at the U.S. Consulate.

But there’s one experience from this particular trip that is unlikely to be duplicated on any Turkey trips held in the near future: While in Istanbul, the group witnessed a total solar eclipse.
Succeeding with virtual teams
Suppose a U.S.-based pharmaceutical company is preparing to launch a new drug targeting Type II diabetes in the United States. A critical part of the launch is a media audit, in which the company analyzes how competitors launched similar drugs and what their results were. In the old days, such an audit would be conducted by local advertising and public relations firms. But these days, those firms have a secret weapon of sorts: groups of research analysts located halfway around the world analyzing data and preparing reports while the firm’s executives sleep ... reports are ready to be reviewed back in the U.S. with the morning coffee.

This is outsourcing at its best. No longer restricted to the traditionally associated phone center services, outsourcing is increasingly encompassing more sophisticated offerings, such as legal services, equity research, market analysis, and software development. High-level medical services, such as interpreting radiology images and staffing of nurse call centers originating from the U.S., are also being outsourced.

Reaching the tipping point
Virtual teams have become more common in these outsourcing scenarios, resulting in groups of individuals working on the same project and toward the same goal, but from separate locations, and with highly specialized functions. Suddenly lines are blurred between internal and external parties, and the importance of organizational structures is reduced as facilitation grows both within, and outside of, an organization. Throw in the fact that the time difference between groups in the U.S. and, say, India, means that you also have a virtually 24-hour workforce, there is a real competitive advantage. And many MIT Sloan graduates are leading the charge.

Based in Palo Alto, Debjani Deb, MBA ’97, founded EmPower Research in 2004 and is the firm’s CEO. Deb is partnered with fellow MIT Sloan alum Kyung Han, MBA ’96, who is based in New York. Their company is located in a large office building in Bangalore, India, and provides analytical and research services for advertising and PR firms in the U.S. Since the firm’s founding, Deb has seen increasing acceptance of its business concept. “Our services have reached the tipping point,” says Deb. “There is an openness toward a service that is not coming from a traditional company based in the U.S.”

This openness is due in part to the high quality of non-U.S. educational systems and the huge pool of potential employees making this more sophisticated outsourcing possible. By outsourcing a larger share of complex tasks, U.S.-based companies can also alleviate staffing woes and reduce costs.
In addition, they can improve response times. Because Bangalore is 10 1/2 hours ahead of New York City, businesses can keep the ball rolling around the clock. Such time shifting is a major advantage for service businesses. For example, EmPower Research’s U.S.-based clients get a news summary first thing in the morning, without having to scan, clip, compile, or analyze. That work is done overnight U.S. time, allowing EmPower’s client executive to act upon this analysis more promptly.

Improving concentration

Deb, who moved to the U.S. from India in 1988, founded EmPower after serving as chief strategy officer of GCI Group, an affiliated company of advertising firm Grey Worldwide. She saw a need for fast turnaround, structured research, and analysis to help advertising and PR agencies more quickly prepare new business development presentations. When these firms need research reports on a company, product area, or industry, they need them fast.

By separating the research task from the task of creating the advertising campaign or PR strategy, EmPower is able to assign specialists who may be better researchers than the PR generalists they serve, Deb says. This allows their advertising and PR clients to concentrate on using this market information. For example, EmPower might analyze sales data from Black Friday, the infamous shopping day after Thanksgiving. Based on quick access to this analysis, U.S.-based advertising executives can then make fast adjustments to marketing plans.

Deb believes that soon there will be a business category called “high-value-added knowledge services.” She emphasizes value, not volume.

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Change for the better

Remember telexes and pricey international calls? To many alumni, these inconvenient communications tools are a distant memory. For Gustavo Bottan, SF ’96, this means no more word counting. Back in the early 1970s, global phone calls were very expensive. Bottan, then working for Ingersoll Rand in Argentina, spoke to his home office only in emergencies. The main mode of communication was the telex.

“We all spoke in telex jargon. You had to shorten everything you said,” Bottan reminisced. “I remember spending a lot of time writing the telex message and then shortening it.”

Today, through communications tools such as video over Internet Protocol (VOIP), virtual teams can take advantage of real-time interaction, including video conferences over the Internet. And because such face-to-face interactions are not charged by the minute, users don’t have to hang up—they just stay connected. It’s the next best thing to working side by side.

Sean Brown, SM ’94, found these tools extremely useful on a recent 16-day business trip to Asia. “I was able to hold high-quality video conferences with my staff, and read books with my daughters at their bedtime, all through my laptop via SKYPE video. The quality of the video connection was so high that I felt more connected with the folks back in Boston than when I had taken much shorter trips without this technology, because I could see them every day.”

In this world of fast-paced change, it is difficult to predict what the next 15 years will bring. But at least virtual teams—often located on different parts of the globe—no longer need to worry about telex jargon and word counting.
Speaking from Bangalore via the free Skype peer-to-peer voice service, Joshi says that all cross-border organizations must communicate, communicate, communicate. “We are communicating all the time. The communication has to be at different levels. We are constantly talking. We are IM-ing maybe four hours a day. We have formal partnership calls once a week. We are in constant touch,” Joshi explains.

EmPower Research follows a more structured process than you might see at a one-country firm. For its inter-country collaboration, EmPower has established protocols. When a U.S.-based partner initiates a research project, he or she writes an e-mail and follows up with a phone call. The team in India must reply within 12 hours, describing what it will deliver to the client.

The 12-hour deadline “leads to a lock in understanding before I go to bed,” Deb says. “If something is left to interpretation and the interpretation is wrong, we lose a day. These sorts of protocols enable a virtual organization to function like a good team.”

More and more, people want to talk about virtual teams. “Two years ago, people would ask me what I was doing, say ‘interesting,’ and move on to the next subject. Now they want to know how we did this and what were our techniques.”

Connect, collaborate, communicate
Given the kind of growth she’s hoping for, Deb is looking to other markets where analytical skills and speed will make a difference, for example, legal services. But, she says, the market for “virtual talent” is brutal. “We are fighting with every company in the U.S. to get talent. We are looking out from the big hub towns because it’s such a hot market.”

To find talent, Deb networks. Sangita Joshi, Deb’s Bangalore-based partner, supervises 19 full-time and 20 part-time employees. Joshi is a friend of a neighbor of Deb’s cousin, who lives in Bangalore. Deb was looking for someone who would be able to staff an organization like EmPower. So she asked her cousin to network locally.
A call to action for working families

Thomas Kochan
George Maverick Bunker (1931) Professor of Management

Tom Kochan’s research focuses on the need to update America’s work and employment policies, institutions, and practices to catch up with a changing workforce and economy. His recent work calls attention to the challenges facing working families in meeting their responsibilities at work, at home, and in their communities. The following piece is largely excerpted from Tom’s newest book, *Restoring the American Dream, A Working Families’ Agenda for America* (The MIT Press, September 2005).
What do we mean when we use the term “the American Dream”? Put simply, we are referring to the belief that through hard work and determination, we can achieve good jobs, fair pay, and opportunities for all. But many American families have not prospered in the new “knowledge economy.” The layoffs, restructuring, and wage and benefit cuts that have followed the short-lived boom of the 1990s threaten our deeply held values of justice, fairness, family, and work.

Why should you be concerned with the fading of fairness and opportunities for all? To be sure, you have stresses and strains that come with balancing work and family responsibilities; but so do your peers, so you find ways to cope. But it may be just a matter of time before the other shoe drops, and your coping turns into struggle. To prevent this, we rely on life-long learning, on-the-job training, and networking. But what if the availability of these tools is threatened?

On a larger scale, this loss is greatly impacting the business world right now. Think about people who are getting squeezed out of the middle class as they lose good manufacturing or information technology jobs. These people can easily become alienated or turn to reactionary causes and movements that polarize society. Most business leaders I know agree (privately at least) that this polarization is not only bad for our democracy and society; in the long run, it is also bad for business. They know a knowledge economy cannot prosper and realize its full innovative potential with a polarized, stressed, and worried workforce.

What do working families need to do to stop this polarization? The Working Families’ Toolkit (shown in Figure 1) outlines the conditions that working families need to get on with the task of building a knowledge economy that works for all of us.

Figure 1: A working families’ toolkit for today’s economy

- Flexibility to integrate work and family life
- Education and life-long learning
- High-quality jobs for all who want to work
- Knowledge-based workplaces and corporations that are accountable to shareholders, workers, and communities
- Portable and secure benefits
- Voice at work and in society
- Commitment of business, labor, government, and community leaders to work together to restore trust and the values Americans hold for work and family life
I’ll place my bets with our young people. Many in their generation echo an interest in achieving a better balance between work and family life than did their parents.

Assessing expectations
Change must start with a self-examination of what we want and have a right to expect out of work and our personal and family lives. Consider doing an exercise similar to what I have my undergraduate students do as their first class assignment. They are to interview their grandparents and parents to find out what those generations wanted from and got from their work and careers, and then ask, How similar or different am I? What do I want? The second part of the assignment is for the students to build a strategic career development and action plan outlining what they need to do individually and collectively for themselves and their class peers in order to realize their goals.

The purpose of this exercise is to get students to understand how work has changed over three generations, to get students to think about what they want from their careers, and to emphasize their potential to work together to both change the work world and to support each other in pursuing their aspirations.

I’ll place my bets with our young people. Many in their generation echo an interest in achieving a better balance between work and family life than did their parents. The toughest thing to get across to these young professionals is that they cannot do this on their own. They must be collectively organized, not necessarily into traditional trade unions, but into the next-generation alumni and professional associations and networks that provide them with a latent source of power: the information and contacts that inform them of benchmark conditions and alternative job opportunities.

A foundation for moving forward
I leave my students with a question to discuss among themselves: What obligations do they have to others in society who perhaps lack the individual bargaining power that comes with the education and skills of a college graduate? We all need to ask ourselves this question. Making progress on these issues will require action on the part of working families and their allies. Indeed, there are multiple and different networks, coalitions, organizations, and individual opportunities that are either available to different groups or that, with some initiative, could be created. These are the types of efforts that are needed to create a working families’ base, a foundation for moving forward.

The task of the business community in this decade is to rebuild in a modern way the social contract that was severed by the restructuring, loss of retirement savings, and corporate scandals of the last decade. Rebuilding trusts requires reengagement. As demographics shift and labor markets tighten, American business will be in the fight of its life to find and retain the human resource talent it needs to be on the cutting edge of innovation and competitiveness. So now is the time to invest in building that workforce and rebuilding the trust it will need to attract, motivate, and retain it.

The new activism on the part of working families outlined in this article will only be as strong and as inspiring as the moral foundation on which it rests. America is ready to return and recommit to these values, and our families and future generations will be the beneficiaries. If we don’t act soon, future historians may look back and chastise us for standing idly by during some of the darkest days in American history. ● ● ●
MBA Employment

Members of the graduating MBA Class of 2006 are now on their way to exciting careers in extremely competitive industries and diversified job functions. As we welcome the newest members of the alumni community, it’s a great time to look back at the MBA Class of 2005* and where they found employment.

Last year’s class experienced a steady strengthening of the MBA job market. They fared well in securing full-time employment, and accepted positions in consulting and financial services, as well as in commercial and consumer technologies, pharmaceuticals/biotechnology, and other sectors.

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**Class of 2005 Top Hirers**

<table>
<thead>
<tr>
<th>Graduates Hired</th>
</tr>
</thead>
<tbody>
<tr>
<td>McKinsey &amp; Company</td>
</tr>
<tr>
<td>Bain &amp; Company</td>
</tr>
<tr>
<td>The Boston Consulting Group</td>
</tr>
<tr>
<td>Citigroup</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
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<tr>
<td>Merrill Lynch</td>
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<tr>
<td>Deloitte Consulting</td>
</tr>
<tr>
<td>Deutsche Bank Group</td>
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<tr>
<td>Goldman Sachs</td>
</tr>
<tr>
<td>IBM Corporation</td>
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<tr>
<td>Microsoft Corporation</td>
</tr>
</tbody>
</table>

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**Class of 2005 Job Functions upon Graduation**

- Consulting: 28%
- Finance: 29%
- Marketing/Sales: 10%
- General Management: 9%
- Operations: 8%
- Business Development: 6%
- Product Management: 7%
- IT/Other: 3%

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**Class of 2005 Profile at Matriculation**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Candidates</td>
<td>408</td>
</tr>
<tr>
<td>U.S. Citizens</td>
<td>67%</td>
</tr>
<tr>
<td>Non-U.S. Citizens</td>
<td>33%</td>
</tr>
<tr>
<td>Women</td>
<td>26%</td>
</tr>
<tr>
<td>Median GMAT Score</td>
<td>710</td>
</tr>
<tr>
<td>Median Undergraduate GPA (out of 4.0)</td>
<td>3.5</td>
</tr>
<tr>
<td>Average Age at Entry</td>
<td>28.5</td>
</tr>
<tr>
<td>Average Years of Work Experience</td>
<td>5.4</td>
</tr>
</tbody>
</table>

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*Includes information for MBAs and students in the joint MBA/Leaders for Manufacturing program.
Recently published books by MIT Sloan faculty

Data, Models, and Decisions: The Fundamentals of Management Science
by Dimitris Bertsimas and Robert Freund
Dynamic Ideas, 2004

This book is designed to introduce management students to the fundamental techniques of using data and management science tools and models to think structurally about decision problems, make more informed management decisions, and ultimately enhance decision-making skills. Used in the MIT Sloan MBA core class, “Data, Models, and Decisions,” the book has also been adopted by many other universities.

Optimization Over Integers
by Dimitris Bertsimas and Robert Weismantel
Dynamic Ideas, 2005

With an eye toward the future, this book provides a unified, insightful, and modern treatment of the theory of integer optimization. The authors depart from the earlier treatments of integer optimization by placing significant emphasis on strong formulation, duality, algebra, and, most importantly, geometry.

The Outside-in Corporation
by Barbara E. Bund
McGraw-Hill, 2006

This book presents a new approach that enables business people to design and operate their businesses (both strategies and actions) based firmly on a customer perspective—in other words, from the outside in. The approach works despite the real-world challenge that there is never as much available information about customers as business people want and need. It leads to marketplace strategies with a clear, explicit customer reason for every marketplace action—strategies with improved probabilities of success, that can be communicated throughout an organization and then understood and implemented by employees at all levels, and that can be adapted effectively as conditions change.

Product Design and Development (Third Edition)
by Karl T. Ulrich and Steven D. Eppinger
McGraw-Hill, 2004

Ulrich and Eppinger present a set of product development techniques aimed at bringing together marketing, design, and manufacturing functions. The integrative methods in the book facilitate problem solving and decision making among people with different disciplinary perspectives, reflecting the current industry trend to perform product design and development in cross-functional teams.

True Change: How Outsiders on the Inside Get Things Done in Organizations
by Janice A. Klein
Jossey-Bass, 2004

Creating real change in manufacturing organizations is no easy task, but Klein believes the presence of three critical elements can go a long way toward achieving that goal. Drawing on her own long-term research and extensive work experience, her book reveals how the power of people (insiders who are able to see problems from an outsider’s perspective), approach (“pulling change”), and system (support infrastructure) combine to turn new ideas and concepts into institutionalized practices. Her research also reveals that certain people inside organizations—“outsiders on the inside”—are key to driving innovation, adaptation, and real change.

Information Quality
Edited by Richard Y. Wang, Elizabeth M. Pierce, Stuart E. Madnick, Craig W. Fisher
M.E. Sharpe, 2005

Organizations today have access to vast stores of data that come in a wide variety of forms. But the enormous growth in the quality of data has brought with it growing problems with the quality of information, further complicated by the struggles many organizations are experiencing as they try to improve their systems for knowledge management and organizational memory. Inaccurate data or failure to manage information properly costs businesses billions of dollars each year. This book presents cutting-edge research on information quality and deals with the problem of ensuring quality while processing data into information that companies can use.
Inventing the Organizations of the 21st Century
Edited by Thomas W. Malone, Robert Laubacher, Michael S. Scott Morton
The MIT Press, 2003

This much-awaited volume reports on a five-year multidisciplinary research initiative conducted by MIT Sloan and sponsored by leading international corporations. The book outlines the outcome of the goals of the initiative: to understand the way we work, invent new ways of working, and put those innovations into practice.

Organizing Business Knowledge: The MIT Process Handbook
Edited by Thomas W. Malone, Kevin Crowston, George A. Herman
The MIT Press, 2003

A multidisciplinary research group at MIT Sloan worked for more than a decade to create a systematic and powerful method of organizing and sharing business knowledge. Their findings have been compiled into this landmark volume that proposes a set of fundamental concepts to guide analysis and a classification framework for organizing knowledge, including templates, cases, and software tools.

Enterprise Architecture as Strategy: Building a Foundation for Business Education
by Jeanne Ross, Peter Weill

Top-performing companies like 7-Eleven Japan, ING Direct, MetLife, and UPS are using enterprise architecture to reduce costs while increasing strategic effectiveness and business agility. Based on research at over 200 companies, this book describes how these and other leading companies use architecture to guide the evolution of a core foundation of systems and processes to ultimately create a more competitive business.

Principles of Corporate Finance (Eighth Edition)
by Richard A. Brealey, Stewart C. Myers, Franklin Allen
Irwin/McGraw-Hill, 2006

This is the leading and best-selling graduate-level corporate finance text, both in the U.S. and worldwide. The authors describe both the theory and practice of corporate finance, often with subtle humor. The book has evolved from its first edition in 1981, with increased emphasis on real options, risk management, agency problems, corporate governance, and international differences in corporate financing.

DEC is Dead; Long Live DEC: The Lasting Legacy of Digital Equipment Corporation
by Edgar H. Schein
Berrett/Kohler, 2003

Schein collects the wisdom of insiders from Digital Equipment Corporation who analyze the culture of innovation that drove DEC to the top and examine how the company was created, how it evolved, and why it ultimately collapsed.
Organizational Culture and Leadership (Third Edition)
by Edgar H. Schein
Jossey-Bass, 2004

In this third edition of his classic book, organizational pioneer Schein updates his influential understanding of culture—what it is, how it is created, how it evolves, and how it can be changed. Focusing on today's business realities, the book shows how to transform the abstract concept of culture into a practical tool that managers and students can use to understand the dynamics of organizations and change.

Paying with Plastic:
The Digital Revolution in Buying and Borrowing (Second Edition)
by David S. Evans and Richard Schmalensee
MIT Press, 2005

The payment card business has evolved into a complex, sprawling industry that drives trillions of dollars in transaction volume each year—and has revolutionized the way we borrow and spend. In the second edition of what has become the definitive source on the industry, the authors use the new economics of two-sided markets to analyze the industry's growth and development, including the impact of major antitrust cases and bank mergers, the rise of the debit card, and new technologies that could dramatically alter the payment card industry in the years to come.

Design-Inspired Innovation
by James M. Utterback, Eduardo Alvarez, Sten Ekman, Susan Walsh Sanderson, Bruce Tether, Roberto Verganti
World Scientific, 2006

Design-Inspired Innovation takes a unique look at the intersection between design and innovation, and explores the novel ways in which designers are contributing to the development of products and services. The book's scope is international, with emphasis on design activities in Boston, England, Milan, and Sweden. Through a rich variety of cases and cultural prisms, the book extends the traditional design viewpoint and stretches the context of industrial design to question—and answer—what design is really all about. It gives readers tools for inspiration, and shows how design can change language and even create human possibilities.

Democratizing Innovation
by Eric von Hippel
MIT Press, 2005

Innovation is rapidly becoming democratized. Users, aided by improvements in computer and communications technology, increasingly can develop their own new products and services. This book looks closely at the emerging user-centered innovation systems that are affecting both information products and physical products. Free downloads of Democratizing Innovation are available from http://mit.edu/evhippel/www/democ.htm.

Structuring the Information Age:
Life Insurance and Technology in the Twentieth Century
by JoAnne Yates
Johns Hopkins University Press, 2005

This book examines how life insurance firms—where good record-keeping and repeated use of massive amounts of data were crucial—adopted, shaped, and were shaped by information-processing technology from 1900 to 1980. By focusing on a single user industry, Yates illuminates the evolution of information processing in the commercial sector and the underrated influence of corporate users in shaping the history of modern technology, as well as IBM's successful transition from tabulators to computers.
MIT Sloan Executive programs offer you an opportunity to return to the School to reconnect directly with the latest thinking in management practice and to learn about new developments in areas such as technology strategy, innovation management, and value chain design. Let your organization benefit from the latest MIT Sloan faculty expertise and current research by attending yourself (with select alumni discounts) or by inviting staff and colleagues to enroll in an MIT Sloan Executive Education program.

In April, MIT Sloan launched its newest executive program, Managing the Extended Supply Chain: Beyond Productivity and Efficiency. Based on the latest research at MIT and IMD, the program is led by Professor Gabriel Bitran and features innovative strategies and new approaches for managing today’s extended enterprises. The next session will take place November 5–10, 2006.

The January 2, 2006 issue of eWeek featured MIT Sloan’s executive program, Managing Technical Professionals and Organizations, in an article on “The Challenge of Managing Tech Workers.” The author was impressed with the diversity of the students, the focus of the content, and Faculty Director Ralph Katz’s ability to keep the class “interesting, interactive, and—often—humorous.”

Another joint program with IMD, Driving Strategic Innovation, continues to be a most popular offering. Led by Professor Charlie Fine, the program is designed to help business leaders and entrepreneurs successfully manage innovation, from concept to commercialization. This program consistently sells out well in advance of the session dates. If you are interested in attending or sponsoring a participant, please make sure to submit applications at least two months in advance. The next session will take place September 17–22, 2006.

Visit http://mitsloan.mit.edu/alumni/execed or call 617-253-7166 for more information on MIT Sloan Executive Education, including custom programs for your organization and alumni discounts.
If you've been on the planet that author Tom Friedman recently declared flat, you know that globalization is a force on the world’s economic stage. Our big world is small; what used to take days to complete or communicate now takes minutes. Language differences are not the barrier they once were. In today’s world, no place is too far to travel to make a deal—and with technology, travel sometimes isn’t necessary at all.
Business is done all over the globe, in places and ways we never thought possible. What The New York Times quaintly called “global telecommuting” back in 1998 is now an established way of life. Collaborating across continents is a key competitive capability for both manufacturing and services industries.

But that doesn’t make it easy. And globalization poses some unique challenges.

“People talk about globalization, but really I think globalization is different for different sections of commerce,” says Michael Dorah, LFM ’92. Dorah is director for the global supply base at American Axle and Manufacturing, a supplier of drive train components to the auto industry around the world.

“For an engineering business, it’s pretty easy to outsource a lot of your engineering work. It’s just file transfer. But if you’re buying a physical product, you need to know what is happening where. You’re not going to find every industry in every country. If I’m looking for metal form products, where should I go? If I’m looking for plastics, where should I go?”

How do managers like Dorah succeed on the increasingly crowded global stage? What skills do today’s managers need to take advantage of the myriad opportunities available across nations?

Manufacturing: A new way of making things happen

The word is out
It’s now common knowledge that the global market encompasses once isolated economies like India and China, and that goods and services are being produced more cost-effectively and faster than ever before—and at a higher quality than often expected. The widespread awareness of these phenomena on the part of businesses and their customers is creating greater opportunity and flexibility in the way business is done.

Thom LeFevre, SM ’90, is director of business development at Betts, a worldwide producer of toothpaste tubes with manufacturing facilities in the U.S., U.K., Poland, Russia, China, India, Indonesia, South Africa, and Brazil. In years past, the company’s multinational customers did not want their tubes manufactured outside of the U.S. and the U.K. Today, the knowledge that higher-quality goods are being made in less traditional locations has changed the preferences and requirements of Betts’ customers. “Now customers like Colgate, Glaxo, and Unilever just want the product,” says LeFevre. “If our U.K. factory is busy, we make it in Poland. This is more about changing perceptions than about the technology.” And these perception changes have provided his company with a more flexible way to do business.

Better, faster—and cheaper!
Breaking into new markets has been greatly helped by the fact that companies are now free to move their design and manufacturing functions close to their customers—no matter where they are. Such freedom is now possible because once isolated economies have opened their doors to international businesses that are no longer just sellers, but buyers on the global stage.

Until recently, the imaging subsystems division of Analogic Corporation (a Massachusetts-based medical imaging company manufacturing CT scanners and X-ray machines) had a small joint venture in China, used principally for selling to the Chinese market—not engineering or manufacturing. Over the past 18 months, however, Analogic transformed its China joint venture into a full-service organization with engineering, sourcing, manufacturing, and sales and services.

“In the last four to five years, the company has been under increasing pressure to bring both design and manufacturing closer to our customers,” says Analogic’s General Manager Peter Howard, SM ’84. “Most of our large and small clients want capabilities locally.”
According to Howard, response time, not transportation or labor costs, are driving this demand. Because the company’s imaging subsystems division sells approximately 75 percent of its product outside of the U.S., having all functions near the customer are key. Says Howard, “We need the ability to deal with problems quickly. It can seem trivial, but a 12- or 13-hour time difference slows down the give-and-take needed to find solutions quickly.” Thanks to a more open global market, his company is in the position to do just that.

Customer expectations have also risen for Peter Morgan, SE ’92. Morgan is supply chain manager at Charles River Apparel (CRA), a Boston-area manufacturer of innovative performance outerwear and sporting goods, sold nationwide to distributors and retail stores. While Morgan prefers to work with suppliers the company has been dealing with for many years, new cost pressures are constantly pushing him to reevaluate. “With China joining the World Trade Organization and quotas going away for most products, we are shifting away from traditional sources like Taiwan, the Middle East, the Philippines, and Hong Kong to China. We are getting a lot of pressure from our customers for lower-cost, high-quality products.”

Leaning on local labor
For many businesses, the global search for suppliers is still a relatively new phenomenon. When Michael Dorah joined American Axle in 1996, the company was buying about one percent from outside the U.S. How things can change in 10 years.

“Our plant in Mexico is probably the second-largest facility in the world, and our plant in Brazil will probably double within two years,” says Dorah. “Now, we’re probably buying between 10 and 15 percent outside the U.S., and we have a lot of foreign nationals working for us.”

Newer still is the reality that labor cost is no longer the main determinant in where to locate a factory; transportation costs can be. In addition to its locations in Michigan, New York, and Ohio, American Axle has offices or facilities in Brazil, China, England, Germany, India, Japan, Mexico, Scotland, and South Korea in an effort to more efficiently serve their customers in those areas.

Employing knowledgeable local labor is critical to the success of these far-flung factories. It takes feet on the ground to make timely, strategic decisions, like evaluating 10 suppliers and deciding that only three have potential. And with time-to-market and important competitive capability, local expertise can shorten the search for a good supplier. American Axle’s strategy is to hire local employees to find, develop, qualify, and do business with suppliers in each region. Every year or two, these employees spend between 30 and 90 days at the U.S. facilities, meeting with the engineering, purchasing, and quality groups and walking through the North American plants. Says Dorah, “This allows people in the foreign offices to understand new products, our strategy, what are our biggest problems with suppliers, and who is our number-one customer.”

VENTURE CAPITAL:
Know the region, know the investors

Mining untapped talent
As is clear from the manufacturing perspective, more and more business is being done around the world. There may be different time zones, languages, and cultural norms to contend with, but one of the biggest business challenges to any business, anywhere, is the ability to find the right person for the right job.

Ken Morse, managing director of the MIT Entrepreneurship Center, says that “entrepreneurs need to focus, but they also need to have a global strategy from the start, if they are to achieve their full potential.” If they want their ventures to succeed, today’s global managers need to know where—and how—to look.
Diversity by design

Even at the level of a global conglomerate, training and experience are still keys to continued success.

Take Samsung Group, the Korean conglomerate known the world over for its mobile phones, digital cameras, household appliances, TVs, and video and music players. Samsung’s continued global success requires leadership with a global perspective. How does a company based in Korea ensure such perspective and continued business success on the global stage? How does it create innovative products that will succeed in different cultures, with different assumptions about technology, different languages, different belief systems, and different communication priorities?

For Samsung, the solution is to take a diversified approach to its global leadership talent pool. Its leaders bring people together from all over the globe and let them learn (and question) the Samsung way of doing things. They create a laboratory for ideas where people of all different perspectives can create, collaborate, reality-test, and explore.

Christina Cragholm, MBA ’03, worked in Seoul, Korea, for two years as a member of the Samsung Global Strategy Group (SGSG). Cragholm was part of a unique program that seeks to develop Samsung’s pool of global managers by bringing non-Korean MBAs to corporate headquarters, reporting directly to the Chairman’s Office. She worked with 30 MBAs from Canada, the Caribbean, China, Europe, India, South America, and the U.S., and this diverse group provided advice and consulting to Samsung’s business units, while building their network of relationships within the company.

The common language of business

Our School enjoys a close relationship with Samsung through the many MIT Sloan alumni who occupy senior positions there. Samsung has sponsored many high-potential managers in the MIT Sloan MBA and Executive Programs over the years, including Jong-Yong Yun, SE ’88, vice chairman and CEO of Samsung Electronics. Alan White, SF ’71, MIT Sloan senior associate dean and lecturer, notes that “through these types of relationships, in 2003 MIT Sloan agreed to collaborate with the Samsung Foundation to develop a new business school at Sung Kyun Kwan (SKK) University in Seoul. The focus of this multiyear collaboration is an innovative, English-language Global Management program. A number of Sloan faculty travel to Seoul to teach intensive modules in the program, and SKK faculty spend time at MIT Sloan participating in postdoctoral activities. Samsung also sponsors global scholars who are attending the program, 12 of whom spent this semester (their last of the GMP program) at Sloan.”

Simon (Sang Cheol) Jeong, senior manager, head of the planning and operation team, helped found SGSG in 1997. He notes that the group grew from an initiative included in the “New Management Culture” outlined for Samsung by Chairman Kun-Hee Lee in 1993, who called for the creation of a special office to carry out his vision for the organization’s growth into the next century. “SGSG is growing rapidly, and by 2010 we expect to have 150 Global Strategists and alumni working in various fields within the Samsung affiliate companies. Our members have a strong vision to become global leaders within Samsung. We have attracted graduating MBAs from

Venture capitalist Robert Ayan, MBA ’02, worked with businesses in the Middle East while working as program manager of the MIT Entrepreneurship Center. “We had been putting on conferences in the Middle East for some time, grouping government, industry, and academia,” says Ayan.

His knowledge of the Middle East would come in very handy in his next venture. Upon leaving MIT, Ayan joined with three partners to start a Venture Capital (VC) fund, Minah Ventures. Believing that talent is the key driver of success, Ayan and his partners chose their investment target after analyzing the nationalities of successful entrepreneurs to see where there might be large untapped talent pools. “In 2004, we looked at 280

tech startups in the U.S. that received early-stage venture funding. Of those, 12 percent of software companies and 17 percent of hardware and semiconductor companies had a founder who was from the Middle East or North Africa.” Based on this analysis, Ayan’s fund adopted an affinity-based investment strategy to target Middle East and North Africa entrepreneurs in the U.S. and Canada.

Ayan talks about “labor arbitrage,” the capability to use an untapped pool of talent at lower cost. He believes people may ignore opportunities in unfamiliar locations because of perceived barriers to doing business. “You can leverage their perceptions and ignorance, and your knowledge, to your advantage,” he says. His firm is aggregating top talent from
the world’s leading business schools, including three MIT Sloan graduates from the Class of 2005. We are also interested in hiring MIT Sloan alumni to help fuel our future growth.”

Looking back on her experience, Cragholm has seen firsthand how the design of the SGSG program directly reflects Samsung’s proactive efforts to successfully globalize. In Seoul, she worked on two projects for the telecommunications mobile handset division, one developing a global strategy for GSM markets with the strategic planning team and one evaluating the upcoming business models of various value-added mobile services (including messaging, push e-mail, and gaming). Also, she helped the consumer electronics division develop a change management strategy to make the product development process more market-driven.

Cragholm was able to observe two different intercultural dynamics at work in her Samsung experience. The larger Samsung organization represented working within, and adapting to, a monoethnic culture. While her colleagues within SGSG came from many different countries and professional experiences, they all had in common a similar educational foundation and a desire to be global leaders, speaking the common language of business.

the Middle East and North Africa to work in offshore R&D operations of U.S. headquartered startups.

While the Middle East is not typically thought of when looking for engineering talent, the people of the region actually place strong emphasis on engineering and have demonstrated excellence in electrical engineering and computer science in the U.S. tech sector. “The title ‘Engineer’ is used like Doctor or Mister,” Ayan says. “It precedes the name, and people are proud of it. There is a lot of hardcore math and science leading to new innovations. Two areas of technology particularly stand out in the Middle East, analog and mixed signal semiconductor design and software engineering.”

“We are using our knowledge of [the talent in] the region to provide a unique value proposition. What looks like barriers to others is an area where we see opportunity.”

Make it personal
Ayan and his partners have found it challenging to build their brand in the Middle East. At first, they anticipated raising the venture fund from investors in the Middle East and North Africa. While they have relationships with area entrepreneurs, they did not have long-standing personal relationships with potential investors.

“When you come into a region, people need to evaluate you,” Ayan says. “Are you coming in once and we’ll never see
you again? Or do you have a long-term commitment? What can I know about you that will allow me to trust you and build a relationship over a long time?”

He stresses the importance of personal introductions. “There’s a certain way of doing business in the Middle East. You want to focus on relationship building before you jump into talking about money.” Based in Boston, Ayan travels monthly to the Middle East or North Africa. He has two partners in Silicon Valley and a third in Dubai. Between his work for the E-Center and his VC fund, he has traveled to the area dozens of times.

**Back to basics**

Ayan and his partners initially had marketed their business based on the economic benefits to the region, describing their fund as a way to create high-quality R&D jobs for an underutilized talent pool. But they found that investors were more interested in hearing about investment returns. “We changed our message,” he says. “In retrospect, it’s what you might expect anywhere.”

Ayan says his potential Middle East/North Africa investors are generally interested in four factors to help them determine whether or not they want to do business with you: an established brand name; association with reputable individuals and brands; valued relationships; and the investment value proposition.

Ayan calls his resultant business model a “hybrid company structure,” where all portfolio companies have U.S. headquarters. With U.S. incorporation, VC firms find it easier to co-invest with Ayan’s fund, he says.

Over the last few months, the fund has turned its focus to successfully satisfying U.S.-based investors. “Many in the region piggyback on others’ due diligence and investing,” Ayan says. “Now, when we go to the Middle East and North Africa, we have the additional prerequisites investors are looking for.”

**INVESTING IN THE INVESTORS: The other side of the coin**

“Opportunities are local”

A continent away from Ayan’s area of interest, Johanna Klein, MBA ’05, is focused on investing—specifically, investing in private equity funds in Asia, which then invest in small and medium-sized companies. She does this work for the Asian Development Bank (ADB), a multilateral institution committed to bettering the quality of life for people in Asia and the Pacific by providing loans, equity investments, policy dialogue, and technical assistance to developing countries in those regions.

She reiterates Ayan’s comment that investor motivations the world over are quite similar. “Business is business everywhere. A fund manager in Vietnam is going to be similar in many ways to a fund manager anywhere else. They are motivated by many of the same basic things.”

But however universal the motivations, specific local market knowledge is still critical to success. Klein seeks local knowledge in fund managers. “If the fund is investing in Sri Lanka, we want a manager from Sri Lanka who knows the market. We don’t want fly-ins. Opportunities are local. People who pick the winners have knowledge of the environment.”

**Channeling wealth, catalyzing change**

Klein’s work, she says, is in many ways similar to private equity investing in the U.S., although the industry is much less mature in emerging economies than it is in more developed ones. Also, while the objective of investing at a traditional U.S. private equity firm is to earn superior financial returns, the goal of private equity investing at a development bank is to achieve both commercial returns and development impact. By building up capital markets and companies in the region through the deepening of the private equity industry, the ADB supports its core mandate—poverty alleviation—through job creation and increased tax revenues at the funds’ portfolio companies.

Much of what ADB’s investment achieves is providing confidence to the market with regard to the likely success of a fund, thus catalyzing money from the private sector (commercial investors, pension funds, etc.) into the deals. Although the private sector is where the “big money” exists, commercial investors often need a little encouragement to place those funds in more challenging “frontier” countries, or in funds run by first-time fund managers. With its unusual dual mandate of commercial and developmen-
tal impact, ADB is able to invest in challenging, but high-potential, environments, thus providing this confidence to the market.

The growth of the private equity industries in Asia’s developing economies reflects, in many ways, the burgeoning of the private sector itself throughout the region. Compared to just five years ago, there is much more emphasis on the private sector—particularly in countries like China, India, and Vietnam—as the engine of growth for the region.

“Today,” Klein says, “many of our developing member countries don’t want more government loans, which for decades was the mainstay of ADB’s business. Instead, our member countries want advice and support with regard to private sector development. That’s a significant change for ADB and a true reorientation in the mentality of many countries in the region, which have witnessed huge growth as they have begun to embrace the power of the private sector.”

Currently, private-sector operations represent only five percent of ADB’s business. However, Klein says, “our business has grown 14 times in the last four years; and because of the appetite in our markets, private-sector interventions will only accelerate in the next few years.”

And people are expecting to find winners. “In China, the sense of optimism borders on giddiness,” says Klein. “There’s a real sense that this is a time of enormous opportunity. When I talk to entrepreneurs, half of them say they want to be the next Fortune 500 company. People are aiming high, and we believe that we can help them achieve those ambitions.”

If you get my meaning ...

While the invention of the multi-time zone watch can tell you that when it’s noon in Silicon Valley (home of your company’s engineering division), it’s 3:00 p.m. in New York (home of your corporate headquarters), and it’s 1:00 a.m. in Sri Lanka (home of your manufacturing plant), it can’t help you decipher the meaning of a hand gesture in India or know the appropriate host gift for a colleague in China. Those are things you need to experience for yourself—to know—hopefully with some advice from well-traveled friends. Below, alumni offer some firsthand knowledge on communicating across cultures.

Christina Cragholm, MBA ’03: “People don’t use voicemail in Korea, which leads to interesting habits. It’s acceptable to answer the phone wherever you are, whether it’s in a bathroom or in the midst of a large meeting.”

Jeff Anders, MBA ’06: “In Bangalore, when some people want to say ‘yes,’ they do a bobble-head motion. In my first meeting there, I asked a question, saw that movement, and was completely lost.”

Dave Weber, SM ’83: “Never give a clock as a gift in China. The word for ‘clock’ in Chinese is similar to the English word for ‘death.’ Consider giving a coffee-table book instead. If the book is full of beautiful photographs, language doesn’t matter.”

Margaret Andrews, SM ’92: “Before I travel to a country that is new to me, I read Kiss, Bow, and Shake Hands (1995) and books from the Culture Shock series. Books like this really clue you in to how things are interpreted in different cultures.”

For more tips from alumni working globally, please visit http://mitsloan.mit.edu/magazine.
MIT Sloan prides itself on being a pioneer in global management education. From the groundbreaking MIT-China Management Education Project—now celebrating its 10th year—to educational initiatives across five continents, the School continues to show its commitment to establishing business practices that strengthen local economies and, ultimately, help shape the future of global business. For a complete list of MIT Sloan’s global initiatives, please visit http://mitsloan.mit.edu/globalmitsloan/

The China Center for Financial Research

A collaboration with the China Center for Financial Research at Tsinghua University in Beijing, this initiative promotes research on topics essential to China’s financial system, including the development and regulation of financial markets and financial institutions, the governance of corporations, and government financial policies. The Center also creates and maintains databases on China and is developing a doctoral program in finance leading to a degree from Tsinghua. In conjunction with this initiative, MIT Sloan and Tsinghua have created an annual conference and a training program for Chinese finance faculty. MIT Professor Jiang Wang is the Center’s first director.

The Nanyang Fellows Program

Every summer, Nanyang Technological University (NTU) in Singapore sends approximately 20 fellows to MIT Sloan for six intensive weeks. The men and women in the program are selected for their leadership potential from the ASEAN countries of Bangladesh, Cambodia, China, Malaysia, Myanmar, Namibia, Sri Lanka, Taiwan, Turkey, and Vietnam. During this learning experience, the Nanyang Fellows have the opportunity to network with their peers from MIT Sloan and from Mexico’s ITESM.

The Epoch Foundation

A conglomerate of Taiwanese companies funds the Epoch Foundation to support MIT Sloan research, teaching, and program development in Asia. Employees of Epoch companies come to Cambridge for seminars and discussions with faculty and staff about specific projects and ideas, and visit MIT-based startups that offer opportunities for investment.
The International Faculty Fellows Program

Every semester, faculty from Chinese, Korean, and Mexican universities come to MIT Sloan to immerse themselves in the core subjects and electives they teach at their respective schools. They return home with advanced information and best practices that they can share with students and faculty. The philosophy of this program is that faculty will return home with advanced information and best teaching practices that they will share with students and fellow faculty.

ITESM (Monterrey Tech)

MIT Sloan has forged a partnership with ITESM in Mexico to stimulate innovative collaboration between Mexico and the United States. This multifaceted program, a dynamic partnership among ITESM, Mexican industry, and MIT Sloan, includes significant projects within Mexican companies. The format alternates intensive classroom education, part-time courses, company projects, and interaction with MBAs from the ASEAN nations participating in the Nanyang Fellows program.

The MIT-China Management Education Project

In addition to the International Faculty Fellows Program (above), a team of MIT Sloan MBAs annually flies to mainland China to share its experiences in Western management with colleagues enrolled in international management (IMBA) programs at universities participating in the MIT-China Management Education Project. MIT Sloan established the project in 1996 with Tsinghua University in Beijing and Fudan University in Shanghai. Lingnan (University) College at Sun Yat-sen University in Guangzhou joined in 1999. For several years, MIT Sloan also has provided support for an internationally oriented MBA class at Yunnan University in Kunming.

MIT-SKK GSB

In September 2003, MIT Sloan and the Sungkyunkwan University Graduate School of Business (SKK GSB) in Seoul, Korea, signed a "Memorandum of Understanding" to work together in the creation of a new MBA program at SKK GSB. The objective is to develop the best MBA program in Korea and one of the top-100 MBA programs in the world by 2010.
Starting as a student
After I’d worked for General Motors for a decade, they sent me to MIT Sloan on a fellowship. I graduated in 1983, and it was a definite benefit having been a student here when I joined the staff in 1986. I knew the faculty, and I had some sense of how the School worked. I was amazed at how the faculty welcomed me with open arms in a very different role when I had been a student only three years before. I now consider many of those faculty colleagues and friends, and in many cases the roots go back to having had them in the classroom.

There are a number of alumni who have come back to work here. I view it as a real plus that we have people on the staff who graduated from our different programs at different points in our School’s history. They bring a continuity, a tie to the past.

Building bridges
I feel lucky because I’ve been able to work with all of our major teaching programs, with a focus on MBA, MOT, and Sloan Fellows. For the first decade or so I was here, we actually did some things for the doctoral program and the undergraduate program.

I also have had a lot of interaction with the rest of MIT. I was very involved with the start of the Leaders for Manufacturing program. When LFM came about, it was the first of my work experiences that introduced me to other parts of MIT administratively and, more important, intellectually.

This experience also helped me appreciate what a great place the rest of MIT is. And that’s one of the things that keeps me excited about coming to work each day, that there are new challenges and new opportunities that really involve all of the resources of MIT. And Sloan is a place that takes advantage of and contributes to all of MIT.

The ties that bind
In terms of how meaningful my time with students has been for me, I didn’t climb the Great Wall of China for the first time with my wife; it was with students. Sharing those types of experiences is something you take away and remember. I hear lots of alumni now who hearken back to their trip experiences because they are just so powerful.

When I became director of the MOT program, I had the opportunity to appreciate the strength of our executive programs. The time and the intensity of the experience created incredible bonds among the students, and between the students and the program officers. As an administrator, I worked with people throughout the admissions process and through the program. I was sitting in the classrooms with them because of the weekly seminars the program directors led. These students often came to campus with a family unit and were usually much further along in their families than MBAs. You wrapped your arms around that whole family unit for a year, which also contributed to the bonding.

Around the world with 80 students...
I had never traveled internationally as an undergraduate or as a graduate student, so working here and traveling has been really eye-opening.

I’ve been lucky enough not to get sick during any of the trips, despite the exhaustion, but I have gotten ill at the end. On one trip, we had climbed the Great Wall of China in 20-degree weather. On our flight home, I was very sick. I went right to Mass General Hospital. Because I’d been traveling in Asia, they thought I was the first U.S. case of SARS! They had the CDC and other communicable disease agencies all around, folks in white space suits, to visit me. Thankfully, it was not SARS, and I was only in the hospital three days.

The human element
The human element of the jobs I’ve had here is what’s mattered most. I have to say that one of the biggest reasons I even thought about coming back here professionally was the opportunity to feel like I was making a difference in people’s lives. GM was a very large corporation, and I had a great career there; but it was so huge, that it was hard to feel you could make an impact. From the day I hit the ground here as a member of the staff, I felt that I was making a difference in students’ lives, whatever the interaction was. The chance to interact with people and help them realize their dreams while they’re here, or remove obstacles for them, is very rewarding. Twenty-plus years later, it’s still what gets me up in the morning and gets me in here—the chance to make a difference.
Reunion 2007 will be here before you know it! Please mark your calendar for a weekend of reconnecting with former classmates and MIT Sloan.

Activities will include:
- Career Workshops
- Consumption Function
- Back to the Classroom with MIT Sloan Faculty
- Class-Specific Dinners
- Family BBQ

If you would like to participate in Reunion planning for your class or would like to help with the Reunion Giving Campaign, please e-mail the Reunion team at mitsloanreunionteam@mit.edu.
profile:
Dr. Ed Roberts, SM ’60

David Sarnoff Professor of Management of Technology;
Founder and Chair, MIT Entrepreneurship Center

Few individuals have had more of an impact on the culture of MIT and MIT Sloan than Professor Ed Roberts. He first arrived at MIT in 1953 to begin an undergraduate degree in electrical engineering and ever since, in his “continual residency,” he’s been shaping and reshaping the face of the Institute in profound and exciting ways.

First, in 1958, after receiving his bachelor’s and master’s in engineering from MIT Sloan, he began work on his master’s in management from MIT Sloan. He had been recruited by Professor Jay Forrester—along with two other graduate students from engineering—to help found the System Dynamics program at MIT Sloan. The new program was a major step for the School but only one of many of which Roberts was an integral part. Shortly thereafter, he was awarded the world’s first PhD in System Dynamics from the MIT Economics department.

In 1961, just before finishing his PhD, Roberts and three senior faculty were appointed as a task force of consultants reporting to the head of NASA. Asked to explore the feasibility of establishing a relationship between the space program and MIT, they spent the summer studying various space centers around the country to determine what types of researchable management and organizational problems existed there. In September of 1961, the three wrote up a research proposal and in 1962 the first research center at the School, the Organization Research Center, was funded by NASA.

The next phase of his life began shortly thereafter in 1964 when NASA funded the first university technology center at MIT: the Aerospace Research Center. They contacted the Organization Research Center to do some research into technology transfer from the space program to commercial companies. It was new territory for the School and for Roberts as well. He describes a frustrating two-hour brainstorming session with the Aerospace Research Center in which they both seemed ready to give up on the concept when finally Roberts asked the simple question, “Don’t people leave your labs and go on to start new companies?” The answer, of course, was yes; and after scribbling how much funding he needed on the back of an envelope, writing up a proposal entitled “The Transfer of Technology from Defense Space Research Laboratories to the Commercial Market Via the Formation and Growth of Technology Based New Enterprises,” he began a project that has led to 42 years of continued interest in technological entrepreneurship. “Suddenly,” says Roberts, “I was in the business of researching entrepreneurship and spinoff, and new company formation, all of which I didn't know how to do; but then neither did anybody else, because there was, as I quickly found out, no literature in the field … .”

In 1980, he started the Management of Technology (MOT) program. It was the first program in MIT’s history where a degree was being offered jointly by two schools: MIT Sloan and the entire School of Engineering.

Roberts later founded and chaired the MIT Entrepreneurship Center, a role which is fitting considering his impressive other life as an entrepreneur. He is actively involved in many high-tech startups. He was the cofounder and CEO of Pugh-Roberts Associates (an international management consulting firm), the cofounder and a director of Sohu.com, Inc. (a leading Internet firm in China), the cofounder and director of Medical Information Technology, Inc. (a leading producer of healthcare information systems), as well as cofounder and director of a wide range of other technology-related companies, such as Advanced Magnetics, PR Restaurants, Interactive Super Computers, and Zero Stage Capital Venture Funds.

“It’s now 43 years that I have been simultaneously an academic and an entrepreneur, and I have found my two lives to be extraordinarily intertwined and, if anything, synergistic. I learn from what I do on the outside, I bring it back into my classrooms, and I bring it back into interpreting my research. It informs my research, and my research informs my practice.”
Join the new club

As the MBA Class of 2006 graduates, the vast majority of the class is preparing for careers in financial services, consulting, or the high-tech sector. Yet, there are those who have chosen to go off the beaten track. Yasmine Zdencaj will join Limited Design Services, a corporate group responsible for commercialization of new brands at the Limited. Classmate Gayatri Pradhan expects to conquer the world of suds in her function as associate brand manager at Unilever North America. Says Pradhan, “The MIT Sloan brand can take you any place you want, but people do wonder why a Sloanie is interested in consumer goods or retail jobs.”

That question was answered early in the summer of 2004, when a group of students interested in careers in the consumer packaged goods (CPG) or retail industries found each other through a mailing list for the incoming class of 2006. These students surmised that the entrepreneurial environment fostered at MIT Sloan would serve them well as they strove to bring innovation to their future organizations. Their drive toward CPG/retail careers provided the impetus for the formation of the MIT Sloan Retail & Consumer Goods Club. Within the first year of inception, the club organized speaker events, inviting such industry luminaries as Robbie Jamieson, president, Gillette (Latin America); Chuck Turlinski, CEO, The Limited Stores; and Maxine Clark, founder and CEO, Build-A-Bear Workshop. As if to underscore the growing interest in these sectors, club ranks swelled to 80 students in the second year as ’07s surged to join the fledgling group.

Club leaders organized “Retail MarketLabs,” student-driven, nonpaid consulting projects for large corporate clients. On a Retail MarketLab for Target Corporation, the student team worked on evaluating strategies to increase sales for Target’s music business. Students conducted interviews with Target customers as well as those shopping at competing stores to understand buying preferences and purchase behavior. They then focused in on creative displays and innovative promotions at the point of sale as ways to stimulate sales. A Retail MarketLab for The Limited Stores involved the launch of a denim jean concept where team members assessed the concept, prepared a rollout strategy by store type, and created a marketing plan.

The feedback from corporate sponsors on these projects has been very positive. The project manager from The Limited Stores said that the MIT Sloan team had conveyed all the passion, intelligence, and “plain old common sense” required to succeed in the CPG/retail sector. In addition, the work done by the students has resulted in an increasing number of companies interested in sponsoring such labs. Other clubs on campus engaged in similar projects include the Marketing Club, which conducts MarketLabs, and the Innovation Club, which helps technology companies test the usability of their products with student focus groups.
Three steps for cross-cultural networking
Insights from MIT Sloan Alumni Career Counselor
Ken White, SM ’69

As MIT Sloan alumni, most of us understand the value of networking. But globalization has added a new twist to networking. The ability to establish and nurture working relationships with others of a different culture is now essential, and if you haven’t yet figured out how to update your networking skills in this way, I can help you get started.

I recommend a three-step process. First, understand and embrace the fundamentals of networking. Second, explore opportunities, starting with your available resources and inner circle. And finally, reach out beyond your comfort zone into your target market, and build connections one relationship at a time. Let’s look at that process.

**Understand:** The current best practices around networking in business contexts—certainly including the job search, but also sales, sourcing, recruiting, partnering, merging/acquiring, and funding—hold that successful networking must be driven by both passion and generosity (not by intellect or greed). This can be rather challenging, but those who are naturals at networking effectively capitalize on their passion and generosity without even thinking about it.

One recurring theme that I hear from those alumni with extensive cross-cultural experience is that your relationships and vision ought to be built on **long-term, mutual benefit** or they will never gain traction. It is therefore important to pay special attention to what is valued by networking partners in other countries. Only when you are working from a base of personal passion can you muster the energy, initiative, and persistence that you need to succeed in this context.

**Explore:** It is crucial to “make sense” of the cross-cultural landscape. Whether by Web search, literature review, or contact with public officials, find out all you can via publicly available resources about current issues within the target culture, how they relate to your vision and, most important, what’s in it for your target. Only then are you ready to reach out to your would-be network in the target culture. This is a necessary first step, and it behooves you to devote all of your best capabilities to it.

**Reach out:** If you’re starting fresh and have no viable entrée to the culture at the outset, you are probably not ready to spend any “networking capital” on ultimate VIP targets within the new culture. A peripheral player—one who has deep, personal background in the culture and who is reasonably accessible to you—may be helpful in getting you started, and this is where the MIT Sloan connection is hugely valuable.

Consider that, of the roughly 20,000 total MIT Sloan alumni, some 4,000 live and work abroad. The MIT Sloan Directory (http://mitsloan.mit.edu/directory) makes it easy to browse for alumni in your target country. Remember that you share the Sloan experience. Most alumni would welcome a call saying, “I will be in your country on this date—would you mind meeting so I can learn more about the area and its culture?”

Another resource is the MIT Alumni Association’s website, including the ICAN Program (Institute Career Assistance Network), whereby MIT and MIT Sloan alumni have stepped forward as willing “Career Advisors” to other Sloan alumni. These alumni are predisposed to help—especially if you approach them in a way consistent with their expectations. Out of 2,975 ICAN advisors, 461 are living and working abroad.

Some sound networking advice comes from MIT Sloan alumnus, Charles Cameron, SM ’79, who has worked extensively on five continents. A key success factor, in his experience, is to have in place a deep and lasting personal friendship with an allied professional native to the culture. This means getting to know the person’s family—and even extended family—as well as opening up his own personal life. With a strong personal connection such as this, you too can constructively branch out into the culture.

Now you are on your way. With the help of your new network and your MIT Sloan alumni guides, and driven by your passion and generosity of spirit, you are ready to start the relationship building process in earnest. Take heed of the insights of your fellow alumni who have been there and back. And have fun at it. If you do it right, it promises to be a meaningful life experience. ● ● ●
COMMUNITY NEWS
Stay on top of the news from all corners of our vibrant community.

ADVANCE YOUR CAREER
Meet with a trained career professional for a customized consultation and use exclusive job resources for alumni.

ONLINE ALUMNI DIRECTORY
Use the new directory to maintain and expand your network with the entire MIT Sloan community.

GET INVOLVED
Join your local MIT Sloan club, and participate in programs and events that help bring alumni together.

REUNION/CONVOCATION
Reconnect and reminisce with your classmates at Reunion, and renew your intellectual connection to the School at Convocation.

EVENTS
Keep up to date on upcoming events, speakers, and workshops.

LIFELONG LEARNING
Take advantage of great opportunities for continual learning—including faculty videos, course notes, and upcoming executive courses.

MIT Sloan Alumni Office
http://mitsloan.mit.edu/alumni/