Building a better leader
MIT Sloan Executive Education

innovation@work™

MIT Sloan executive programs offer you an opportunity to return to the School to reconnect directly with the latest thinking in management practice and learn about new developments in areas such as technology strategy, innovation management, and value chain design. Let your organization benefit from MIT Sloan faculty expertise and current research by attending yourself (with select alumni discounts) or inviting staff and colleagues to enroll in an MIT Sloan Executive Education program.

Executive Certificates

MIT Sloan Executive Certificates are awarded to participants who have completed four or more open enrollment programs within a four-year period. Certificates are offered in three areas of concentration and provide executives with the opportunity to tailor their education plans to meet their own career development needs.

Executive Certificate Tracks

• Strategy and Innovation
• Management and Leadership
• Technology, Operations, and Value Chain Management

Visit our website for more information on MIT Sloan Executive Education, including alumni discounts:

http://mitsloan.mit.edu/alumni/execed

Program News

The leaders of IBM Mexico have collaborated with MIT Sloan to create an executive program not for its own employees but for its customers. They decided that the most valuable perk they could offer their best customers was late-breaking information that could have a real impact on the growth of their organizations.

The custom program they devised, an adaptation of MIT Sloan’s highly regarded executive education program IT for the Non-IT Executive, is an intensive two-day session for 30 to 50 executives—in teams of three from each company. The program is held close to Mexico City for the convenience of IBM Mexico’s busy clients.

Now in its third year, program participants become more aware of the strategic role that IT can play in the larger goals of their organizations.

“We have seen an immediate impact from this MIT Sloan custom program—stronger relationships with our customers as they achieve greater success. We are now looking at how this program might be adapted for our clients in other regions of Latin America.”

—Roberto Sanchez
Director of Marketing
IBM Mexico

If you would like more information about creating a custom program for your organization, please contact us at 617-253-7166.
Welcome to your new classroom

These days, it's easy for MIT Sloan alumni to be lifelong learners. Take a tour of the many offerings that let you get back to the classroom, virtually or in person, and hear from the faculty members and pioneers who make this possible.

A lead of their own

What are the tools one needs to truly become a leader? How is MIT Sloan's unique perspective on leadership preparing students to lead with excellence at all levels? MIT Sloan professors and experts weigh in on building a better leader, moving from theory to practice, and teaching students and alumni the skills they can use to make a difference in the world.

On the cover
A leader of many

Building relationships that last

London artist Paul Wearing created this strong leader exclusively for MIT Sloan. The cover image, and the series of illustrations that appear in the story, echo many of the article's themes—leading teams, real-world experience, growing leadership—with bold colors and clever composition.
Dear alumni and friends of MIT Sloan:

It was with great appreciation (and, of course, a bit of sadness) that we said farewell in our summer issue to Dean Schmalensee and celebrated the outstanding achievements of his nine years as dean. The fall and winter have brought us more to celebrate, as we welcome MIT Sloan’s eighth dean, David C. Schnittlein. The mood on campus is one of incredible excitement and optimism about the future of the School. We have been fortunate to work with these two deans on the magazine’s various topics, and we are energized and impressed by these thoughtful leaders. We are also reminded that good leadership is easy to take for granted.

Our cover story’s theme is leadership—not an easy one to cover, yet one that MIT Sloan knows much about. The word is almost everywhere these days. People talk about what it takes to be a leader, what constitutes different leadership styles, and whether leaders are born or made. From our perspective, none of this matters to alumni as much as the School’s knowledge about leadership. In this article, we focus on how MIT Sloan builds better leaders, the tools one needs to reach the next level, and the expertise of our faculty and staff who are dedicated to confronting the most challenging issues in leadership.

In our other feature story, we present you with a different set of insights—tools for lifelong learning. Alumni are often surprised to learn of the many options available for continuing their education after leaving MIT Sloan. You may have heard of faculty podcasts, virtual lectures, and courses available on MIT OpenCourseWare, but perhaps you haven’t had time to check them out yourself or to search for them online. We hope that, as you read this story, you will find all you need to explore these resources in one place.

Of course, you will also find your old favorites: a Class Notes section packed with pictures and updates (thanks to all those contributors who keep this section so compelling), extensive news on the latest happenings both on campus and for alumni around the world, and six profiles of alumni with fascinating stories to tell.

We hope you enjoy the winter issue of MIT Sloan Alumni Magazine. As always, we welcome your comments and suggestions at editor@sloan.mit.edu. We look forward to your feedback and to your future submissions.

Best regards,

Tammy Cupples and Michelle Choate

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**You were saying?**

MIT Sloan welcomes letters from our readers. What do you think about this issue?

E-mail us at editor@sloan.mit.edu.

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**I enjoyed reading** the Spring 2007 MIT Sloan “News and Insights for Alumni” and particularly everyone’s stories in the Class Notes section.

Daniel DiLorenzo, SM ’99
Houston, TX

**The magazine was well formatted** and gave concise and clear information. I appreciated the letter from the dean and thought the article reflecting on his efforts at MIT was very interesting. It’s a great magazine for simply keeping current with the MIT Sloan world. … I look forward to the next release.

Doug Lawson
Raleigh, NC
Dear MIT Sloan alumni and friends:

Much has been written about leadership, and this is not a bad thing. Organizations of all kinds are the means through which change is effected in the world, and people who stimulate and direct change in (and through) organizations are always in short supply.

This issue of MIT Sloan Alumni Magazine offers some experiences in leadership, and also some emerging perspectives on the idea of a successful leader. One very important idea is that of distributed leadership; recognizing that the person at the top of the organization chart will necessarily be incomplete as a leader, and that successful organizations encourage leadership from the middle, and bottom, of the organization.

I began as dean of this great school October 15, 2007, and through these first months can attest that this principle of distributed leadership is alive and well at MIT Sloan. I have seen great moments of leadership from each of our communities—alumni, business leaders, faculty, staff, and students. A prominent alumna reaching out to others, hosting a great event to bring other alumni back toward a close relationship with the School. Another alumnus coming to a personal epiphany regarding the role of the School in his life, and committing to bring the School out to the thoughtful business leaders in his part of the world. Students coming forward to offer new and needed co-curricular programs. Staff taking a vague “deanly” idea for enhanced collaboration and running with it, reinventing and improving the idea along the way, and producing a deliverable in incredibly short time. And faculty, stepping up to consider very thoughtfully the portfolio of programs that we run, willing to reconsider how we compose one of the hallmarks of MIT Sloan—customized programs that are honest about the truly diverse needs of different learners at different points in their own professional and personal lives.

I am a newcomer—hopefully, not an outsider for too much longer—but am tremendously proud of these communities. I knew how successful they were. I saw immediately how welcoming and friendly they could be. But it is only recently that I have begun to appreciate this great potential—and hunger, really—for opportunities to lead, to take MIT Sloan through the continued change that every great school of management needs. As the School’s physical presence improves—the new MIT Sloan building’s construction proceeds on target toward a fall 2010 opening—we can and must turn our attention to the needed reinvention of the three great characteristics of this School: programs that offer real customized value; high-touch action learning inside these programs that goes beyond bromides, war stories, and prepackaged cases; and creation of knowledge that is valuable now and that will stand the test of time. No other school of management has offered these benefits as well as MIT Sloan.

Reinventing these benefits for the years ahead will require leadership from the top, but also leadership throughout this community. Through greater engagement and visibility for MIT Sloan across our constituents, and across the globe, I expect us to be able to build on the leadership I have already seen. We have much to do, and empowering leaders in our alumni community, businesspersons close to the School, faculty, staff, and students, is my main job as dean. To do this, these great communities need to be and to feel closer to the “School,” and they also need to become closer to each other. This, too, is one of my main priorities. We can only secure the School’s great future together; and together we can indeed secure that great future.

Sincerely,

David C. Schmittlein
John C Head III Dean

Get to know more about Dean Schmittlein by visiting his blog at http://mitsloanblog.typepad.com/dave/.
profile: Jeremy Gilbert, MBA ’08

Energetic, involved, inspired

When asked to describe Jeremy Gilbert, MBA ’08, many words that start with “E” and “I” come to mind: energetic and intuitive; enthusiastic and involved. But to Jeremy, Entrepreneurship and Innovation are the “E” and “I” words that matter most.

As a member of the inaugural E&I program, Jeremy has not only found an outlet for his entrepreneurial spirit, but an instant cohort of likeminded students with access to each other’s ideas and talents—not to mention the teaching and mentorship of MIT Sloan’s most esteemed entrepreneurship experts, including program founder Professor Ed Roberts and Ken Morse, director of the Entrepreneurship Center.

Always an idea person—he created his first computer programs at the age of seven—Jeremy came to MIT Sloan realizing that it takes more than a good idea to get a business off the ground. You need, as he terms it, the “business charms.”

That’s where MIT Sloan and E&I come in. According to Jeremy, E&I is like a “super concentrated dose” of all the entrepreneurial-focused opportunities available at the School.

“There are two super advantages to E&I,” says Jeremy. “First, you’re shown the lay of the land in terms of the entrepreneurial ecosystem at MIT: the people, the parts of the Institute that are helpful, like the Entrepreneurship Center and the Venture Mentoring Service. And you are pulled into that world. The second thing is what I call the ‘cohort effect.’ This really great bonding has happened with the people in the program which has pushed us all personally in various ways to grow and learn. It’s like a bunch of kindred spirits.”

These kindred spirits were apparently as enthusiastic and energetic as Jeremy. “Even before classes started, we voluntarily started meeting,” he says. “We also extended our class time by half an hour. Some of the students in E&I had a lot of experience with pitch nights, like when you give a pitch about an idea you’re working on, and you get feedback on that idea and on your pitch. So we just added on a half an hour before our class to work on that and got better than 90 percent participation!”

But there’s more to Jeremy than his passion for E&I. Clearly not someone who cherishes down time, he’s taking advantage of every opportunity presented to him during his time on campus. In addition to acting as MIT Sloan’s unofficial event photographer, he’s involved with the student senate, the Tech Treks, and has participated in a spring trip to India, a trip he refers to as, “the most amazing voyage of my life. … My honeymoon was special, but going to a country under the guise of MIT Sloan … the level of access and the opportunity were just unbelievable.”

As enthusiastic as Jeremy is about his time at MIT Sloan, it’s natural that he’d think about the School he’ll leave behind after he graduates. He views his position with the executive committee of the student senate as a way to effect positive change. “The challenge I’m taking on for myself is how to inspire my peers to go off and implement their changes in a disciplined and effective way. That’s the legacy I want to leave.”

Interested in hearing Professor Ed Roberts, SM ’60, speak on entrepreneurship? How about Director of MBA Admissions Rod Garcia offering advice on the admissions process, or a recent graduate singing opera? Our popular podcast series showcases the stories and insights of our students, faculty, and staff—and features more than a few fun surprises.


Blogs, podcasts & videos—oh my!

If watching is more your cup of tea, MIT World features video coverage of important on-campus events and faculty lectures.
http://mitworld.mit.edu/.

But if old-fashioned reading is more your speed, our new MIT Sloan blog series chronicles the musings of our students and staff. Check out what our many student bloggers have to say about their first-semester experiences at MIT Sloan!
http://mitsloanblog.typepad.com/mitsloan/.
A thoughtful approach to fighting disease

This past fall, the Dean’s Innovative Leader Series (DILS) featured the insightful Jim Yong Kim, MD, PhD, chief of the Division of Social Medicine and Health Inequalities at Boston’s Brigham and Women’s Hospital and a professor at both Harvard Medical School and Harvard’s School of Public Health. Kim, who has extensive experience improving health in developing countries—including a three-year appointment with the World Health Organization (WHO)—gave the MIT Sloan audience his valuable insights into addressing infectious diseases around the world.

Citing a startling statistic of 10 million needless deaths each year, Kim spoke about the preventable and treatable diseases that ravage areas of the globe. Though he focused on his work with tuberculosis and HIV, the strategic problems and solutions he discussed have a much broader application to any attempt to stem the increase in infectious disease fatalities.

One of the key success factors in effective prevention and treatment, according to Kim, is implementation. He noted that setting up clinics to treat communicable diseases has limited effect without a suitable foundation in place. Setting up an HIV clinic places a stigma on any person who enters or exits, but setting up a general medical clinic allows the local population a more viable long-term solution not just to infectious diseases, but to overall health. Kim also spoke of logistical factors such as over-priced pharmaceuticals and the existence of an implementation bottleneck that slows the introduction of the abundance of possible solutions to the regions that need them most.

Kim proposed that a new discipline in medical education needs to be defined. By developing a discipline based on healthcare delivery, providers would be better suited to understand the complexities involved in this kind of work. It would allow a clearer perspective on the implementation barriers and the strategy necessary to overcome them.

Kim warned against the prevailing idea that improved economics will have a natural trickle-down effect on the overall health of a nation. While economic development is a contributing factor, it does not address the various social and cultural factors at play. A well-rounded approach is required for lasting change.

A perpetual community favorite, the DILS offers MIT Sloan students and the broader MIT community an opportunity to hear firsthand the practical, real-world experiences and perspectives of some of the most visible and successful global business leaders.

Retail and Consumer Goods Club at Estée Lauder

MIT Sloan is increasing its presence in luxury retail. This winter, the Retail Trek visited Estée Lauder Companies in New York. Daya Fields, MBA ’07, and Yanina Silva, MBA ’05, work for the company and organized an exceptional reception for the students. Marketing internship opportunities with Estée Lauder are available for the first time as a result of this interaction.
Ushering in the Schmittlein era

Last September brought the first official campus visit of our new John C. Head III Dean, David C. Schmittlein, for a series of gatherings involving students, faculty, and staff. In addition to displaying his sense of humor, Schmittlein provided all in attendance with a glimpse of the kind of leader he will be and his vision for the future success of MIT Sloan.

Calling his appointment the greatest professional honor of his life, Schmittlein paid tribute to the MIT Sloan legacy of innovation in management research and education. Where other schools may have the third, fifth, or fourteenth leading experts, he stated that MIT Sloan has the one top person. He vowed to continue this tradition of thought leadership and to encourage even more innovation in creating valuable learning outcomes for students.

“A leader among business schools must stand for the creation of real and useful knowledge. It must offer more than bromides, war stories, cases, and networking. It must be the source of thought leadership that is useful now, and that will stand the test of time.”

50 Years of Forrester’s System Dynamics

The field of system dynamics—and its legendary 89-year-old founder, Jay Forrester—was celebrated at an international conference in Boston last August. The conference featured a world-class range of speakers and presentations, and was capped off with Forrester delivering the keynote talk.

The conference marked Forrester’s landmark research and first major articles about system dynamics, a methodology for studying and managing complex feedback systems, such as those regularly found in business and other social systems. Forrester, who became part of the newly formed MIT Sloan School of Management in 1956, believed that complex management systems could be modeled using the same concepts of feedback control that apply to engineered systems.

“Science and technology are no longer frontiers; they have receded into the fabric of everyday activity,” Forrester wrote for the anniversary issue of System Dynamics Review. “I believe that we are now embarking on the next great frontier, which will be to explore a much deeper understanding of social and economic behavior.”
Good for good business

A new section of the School’s website dedicated to the MIT Sloan Initiative for Sustainable Business and Society was launched last fall. The site outlines the goals of the initiative and highlights the myriad sustainability-related research and activities occurring across MIT Sloan and the Institute, including the new Sustainable Business Lab (S-Lab).

Last December, the initiative was involved in a symposium with the MIT Industrial Liaison Program (ILP) that showcased sustainability-related research and related activities entitled, “Creating and Managing a Sustainable Business Strategy.”

For more information on the initiative and associated events, visit http://mitsloan.mit.edu/sustainability/.

Pitching for the win

The MIT $100K Entrepreneurship Competition season got an early start this year with the first-ever Elevator Pitch Contest (EPC). Held October 13, the EPC gave would-be entrepreneurs the chance to test the polish of their pitches before a panel of esteemed judges and to share over $10,000 in prize money—including $2,500 to the grand-prize winner Jessica Laviolette, an MIT undergraduate with a pitch on automotive production.

“A successful elevator pitch communicates a sense of value, empathy, and urgency,” says Ken Morse, director of the MIT Entrepreneurship Center. “It quantifies the value proposition clearly and combines thorough sales and market research.”

What else makes a great pitch? According to Gaetan Bonhomme, MBA ’08, one of the EPC organizers, a perfect pitch is one that not only conveys the essence of an idea in simple and direct terms, but is also tailored to the specific audience you are pitching to.

The EPC also offered competitors an important opportunity to network with fellow entrepreneurs and to exchange ideas that may evolve into $100K competition contenders.

MIT Sloan students Julie Yoo and Ajay Kulkarni won second and third prizes, respectively, at the first annual MBA Sales Competition. MBAs from MIT Sloan, HBS, Wharton, Kellogg, Yale, and Babson competed in mock sales calls for three different products and services from local startup companies. Julie and Ajay will be traveling to the National Collegiate Sales Competition in Atlanta in March.

Kate Kellogg, Wanda Orlikowski, and JoAnne Yates won the 2007 award for Best Published Paper from the Organizational Communication & Information Systems (OCIS) Division for their paper, “Life in the Trading Zone: Structuring Coordination Across Boundaries in Postbureaucratic Organizations.”
Faculty news
Contributing to the debate

MIT Sloan faculty spread their expertise far and wide in recent months. Taking his ideas to the airwaves, Ed Roberts, SM ’60, served as a counter voice on National Public Radio’s On Point in a debate about the nature and the value of management education.

In a New York Times article entitled, “Europe’s latest blow to Microsoft,” Michael Cusumano was critical of the software giant. He says, “When Microsoft is the second or third mover in a market, as they were with the browser and the media player, I think the bundling is a problem.” Also not letting Microsoft’s chairman off the hook, a Wall Street Journal article co-authored by Erik Brynjolfsson, PhD ’91, cites Bill Gates’ 2004 prediction that spam would be gone within two years. However, as Brynjolfsson points out, spam currently represents 90 percent of all e-mail sent. Despite spammers’ previous ability to thwart government and industry efforts to fix the problem, he says that a solution is within reach.

In a piece co-authored for the Wall Street Journal, Michael Cusumano writes that the ability to establish a platform is an option for small and large companies alike. Success depends not on size, but on a company’s vision and its ability to create a vibrant ecosystem that works for the leader and its potential partners.

In a piece he wrote for the Financial Times, Yasheng Huang credits rural reform for China’s poverty reduction, saying that most of the improvement occurred in the 1980s during an experiment known as “the household responsibility system.”

In a story about Spanish fast-fashion retailer Zara, the Boston Herald highlighted the role of Jeremie Gallien, PhD ’00, in the company’s success. Gallien and his colleagues developed a mathematical optimization model which the chain has incorporated into its software system to more efficiently replenish inventories at Zara’s 1,000-plus stores.

A Slate story about a shortage of available kidneys spotlighted a study by Juanjuan Zhang. Zhang’s newly released study suggests that the problem lies not in technology, medical expertise, or bureaucratic red tape, but in an economic theory known as “herding.”

Campus snapshots continued...

Glen Urban’s latest book, Don’t Just Relate—Advocate, was runner-up for the American Marketing Association’s Best Book Award for 2006.


Arnoldo Hax was awarded the honorary degree of Doctor Honoris Causa by Universidad Politécnica de Madrid (UPM). Hax also served as the keynote lecturer at CIO 2007 Madrid.


A new $100,000 prize has been created to honor finance and economics legend Stephen A. Ross. Ross’s former students surprised him with the announcement of the prize in October. Ross is also the recipient of the 2007 Jean-Jacques Laffont Prize, which honors an economist whose work combines both the theoretical and applied aspects of economics.

MIT Sloan Team Rises to “Fast Money” Challenge

Last August, a team of six MIT Sloan students competed in the CNBC game show, “Fast Money MBA Challenge.” Billed as “the varsity sport of the financial mind,” the show pitted teams from the nation’s top B-schools against one another in a quest for school pride, bragging rights—and $200,000.
In a BusinessWeek column praising Generation Y as “hard working, entrepreneurial, startlingly authentic, refreshingly candid, and wonderfully upbeat,” Jack Welch references the class he taught at MIT Sloan in which some 20 percent of the students had already launched a venture. Farther along the continuum, Ed Roberts says that “the young, brash kids with the grandiose plans are our future.” In a Boston Globe Magazine article about the new “Me” generation, Roberts states that, from his perspective, the United States economy is soon going to be left with only startups and entrepreneurship. He believes what we need now are young people who are willing to push their own ideas and aren’t afraid of failing.

Also weighing in on the economy, Kristin Forbes appeared on CNBC’s Squawk Box to provide commentary on Alan Greenspan’s first live interview since he left office. Forbes agreed that despite fiscal problems, the economy continues to hold up. She also predicted that the Fed would cut the fund rate and fiddle with the discount rate. In a USA Today story about the American dollar’s status as the world’s reserve currency, Forbes says that dollar weakness over “many, many years” would be needed for that situation to change.

Gordon launches DILS season

The very popular Dean’s Innovative Leader Series kicked off a new season October 17, 2007, with an appearance by Bruce Gordon, SF ’88. The former president and CEO of the NAACP, he is the first in a long line of industry luminaries who are coming to campus to talk candidly with the MIT Sloan community about their varied experiences. For more on Bruce Gordon’s talk and future DILS speakers, visit: http://mitsloan.mit.edu/corporate/dils.php#gordon.

Alumni news

Leading the way

My life goal is to be a committed global citizen; my career is just an extension of that goal.” So says Kara Penn, MBA ’07, in an International Educator Magazine article about educating for global business. Asked what her long-term career plans are, Penn responded, “My plan is to remain extremely committed to mobilizing and using the power of business to create social and environmental change.”

In a New York Sun story titled “Risk management decoded,” Leslie Rahl, SB ’71, SM ’72, describes her firm, Capital Market Risk Advisors, as the “preeminent financial advisory firm specializing in risk management, hedge funds, financial forensics, and risk governance.” Describing the MIT Sloan alum, the article states, “Numbers are to Ms. Rahl as Cheerios are to the rest of us: uncomplicated and easily consumed.”

Jorge Calzada, MBA ’06, took part in a live television interview with ABC News about his new Cambridge-based company, IdentiCert, Inc., whose offering is called easyQube. The ATM-like easyQube kiosks provide urban users with a portal for delivery companies to deliver packages ordered off of the Internet, to swap items, and—soon—to even drop off and pick up dry cleaning and laundry. Calzada founded the company with four other MIT Sloan graduates.

A November Fast Company story about the success of game designer Richard Garriott highlights his relationship with his brother and partner, Robert Garriott, SM ’83, CEO of NCsoft North America. The pair co-founded their first company in their parents’ garage, selling to Electronic Arts in 1993 and breaking away in 2001 to work with NCsoft. Says Robert Garriott, “Richard’s the creative guy, and I’m the business guy.”

To read more about what’s happening in our alumni community, please check out our Class Notes on page 33.
Building the alumni network through content and conversation, and connecting alumni to the School. ... Local clubs work tirelessly with MIT Sloan and student groups to deliver high-quality events with these goals in mind. The following pages offer a glimpse of several of these events held over a six-month period.

Chicago-based alumni joined other alumni of top business schools for an evening of networking on July 17. The event took place at the Palmer House Hilton in Chicago, and featured guest speaker Sasha Issenberg, author of The Sushi Economy.

In São Paulo, Ricardo Marino, MBA ’00, and the MIT Sloan Club of Brazil welcomed Professor Richard Locke on August 3 for a meeting on sustainability and entrepreneurship. Locke, the Alvin J. Siteman Professor of Entrepreneurship and professor of political science, spoke with alumni about initiatives at the School, including the Global Entrepreneurship Laboratory (G-Lab) and the new Laboratory for Sustainable Business (S-Lab).

The MIT Sloan Office of External Relations invited Seattle area alumni to two events in August. Interim Dean Steven Eppinger and MIT Sloan staff met with students and alumni at the Fado Irish Pub on August 7. On August 8, Jeff Wilke, LFM ’93, senior vice president, North American Retail at Amazon.com, hosted a breakfast for alumni and students at the Pacific Medical Office Building.

The 20th annual MIT Sloan Northern California Gathering took place on August 9 in Hillsborough. Richard, SM ’92, and Susan Owen hosted this event and welcomed special guest Steven Eppinger, interim dean and General Motors Leaders for Manufacturing Professor of Management. Nearly 150 people attended.

On August 21, the MIT Sloan Club of Boston co-hosted, along with MIT Sloan External Relations, a summer reception at the Cottonwood Café. This was a chance for alumni to reconnect with each other, and to meet and welcome members of the Classes of 2008 and 2009.

Be sure we can reach you: Invitations to local events are often sent out via e-mail. To make sure the School has your most current contact information, visit http://mitsloan.mit.edu/directory and http://alum.mit.edu.

Want to learn more about a local club? Visit http://mitsloan.mit.edu/alumni/.
On October 2, the MIT Sloan Alumni Club of New York hosted an event to welcome the class of 2007 to the New York area. Approximately 50 people attended the event, including members of the 1973, 1994, 2004, 2005, and 2006 graduating classes. Steven Resnick, SM ’73, and Jay Landauer, MBA ’04, spoke to the incoming class about opportunities in New York and with the club.

Austin area alumni reconnected with fellow alumni and students at the Rio Grande Mexican Restaurant in Austin, Texas. The reception, held on October 8, was part of the Austin Tech Trek and was attended by nearly 30 people.

Nancy and Edward Roberts, SM ’60, hosted over 100 alumni and friends at the October 11 MIT Sloan School of Management Annual Appreciation Dinner. The Boston event was held in recognition of the guests’ generosity and commitment to the School, and took place on the Taj Hotel Rooftop. MIT Sloan’s eighth dean, David C. Schmittlein, attended the dinner and met with alumni for the first time.

The Association of MIT Alumnae, in collaboration with the MIT Sloan Alumni Club of Boston, held a Spotlight on Women’s Research at MIT on October 17. The event offered both a panel discussion and a poster session, which offered a glimpse of some of the current research and an opportunity to meet researchers face to face.

The MIT Sloan Club of Japan invited Tokyo-area alumni to get together and welcome the Class of 2007 at the 2007 General Assembly on October 22. The reception took place at the Marunouchi Building in Tokyo. Rod Garcia, Director of MBA Admissions, and Stephen Sacca, director of the Sloan Fellows Program, attended this event.

On October 25, the MIT Sloan Club of New York hosted its 10th annual hedge fund dinner. The event, which took place at the Tribeca Grand Hotel, featured four hedge fund managers who spoke about prospects and challenges for the hedge fund industry from their different perspectives.

Also in October, the MIT Sloan Office of External Relations invited Boston-area alumni to participate in MIT Sloan Innovation Period (SIP) Workshops. 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 40 local alumni participated in fall SIP.

On November 7, the MIT Sloan Club of New York hosted a gourmet wine dinner, featuring a very fine selection of wines and a six-course dinner.

In mid-November, MIT Sloan’s eighth dean, David C. Schmittlein, met with alumni during a series of events in the New York area. The November 15 event, hosted by Deutsche Bank, was attended by 65 members of the MIT Sloan New York community. The dean shared his perspectives and observations on the future of management education.

London-based alumni gathered with fellow alumni and MIT Sloan students who were visiting businesses in London during a reception on November 22. The event was part of the MIT Sloan London Trek and took place at Albannach & Doon in Trafalgar Square.

Jack McCullough, MBA ’97, and Jeremy Seidman, MBA ’03, co-chaired another sold-out MIT CFO summit on November 29. This event, produced by MIT Sloan and the MIT Sloan Alumni Club of Boston, gave attendees the opportunity to hear from business leaders and MIT professors, and to network with over 500 financial executives. Alumni attendees included panelist Bill Aulet, SM ’94, of the MIT Entrepreneurship Center. Dean Schmittlein delivered a keynote speech.

The MIT Sloan Club of Boston and the MIT Sloan School of Management hosted the club’s annual holiday party on December 3 at the Hotel Commonwealth in Boston. For many Boston-area alumni, this was the first opportunity to meet new Dean David C. Schmittlein. The evening was one of cheer and great conversation, and was a smashing success with 250 in attendance.

On December 6, Ken White, SM ’69, MIT Sloan alumni career advisor, and Danielle Pedreira, MBA ’97, led a Leading Life Workshop on the MIT campus. The workshop’s topic was “Helping Alumnae Integrate Career and Family,” and participants explored choices and plans for alumnae who have made a decision to leave work, are trying to stay connected while away from work, or are preparing to return to full- or part-time work. This event was sponsored by AMITA.
Listen to a faculty podcast

Professor Ed Roberts, SM ’60, describes himself as an academic who believes in meaningful samples. Listen to his podcast and you will find that he is cynical about many books written by various entrepreneurs. “I know how to tell one-off stories,” he says. “But a one-off story is still a one-off story.”

Roberts describes his research, including what traits make a great entrepreneur, as well as his latest curricular innovations and his long journey down the entrepreneurship path, in one of several faculty podcasts available at http://mitsloan.mit.edu/podcasts. In addition to Roberts’ talk, here you will find over 30 podcasts delivered by faculty, fellow alumni, and students.

Scott Rolph, MIT Sloan’s associate director of Web Management and a pioneer in podcasting, observes that these offerings are an exciting new way for alumni to keep learning. “We post lectures by alumni who are experts in their fields, interviews with faculty who are leading the way with research, and student stories that are insightful and fun. Our hope is that alumni, as well as members of the entire MIT Sloan community, will find these useful and enjoyable.”

Whether you are a recent grad or 50-plus years out, MIT Sloan offers myriad ways for you to learn forever.

Welcome to your new classroom

Ever find yourself a tad jealous of today’s MIT Sloan students because they get to take such innovative new courses? Or do you sometimes wish you could brush up on some of the core courses you mastered as a student? If so, it’s time for you to check out the lifelong learning tools of which many alumni are already taking advantage.
Sit in on a virtual lecture

Some come from right here in Cambridge. Others travel from around the world. Either way, Wong Auditorium and other MIT lecture halls are a constant home to brilliant speakers who have a wealth of knowledge to share with the MIT Sloan community. Over the last few years, more than 100 of these lectures have been videotaped and posted on MIT World, a free and open site that provides on-demand video of significant MIT events.

Whether you’re interested in exploring the social implications of “CrackBerrys” with Deputy Dean JoAnne Yates or sitting in on a conversation with former GE Chairman and CEO Jack Welch, you will no doubt refresh your MIT Sloan education by visiting http://mitsloan.mit.edu/alumni/video/.

Videos dating back to March 2001 are available at this link, and the list of management topics is plentiful.

One favorite with alumni: Professor Arnold Barnett brings up two of his favorite themes, improvements to the U.S. Electoral College and aviation safety, in his alumni-geared lecture, “Two More Things to Worry About.” One of the nation’s foremost authorities on aviation security, Barnett notes that “death risk per flight, in first-world domestic passenger services,” has improved 70-fold since the 1960s, when a passenger had a one in one million chance of dying in a plane crash. He continues, “When you consider all the things that can go wrong in jet aviation that would lead to death of passengers, the fact that the risk level is now one in 70 million constitutes the eighth wonder of the world.”

If you have perused the 100-plus MIT Sloan video lectures, and are still not finding what you want, check out MIT’s extensive collection of nearly 500 videos at the MIT World site (http://mitworld.mit.edu).
Go back to school with MIT OpenCourseWare

Another popular resource for alumni is MIT OpenCourseWare (http://ocw.mit.edu), a free publication of course materials from over 1,700 MIT courses, nearly 200 of which are from the School of Management. This site is used by 51 percent of all MIT alumni, and half of these alumni users rate it as “very valuable.”

OCW presents the user with lecture notes, assignments, reading lists, activities, and plenty of other materials—even some videos. Care to watch Professor Rob Freund explain Newton’s method or Duality Theory? Just visit his course in Nonlinear Programming.

Stephen Carson, director of External Relations for OCW, notes that many MIT Sloan alumni use this site to continue their education. “We have received a great deal of positive feedback from alumni—they are proud of the open nature of MIT and that this information is freely available,” he says. “They use the site to update their knowledge in their particular field or to learn more about what’s being taught at MIT.”

Since OCW is constantly publishing new courses, there is always something new for an MIT Sloan alum to check out. The latest addition is Fall 2007’s Global Entrepreneurship Lab, which looks at leading-edge companies and the challenges they face, especially in emerging markets. Students work directly with entrepreneurial companies in this course, and OCW provides a front-row seat so the world can see how it is all done.

Fun facts

- The informal nature of podcasting offers an opportunity to showcase the lighter side of MIT Sloan. In one podcast episode, a charismatic student from Hong Kong delivered an a cappella rendition of Jon Bon Jovi’s “Living on a Prayer.”

- The Wikipedia pages of Jack Welch and Carly Fiorina, SF ’89, link to MIT World video clips of their talks at MIT Sloan.

- MIT alumni seem to like OpenCourseWare. To date, they have donated more than $1.2 million to support this website.
Enroll in Executive Education
When Russell Ollie, SM ’91, director of Global Quality at Microsoft, attended “Product Design, Development, and Management” with Professor Steven Eppinger this past June, he was impressed. “The experience was more rewarding than I ever thought it would be. I worked with people I would never have had a chance to work with, gained hands-on experience, and learned about incredible faculty research.”

MIT Sloan Executive Education gives alumni and their organizations a chance to benefit from faculty expertise and current research through a series of programs focused on management practice. Those who take advantage of this program can work toward executive certificates in the areas of Strategy and Innovation; Management and Leadership; or Technology, Operations, and Value Chain Management. Graduates of MIT Sloan, like Mr. Ollie, who take a course, receive a special alumni discount of 15 percent on certain weeklong programs.

“As an alum, it was really neat coming back for this program,” Ollie says. “I got a return I hadn’t expected and a deeper sense of connection to the faculty and their values. Their research is amazing, and I actually left the program wondering how I could get Microsoft to support MIT Sloan research. I am still in touch with several faculty members, and overall I have a better connection with MIT Sloan now than ever before.”

Programs are taught by full-time, senior faculty, including Steven Eppinger, Arnoldo Hax, John Sterman, and John Van Maanen. Want to learn more about executive education at MIT Sloan? Visit http://mitsloan.mit.edu/alumni/execed.

Finding the time
Perhaps the best thing about MIT Sloan podcasts is that users can subscribe to them. Once you subscribe, podcasts will download automatically and may be played back on your iPod or similar mp3 player. This can save a world of time, and allow users to listen “on the go” whenever—and wherever—they want.

While the other options aren’t quite as portable, alumni find ways of making it work. Executive Education participants appreciate leaving the office for a week and engaging in some valuable face time with MIT Sloan faculty. And users of MIT World and OpenCourseWare can (and do) access the sites from anywhere. It may be helpful to know that most content posted on these sites is permanent, so there’s no rush—you can be a student at your leisure, according to your schedule. Now isn’t that something of which today’s students can be jealous? • • •
Recently published books by MIT Sloan faculty

X-Teams: How to Build Teams That Lead, Innovate and Succeed
by Deborah Ancona and Henrik Bresman
The X-Team is much more than just the latest B-school theory—it’s a well-established, but often hidden, reality that’s now being highlighted by this new book. Challenging the traditional notions of what makes a successful team, the authors’ years of research support a new way of doing things. This new kind of team, dubbed “X-Teams”, has team spirit, but the team also projects upward and outward. The group establishes cooperative relationships, seeks out key information from other teams and outside sources, evangelizes the team’s mission to key stakeholders, and actively pursues support from management. The poorest-performing teams, on the other hand, focus inward. The book explains that X-Teams not only are able to adapt in ways that traditional teams aren’t, but also actually improve an organization’s ability to produce creative ideas and execute them—increasing the entrepreneurial and innovative capacity within the firm.

Predictably Irrational: The Hidden Forces That Shape Our Decisions
by Dan Ariely
When it comes to making decisions in our lives, we think we’re in control, making rational choices. But are we? Through a series of entertaining and surprising experiments, MIT behavioral scientist Dan Ariely shows that our reasoning abilities are flawed because of invisible forces—emotions, relativity, expectations, attachment, social norms—that influence us to make “predictably irrational” choices in many domains of our lives. From drinking coffee to taking medicine, buying a car or even choosing a mate, Ariely shows readers how to recognize the systematic patterns that are illogical and to break through them to make better decisions.

Operations Strategy: Competing in the 21st Century
by Sara L. Beckman and Donald B. Rosenfield
Irwin/McGraw-Hill, 2007
This book addresses the basic decisions leaders of operations must address: vertical integration, capacity, facilities, process technology, information technology, sourcing, business process management, capabilities development, and supply chain integration. In doing so, the book integrates strategic considerations with analytical models, thereby providing a comprehensive view of these critical decisions and the tools used to help make them. Addressing in a balanced fashion the concerns of both manufacturing and service leaders, the book illustrates how operations decisions can be made under the influence of the major economic and demographic global shifts currently taking place.

Dynamic Analysis in the Social Sciences
by Emilio J. Castilla
The study of social dynamics using quantitative methodology is complex and calls for cutting-edge technical and methodological approaches in social science research. Dynamic Analysis in the Social Sciences is aimed at researchers, practitioners, professionals, and students interested in carrying out such studies. This book presents the existing statistical models and methods available for understanding social change over time. It provides step-by-step instructions for designing and conducting longitudinal research, with special focus on the longitudinal analysis of both quantitative outcomes (for the modeling of change in continuous variables) and qualitative outcomes (for the modeling of events occurring over time).
**Allocation in the European Emissions Trading Scheme: Rights, Rents, and Fairness**

by Denny Ellerman, Barbara K. Buchner, and Carlo Carraro
Cambridge University Press, 2007

It goes that trading markets yield a collective benefit for society. But is the same true for emissions trading? In 2005, the European Union began the world’s largest multi-country, multi-sector carbon dioxide emissions trading system. Now, a new book edited by MIT Sloan Professor Denny Ellerman and others chronicles just how successful the system has been. Drawing on contributions from people involved in implementing the system, *Allocation in the European Emissions Trading Scheme* illuminates the problems they encountered, the solutions they found, and the choices they made. Coming at a critical time in the battle against global climate change, the book offers important evidence on the effectiveness of one strategy on which that battle could turn.

**Catalyst Code: The Strategies Behind the World’s Most Dynamic Companies**

by David S. Evans and Richard Schmalensee

Catalysts are the new business powerbrokers. Fueled by the increasing interdependence of global markets, technology, and consumers, catalysts are reshaping entire industries as they mobilize two or more distinct customer groups around a common platform to create value and drive profits. Some of the world’s most important businesses—from Lloyd’s of London and Hearst Newspapers to Microsoft and Google—have made profits by simultaneously bringing together distinct customer groups who need each other onto the same platform. Their successes demonstrate that, to succeed, catalysts must defy traditional business and economic wisdom when designing business models, pricing schemes, and organizational incentives. *Catalyst Code* shows executives and entrepreneurs how to innovate and profit by detailing new economic theory and business history, as well as through extensive interviews with established and emerging catalysts.

**Invisible Engines: How Software Platforms Drive Innovation and Transform Industries**

by Andrei Hagiu, David S. Evans, and Richard Schmalensee
MIT Press, 2006

As they wait in long lines to buy the latest game console, few shoppers realize that the most important element of that Xbox—as well as of their cell phones, PDAs, web-based software such as eBay, and far more—is something they can’t even see. *Invisible Engines* tells the important story of how invisible but powerful software platforms are driving not only today’s technology, but also tomorrow’s innovations and economy.

The book recounts the growth, development, and marketing of software platforms, which have turned devices such as Sony’s PlayStation and Apple’s iPod into household names and tools for everyday life. Because software platforms can be used by independent companies or developers to offer a wide range of products and services, the authors note, they function as “invisible engines that have created, touched, or transformed nearly every major industry for the past quarter-century.”

**Theory U: Leading from the Future As It Emerges**

by Otto Scharmer
The Society for Organizational Learning, 2007

Much has been written about how effective leaders function, but little is known about the inner source of inspiration and will that drives leadership. In his book, Scharmer describes the process for reaching that deeper state of knowing. It is a process that involves understanding of both the current and future self and allowing both to resonate with each other. The book illuminates the missing piece of the leadership puzzle and helps to develop seven essential capacities for leadership along the way.

**Product Design and Development** (Fourth Edition)

by Karl T. Ulrich and Steven D. Eppinger

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.
People with higher cognitive ability (or “IQ”) differ from those with lower cognitive ability in a variety of important and unimportant ways. On average, they live longer, earn more, have larger working memories, faster reaction times, and are more susceptible to visual illusions (Jensen, 1998). However, despite the diversity of related phenomena, few have attempted to understand—or even describe—how cognitive ability influences judgment and decision making. Many heavily researched topics, such as risk preferences, rarely make any reference to the possible effects of cognitive abilities.

But as Lubinski and Humphreys (1997) note, a neglected aspect does not cease to operate because it is neglected, and there is no good reason for ignoring the possibility that general intelligence or various more specific cognitive abilities influence decision making. To provoke interest in this neglected topic, this article introduces a three-item “Cognitive Reflection Test” (CRT), as a simple measure of one type of cognitive ability. CRT scores are sometimes so diagnostic of preferences that the preferences themselves effectively function as expressions of cognitive ability—an empirical fact begging for a theoretical explanation.

After introducing the CRT, I examine its relations with two important decision-making characteristics: time preference and risk preference.
The CRT was administered to 3,428 respondents in 35 separate studies over a 26-month period beginning in January 2003. On the page on which the CRT appeared, respondents were told only: “Below are several problems that vary in difficulty. Try to answer as many as you can.”

Cognitive reflection and time preferences

The notion that more intelligent people are more patient—that they devalue or “discount” future rewards less steeply—has prevailed for some time, but has not been systematically studied; no one has identified the types of intertemporal decisions over which cognitive ability exerts influence, nor explained why it does so. Toward this end, I examined the relation between CRT scores and a wide variety of items intended to measure various aspects of “time preference.” Those who scored higher on the CRT were generally more “patient”; their decisions implied lower discount rates.

Cognitive reflection and risk preferences

In the domain of risk preferences, there is no widely shared presumption about the influences of cognitive ability, and almost no research on the topic. To assess the relation between CRT and risk preferences, I included several measures of risk preferences in my questionnaires, including choices between a certain gain (or loss) and some probability of a larger gain (or loss).

In the domain of gains, the high CRT group was more willing to gamble—particularly when the gamble had higher expected value, but, notably, even when it did not. For items involving losses, the higher CRT group was less risk seeking; they were more willing to accept a sure loss to avoid playing a gamble with lower (more negative) expected value. These results starkly show the importance of considering cognitive ability when evaluating the descriptive validity of a theory of decision making.

The Cognitive Reflection Test (CRT)

Many researchers have emphasized the distinction between two types of cognitive processes: those executed quickly with little conscious deliberation and those that are slower and more reflective (Epstein, 1994; Sloman, 1996; Chaiken and Trope, 1999; Kahneman and Frederick, 2002). Stanovich and West (2000) called these “System 1” and “System 2” processes, respectively. System 1 processes occur spontaneously, and do not require or consume much attention. Recognizing that the face of the person entering the classroom belongs to your math teacher involves System 1 processes—it occurs instantly and effortlessly, and is unaffected by intellect, alertness, motivation, or the difficulty of the math problem being attempted at the time. Conversely, finding \( \sqrt{19163} \) to two decimal places without a calculator involves System 2 processes—mental operations requiring effort, motivation, concentration, and the execution of learned rules.

The problem \( \sqrt{19163} \) allows no role for System 1. No number spontaneously springs to mind as a possible answer. Someone with knowledge of an algorithm and the motivation to execute it can arrive at the exact answer (138.43), but the problem offers no intuitive solution.

By contrast, consider this problem:
A bat and a ball cost $1.10. The bat costs $1.00 more than the ball. How much does the ball cost?

Here, an intuitive answer does spring quickly to mind: “10 cents.” But this “impulsive” answer is wrong. Anyone who reflects upon it for even a moment would recognize that the difference between $1 and 10 cents is only 90 cents, not $1.00 as the problem stipulates.

Two other problems found to produce erroneous intuitive responses were added to the “bat and ball” problem to form the three-item Cognitive Reflection Test (CRT) shown in Figure 1.

Cognitive Reflection Test (CRT)

1. A bat and a ball cost $1.10 in total. The bat costs a dollar more than the ball. How much does the ball cost?


2. If it takes 5 machines 5 minutes to make 5 widgets, how long would it take 100 machines to make 100 widgets?


3. In a lake, there is a patch of lily pads. Every day, the patch doubles in size. If it takes 48 days for the patch to cover the entire lake, how long would it take for the patch to cover half of the lake?
contending that judgments commonly labeled as errors or biases are actually equally good answers to different interpretations of the question (for example, Hilton, 1995), Stanovich and West argued that if smarter respondents were more likely to give canonically correct answers, the other answers must not be equally good after all.

Some, however, reject the notion that a correlation between (some measure of) cognitive ability and some particular response identifies the “better” response. For example, Sternberg (2000) argues: “[T]o characterize people with high SAT scores as those who should set the norm for what is somehow true or right seems to be off target. People with high SAT scores have high levels of certain kinds of cognitive abilities. They have no monopoly on quality of thinking and certainly no monopoly on truth.”

This view could, of course, be directly tested. Respondents could be shown the respective test scores of those who chose the sure $500 versus those who chose the 15 percent chance of $1 million. If Sternberg’s view is widely shared, this manipulation would have no effect. If, on the other hand, the correlation between cognitive ability and preference held normative force, the respondents would be more disposed to gamble.

Of course, the weight that should be placed on the opinions of those with higher cognitive abilities clearly depends on the type of decision in question. If a person were deciding which piece to move in chess and was told what Gary Kasparov would do, it seems advisable to do the same thing. If, however, one were deciding between an apple or an orange, Einstein’s preference for apples seems irrelevant.

Thus, a relation between cognitive ability and preference does not, by itself, establish the correct choice for any particular individual. Two individuals with different cognitive abilities may experience outcomes differently, which may warrant different choices (for example, what magazines to read or movies to attend). But with respect to the example motivating this discussion, one must ask whether it is really plausible that people of differing cognitive abilities experience increments of wealth as differently as their choices suggest. It seems exceedingly unlikely that the low CRT group would not benefit from an additional $999,500. It seems more reasonable, instead, to override the conventional caveat about arguing with tastes, and conclude that choosing the $500 is the “wrong answer”—much as 10 cents is the wrong answer in the “bat and ball” problem.

Whatever stance one adopts on the contentious normative issues of whether a preference can be “wrong” and whether more reflective people make “better” choices, respondents who score differently on the CRT make different choices, and this demands some explanation.
Your Point of Entry to Limitless Possibilities
For many companies around the globe, the MIT Sloan Corporate Associates Program is the gateway to the unrivaled resources of the MIT Sloan School of Management. It is here that they can access many of the top minds in the realm of business, the best technical experts, and some of the most promising young talent in business, engineering, biotech, and a host of other critical disciplines.

Corporate involvement at MIT Sloan ranges from groundbreaking collaborative research, customized corporate education, MBA recruitment, and business case development to participation in conferences and other executive speaking opportunities. To learn more about the options for corporate engagement, please see http://mitsloan.mit.edu/corporate/associates.php.

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n between conducting simulations for a group of GE’s IT executives from around the world, Professor John Van Maanen takes a few moments to share an anecdote of a recent New Yorker cartoon that illustrates some of the ethical problems inherent in leadership.

In the center of the cartoon is an executive with a devil resting on his right shoulder and an angel on his left, both of whom are whispering in the executive’s ear.

“Should I run it by accounting?” asks the devil.

“Should I run it by legal?” asks the angel.

Van Maanen says that the cartoon speaks to organizational culture, and how it rarely allows for certain questions to be asked, even if they should be. When leaders are posed with planned or unplanned scenarios, what is the best behavioral approach to take? Is it the ethical route? The moral route? Maybe a bit of both? Or should one simply seek the safest or routine way out of the situation itself, no matter what the consequences may be?
At the Leadership Center, what feeds this philosophy is the Four Capabilities Leadership Model, developed in 2002 by Professors Ancona, Wanda Orlikowski, Tom Malone, and Senior Lecturer Peter Senge as "a powerful tool for understanding and integrating the four critical components of leadership: sensemaking, relating, visioning, and inventing."

"Teaching leadership is very difficult, and there is a debate on whether such a thing can be taught," says Orlikowski, the Eaton Peabody Chair of Communication Sciences, who took part in discussions with Ancona and others that led to the creation of the MIT Leadership Center. "We talked about what might be an effective program not just to teach leadership, but also to create programs for students to learn leadership … so we moved to an understanding of leadership not so much as a clear-cut domain knowledge, but to a set of capabilities that students can develop."

"Leaders are made, not born," says Van Maanen, the Erwin H. Schell Professor of Organization Studies. "There is a place for change in all of us."

"Anyone has the potential for leadership, of course, but certain people have a greater set of skills and aptitude," says Ancona. "But the question is, where does leadership start? It starts with someone wanting to make a difference … when people are truly motivated toward a goal or a vision, they will do it, even if they have to change themselves."

"In many ways," says Ancona, "leadership starts with what’s important to you."

But can such skills truly be developed by anyone, or are true leaders predestined for greatness?

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"Whom do you turn to when something serious is coming down the line?" Van Maanen poses. "I think, in some sense, there is a discomfort with power … there is a negative tag."

But what if that tag were changing? And while the word "power" may connote images of varying degrees—some positive and some not—what of the tag of leadership, perhaps one of the most utilized words being bandied about business school campuses today, including that of MIT Sloan?

**Leaders at All Levels**

If you were to ask Professor Deborah Ancona, faculty director of the two-year-old MIT Leadership Center, talking about leadership—and how it is best created, cultivated, and harnessed—is the first step toward altering the landscape of certain set behaviors typically found in organizational structures of all kinds.

"Unlike other centers, we are not only in the business of creating executive leaders and not only creating teams, but also working with organizations to create change," says Ancona, the Seley Distinguished Professor of Management. "We are not looking only to create the leader at the top, but leaders at all levels. That’s our philosophy and our overall viewpoint. … That’s the essence of what we do."
The secrets of SIP week

IF THE PROVERB CITED by the character Antonio in William Shakespeare’s The Merchant of Venice is correct—citing that the world is a stage and every person plays a part—how valuable would it be to have the chance to rehearse one’s part as a leader before taking to the world stage?

For MIT Sloan Senior Lecturer Chris Kelly, the correlation between acting and leadership is significant, and it led her to create a course some 15 years ago where the reciting of several monologues from Shakespeare’s Henry V is central to exploring “the life of a very human, yet very powerful and articulate leader.”

“Acting is all about making choices … and like leadership, the role can expand or shrink,” says Kelly, now in her fourth year of facilitating “Leadership as Acting” as part of the semianual Sloan Innovation Period (SIP), where students and alumni alike engage in more than 40 leadership and management offerings created to test boundaries and broaden perspectives.

“SIP week is uniquely MIT,” says Kelly. “Students get to explore so many different things … and it is entirely different than anything else they do here.”

There are many ways to get outside the usual classroom structure, but to do something where you don’t have multiple sessions is relatively rare,” says MIT Sloan Manager of Special Projects Jonathan Lehrich, MBA ’05. “It gives you a lot of pedagogical and innovative freedom.”

Started in the fall of 2003, SIP week—and its offerings that focus on leadership—has more than doubled since its early days, from 13 to 14 leadership-based courses to this year’s total of 25 out of the 43 sessions. Of that 25, 13 were first-time offerings, a number that stays fairly static, says Lehrich, to maintain diversity and innovation among courses that stress “learning by doing.”

“We really go into great detail and great depth,” says Professor Wanda Orlikowski, who facilitates the three-day-long Bosnian peace-keeping simulation set in the 1990s. “It’s an immersion experience … and it’s very realistic, complex, uncertain, and fast changing, where students are working with multiple stakeholders. It is one thing to learn the concepts and do some practice, but here they actually have to enact. They are the NATO forces; they have to go out and negotiate … and they realize that if they don’t do a good job, people end up suffering. It gets very real for them.”

SIP classes set aside seats for interested alumni who may choose to participate in back-in-time simulations on the $800 million Jumuna Bridge project in Bangladesh or other highly experiential yet nontraditional offerings, such as the newly created “Improvisation and Influence” taught by consultants Deborah Slobodnik and Daena Giardella.

Based on the premise that great leaders improvise, Giardella—a professional actor, director, and author who has built a long-time career as an organizational consultant and executive coach—says that the skills of improvisation happen to be the same skills that are needed for success and leadership in business, government, and the nonprofit world.

“The more you can adapt and respond … the more persuasive you will be,” says Giardella, who has shared her talents in this area for 25 years with clients such as Citibank, the European Commission, and Hewlett-Packard, to name a few. “Somehow, when it comes to living our lives and improvising, we feel that we are supposed to know how to do that instinctively, but improvisation is a set of skills that can be developed and mastered through practice. I like to say that improvisation is the art of dealing with the unexpected and the science of navigating the unknown.”

In October, Giardella’s group of 15 were faced with the unexpected from the very start of the two-day session: They danced to music that ranged from hip hop to African drumming to Parisian club tunes in a warm-up exercise intended to set any tensions—and egos—at ease before delving into heavier themes of making and accepting offers, team building, employing high-stakes listening, and practicing “status” tactics to understand how power dynamics affect the scene.

“At this workshop, everyone immediately jumped in with a spirit of yes,” says Giardella. “I was extremely inspired by the brilliance, openness, and expressiveness of the people in the room … they were extraordinary. MIT Sloan is obviously doing something very cutting edge here.”
Ancona could not have agreed more, and utilized her model of X-Teams—“combining high levels of external activity with extreme execution inside the team”—to bring the Vehicle Design Summit project to an international level. “They had the initiative, but they needed some help on how to make it work,” says Ancona, who is now teaching a course for the Vehicle Design Summit, a project of major international interest which currently involves more than 250 people and 38 X-Teams spread out over six continents.

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“I learned that leadership is more about social processes … and leadership is for everyone.”

—Naoto Kanehira, MBA ’08
For Chen’s own X-Team, the performance and self-evaluation portion of the exercise proved to be as fruitful as the creation of the product itself.

“We had to stop and ask ourselves, what went well and what didn’t?” says Chen. “It really allowed us to build on our strengths and identify our weaknesses.”

“It was an eye-opening experience,” says Naoto Kanehira, MBA ’08, whose X-Team last spring created an MIT Sloan-inspired leadership course to be taught in his native Japan. “I learned that leadership is more about social processes … and leadership is for everyone. Everyone can capture the opportunity to make progress, and everyone can contribute and bring in different perspectives. … I started to observe the world through different lenses.”

“In working with the Leadership Center … there is a general culture that says, ‘We are going to let you take this risk,’ ” says Jaffe. “I don’t think this culture exists everywhere.”

To counterbalance the effect of falling back on whatever internal default setting one might have—be it the role of the conflict avoider, the initiator, the observer, or the confronter—Giardella challenges participants to shift their internal setting despite what their reflexive instincts might tell them, and do something different.

“Great improvisers and great leaders learn to play many roles and be adaptable scene to scene,” she says. “In improvisation … the goal is to make the other person look good and to bring out the best in the other person. … An improvisation is destroyed if someone is up there saying, ‘me, me, me.’ The same is true of leadership. Master leaders and master influencers know how to bring out the best in their teammates.”

As a professional actor, director, and author who has also built a long-time career as an organizational consultant and executive coach, Daena Giardella brings a unique perspective to what makes—and what may hinder—an effective leader. In October, Giardella brought her expertise to MIT Sloan as part of the semiannual Sloan Innovation Period (SIP), an intense weeklong event when regular classes are suspended to make way for leadership seminars taught by faculty and industry leaders (see sidebar, pg. 25). In Giardella’s two-day class, 15 MBA candidates learned the art of improvisation and how such skills may be used in the workplace.

“What we believe we are, or are not, limits how effective we can be as leaders,” says Giardella. “Improvisation forces you to break out of your habitual roles. You have to be ready to respond with dexterity to the moment. … You have to dare to make an impact in the scene without worrying about looking stupid or seeming silly. Improvisers learn how to manage the ‘inner critic’ voices that chatter in everyone’s head as we go through life. The inner critic might be saying, ‘Stay small, don’t get too big for your britches’ or ‘Give up, you can’t do this.’ ”
MIT’s Leadership Center

WHEN SPEAKING LAST FALL with a colleague at another top U.S. business school about how leadership is being taught at their respective institutions, Professor Deborah Ancona was told, “We are trying to catch up with MIT.”

As the faculty head of the two-year-old MIT Leadership Center, the mere recollection of the story brings a smile to Ancona’s face, in the same way that a proud parent might mention a recent milestone of his or her young child.

“The novelty of what we do here at the Leadership Center is we engage people at so many levels,” says Ancona. “I’ve been teaching here for 25 years, and it does not get better than this.”

The central focus of the Leadership Center is framed around a few key principles, not the least of which is the Institute’s mens et manus ethos (Latin for mind and hand), where one is expected to understand the foundational in order to execute the practical.

“The ‘mind’ part includes multiple models of leadership and teams, and the ‘hand’ part means that our students know how to make change happen when they leave here,” says Ancona.

A beginning, says Executive Director Mary Schaefer, with no clear end in sight as the MIT Leadership Center continues on its evolutionary path.

“We are like a research and development lab,” says Schaefer, “and the Center is developing and advancing the role of leadership. One of the things we look at is, ‘Why leadership at MIT?’ Where better than MIT to combine management and technology with leadership? It’s a powerful combination for today’s world.”

Included among the programs that fall under the Center’s umbrella that bring students together with some of the world’s top business practitioners and theorists are the semiannual SIP sessions (see p. 25), the Dean’s Innovative Leader Series, and the Sloan Leadership Conference. In addition, more than 100 X-Teams, mainly comprised of executives in custom executive education programs, have been created, following a model developed by Ancona that demonstrates how teams manage external and internal dynamics to improve performance in the workplace.

“We’re not just focused on theory, but also on how we get people to catalyze action,” says Ancona. “It’s about the doing, so people don’t just leave here knowing, they’re doing. Doing is central to who we are.”

At the core of this foundation is the Four Capabilities Leadership Model, developed in 2002 by Professors Ancona, Wanda Orlikowski, Tom Malone, and Senior Lecturer Peter Senge, as “a powerful tool for understanding and integrating the four critical components of leadership: sensemaking, relating, visioning, and inventing.”

“We are a center committed to distributed leadership,” says Ancona. “There’s no longer one omniscient person at the top who hands down the answers. We are a globalized world, working in a hypercompetitive environment. ... There has to be a different way of thinking about how we consider leadership.”

“We give [the students] concepts and tools,” says Orlikowski, the Eaton Peabody Chair of Communication Sciences and Professor of Information Technologies and Organization Studies, “but that’s just the beginning.”

FOUR CAPABILITIES LEADERSHIP MODEL

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“From the very beginning, I’ve said MIT has a special opportunity and a special responsibility to provide leadership in a society which is becoming increasingly technical,” says Dana Mead, PhD ’67, chair of the MIT Corporation. “I think the Leadership Center can serve a great, great need by being a catalyst, an intellectual center where the best ideas in leadership can be brought home.”
What also seems to work are the variety of experiential opportunities, via SIP week, the Dean’s Innovative Leader Series, and the Sloan Leadership Conference, where experiences run the gamut from simulating a Bosnian peace-keeping mission from the 1990s to receiving public speaking tips from the world’s Toastmaster champion. Among the more recent additions to the MIT Leadership Center is a “think tank” comprised of top-notch academics and practitioners, as well as members of MIT’s Media Lab and Harvard, who are exploring what it takes to make organizational change and how to do it more effectively. Says Ancona: “At the MIT Leadership Center, we focus on developing and testing research-based models along with action-based learning, with a particular focus on developing leaders and leadership at all levels of an organization.”

“The MIT Leadership Center—like MIT—is about doing rigorous, practice-based research and applying it in the world to make a positive difference,” says Mary Schaefer, executive director of the Center. “MIT has always operated that way.”

“The Leadership Center is a lot about ‘how to,’” says Ancona.

FROM THEORY TO PRACTICE

It is the week after the October 2007 SIP session and the mailbox outside Ancona’s office is not simply full, it is overflowing. Upon entering her office and its picture-perfect view of the Charles River and Boston, one sees a larger reflection of what is likely contained within the stacks of mail: invitations for speaking engagements, management books to read, and a host of folders and papers for review.

If the week had not been busy enough, it was made even more so by the Leadership Center’s Advisory Council meeting, a daylong gathering of the non-governing board comprised of influential leaders from all sectors who provide advice and support to Ancona and the staff. Ancona reports that the meeting went well, and relays a story told to the Council members by Ian Livett, a senior project manager with BP, who had recently used the Center’s Four Capabilities Leadership Model “to great effect.”

Livett had been placed in charge of overseeing the resumption of oil production in Prudhoe Bay, Alaska, the origin for 8 percent of the country’s overall oil production, which was temporarily shut down due to corroded pipelines. In the normal-case scenario, the situation—with hundreds of thousands of barrels of oil per day at stake—would require replacement of up to 16 miles of pipelines on the North Slope of Alaska and would not be remedied for a minimum of 12 to 15 months.

“He told me that he kept the model in the back of his mind every day,” says Ancona, “but it was not only in his brain, it had become part of his behavior. He used visioning, sensemaking, inventing, and relating to help plan and implement alternative means of restoring production … he met with the many stakeholders, and he had all these people working with him instead of against him.”

The result: the 15-month, normal-case scenario was ultimately resolved with Prudhoe Bay back to its full production schedule in 80 days.

“He honed the skills as well as the theory,” says Ancona, “and that is the model of how we are going to change the people who are going to go out and make a difference in the world.”

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Bill Glaser, SM ’57, and his wife enjoy the Dean’s Luncheon.

From different parts of the globe to the Class of ’67 Dinner. Pictured (l to r): Fred Brume, SM, traveled from Nigeria; Alexis D. Falquier, SM, traveled from Mexico; and Bill Dyer, SM, traveled from Connecticut.
Alumni who graduated in 2006, or in years ending with a “2” or a “7,” came from all corners of the globe to Cambridge last June to reconnect with old friends, hear from faculty, and experience firsthand the amazing energy and exciting changes of today’s campus. Most alumni began the weekend at the Friday night C-Function.

The spirit of camaraderie and celebration was contagious during the Back to the Classroom sessions led by distinguished faculty members, as well as during the Dean’s Luncheon, when former John C Head III Dean Richard Schmalensee delivered his State of the School address.

On Saturday night, each class enjoyed a class dinner, where they were able to reconnect more intimately with their fellow alumni amid smiles, laughter, and food.

Sunday’s Family Barbeque wrapped up the weekend festivities. The sunshine and warmth of the day helped set a celebratory mood as alumni and their children participated in a range of family activities. Fond farewells concluded the day, but not before many visits to the ice cream truck.

• More than 800 alumni and their guests returned to campus from 25 countries to attend Reunion 2007.

• Over 115 alumni reunion class committee organizers and volunteer speakers helped drive over 37 compelling events.

• Alumni who reunioned in 2007 gave a total of $3,715,189 in gifts and pledges to all Institute funds last year.

• For more information on Reunions 2007 and 2008, visit http://mitsloan.mit.edu/alumni/reunion.
From the desk of...

Catching up with Jackie Wilbur
Director of the Career Development Office (CDO)

In her 22 years of working with MBA students, Jackie Wilbur has led many MBAs down varied career paths. As she sees it, one of her most important jobs is to help students understand where they want to go in their careers—and what they need to get there. Her impact on her field of choice reaches beyond MIT Sloan, not only in the work done by our graduates and their respective companies, but also by setting industry standards as one of the founders of the MBA Career Services Council. Here, Jackie talks about what makes MIT Sloan different from other schools, her canines of choice, and what gives her goose bumps.

Good at this
I’ve always been interested in business and education. My career has allowed me to marry both these interests and has provided a way to help others. Prior to coming to MIT Sloan in 2000, I worked in the business schools at Northeastern, Babson, and Georgetown. I’ve done everything from admissions to co-op placement, student services to alumni relations, to creating an MBA career center and watching it grow. Since I’ve been at MIT Sloan, I’ve focused on building the CDO so that we have deeper relationships with students, recruiters, and alumni.

Setting standards
I am one of the founders of the MBA Career Services Council, the professional association for career services professionals. Since our founding in 1994, I’ve assumed several leadership roles with the organization, including president. I also chaired the committee that set the standards for how we report employment data. Prior to that, employment reports from various schools weren’t comparable. We defined all the different parameters you see in an employment report, like job offers and signing bonuses, and now those reports are standardized across the schools.

An innate interest in people
As an undergrad I majored in anthropology and have my master’s in education. It seems I’ve always had an innate interest in people, even though I was quite introverted as a child. After graduate school, I chose as my first job a position that was an externally facing role. I was going to have to talk to people, and I knew I needed to learn how to do that better.

Challenging myself like that—knowing what skills I wanted to develop—is something that’s translated to my work in the CDO. When most people think of our office, they think of the on-campus recruiting program, but that’s only a quarter of what we do. The other three quarters are focused on the students, helping them to learn about themselves and learn about MBA-level careers. I think it says a lot about who we are as a School because we’re so focused on and committed to the students’ development.

Who else?
I’m really excited about the sustainability initiatives going on at MIT Sloan, not only because of my personal values, but also because I believe it’s very important work on a global scale. Being at MIT, we are extremely well positioned to take on difficult world challenges and make a positive difference. For example, when President Hockfield talked about creating the energy council during her first convocation, I literally got goose bumps. She said, “Who else but MIT could solve this?” And I thought to myself, “Who else but MIT could solve this?” And every time I talk to corporate reps or alums about her commitment to solving the energy crisis, I still get goose bumps—and so do the people with whom I’m talking.

“Being at MIT, we are extremely well positioned to take on very difficult world challenges and make a positive difference.”

A human place
When former Deputy Dean Gabriel Bitran used to speak at orientation, he’d talk to the new class about what a human place MIT is. The first year I was at MIT Sloan, I didn’t really know what that meant. But the longer I’ve been here, the more I appreciate that thought—and agree with his choice of language. This is an extraordinarily human place. We can come together as a group of individuals and still remain who we are as individuals. Also, the Institute is focused on humanity and the human condition. It’s an extraordinary thing and different from any other university at which I’ve worked.

Canines of choice
My husband and I currently have four dogs—two German Short Hair Pointers and two Weimaraners. Although I was raised in a house with a dog, my husband had never owned a dog before we were married. In our early days, he used to travel a lot; his work would take him away for six to 10 weeks at a time. I told him, ‘Leaving me alone, this isn’t going to work. We’re getting a dog.’ So we got a Lab-mix puppy to keep me company and he fell in love with her. And that led to our taking in rescue dogs over the last 15 years.
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MIT Sloan executive programs offer you an opportunity to return to the School to reconnect directly with the latest thinking in management practice and learn about new developments in areas such as technology strategy, innovation management, and value chain design. Let your organization benefit from MIT Sloan faculty expertise and current research by attending yourself (with select alumni discounts) or inviting staff and colleagues to enroll in an MIT Sloan Executive Education program.

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http://mitsloan.mit.edu/alumni/execed

Program News

The leaders of IBM Mexico have collaborated with MIT Sloan to create an executive program not for its own employees but for its customers. They decided that the most valuable perk they could offer their best customers was late-breaking information that could have a real impact on the growth of their organizations.

The custom program they devised, an adaptation of MIT Sloan’s highly regarded executive education program IT for the Non-IT Executive, is an intensive two-day session for 30 to 50 executives—in teams of three from each company. The program is held close to Mexico City for the convenience of IBM Mexico’s busy clients.

Now in its third year, program participants become more aware of the strategic role that IT can play in the larger goals of their organizations.

“We have seen an immediate impact from this MIT Sloan custom program—stronger relationships with our customers as they achieve greater success. We are now looking at how this program might be adapted for our clients in other regions of Latin America.”

—Roberto Sanchez
Director of Marketing
IBM Mexico

If you would like more information about creating a custom program for your organization, please contact us at 617-253-7166.
Building a better leader

News and insights for alumni