Now Trending:
10 Ideas for Today’s Leaders
Work continues on the renewal and renovations of Building E52. Here, new office space takes shape as walls are added. The building is scheduled to reopen in 2016.
From the Editor

DEAR ALUMNI,

Recently, I had the pleasure of meeting a group of vibrant and charismatic first- and second-year MBA students. When asked what makes an MIT Sloan education special, the majority of students cited the spontaneous collaboration that occurs at the School every day.

This amazing culture of teamwork is uniquely part of the MIT Sloan fabric, and it can be seen throughout our entire community. We see it in our students coming together to solve global challenges and aid communities in need. We see it as our alumni work together to create companies that transform our lives for the better. We see it when our world-class faculty crosses disciplinary boundaries to help solve society’s greatest challenges. The groundbreaking work going on in every part of the MIT Sloan community reminds us how powerful and rewarding collaboration can be.

This spirit extends even to the team that publishes this magazine—coming to you for the first time from a newly formed editorial committee composed of team members from different areas across the School. We are proud to present to you a robust magazine with a new design, a clear focus, and a continued emphasis on bringing the campus to our alumni once again. This special innovation and invention issue of MIT Sloan showcases 10 insightful views from our faculty on everything from leading in the digital economy to why hospital choice matters in emergency treatment.

I hope that you enjoy this new issue, and that it provides you with a snapshot of the transformative research being done on campus. As always, we welcome your comments and suggestions at editor@sloan.mit.edu. We rely on alumni collaboration to inform and improve how we communicate as a school. I look forward to hearing from you!

Very best regards,

Janel Cunneen

Director, Donor Relations and Communications
Office of External Relations
Dear Alumni and Friends,

MIT Sloan is committed to a culture of learning that extends beyond the bounds of the classroom. The drive to seek knowledge through hands-on management experience is a cornerstone of our mission, and our alumni carry that commitment into the work they do every day.

It was that spirit of lifelong education that led us to launch the inaugural “Innovation and Invention” issue of the MIT Sloan Alumni Magazine in the winter of 2013. In this, our third special issue, we continue our mission to bring alumni practical knowledge they can apply to their own professional careers.

Throughout the magazine, you will find insights from our faculty on a variety of issues facing management practice today. Professor Emerita Lotte Bailyn weighs in on the expansion of paternity leave benefits, and how the impacts could extend beyond the family and into the workplace. Adjunct Associate Professor Zeynep Ton and Professor Thomas A. Kochan look at the employee-led protest at the regional supermarket chain Market Basket, and what it means for the future of employee shareholders. Professor Sinan Aral examines how online peer pressure influences consumer-buying habits, and how harnessing and understanding that power are essential to succeed in an interconnected world.

Our unique position as MIT’s management school allows faculty to integrate disciplines as they tackle issues across the spectrum of management. It is our hope that in the pages of MIT Sloan, you will find insights that inform how you approach your own work, no matter the industry.

Warm regards,

David Schmittlein
John C Head III Dean
Never mind Apple, Google, or the next big startup. Any company can find competitive advantage through technology.
Paints. Sneakers. Copper mining. Not always industries that excite the tech publications. But companies of all types are combining new digital tools and thoughtful leadership to build competitive advantage and lead their markets. Those that aren’t should start, or risk being left far behind.

That’s the lesson in Leading Digital: Turning Technology into Business Transformation, a new book by George Westerman, of the MIT Sloan Initiative on the Digital Economy; Didier Bonnet, of Capgemini Consulting; and Andrew McAfee, also of the MIT Sloan Initiative on the Digital Economy.

In a recent interview, Westerman explained why success through digital leadership is not limited to tech firms and what leaders must do to transform their businesses with technology.

Leading Digital is a guide to becoming what you call a “digital master.” What does that mean?

Being a digital master does not mean being a purely digital firm. Any firm can be one. We didn’t study Internet startups or high tech leaders like Apple and Google. We looked at the digital activities of large firms in traditional industries like hospitality, insurance, and manufacturing. These industries comprise more than 90 percent of the economy, but they traditionally get much less media attention when we talk about digital technologies like social media, mobile, and big data analytics.

In studying more than 400 large companies around the world, we found a set of firms that average 26 percent higher profit margins than their industry peers and that have a common approach to using digital technologies. We called them digital masters.

These digital masters—firms like Caesars, Nike, Burberry, and Asian Paints—don’t just adopt technology. They use technology to transform the way they do business.

Digital masters excel in two dimensions. They use digital technology to fundamentally change their customer experiences, internal operations, or business models. More importantly, they have the leadership capabilities to drive transformation in the company. These companies are adept at using new technologies to overcome old barriers and create new opportunities.

You emphasize that digital mastery is not about the technology itself, but about how it supports business transformation. What are the most important ways that leaders can move their organizations toward digital mastery?

Leaders in digital mastery understand that digital is not a technology challenge. It’s an opportunity to transform their businesses. And they take steps to actively drive transformation. Every successful digital transformation we saw was led very strongly from the top of the company. We saw no examples of emergent or bottom-up transformation being successful. People in the middle of the company, or in the company’s technology organization, can have strong roles to play. But leaders at the top must actively drive the effort.

To play your role in leading digital transformation, focus on three things: vision, engagement, and governance. Create a vision of how your firm will be radically different because of technology. Executives at [Chilean mining company] Codelco envision a copper
mine where no human will ever need to work in the dangerous underground environment again. Boeing envisions a digital airline with its planes at the center, while GE plans to be at the focus of the industrial Internet of Things. Next, engage your employees to make the vision a reality. Show them how they have a role to play in the new order. Then encourage them, through contests and conversation, to suggest ways to move the company in the new direction. Finally, you’ll need to steer the energy and investment so that you move forward in an efficient way. Consider what governance roles and mechanisms—such as a chief digital officer, digital innovation committee, or shared digital unit—you’ll need so that you can coordinate digital investments, create standards, and build on the right foundation. Starbucks, The Guardian, Lloyds Bank, P&G, and many other companies find these digital governance mechanisms very helpful to steer their digital activities in the right direction.

Although your digital vision and leadership capabilities shouldn’t be technical, they will need to use technology. Find a way to work with your IT leaders so that they can connect you with what’s valuable in your legacy systems, help you to manage risk appropriately, and develop ways to operate at a speed that the new digital world requires.

To play your role in leading digital transformation, focus on three things: vision, engagement, and governance.

—GEORGE WESTERMAN
When new fathers take paternity leave, the benefits extend well beyond the early involvement in their children’s lives.
Sports radio isn’t a typical venue for impassioned debate on work-family issues and employment policy. But recently when Daniel Murphy took three days off from his job as second baseman for the New York Mets to be with his wife as she delivered their son, it became just that. Two WFAN broadcasters—Mike Francesa and Boomer Esiason—took to the airwaves to rebuke Murphy’s absence.

“Quite frankly, I would have said [to my wife that she should have a] C-section before the season starts,” Esiason said. (For the record: Major League Baseball has had a three-day paternity leave policy since 2011.) Thankfully, all that machismo subsided when fans and athletes came to Murphy’s defense.

“You know, the man had his first child. He’s allowed to be there. The rules state that he can be there, so he went,” said Terry Collins, the Mets manager.

Bravo to Murphy for exercising his employee right to take paternity leave. Well done to Collins, his boss, for encouraging him to do so. These are welcome developments, particularly in such a male-dominated arena, like sports.

In a country where paid maternity leave is not even part of our national policy, this little debate—and all the bravado that went with it—may seem like merely a distraction from the bigger issue, but paternity leave is incredibly symbolic. Equity for women in the workplace is never going to happen if there aren’t changes in the family structure, and by that I mean fathers who are active participants in the care of their children.

It’s well known that paternal involvement leads to positive outcomes for children. (Children of highly involved fathers are more likely to enjoy school, participate in extracurricular activities, and graduate.) Paternity leave—which gives fathers uninterrupted time to bond with their babies—is a good first step in this direction.

Apparently, this is something that many professional men already appreciate. According to a survey of working fathers conducted in 2011 by the Center for Work and Family at Boston College, over 92 percent of respondents who took time off after the birth of a child reported that it was a positive experience for them. More than three-quarters of the fathers said that they would have liked to have had more time off with their newborn children. This indicates that fathers acknowledge the importance of bonding at the earliest stages of their children’s lives.

From a marriage and work perspective, paternity leave creates a pattern of shared care between two parents right off the bat. It also instills in men a more egalitarian view of household work. A study in the Journal of Applied Developmental Psychology found that fathers who took longer paternity leave generally had higher paternal preoccupation with their babies, had a greater presence in the family, and exhibited more marital support. In other words, paternity leave has enormous consequences for a man’s relationship with his wife.

1 in 20 fathers took more than two weeks off after their child was born

1 in 100 took more than four weeks off
Paternity leave also creates an opportunity for women to stay involved with their careers. My son, who is a professor at a state university where the faculty is unionized, took the contract that permitted six weeks’ leave when his daughter was born. His leave allowed his wife time to finish her PhD and gave him an opportunity to bond with his infant daughter.

The benefits of paternity leave extend to organizations, too. Research shows that when men and women leave the workforce for an extended period of time for any reason, they tend to make arrangements for their absence, which in the end turn out to be very effective. They develop the workers underneath them, for instance, which is motivational for those people and also helps with eventual succession planning. They also often come up with new and different ways of coordinating workloads and communicating with employees that improve efficiency. What’s more, the skills that men and women learn and hone as parents—from delegating to time management to multitasking to negotiating—are useful in the workplace.

We need to get away from the Cult of Motherhood, where mothers are expected to do everything. We need more dads who change diapers, make meals, help with homework, and spend time with their kids. The earlier it starts in the life of a child, the better for everyone. When fathers are equal partners at home, women can be equal partners at work.

So kudos to Daniel Murphy and Terry Collins. Let the rest of us play ball as well. 

---

This article was originally published on May 14, 2015, in Cognoscenti: http://cognoscenti.wbur.org/2014/05/14/working-families-lotte-bailyn

---

more than 75% of fathers surveyed say they would like to have had more time off with their newborns

over 92% of fathers reported having a positive experience when they took time off to be with their newborn children

Government accountants worldwide are systematically underestimating the cost of their own credit support, allowing an unseen buildup of risk and a less-than-optimal allocation of public resources, according to research from Deborah Lucas, MIT Sloan Distinguished Professor of Finance.
In a study published last July in *Economic Policy*, Lucas examined the credit cost analysis practices of countries in the Organisation for Economic Co-operation and Development (OECD). The paper is titled *Evaluating the Cost of Government Credit Support: The OECD Context*.

“Governments are absorbing enormous amounts of financial risk without acknowledging the full costs,” Lucas said in an interview. “After the financial crisis, most policymakers were very happy that they’d put the genie back in the bottle. But the question is, ‘If governments keep on putting genies back in bottles, will there come a point when they run out of risk-bearing capacity?’”

A root cause of the distortions is a widespread misconception about the government’s cost of capital—the return it would have to earn on an investment to break even. Governments view their cost of capital to be their own borrowing rates, and by doing so fail to recognize the cost of the equity capital that must be provided by taxpayers, Lucas said. As a result, many risky investments that private industry would see as losers are deemed profitable in the eyes of government accountants.

“This paper really makes a compelling case against using the risk-free rate [and for an approach based on] fair-value accounting,” David Scharfstein, a professor of finance and banking at Harvard Business School, said at the MIT Center for Finance and Policy conference last September. Scharfstein said government use of risk-free borrowing rates results in over-reliance on credit support, over-reliance on government credit as opposed to private credit, and a buildup of risk on government balance sheets.

**WHAT EUROPE AND TENNESSEE HAVE IN COMMON**

In each of the three case studies examined, Lucas estimates how much the entity in question is underestimating its costs and the potential downside of doing so.

- **At the European Bank for Reconstruction and Development**, which provides loans, equity investments, and guarantees for developing market economies, member countries have committed about 23 billion euros of callable capital. The bank can demand the callable capital should its reserves become insufficient to cover its obligations to debt holders. Committing callable capital is costly to member countries because if it is called, it will never be returned. Nevertheless, most countries record no budgetary cost for making those promises. Lucas estimates the unrecognized cost to members of callable capital over 20 years to be about 7 billion euros. The United States is the largest shareholder of the bank. The bank’s view of its own profitability is also distorted by treating taxpayer capital as free. By Lucas’s estimates, its profits are overstated by about 700 million euros a year.

- **At the Tennessee Valley Authority**, the federally owned utility for the mid-South, physical assets like dams and power plants are funded through earnings and debt issuance. The debt carries a low interest rate because of an implicit guarantee from the government, Lucas
said. But when taxpayer backing is considered, the utility moves from appearing profitable most years to showing a substantial economic loss, her work shows. “When the government is making physical or financial investments and it’s evaluating whether something is a go or a no-go, it’s going to wind up saying ‘Go’ more often when it’s not recognizing its full cost of capital,” Lucas said. “What that leads to is systematic over-investment by the government.”

“If costs are invisible, they’re ignored,” she said. “And that creates serious distortions in how society allocates resources.”

- The European Financial Stability Facility was created in 2010 as a rescue mechanism for OECD member nations following the beginning of the Eurozone crisis. It is funding recovery programs for Greece, Portugal, and Ireland, while also providing some assistance to Spain and Cyprus. The facility’s ability to cheaply borrow large sums from international capital markets rests on the 700 billion euros of capital and callable capital it has from member countries. Given the nature of the risk, calls on capital are expected to be infrequent but potentially huge. The unique nature of crisis events makes it hard to precisely measure the fair value cost of the exposure, but Lucas estimates it to be in the range of 20–80 billion euros, depending on the likelihood and severity of an individual crisis. None of that cost appears on the books of the member states.

“IT’s not even on the radar,” Lucas said. “If governments were required to estimate guarantee costs, it would make them more aware of their exposures.”

What to do? Lucas advocates that governments adopt the accounting valuation method known as “fair value” to fully disclose the costs of credit support activities.

“Governments increasingly require fair value disclosures from private financial institutions because it is considered to be the most accurate approach,” she said. “They should hold themselves to the same high standard.” There are practical challenges to implementation, and political resistance to disclosing higher budgetary costs since in almost every case the change will show that government support is more expensive than it is currently understood to be.

But there is also some political will for greater transparency, Lucas said, pointing to legislation that has passed the U.S. House of Representatives that would implement fair value accounting for U.S. credit programs.

**A REASON FOR RESEARCH AND EDUCATION**

Helping government analysts and policymakers evaluate and communicate the costs and risks of government credit support would also require more financial education for public-sector employees than what is typical today. That sort of education is part of the mission of the MIT Center for Finance and Policy, launched last year to address the gaps in financial knowledge between the public and private sectors.

“It’s very much in line with MIT’s tradition of promoting research that offers new ways to tackle practical problems that are technically challenging, and providing that information in a way that is credible and unbiased,” Lucas said. ● ● ●
Last summer, employees of regional supermarket chain Market Basket rallied to protect the leadership and vision of CEO Arthur T. Demoulas. Two MIT Sloan professors provide their take on why CEOs around the country should learn from the Market Basket case.
Why CEOs Should Follow the Market Basket Protests
By Zeynep Ton

Somebody must have done something really right at Market Basket. Thousands of the supermarket chain’s employees organized rallies at their local stores and at the company’s headquarters in early July. Were these employees rallying for higher wages, better benefits, and predictable schedules—the needs so many retail employees face? No, they were demonstrating to help their ousted CEO, Arthur T. Demoulas, get his job back (he was fired in June after a coup led by his cousin, Arthur S. Demoulas).

At a time when we see so much division between CEOs who represent the 1 percent and their workers who represent the 99 percent, this is amazing. Other CEOs should take heed. Such support is priceless.

Market Basket is a profitable family-owned regional chain of 71 supermarkets in Massachusetts, New Hampshire, and Maine, with around 25,000 employees. According to Forbes, it’s the 127th-largest private company in the United States, with $4.6 billion in revenue. It has a loyal customer base that values the chain’s low prices and good service—as evidenced by the thousands of customers who have signed petitions backing the employees. The combination of low prices and good service is delivered by a loyal, committed, and capable workforce. If you visit a Market Basket store, take a look at the employee name badges—which include length of employment—and you will likely be impressed by how long people have been working there.

Market Basket employees don’t seem to stick around just for the wages and good benefits, however. The rallies for Demoulas suggest that they truly believe in his leadership and the direction he set for the company.

Yet, as I visited Market Basket stores and talked to employees during the protests, I saw that they were not just fighting for their ousted CEO and his leadership and guidance. They were fighting for their values, their culture. They were fighting to remain an organization that takes care of its customers and its employees, a place where they can be proud to work.

Several employees told me they worry that Market Basket will become like any other supermarket. They worry that to make a quick buck, the company will increase its prices or reduce its service or reduce employee benefits or profit sharing—or maybe all of these.

These employees recognized that a “good jobs strategy” that allows companies to deliver great returns to investors by taking care of employees and offering low prices and great service to customers is a rare strategy to see in their industry. They recognized that it is a strategy worth fighting for. They were right.

This article was originally published on July 24, 2014 in Harvard Business Review:
https://hbr.org/2014/07/why-ceos-should-follow-the-market-basket-protests/

---

Market Basket, At a Glance

71 Supermarkets in MA, NH & ME

$4.6 Billion in revenue

25,000 Employees

Over 89,000 “likes” on Save Market Basket Facebook Page
Labor Day traditions call for celebrating worker struggles of the past that helped produce better working conditions for all. This year we have a bona fide case in our backyard that may just usher in a new era of workplace dynamics that future labor commentators will herald.

Arthur T. Demoulas captured the essence of this modern-day struggle in his triumphant speech to his employees when he noted that they view their “workplace as more than just a job.”

Today’s workforce, young and old, executive and frontline employees alike, want to identify with the mission of their workplace—whether it is serving customers well and providing value for scarce dollars, improving the quality of care to vulnerable patients, inspiring and educating children to reach their full potential, or creating and producing goods that help sustain the planet.

When people are united in a cause that they believe in and when they experience the pride and material benefits of a job well done, a deep culture of shared ownership inevitably develops. When combined with leaders who reinforce by words and actions the importance of teamwork, compassion when personal or family misfortunes arise, and a willingness to respond to community needs, the power of talented, motivated individuals multiplies into social capital no traditional competitor can match.

Market Basket demonstrated the power of this type of workplace environment. Working together over generations, employees and managers created and sustained a successful business that worked for owners, employees, customers, vendors, and communities. But when abruptly threatened by a change in leadership to those who did not share a commitment to this culture, all the trust that was built up abruptly was broken. And employees reacted in ways that demonstrated their collective power is a force to be reckoned with.

Market Basket demonstrated the power of this type of workplace environment. Working together over generations, employees and managers created and sustained a successful business that worked for owners, employees, customers, vendors, and communities. But when abruptly threatened by a change in leadership to those who did not share a commitment to this culture, all the trust that was built up abruptly was broken. And employees reacted in ways that demonstrated their collective power is a force to be reckoned with.

The broad-based and deep support employees received from customers, community leaders, and the general public tells us that these employees struck a nerve.

One can imagine the public reflected on their own workplaces in taking the side of Market Basket workers. People who have the good fortune to work in similar workplaces may have chosen to avoid the stores in order to stand in solidarity with Market Basket employees, out of understanding and respect for the importance of a high-trust workplace.

And then, even those who lack this type of workplace may have cheered Market Basket workers on in the hope that they would put the fear of God in owners and managers—perhaps even inspiring similar actions to change their own workplaces.

It took more than outrage for Market Basket workers to win. A look at the critical ingredients of success suggests the forms that future workplace protests may very well take. They include creative use of social media (including 89,000 “likes” on the Save Market Basket Facebook page); highly visible rallies with positive messages that attracted and retained media attention; coalitions with loyal customers who saw employees fighting for their interests; and appeals to a public thirsty to find ways to reverse trends in income inequality, unfairness, and greed in economic affairs.

Moreover, their intensive knowledge of what made the business so successful led employees to focus right at the heart of the matter on decisions of the board of directors that typically are well beyond the influence of the workforce. They demonstrated that employees have as big a stake in how a company is run, indeed in who runs the company, as do shareholders.

Time will tell if this fascinating case will be just a flash in the pan or a forerunner of a new worker-led reform of how American businesses compete. The objective conditions are ripe for more actions like this. In the vernacular of social media, perhaps Market Basket will go viral.

This article was originally published on September 1, 2014 on Boston.com: http://www.boston.com/business/news/2014/08/31/what-the-market-basket-struggle-means-for-labor/P11RnR0hpx5vAFYWpqGQoK/story.html
SLOANIES, ARE YOU UP FOR A CHALLENGE?

Fellow alumna Judy Lewent, SM ’72 hopes so!

Judy is the former Chief Financial Officer at Merck and Chair of the MIT Sloan North American Executive Board. She and her husband Mark Shapiro will make a large gift to the MIT Sloan Annual Fund this year, but under one condition: That you make your gift too.

What is the Challenge?
MIT Sloan lags behind our peers in alumni participation. Judy wants to change that—and is challenging other alumni to give back. If 4,000 alumni give to the MIT Sloan Annual Fund by June 30, Judy has pledged to give $200,000 of unrestricted support. All you have to do is make your gift.

Why?
Gifts to the MIT Sloan Annual Fund provide critical unrestricted funding to give students and faculty the tools they need to solve the most pressing issues facing the world today.

How?
It’s all up to you! Make your gift today. Text your fellow Sloanies. Post a picture of your happy face on Instagram after you make your gift. Get your classmates together and let’s see which class can put us over the top.

Give online now!
We have through June 30 to reach the 4,000 donor goal. Join the Lewent Challenge and help MIT Sloan make More of an Impact Together!

http://mitsloan.mit.edu/alumni/lewent-challenge
#LewentChallenge
Good Questions: A Conversation with Leadership Expert Hal Gregersen

Hal Gregersen, co-author of *The Innovator’s DNA*, joined MIT Sloan this year as the executive director of the MIT Leadership Center. In an interview, Gregersen discussed the importance of questioning, how he connected with an MIT Executive MBA class, and how photography informs his own inquisitiveness.
What is it about questioning that is so central to successful leadership?

For nearly 20 years, Harvard Business School professor Clayton Christensen and I have been trying to figure out what causes great leaders to ask the right questions. During the last few years we’ve interviewed about 100 senior leaders from around the world for a forthcoming book, and so far the answers have been intriguing. We asked Stewart Brand, who started the Whole Earth Catalog decades ago, how he surfaces such incredible questions. He said, “Every day, I wonder how many things I am dead wrong about.”

When we interviewed A.G. Lafley, the chairman, president, and CEO at Procter & Gamble, he shared the same thing but in different words. Every Monday morning he wakes up asking himself, “What am I going to be curious about this week?” Which really means, “What don’t I know? What am I missing?”

In senior executive roles, the toughest challenge is figuring out what they don’t know they don’t know. This creates the most dangerous blind spot, but many executives are not actively working to uncover it. That’s why Kodak dove under. That’s why Nokia dove under. And the global list goes on where senior leaders failed to explore the crucial blind spots that came back to destroy their companies. It’s a dangerous emotional space for most executives to enter, and they avoid it at all costs. A critical question for any executive to answer is “How long ago did someone ask you a question that caused you to feel uncomfortable?” If the answer is more than seven days, it’s time for a leadership shake-up, because the bad news that you need to hear is likely not making it your way.

Is that type of inquisitiveness based on talent and intuition, or can it be learned?

I taught Leading Organizations to the MIT Executive MBA class this summer, and it was a powerful learning experience, both for me and many of them. At the beginning, some were skeptical about why I asked them to keep a questioning journal about all the questions they had related to the course content, as well as any insights gained. During class we also practiced a methodology that I call “catalytic questioning.” Each student identified a professional challenge for which they honestly did not have a solution but wanted one. They shared their challenge with two other peers in class and then spent four fast and furious minutes brainstorming nothing but questions about their challenge. Almost everybody walked away with a different perspective or angle on the challenge, as they uncovered new questions that they’d never considered before. And those new questions were just like keys that unlock a door; only in this case they opened up entirely new avenues of action. I’ve found the same response working with thousands of executives around the world.

Most leaders know that asking the right questions makes a difference, but they’re hard pressed when it comes to teaching anyone else how to do it. That’s the core of what I’m trying to achieve through The 4-24 Project, a non-profit organization I founded. It is dedicated to keeping questioning skills alive so adults can pass this skill on to the next generation of leaders.

Most leaders know that asking the right questions makes a difference, but they’re hard pressed when it comes to teaching anyone else how to do it.

—HAL GREGERSEN
How will you continue your work on questioning at MIT Sloan and the MIT Leadership Center?

I believe that powerful insights come from deep interactions across disciplinary boundaries. MIT is world class when it comes to technology and science, and then you combine that with a world-class business school—it’s unbeatable. Before joining MIT, I thought, “There must be some really incredible things going on there.”

After joining MIT, I discovered that data backed up my hunch. MIT alumni have started or lead companies that collectively account for the 11th largest economy in the world. Now my hunch is that to do what they’ve done, MIT alumni must have been asking different, better questions. Based on my initial interviews as executive director of the MIT Leadership Center with students, faculty, and alumni so far, I believe this is one of the core capabilities that leaders gain from an MIT experience. Now I’m hoping to figure out what it is that we can do to bring in the right people and then equip them to go off as better questioners, ultimately creating even greater value.

You have incorporated your work on questioning and innovation into your work as a photographer. What can executives learn from the pursuit of photography and other arts?

Every four-year-old on the face of the earth is both a great artist and a great questioner. And all of us were once four years old, so we have it in our genes to ask great questions and to be great artists. Photography is my art of choice. I fell in love with a camera at the age of 15 and have been smitten ever since.

Thousands of pictures and four decades later, my photography work has come full swing into my leadership work. The mere act of photographing helps us see things that we wouldn’t otherwise see and that’s core to creating the right questions. If we don’t see new things, we won’t get new questions. The trick is using the camera to unlock new insights into leadership challenges—especially the things we don’t know we don’t know about ourselves, others, and our organizations—as well as create beautiful images. That’s what we tried to accomplish recently in a unique workshop co-taught with Sam Abell, a 30-year National Geographic veteran, through Santa Fe Photographic Workshops. We brought together a small group of senior executives from around the world who love photography and taught them how to ask better questions as leaders and photographers. It was thrilling to work with Sam, and weave the power of photography into the heart of our leadership. After four intensive days of working together, each of us, including myself, walked away transformed. Powerful stuff. In fact, the experience was so powerful that MIT Sloan Executive Education has partnered with us to jointly deliver one workshop in 2015. It’s a perfect collaboration given MIT’s rich photography history, ranging from Kodak founder George Eastman’s early financial contributions in the 20th century to the cutting-edge work of today’s Camera Culture Group at MIT’s Media Lab. ● ● ●
Putting Peer Pressure to Good Use

Think about your last purchase. Whether it was an organic apple, designer jeans, or a hybrid car, chances are that your choice was at least partially influenced by your friends.
Exercise, smoking, and voting patterns are also susceptible to such influence. And while that sort of peer pressure has always existed, it has gathered new intensity in an age when endorsements such as “likes,” “pins,” and “retweets” fly freely. “Opinions are being propagated through social media almost automatically,” notes Sinan Aral, the David Austin Professor of Management and an associate professor of Information Technology and Marketing at MIT Sloan.

Quantifying the power of those opinions—and more broadly, how information moves within social networks—is Aral’s central research focus. Armed with the petabytes of data that social media and other online interactions provide, “I firmly believe we’re on the brink of a revolution in our understanding of human behavior,” says Aral, who earned a PhD from MIT Sloan in 2007. That’s because the ability to experiment within online platforms is “akin to the invention of the microscope for biology,” allowing social scientists to rapidly study millions of people in detail at once, rather than the comparatively few they can reach through conventional study methods. The result: Aral and his colleagues are discovering trends that may reshape the way both marketers and policymakers do their jobs.

The research has shown some companies that they can generate more sales by stoking the enthusiasm of their social media fans versus running social media ads on their own, for example. And for policy issues such as anti-smoking efforts, it may be more cost-effective to ask, “If I were to change the behavior of one or two key people in a group, how much would it reduce smoking in the rest of the group?” says Aral, rather than using broad-based campaigns or levying universal taxes to change behavior.

One recent study published in Science shows just how much influence online opinions carry. Aral and co-authors Lev Muchnik of the Hebrew University of Jerusalem School of Business Administration and Sean J. Taylor of the New York University (NYU) Stern School of Business created an experiment on a social news aggregation site that randomly added single up or down votes to articles and comments. Over five months, they found a single additional positive rating increased the item’s mean score by 25 percent relative to a control group, a “huge effect,” says Aral. (Negative manipulations did not significantly affect scores.) That suggests that online ratings are biased by a “herding” effect when new raters can see prior raters’ opinions. “If the herd mentality operates similarly for elections and housing prices, the consequences can be dramatic,” Aral notes.

Much of Aral’s other research aims to parse the difference between network influence and homophily, or the fact that people are often in the same networks because they already share the same tastes. Both matter: In general, “you’re 10 to 15 times as likely to buy something your friends bought because you have the same inherent preferences, and twice as likely because your friends influenced you,” Aral says. However, the level of peer influence varies by how connected the people are—fellow alumni exert more influence over one another than neighbors—and whether or not the message is personal.

While Aral has helped major companies, including IBM, Facebook, Microsoft, and Nike, probe the implications of digital influence for their sales, he is also focused on the implications for society. One current
People are 10 to 15 times as likely to buy something their friends bought because of inherent preferences.

project, which he designed with the Praekelt Foundation, aims to promote HIV testing in South Africa. The project sends free text messages that encourage people to get tested and to urge their friends to undergo testing. The reward for complying: a voucher for free mobile phone minutes that is coded to alert researchers when redeemed. Compared with traditional government campaigns, “the power of social influence may be uniquely well suited to overcoming the stigma associated with testing,” Aral says. Plus, “the social multiplier effect [could] encourage more HIV tests per dollar spent.” He is also partnering on efforts to leverage peer influence to mobilize voters, encourage exercise, and stop election violence in Kenya.

MIT Sloan has played an important role in Aral’s career. He first found his research passion as a PhD candidate, when he realized the huge conflict between his econometrics classes—which assumed people made decisions independently—and his sociology classes, which highlighted their extreme interdependence. He joined the faculty in 2013, after six years at NYU Stern School of Business. Aral now holds a joint appointment in Information Technology and Marketing and heads the Social Analytics and Large Scale Experimentation research programs of the Initiative on the Digital Economy (IDE).

Last fall, Aral—along with colleagues Erik Brynjolfsson, Schussel Family Professor of Management Science at MIT Sloan and director of the IDE, and Alex “Sandy” Pentland, the Toshiba Professor of Media Arts and Sciences at the MIT Media Lab and director of Big Data research at the IDE—brought top researchers to MIT Sloan for the first Conference on Digital Experimentation, also known as CODE@MIT. The speaker list included Susan Athey, the economics of technology professor at Stanford Graduate School of Business; Sendhil Mullainathan, professor of economics at Harvard University; and Jeremy Howard, co-founder and CEO of Enlitic. What united participants was a common recognition that “this larger global sample set [available from online interactions] is more powerful than recruiting a group of college students,” as many traditional experiments have done, says Aral. The group also discussed new protocols to ensure the rights of research subjects in the digital world.

In contrast to his work, Aral’s off-hours are decidedly non-technical. “He cooks, skis, and tells jokes about his own cooking and skiing,” reads his bio. Spending time with his young son is by far his favorite pastime now, he says.

Does Aral’s research affect how he uses social media? “I’m on Twitter and Facebook, but I don’t have a very strategic use of social media,” he confesses. However, he adds, “I do take online reviews with a grain of salt.”
Why Hospital Choice Matters in Emergency Treatment

By Rebecca Knight

Two 60-something men from the same neighborhood in Yonkers, NY, have a heart attack on the same night. Their families call 9-1-1. An ambulance takes Patient A to the emergency room of a nearby high-cost hospital (one that treats patients more aggressively and receives higher payments from Medicare, the public health insurance program). Patient B’s ambulance takes him to a local low-cost hospital. One year later, which one of those patients is more likely to be alive?
The answer: Patient A, by about 10 percent, according to a new study* by Joseph Doyle, the Erwin H. Schell Professor of Management and a professor of applied economics at the MIT Sloan School of Management. The study, which appears in the latest issue of the *Journal of Political Economy*, shows that when it comes to emergency treatment, hospital choice has a profound impact on patients’ survival rates.

At a time when the United States spends vastly more than other countries on healthcare at 18 percent of GDP, the team’s findings have important policy implications. “Medicare spending varies widely across hospitals, and one of the central questions in the healthcare policy debate is whether hospitals that provide more care and accrue higher Medicare spending levels perform better or whether the additional spending is largely unnecessary,” says Doyle, who conducted the study with John A. Graves of Vanderbilt University School of Medicine, Jonathan Gruber of MIT, and Samuel Kleiner of Cornell University.

“A large body of research suggests it doesn’t matter where patients go for treatment, and most literature on the subject endorses the idea that a good deal of Medicare spending is wasteful. But our findings show that high-cost hospitals do, in fact, achieve better health outcomes in terms of emergency admissions. It makes a lot of sense: If you or a loved one suddenly became sick, wouldn’t you choose the hospital that has the latest technology and best capabilities?”

Hospital quality is notoriously tricky to measure, however. The difficulty lies in the fact that most data does not take into account patient selection. Patients often choose or are referred to hospitals based on a hospital’s capabilities. Consequently, the highest-quality hospital in a given area often treats the sickest patients—a population that tends to have worse outcomes. A second complicating factor is that well-educated or wealthier patients may be in better health and more likely to choose what is perceived to be a higher-quality hospital. Efforts to provide report cards for hospitals are often criticized for their inability to fully control for these differences.

Doyle and his colleagues solved the issue by looking at patients who had very little input over their choice of hospital: people in emergency situations. Specifically, they discovered a “natural experiment” by studying how random ambulance company assignments affect hospital choice (and thereby patient health) for people who live in the same ZIP code. The team focused on critically ill patients—those, for instance, who suffered a heart attack, stroke, or hip fracture—who required the same advanced level of ambulance capability, and who were arbitrarily assigned ambulance companies for transport to nearby hospitals.

“For every $1,800 the hospital spent, patient survival rates improved by 3.7 percentage points.”

If you or a loved one suddenly became sick, wouldn’t you choose the hospital that has the latest technology and best capabilities?

—JOSEPH J. DOYLE, JR.

a person has a health shock, there is a call to 9-1-1. But—even if the patient doesn’t realize it—there is some randomness in which ambulance company is dispatched, which then impacts the hospital choice.”

In areas served by multiple ambulance firms, the company dispatched to the patient is effectively random due to rotational assignments or even direct competition between simultaneously dispatched firms. Moreover, ambulance companies serving the same small geographic region have preferences as to which hospital they take patients. “On the scene, emergency workers are in touch with ER doctors at local hospitals, and those doctors are advising them where to take patients based on the distance to various hospitals and their capabilities,” he says. “It’s not surprising that EMTs develop long-standing relationships with doctors.”

To carry out their analysis, Doyle and his colleagues constructed a universe of Medicare hospital claims for patients brought to the hospital for “non-deferrable” conditions—meaning a diagnosis that cannot be postponed—over the 2002–08 period. The researchers first showed that the characteristics of these patients are quite similar across ambulance companies that take their patients to hospitals of very different spending levels, and that these ambulance company “preferences” are strongly associated with actual patient spending.

In a related analysis, they looked at the service-area boundaries for each EMS provider from the New York State Department of Emergency Medical Services, and then coupled this data with a unique hospital discharge dataset that identified each patient’s residential address. This combination allowed them to compare similar patients living on either side of an ambulance service area boundary, which led to different hospital choices.

They then showed that higher-spending hospitals achieve better patient outcomes: For every $1,800 the hospital spent, patient survival rates improved by 3.7 percentage points. Put another way: The cost to the Medicare program of extending life by at least one year is approximately $80,000.

“There may not be a direct correlation between a hospital’s greater spending and the improved health outcomes of its patients, but these results suggest caution when considering a reduction in Medicare spending for people receiving emergency care,” says Doyle.

So when those two similar men from the same neighborhood in Yonkers are delivered to different hospitals, Doyle notes, “the results show that hospital choice matters in emergency situations, and the patient delivered to a high-intensity hospital is more likely to live.”

Trust, it turns out, has a measurable impact on bottom lines.
New research by Y. Karen Zheng, Sloan School Career Development Professor and assistant professor of operations management, and her colleagues examines the impact of trust between firms in increasingly global supply chains. Zheng, a member of the School’s Operations Management group, has devised a way to quantify the effect of trust in supply chain transactions between Chinese and American associates. She and her research partners concluded that Americans are perceived to be more trustworthy, and that the Chinese phenomenon of *guanxi*, or personal ties, can increase that trust.

“That’s a mistake few companies can afford. Merchandise exchanged between the United States and China now accounts for 3 percent of global trade volume, and China has become the world’s largest exporter and trader.

The research is chronicled in a new article—“Trust, Trustworthiness, and Information Sharing in Supply Chains Bridging China and the United States”—co-authored with Özalp Özer at the University of Texas at Dallas and Yufei Ren at Union College. The article appears in the October 2014 issue of *Management Science*.

Let’s say you plan to sell skateboards in the United States that are produced in China. You don’t want to run out before Christmas, so you inflate your demand forecast. Factory managers now have to determine how many skateboard decks to build. If your forecast is too ambitious, they’re on the hook for the extra boards collecting dust in the warehouse.

“The parties need to share information, but incentive conflicts deter people from always sharing,” Zheng says. She brings a fresh approach to this problem, which has long plagued supply chains.

“This is a somewhat classic model that has been analyzed by many researchers,” says MIT Sloan Operations Management professor Retsef Levi. “But until now,” Levi says, “researchers were oblivious to the behavioral and cultural factors that actually play a major role. If you ignore them, you may get the wrong answer.”

Companies should go beyond the minimum standards to ensure good working conditions for the workers producing their products.

—Y. KAREN ZHENG
Using that result as a baseline, Zheng investigated how different cultural orientations impacted trust. She ran the study again, this time with 186 students at the University of Texas at Dallas and Tsinghua University in China. In one-time transactions, Zheng says, Chinese subjects playing the retailer role inflated their forecasts to be twice as high as those of their stateside counterparts; when playing the manufacturer role, they adjusted production to be at least 50 percent less than what their American counterparts delivered. These lower levels of spontaneous trust and trustworthy conduct resulted in a 10 percent loss in supply chain efficiency and profit. However, when Chinese students playing the manufacturer role interacted with Americans playing the retailer role, the Chinese trusted the forecast more and produced more.

“Our data show that’s because the Chinese perceive the Americans to be more trustworthy in general,” Zheng says. In repeated interactions, guanxi kicked in—and stayed. Chinese trust levels increased to match those of Americans, and persisted at a high level even if their counterparts provided inaccurate or inflated data.

“In each round, the participants could infer with some probability if their partner had exploited them,” says Zheng, who grew up in China. “Even if the Chinese students observed their partners manipulating them, they were not willing to decrease their trust immediately. They still maintained a cooperative relationship in the long run. That’s what was most surprising to me.”

So how can you ensure your skateboard startup is a success, from that first forecast onward? Capitalize on the positive image that Chinese have of Western companies.

“Companies should go beyond the minimum standards to ensure good working conditions for the workers producing their products,” Zheng says. “Think of ways to help address poverty and inequality in Chinese society, and show support in natural disasters. These kinds of activities can help build and maintain a positive image.”

Then, build guanxi. “Appoint an executive to engage in constant and frequent interactions with the Chinese partners,” Zheng advises. “Many American companies practice rotation of management positions, which hurts the buildup of the interpersonal relationships necessary for guanxi.”

Recently, Zheng finished collecting data for a third version of the experiment. This time the subjects are MIT Executive MBA students. “I’m excited to find out if the results are the same when we use a population with more business experience,” she says. ● ● ●

Profit loss suffered by low-trust supply chains compared to high-trust supply chains:
Through its Sustainability Initiative, MIT Sloan looks to support and convene businesses and entrepreneurs with environmental and social goals.
As an MIT Sloan doctoral student, Jason Jay was responsible for advancing the burgeoning sustainability movement on campus. Today, as a senior lecturer in sustainability and director of the MIT Sloan Sustainability Initiative, he’s ready to bring discipline to the process of sustainability-driven innovation.

“As more and more companies search for ways to integrate social and environmental goals with economic ones, there needs to be a framework to help define sustainability-oriented innovation and entrepreneurship,” says Jay, who earned a PhD at MIT Sloan in 2010.

“I realized a few years ago, that we needed to start working on innovation for sustainability ... if you want every startup coming out of MIT to at least consider its broader impact, then you have to make that easy for people to do,” Jay says. “You also have to hone in on ways that sustainability aligns with creating a profitable line of business.”

As a starting point, he has embarked on a research project to explore the development of a center of excellence in innovation for sustainability. He is also looking into ways to facilitate investments in sustainability innovation.

“Aerospace company Lockheed Martin is sponsoring the research on sustainability-driven innovation. “Lockheed wants to understand how they can use sustainability as a driver of innovation for their own company,” Jay says. “How can they look at the technologies they have developed in defense and figure out pathways to commercialization that will have a meaningful impact on environmental and socio-economic sustainability?” The company is also interested in promoting sustainability-oriented innovation more widely in the countries where they do business.

Perhaps, Jay says, this research can offer tools that can help the company progress. The project could even offer clear steps to developing a sustainable startup, much like Disciplined Entrepreneurship: 24 Steps to a Successful Startup, the recent book by Bill Aulet, managing director of the Martin Trust Center for MIT Entrepreneurship.

“There are sustainability questions that you want to ask [in creating a business] to make sure you are creating value for the enterprise through the avenue of environmental and social impact,” he says. He has a draft “overlay” to Aulet’s 24 steps for sustainability-minded entrepreneurs, which poses those questions.

Answering those questions, however, will require better tools for managers, students, and entrepreneurs. “The complex interdependences between business and the economy and the environment can be difficult to evaluate when trying to understand if an innovation will

What we’ve learned is that the new enterprises and the corporate innovations that come out of MIT are the biggest multipliers of impact.

—JASON JAY
be helpful or harmful in aggregate,” says Jay. The current generation of tools like life-cycle analysis, which considers the full extent of environmental impact based on extensive supply chain data, are far too costly for startups. They also require a level of specificity that is not possible early on in the conceptualization process.

Jay will recruit about 10 students this spring to join a special seminar to examine these challenges. Eventually, MIT Sloan may offer an elective course on the topic of sustainability-driven innovation.

Jay would also like to form a consortium of companies that sees sustainability as a driver of innovation. “It’s partly about understanding where [MIT Sloan] can have the biggest impact in the world, and where we can do something that nobody else can do,” he says.

As part of building the Sustainability Initiative at MIT Sloan, where he has been director since 2010, Jay has traveled the world speaking to alumni and building momentum about the Initiative.

The Sustainability Initiative has been forming alumni groups focused on topics like renewable energy finance and identifying the different ways in which alumni can contribute to sustainability at MIT Sloan. A number of alumni have demonstrated interest in supporting fellowships for entering students with strong interests in sustainability, or in mentoring young leaders in the field of corporate sustainability.

“People are so passionate about what’s possible,” says Jay. “Part of what we’ve had to figure out is how to engage and empower our alumni to lead together.”
Capturing Kendall Square, From Scotland to Singapore

By Jill Hecht Maxwell

The Regional Entrepreneurship Acceleration Program meets a growing need for innovation clusters around the world.
In response, Aulet, Murray, and Scott Stern, David Sarnoff Professor of Management, and the chair of the Technological Innovation, Entrepreneurship, and Strategic Management Group at MIT Sloan, developed the Regional Entrepreneurship Acceleration Program (REAP), a two-year learning opportunity for teams representing regions and countries around the globe. The program is a partnership of the MIT Sloan Executive Education program, the Trust Center, and the newly created MIT Innovation Initiative. But it’s not about cloning Kendall Square. Instead, REAP uses a research-driven approach to help each team develop a customized plan based on its region’s distinct comparative advantage. Now entering its third year, the program’s impact is emerging across campus and around the world.

**STAKEHOLDER STRATEGY**

Here’s how it works. Regional teams applying to REAP must include a representative from each of five key stakeholders that make up the critical stakeholder perspective developed by the MIT faculty: universities, government, risk capital, entrepreneurs, and large corporations. “Governments tend to work on things piecemeal, without input from other stakeholders,” says Stern. “It’s very difficult to gain traction for systemic changes that way. Engaging all stakeholders in a region, and then building a cohort of regions and learning from each other—that’s the secret sauce for creating real change and acceleration,” he says.

This stakeholder model sets the program apart from efforts by other business schools. “We’re taking this broader ecosystem perspective,” Murray says, “and are critically aware that each team needs to find its own solution; you can’t just cut and paste what works in Boston or Silicon Valley.”

Once accepted, the teams convene four times over two years. First, they meet at MIT and become immersed in the Kendall Square/Massachusetts ecosystem. They participate in a three-day program, breaking out one-on-one with MIT Sloan faculty and professors from across campus. “For an ecosystem, physical space is a factor, so we have Architecture and Planning come in. And we have faculty from the Media Lab and the School of Science who map social networks,” Murray says. Professor Vladimir Bulović, Murray’s MIT Innovation Initiative co-director, talks to the teams about university entrepreneurship. “If a region has a question about an industry, they can tap into deep MIT-wide expertise,” says REAP Director Georgina Campbell Flatter, ESD ‘11. “We connect global leaders to MIT and in turn that connects MIT more deeply into the world.”

The workshops draw on the wealth of academic research on entrepreneurial ecosystems produced by Murray, STAKEHOLDER STRATEGY
Stern, and others such as Edward Roberts, the David Sarnoff Professor of Management of Technology and founder and chair of the Martin Trust Center for MIT Entrepreneurship, as well as the practical experience of entrepreneur Aulet. Senior Lecturer Phil Budden brings both the large corporate perspective from his career in transatlantic banking and the government policy perspective as a British diplomat. “The heart of the program is, it’s not top-down; it’s not bottom-up,” Stern says. “It’s really integrated between research and practice; it’s mind and hand.”

**GLOBAL REACH**

After the workshops at MIT, the faculty charges teams to develop their own unique regional acceleration strategy. Then the teams meet twice in different REAP regions to discuss what they’ve found and to explore how to shape and drive the entrepreneurial environment. “There are rigorous classes during the day, and events to engage with the broader community,” explains Campbell. Last fall, the cohort descended upon London. They heard the results of the six months of work from each of the participating regions, learned new content, and attended a gala MIT global innovation dinner at the Tower of London. These events are also an opportunity to engage the alumni diaspora, which Aulet calls the “silent ecosystem.”

Between the first and second cohorts, the faculty made some changes to REAP—namely, less lecturing. “We’ve made it more action oriented with less time just sitting and listening for the regions, which can be quite a challenge for professors,” Murray jokes. This summer, the current cohort of Morocco; London; Qatar; Moscow; Puerto Rico; Singapore; Rio de Janeiro; Seoul; and Valencia, Spain, will reconnect in Singapore. There, they will network with the Singapore-MIT Alliance for Research and Technology (SMART) and with at least one Institute alumnus—the president of Singapore, Tony K. Tan, PhD ’64. Applications for the third cohort, which were due March 1, outstripped available slots two to one. The two-year tuition for a REAP team is $250,000.

**INFINITE POSSIBILITIES**

Now that the first cohort has finished REAP and the second is well on its way, results are emerging, Murray says. Scotland developed an entirely refocused strategy for supporting innovation-driven entrepreneurship. In Finland, universities and local governments are filling the void left by Nokia’s demise. London extended its Sirius Prize, a startup competition, and is now focused on scaling and growth. In Hangzhou, China, the entrepreneurial ecosystem is burgeoning thanks to the enthusiastic efforts of REAP team members, a husband and wife who had worked for Alibaba and for the local university, respectively. While in Andalusia, Murray says, “there’s a willingness to understand that, even in difficult economic times, you need to separate out the way you support small businesses and those innovation-driven enterprises with high-growth potential.”

REAP has also made an impact on MIT. The program has resulted in a new course offering, the Regional Entrepreneurial Acceleration Lab, or REAL. “Quite soon after the program developed,” Murray says, “we realized it would make sense to take the learning, expertise, and knowledge back to the classroom.” REAL is jointly taught by Murray and Budden. While listed as an MIT Sloan course, it’s open to anyone at the Institute. “By taking the class, our students complement their understanding of what it takes to set up a particular entrepreneurship venture with the expertise they need to serve as catalysts and exemplars of entrepreneurship leadership at the national level.”

And REAP has informed the Innovation Initiative, which published its report in December outlining a range of programs, infrastructure, and community-building elements that can ensure that MIT’s community can truly shape global challenges by taking ideas to impact. The REAP model of engaging with key innovation ecosystems worldwide has some important lessons for the Initiative. As co-director Murray notes, “Putting MIT students and faculty into these regions is a great opportunity to share our own research. It also enables us to learn how policies and programs work on the ground, and explore the types of problems and solutions that shape particular places in the world.”

“We’ve talked about how MIT can reach out more globally,” says Budden. “As informal innovation diplomats, MIT students and alumni can have a positive impact on ecosystems where they are. They can be making the world a better place through innovation-driven entrepreneurship.”
It’s almost here!
Reunion 2015: June 4–7

Reconnect with friends, faculty, and the MIT Sloan community and enjoy a weekend filled with social activities, networking opportunities, and special classroom sessions from MIT Sloan faculty.

For more information—and to register—visit: http://mitsloan.mit.edu/alumni/reunion-2015

#SloanieReunion
The MIT SMR digital edition is available to MIT Sloan Alumni, free of charge.

Every quarter, you’ll receive an email alerting you to the new MIT Sloan Management Review digital edition. Read each issue on your desktop, tablet or smartphone, or download it for later. You’ll have access to all content found in the issue, including important articles on Big Data, sustainability, innovation and global management.

Log in now with your mit.edu email address at sloanreview.mit.edu/digital-edition

Prefer a print copy? sloanreview.mit.edu/alumni
Cutting-Edge Courses for Today’s Leaders

MIT Sloan Executive Education is committed to developing dynamic executives who can solve the challenges facing their organizations and the world. Our portfolio of more than 30 short courses presents leading research, world-renowned faculty, and the ideas and frameworks that help leaders manage complexity and drive revolutionary change.

**MIT Sloan alumni receive 20 percent off any open enrollment program held in Massachusetts.**

Our executive programs offer you the opportunity to return to MIT Sloan to reconnect directly with the latest thinking and newest developments in management practice. We invite you to reengage with a community of global leaders pursuing intellectual, personal, and professional transformation at MIT.

**FIND THE PROGRAM THAT’S RIGHT FOR YOU.**

executive.mit.edu/sloanalumni

* Some exclusions apply; see website for details

---

**INTERDEPENDENT SYSTEMS**

Strategies for Sustainable Business
March 11–13
Evaluate your organization on the multiple dimensions of sustainability and return with practical strategies for manifesting consensus and change.

**DIGITAL STRATEGY**

Platform Strategy: Building and Thriving in a Vibrant Ecosystem
March 17–18
Gain valuable insights for refreshing your company’s digital business model and participating profitably in the multi-sided marketplaces of the future.

**HIGH PERFORMANCE**

Building Game-Changing Organizations: Aligning Purpose, Performance, and People
March 23–24
Integrate the hard and soft sides of leadership to make teams into world-class talent factories and build an authentic and energizing culture.

**MANAGEMENT SUCCESS**

Transforming Your Leadership Strategy
March 31–April 1
Learn a powerful approach to executive leadership—developed at MIT—that will help you drive innovation and succeed in a complex, changing business environment.

**WORK DESIGN**

Implementing Improvement Strategies: Practical Tools and Methods
April 7–8
Know what drives improvement and learn how it can be implemented in every function across an organization.

**BUSINESS FUNDAMENTALS**

Strategic Marketing for the Technical Executive
April 16–17
Leverage marketing concepts and research to better influence the outcomes of product development and project management.
ALUMNI CONFERENCES

LONDON, ENGLAND

MIT and the Digital Economy: The Second Machine Age

Friday, April 10, 2015
Congress Centre
28 Great Russell Street
London WC1B 3LS

Join Erik Brynjolfsson, PhD ’91—Schussel Family Professor of Management Science, Professor of Information Technology, and the Director of the Initiative on the Digital Economy—and Andy McAfee, ’88, ’89, LGO ’90—Co-Director of the Initiative on the Digital Economy and Principal Research Scientist, MIT Center for Digital Business—as they facilitate a series of discussions that highlight MIT’s role in both understanding and shaping our increasingly digital economy. Harnessing the exponential improvements in artificial intelligence, robotics, networks, analytics, and digitization is the grand challenge for our generation and for MIT in particular.

#MITIDE

For more information, and to register for these conferences, visit:
http://mitsloan.mit.edu/alumni/events/

NEW YORK, NEW YORK

Frontiers of Finance

Friday, May 29, 2015
Mandarin Oriental
80 Columbus Circle at 60th Street
New York, NY 10023

MIT is often referred to as the “home of modern finance,” a place where transformative breakthroughs in financial economics were developed. Building on this impressive history, today’s faculty continue to produce groundbreaking research focused on the future of finance. This event, which features talks by MIT Sloan faculty on the evolving financial markets and policy changes, will bring a global perspective to the challenges facing the industry.

#MITSloanFinance