

Today, an organization's culture is as meaningful to its success as the quality and value of its products and services. Consumers are more demanding, and more thoughtful. Their purchasing decisions now factor in where a product is made, the environmental impact of manufacturing, and the labor enlisted to produce it. The speed at which information is delivered has raised the bar even higher for an organization's social responsibility and ethical compass.

A sound business culture makes the difference between a good company and a great one. In addition to increasing profits, a healthy business culture enables an organization to recruit and retain qualified, value-driven employees, and to inspire innovation and entrepreneurial spirit among them. It builds long-term customer relationships, and offers stability in a volatile economy.

Consider what we have come to know about 21st-century business cultures: we know of corporations that help employees de-stress with fitness classes and massages, inspire creativity with in-office game rooms and art classes, and boost team spirit with challenging outdoor adventures. More and more, today's corporations recognize the value of building solid foundations by way of healthy cultures.

In the aftermath of the Wall Street meltdown, the business world has turned a keen eye toward culture and the role it played in the demise of once-thriving firms. White-collar crimes are the result of "rogue" organizational cultures that stress individual advancement rather than key values such as trust and loyalty. Given the profound impact healthy and unhealthy cultures have on a company's longevity, success and bottom line, many 21st-century organizations are now appointing chief culture officers to monitor and improve their cultural health and well-being.

In these pages, members of the Fordham business community share their views and firsthand experience with those elements that shape a healthy business culture. Professor Robert Hurley explores the importance of trust. Executives and scholars discuss the need for global intelligence. Entrepreneurs offer insights into how companies large and small have established unique business cultures, and how that has affected their success.

If you think about it, many of the essentials of a solid business culture—trust and integrity; global awareness and cooperation; ingenuity; a commitment to treating all people well, from employees to consumers—parallel the Jesuit values that are integral to a Fordham education. We welcome your thoughts on Fordham's potential to advance business culture worldwide today and in the years to come.

Donna Rapaccioli, Ph.D.
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Dean, Gabelli School of Business

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News

Scholar Joins Faculty as International Business Chair

As the newly appointed Corrigan Chair in International Business and Finance, Iftekhar Hasan, Ph.D., has the noblest intentions when it comes to students at Fordham University: to provide them with the best possible education and equip them with the tools essential for success in a competitive job market.

"Fordham Schools of Business have successfully created a nucleus of talented faculty members, and it is a privilege to join this distinguished group," he said. "My role is to join my colleagues to see that the intellectual contribution from Fordham faculty is in the forefront of respective disciplines and professions, providing leadership in this city, the country and beyond."

Hasan has committed to helping ensure that Fordham's Schools of Business are regarded as elite institutions domestically and abroad. He aims to do that through a range of duties that include assisting with faculty development, representing Fordham in academic and professional conferences in finance, and

conducting his own research.

He will examine how the recent consolidation and changes in the ownership structure of stock exchanges around the globe affect the liquidity of the market and the information content of stocks in respective markets. He is also interested in exploring the underpinnings of financial contracts that multinational banks rely on to lend money across firms, industries and locations nationally and globally. Being based in New York City provides opportunities for alliances and collaborations on cutting-edge research and innovative teaching with private entities.

"New York has been—and will continue to be—the financial center of the world," he said. "Providing timely, relevant research that has direct applicability for industry partners, which in this case are banks and exchanges, will keep New York City relevant."

In his first few months on campus, Hasan has interacted with students in two undergraduate, invitation-only honors courses—Honors Thesis Seminar I with Marcia Flicker, Ph.D., an associate professor of marketing, and the Global Business Honors Program Senior Project Seminar with Steven Raymar, Ph.D., assistant professor of finance. In each, Hasan has been advising students on thesis research projects.

In addition to teaching at the graduate level this spring,

Hasan's schedule is full as he edits the quarterly *Journal of Financial Stability* and helps organize several conferences along with Fordham finance faculty members. Some are linked with schools and organizations abroad, including the University of Rome, the Central Bank of Brazil and Tsinghua University. Among others to be held at Fordham's campuses is the Triple Crown Conference with Rutgers University, Baruch College and Rensselaer Polytechnic Institute (RPI). Hasan is also helping to organize the Rising Star Conference, where the best and brightest scholars present their financial economics research papers.

A native of Bangladesh, Hasan attended Dhaka University before earning a doctorate at the University of Houston. Since then, he has amassed a full résumé of academic, private industry and governmental experience, most notably working as a scientific adviser at the Central Bank of Finland in Helsinki and as a visiting scholar at the Federal Reserve Bank of Atlanta in Georgia.

He joins Fordham from RPI, where he held multiple posts: acting dean of the Lally School of Management and Technology, area coordinator of accounting and finance, director of the doctoral program, the Cary L. Wellington Professor of Finance, and director of the International Center for Financial Research.

His corporate experiences have only helped inform how he teaches in the classroom. "Everyone finds their own niche—what they want to do, and what they want to work at," Hasan says. "In academia, the thing that I like most is that I have an ability to shape young people's minds, challenge their curiosity [so they can] play a real role in the future of this country, and of the world. That is a huge satisfaction for me."

The Corrigan Chair in International Business and Finance

The Corrigan Chair in International Business and Finance was established by a gift from E. Gerald Corrigan, Ph.D. (GSAS '65, '71).

Corrigan, a former president of the Federal Reserve Bank of New York, is managing director of Goldman Sachs. He received his master's and doctoral degrees in economics from Fordham's Graduate School of Arts and Sciences.

Bolivia Focus for Fulbright Scholar

Each year the Fulbright U.S. Scholar Program sends about 1,100 American scholars and professionals to other

Installation of Iftekhar Hasan, Ph.D.

Corrigan Chair in International Business and Finance

February 7, 2012

Lincoln Center Campus | Lowenstein, 12th Floor



Clockwise from above: Iftekhar Hasan, Ph.D., joined Fordham University this year as its newly appointed Corrigan Chair in International Business and Finance. Professor of business economics Katherin Marton, Ph.D., won a Fulbright fellowship that sent her to Bolivia this spring to pursue research and to teach. Two other faculty members of Fordham University's Schools of Business earned the prestigious 2011 Faculty Fellowship Summer Institute that sent them to Israel for two weeks to explore mutual research interests with scholars at Israeli universities.

countries to lecture and conduct research in a variety of disciplines. In spring 2011, Katherin Marton, Ph.D., professor of business economics, received a Fulbright fellowship to undertake research and teach in Bolivia.

"The research project addresses the role and participation of foreign direct investment in the country, an area of special interest to me," explained Marton. "Over the years I have studied participation of foreign investments in

the development of various regions of the world. I have been very interested to see its role in a country that recently adopted a new model of mineral exploitation under the leadership of the government of Evo Morales."

Marton also had the opportunity to give seminars and lectures to students at the Catholic University of Bolivia in the area of globalization and other trends in the global economy.

During her stay, Marton had a chance to explore the contribution of Jesuits

during the early 18th century. "They established several settlements and introduced music and musical instruments to the various indigenous groups that inhabited the land, and established communitarian methods of agricultural production that were very novel at that time," she noted.

Professor Marton will return to Bolivia in spring 2013 to complete her research and teaching assignments at the Catholic University.

Fellowship Takes Two to Israel

Two Fordham University professors were among 14 scholars who traveled to Israel in June as recipients of the 2011 Faculty Fellowship Summer Institute.

Chosen from more than 100 applicants were Marcia Flicker, Ph.D., professor of marketing and co-director of the Gabelli School of Business honors thesis program, and Yuan Xie, Ph.D., assistant professor of accounting.

The fellowship's aim is to foster academic and professional dialogues with colleagues in specific disciplines at leading Israeli institutions. "My research and teaching interests formed the basis on which the sponsors matched me up with Israeli scholars with whom I met," explained Flicker. "In addition to complementing my research interests, the fellowship was directly related to my teaching in international/global marketing at both Gabelli and GBA."

Xie, too, lauded the opportunity for interaction with Israeli academicians. "I met several scholars in accounting, finance and economics who share similar research interests," said Xie, whose studies focus on financial intermediaries and their roles in the capital market.

News

Transformative Digital Technologies

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“RP” Raghupathi, Ph.D., professor of information systems at Fordham’s Schools of Business, believes in the transformative power of digital technologies to promote economic growth, raise the standard of living and reduce poverty on a global scale.

Understanding the role digital technologies play in accomplishing the individual, business and societal transformations needed to succeed in today’s international marketplace is the focus of the new Center for Digital Transformation (CDT) that Raghupathi recently founded at Fordham University. The center will conduct and disseminate high-impact research, create an ongoing dialogue between various stakeholders including business executives, and incorporate the understanding of the transformational aspects of digital technologies into the business curriculum. CDT was officially launched at an October 19 event held in conjunction with an IBM Forum on Advanced Analytics.

“Holding our launch event together with the IBM Forum was a natural extension of



Photo by Michael Dames



Above: Michael J. Dowling, the CEO of Northshore LIJ Health System, discusses the American healthcare system at a conference held by Fordham’s Global Healthcare Innovation Management Center. Far left: IBM’s Karen Parrish delivered the keynote speech at an event co-sponsored by the IBM Forum on Advanced Analytics and the Center for Digital Transformation. Left: Dawn Lerman, Ph.D., discusses the impact of popular products on consumer well being, the focus of the Center for Positive Marketing’s inaugural conference this November.

both Fordham’s leadership position in the field of business analytics and the center’s collaborative approach,” Raghupathi said. “We will continue to seek to leverage our business schools’ strong industry connections—through both our academic initiatives and alumni—as well as University faculty resources to create a community of scholars, executives, local leaders and students deeply committed to the role of digital technologies in transforming business and society.”

To that end, the center will hold an Interdisciplinary Digital Workshop on November 9 to bring together faculty to discuss research, curriculum and collaboration in the digital age. It also offered a presentation for Fordham E-Business students by David Ferrucci, Ph.D., the chief architect of the IBM Watson system that triumphed in the “Jeopardy!” quiz show championships, on how analytics technology is helping businesses and governments tackle complex societal challenges.

Exploring Healthcare Innovation

Is innovation the way out of the healthcare crisis? Or is it helping to fuel a \$2 trillion national medical bill that continues to spiral out of control? This hotly debated issue was the focus of a groundbreaking panel

discussion, "Healthcare Innovations: Bending the Cost Curve?" held September 27 by the Global Healthcare Innovation Management Center (GHIMC) at Fordham's Schools of Business.

"For the first time, opinion leaders from each of this issue's key stakeholder groups—healthcare providers, payers, regulators and patients—have been brought together in a public forum to offer their different perspectives on this important and complex issue," explained Falguni Sen, Ph.D., professor of management systems and director of the center, which he founded in 2010. GHIMC's mission is to analyze innovations in drug discovery and development, healthcare delivery models, medical technologies, biotechnology and regulatory approaches. Key opinion leaders from each of these areas participated in the panel.

Sen moderated the discussion, which began with welcoming remarks by Stephen Freedman, provost of the University. The lead presenter was Nancy Nielsen, M.D., President Obama's senior adviser, Center for Medicare and Medicaid Innovation (CMMI) and past president of the American Medical Association. Michael Dowling, chief executive officer of the Northshore LIJ Health System, New York's largest hospital system, was the keynote speaker. Several

panelists also offered their perspectives on healthcare innovation: Frank Branchini, president and chief operating officer of EmblemHealth; Jeffrey Spaeder, M.D., chief medical and scientific officer, Quintiles; and Jaime Torres, regional director of the U.S. Department of Health and Human Services for New York, New Jersey, Puerto Rico and the Virgin Islands.

Panelists answered questions from more than 100 attendees, who included Fordham students, faculty and alumni, healthcare professionals and members of the local community. The discussion concluded with remarks by Donna Rapaccioli, Ph.D., dean of the Fordham business faculty and of the Gabelli School of Business.

"There was no more opportune time for such a discussion," Sen noted. "While it's absolutely accepted that healthcare costs are out of control, how to resolve the situation has polarized our nation. It is part of Fordham's Jesuit tradition to wrestle with ethical issues like this and to foster a dialogue in an attempt to ultimately reach a common ground."

Measuring Consumer Well-Being

Fordham's Center for Positive Marketing is having its inaugural conference in November, bringing together academics and industry practitioners to inspire critical dialogue about best practices in marketing.

"It's actually not terribly common that academics doing consumer research or any sort of marketing research get together with marketing practitioners in this way," says Dawn Lerman, Ph.D., who is the center's director, area chair and associate professor of marketing. The two-day event kicks off on November 3 with introductory remarks from noted trend-spotter and author Faith Popcorn. Attendees will participate in workshops and seminars led by marketing experts from around the world on the second day of the conference.

The highlight of the event, however, is the announcement of the center's results of its consumer well-being index, a new methodology developed to evaluate how products and brands contribute negatively or positively to consumers' well-being. "We timed the conference to coincide with the start of the holiday buying

season," Lerman adds.

"That is when the impact of marketing on overall well-being is most relevant."

The center has previously offered various events and seminars that are open to the Fordham business community. On October 27, the Advertising Educational Foundation, a respected nonprofit group that often organizes forums on provocative industry topics, held its annual public symposium on the ethics of using branded content. Titled "Brandalism: Balancing the Give and Take," the event featured a panel discussion with Fordham professor Al Greco, Ogilvy Entertainment president Doug Scott, *AdWeek* editor Michael Wolff, IFC/Sundance president Evan Shapiro and others.

Lerman explains that the topic is particularly timely given the increasing tendency for the lines between commercial branding and entertainment to be blurred. "There's been some concern or controversy...that all of our entertainment now becomes advertising," Lerman adds. "Where is the line between commercial and non-commercial?"

It's precisely those types of broad philosophical questions that Lerman hopes to continue to explore in the center's ever-expanding slate of featured events.

News

NY Federal Reserve President Visits Fordham

Speaking to Fordham business students and faculty members on October 24, the president of the Federal Reserve Bank of New York forecasted modest growth at best in the United States economy, and said that the sagging housing market has become a serious impediment to a robust economic recovery.

Even though mortgage rates are at record lows, said William C. Dudley, refinancing obstacles, limited access to credit and an increasing supply of foreclosed homes glutting the market are taking their toll on Americans. Residential construction is down, and homeowners are consuming less as the decline in housing prices reduces their net wealth.

"Breaking this vicious cycle that we see in housing is one of the most pressing issues facing policymakers," he said.

Dudley called for removing obstacles that borrowers face in refinancing—a concept that is currently being floated by the federal government's Home Affordable Refinance Program (HARP). That program would allow homeowners who are current on their mortgage payments

to refinance regardless of the debt that they carry.

"A vicious cycle could be replaced by a virtuous circle, in which stabilization in house prices supports spending, growth and jobs," Dudley said.

Dudley also singled out the end of federal economic stimulus programs, the gridlock in Washington over fiscal policy and the debt crisis in Europe as additional obstacles to economic recovery.

As head of the New York Fed, Dudley reiterated his agency's responsibility to help shore up the nation's financial system through informed monetary policy and to track the economies of the metropolitan region.

Citywide, Dudley said, employment fell just 4 percent during the recent downturn, meaning that New York fared better than the nation, which lost 6.5 percent. The city already has regained one half of those lost jobs—ironically not from Wall Street, but from the business services, leisure and hospitality sectors.

Recently, Dudley said, the Fed has pledged to keep interest rates low through mid-2013 and to swap short-term government debt for longer-term debt, which should help bring down interest rates. But these, he said, shouldn't be confused with "fiscal stimulus" measures.

"The actions we have taken will be helpful in supporting growth and jobs," he said. "However, I don't think monetary policy should be

viewed as all-powerful. To get the strongest possible recovery, we need reinforcing action in areas such as housing and fiscal policy."

Dynamic Orientation Programs Welcome Students

Hurricane Irene did little to dampen the enthusiasm of students arriving for orientation at Fordham's Schools of Business. Yes, there were the expected discussions of courses, campus life and navigating New York City. But this year's orientation programs also offered a glimpse inside one of the world's most talked-about companies, plus an interactive game or two.

Among those welcoming freshmen to the Gabelli School of Business was Mario Gabelli (GSB '65), founder, chairman and CEO of GAMCO Investors. Gabelli encouraged students to look beyond the current economy. "One of you will be the mayor of New York at some point," he said. "One of you will be the CEO of a public company. Many of you will own your own businesses. One of you is going to come up with a great idea—like

single-serve coffee."

In preparation for orientation, undergraduate business students were asked to read *The Google Story* by David Vise and Mark Malseed, and were then challenged to "pitch an innovative idea" for Google in writing. The winners, Nicole Fishstein and Dylan Fowler, will reap their reward later this year when they join a Google executive for lunch at the firm's Manhattan offices. Everyone, however, benefited from the keynote speech by Google executive Bill Sickles (GSB '84).

Sickles urged students to "make the effort over the next couple of years to investigate and explore internships. Find out what you like; find out what you don't like," he advised.

According to Donna Rapaccioli, Ph.D., dean of the Gabelli School, there is already a lot to like about the Class of 2015. Its average SAT score of 1260 is the highest of any incoming freshman class. Forty percent placed in the upper 10 percent of their respective high school graduating classes, and more international students than ever are among their ranks.

At this year's GBA orientation, gamesmanship was the first order of business. Approximately 180 students played the Strategic Innovation Game, a business simulation conducted online in real time. The interactive market

Launch of the Gabelli Alumni/Student Supper Club

November 2011

Connecting alumni mentors with Fordham business students to network over dinner. Alumni interested in hosting a Supper Club event may contact Angela Giovine at agiovine@limeevents.net.



Above: Incoming graduate students played the Strategic Innovation Game, a business simulation in real time, as part of their orientation. Left: Students learned about finance in India, and visited cultural sites on a two-week study tour in May. Far left: William C. Dudley, president of the Federal Reserve Bank of New York, addressed Fordham business students and faculty on October 24.

simulation uses systems thinking and decision-making skills under the kind of time pressures and uncertainty typical of today's business environment.

This year's GBA student community has more international members than ever before. The students also attained higher GMAT scores than in the past. GBA is ahead of the national average in another area, too. Forty-nine percent of the class is female, well ahead of the national average of about 30 percent.

Investing in India

Is now the right time to be investing in India? That was the question posed to a group of Fordham finance students as they prepared for a Gabelli study tour of the world's second most populous country.

The 22 students in the course, which was taught

by James Kelly, lecturer in finance and economics, and David Talbot, focused on value investing, financial modeling, and the culture of India. Working in teams, they prepared in-depth financial reports and models of major Indian companies across diverse industries, from banking to manufacturing.

Even with all the preparation, however, arriving in India in late May proved to be a revelation for Ryan Gotschall, a senior who will graduate in 2012 with a degree in applied accounting

and finance. "India went from a billion people in 2000 to 1.2 billion in 2010," he noted. "That's almost like adding on a population the size of the United States. You just can't imagine the number of people without being there."

During their two weeks in India, accompanied by Talbot and Harry Kavros, Gabelli associate academic dean, the students visited Delhi, Bangalore and Mumbai, where they met with top equity analysts, stock market officials and university faculty to gain an understanding of the country's macro-economic outlook. They also got a closer look at India's micro-economy.

"We visited a microfinance bank that was doing business in one room in a little village," explained Gotschall. "The bank was handing out cash loans, mostly to women who owned small businesses. In rural villages, there is really no credit system."

Although he has traveled extensively, Gotschall described his experience in India as an amazing opportunity to delve into a new culture. "From an investment standpoint," he said, "my understanding of financial modeling and evaluating investments has greatly increased. And, at the same time," he added, "it opened my mind a bit on personal investing."

—Barbara Esposito, Brett Johnson, Janet Sassi and Mary Stipe, contributing reporters.

Business Students

Measure the Impact of Fashion Week

By Mary J. Stipe

Did moving Mercedes-Benz Fashion Week from Bryant Park to Lincoln Center have a significant economic impact on the Upper West Side neighborhood? You bet! And a group of Fordham business students have the numbers to prove it. Their recent study revealed approximately \$20 million in spending directly attributable to Fashion Week. Based on these results, the projected annual flow of dollars into the Lincoln Center area is estimated at more than \$41 million.

Fashion Week's move from midtown to uptown in 2010 was not without controversy. Since 1993, the tents at Bryant Park had become a symbol of American fashion and had boosted the city's economy. A 2008 study commissioned by the New York City Economic Development Corporation estimated that Fashion Week accounts for \$466 million in

direct visitor spending with a total annual economic impact of \$773 million. Fordham's study found that about 10 percent of that economic activity occurs around Lincoln Center.

Although the Bryant Park location was convenient, just steps from many designers' offices and industry resources, as the number of shows nearly doubled, and attendance topped 100,000, space became an issue. At the same time, some outside the fashion industry grumbled that one of the most popular green spaces in Manhattan was effectively off limits to the public during the biannual, invitation-only event. The move to Damrosch Park at Lincoln Center was generally viewed as an optimal solution.

With a new address and a fresh look, Fashion Week had room to grow, but what economic impact would the influx of workers, media, guests and gawkers have on the neighborhood? Both the City of New York and the event's management, IMG Fashion, wanted to find out. So, they approached Fordham University with an

intriguing proposal. Would its students conduct a market-research study to determine the economic impact of the change of venue on businesses surrounding Lincoln Center?

Given the resources of Fordham's Schools of Business, and mindful that the University is a vibrant member of the Lincoln Center community, the project was a good fit. Moreover, there was already a precedent. Over the past few years, classes led by Janet Di Lorenzo, Ed.D., clinical assistant professor and consulting project adviser, had worked with the United Nations, The Hunger Project and The Point in the South Bronx, studying specific challenges and developing action plans. This pro bono project offered yet another opportunity for Fordham to provide significant service to the New York City community and offer students real-world experience.

There was just one hitch. The study would have to be done ASAP, and Di Lorenzo's summer class ran a short five weeks—not long enough to

take the project from initial survey to final report. So a collaborative structure was created that would involve both undergraduate and MBA students. "The undergraduates would take on one component of the project based on their knowledge base and time frame," explained Di Lorenzo. "They would then turn their work over to the graduate students, who would take the project to its completion."

Peter Johnson, who teaches marketing at both the Gabelli School and GBA, volunteered to lead the graduate class and quickly put out a call for interested students. "We needed students with specific skills, including experience in market research and creating economic modeling; an understanding of the fashion business and its clientele; and the ability to manage a client relationship," said Johnson. He assembled a team that included Kristina Apicella, Anita Chan, Tanya DeJesus, Jeff Katz, Claire McCormack, Michael Pylyp and Tum Tantayopin. The project's undergraduate team—including Anik Akhund, Anthony Clavero, Brad Desir, Jennifer Fazzolari, Rebecca Peters and Dupinia Thompson—was charged with handling the initial survey. Together, the students developed a questionnaire and hit the street to survey hotels, restaurants and eateries, retail shops and services within a five- to 10-

Internships and Careers

To offer a student internship or recruit Fordham business students for employment opportunities, contact Nancy McCarthy, director of personal and professional development, at namccarthy@fordham.edu.

Photo by Michael Buckner/2011 Getty Images



Photo by Peter Michael Dills/2011 Getty Images



block radius of Lincoln Center.

"This was our first experience with this type of work," said Anik Akhund, a sophomore with an interest in marketing and finance. "It was challenging because we were asking people to recall numbers from four or five months earlier. We gave them as many options as we could, including an online survey. We got constant feedback from the graduate team. They were doing the same kind of work, but were more experienced. The give-and-take was phenomenal. We became colleagues."

"The undergraduates were the 'boots on the ground.' They did a tremendous job with the initial business survey," said Michael Pylyp,

who is pursuing an MBA in marketing and was co-managing director of the GBA team. The graduate students developed surveys for Fashion Week participants, creating the analytics and methodology to interpret the data, writing the final report and presenting their findings to IMG Fashion and the City of New York.

"It was a great opportunity to work on a high professional level in a group," said Claire McCormack, an MBA student with a dual concentration in marketing and management, who was also co-managing director. "We were accountable. It was crucial for the team to work together effectively. Everyone took ownership."

The project enabled students

to learn about collaboration in a real business environment.

"They had the experience of dealing with a real client, creating research that would stand up to professional scrutiny and developing presentation skills," Johnson said. "The students rose to the occasion, even when the final presentation was pushed up almost two weeks and had to be done during finals week."

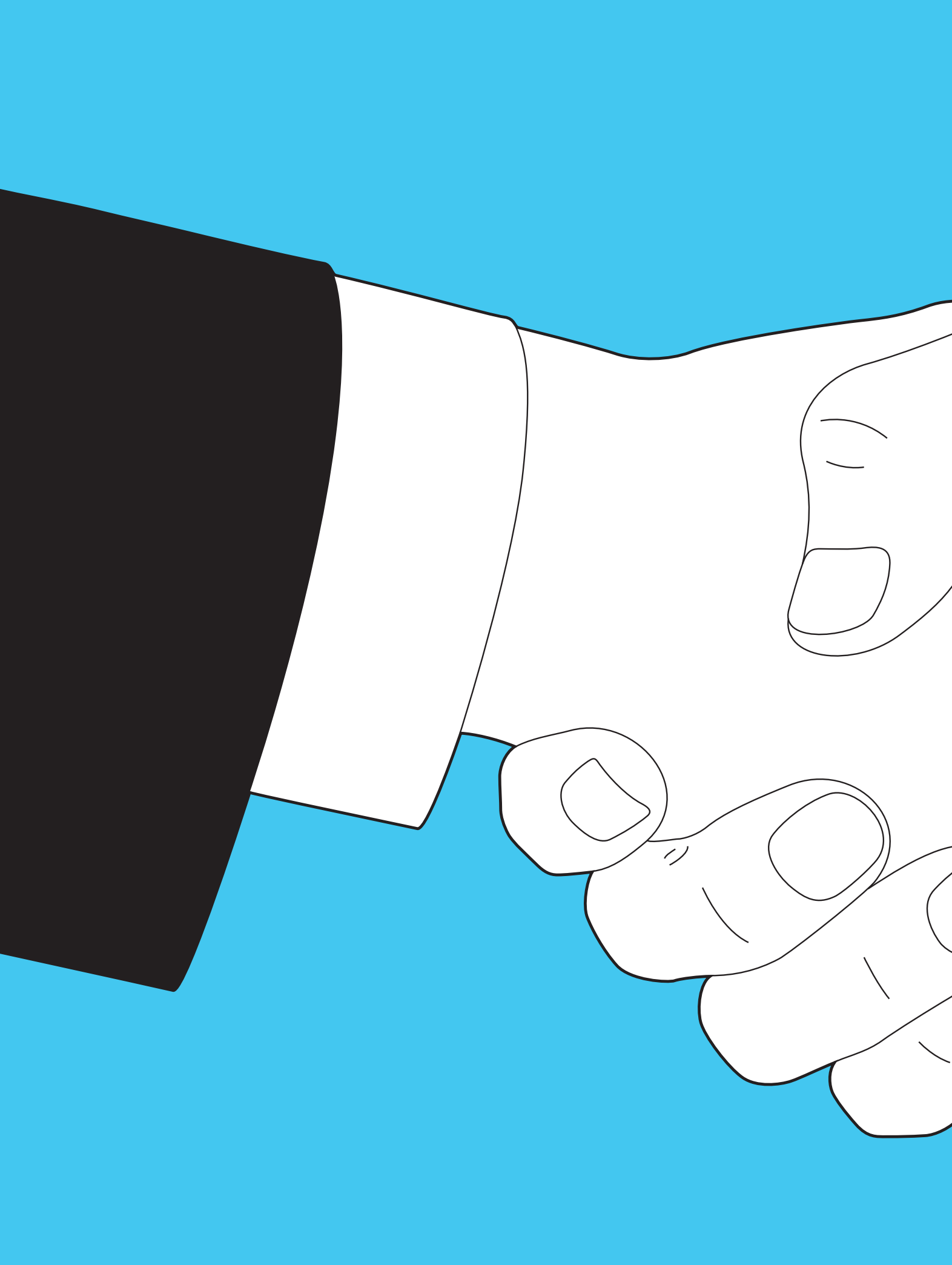
While the students benefited from the project, so did IMG and the City of New York. According to Johnson, a study of this magnitude and quality could easily cost a client \$200,000 to \$300,000. Following a September 6 press conference—just days before the third Fashion Week at Lincoln Center was about to debut—Peter Levy, IMG's

senior vice president and managing director, noted that the Fordham study was inspired by the company's desire "to understand and maximize the positive impact of Mercedes-Benz Fashion Week in the surrounding community... We are committed to continuing the IMG-City-Fordham relationship to broaden our research moving forward, and hope to work closely with local officials to use this data effectively."

Based on survey responses, the Fordham study recommended increasing promotions that offer special deals for Fashion Week workers and attendees in the Lincoln Center business district; addressing other concerns of respondents, including the need for more space for the press and better Internet connectivity; and developing ways to facilitate and increase venue rentals.

Di Lorenzo summed up the Fordham Fashion Week experience this way: "Team—that's the operative word here. There were two faculty members and two groups of students working well and respectfully together. It enabled both teams to grow. The Fashion Week project was a gift and I hope it will happen again."

—Mary J. Stipe, a Long-Island based writer, began her freelance career covering fashion, including shows in the Bryant Park tents.

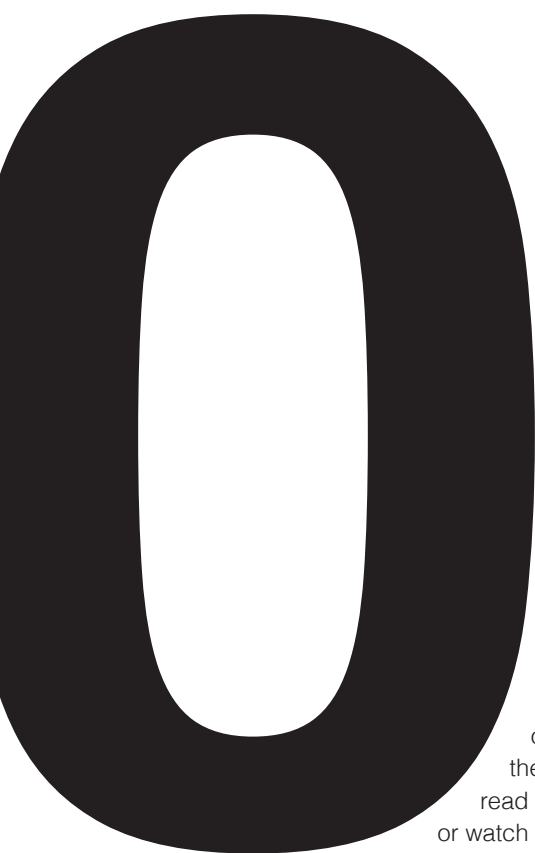


By Barbara Esposito

A Matter of Trust



Welcome to the era of the **“good guys.”** For decades, public trust has been declining, creating a crisis of confidence and a global culture hungry for high-trust leaders and businesses that can be counted on.



Our collective sense of betrayal is far-reaching—and virtually no public or private sector is immune. Less than 10 percent of people said they had a great deal of confidence in Congress, and only 12 percent said they believed what they read in the newspaper or watch on the nightly news, according to the most recent Harris

Poll. The results for the business sector were bleaker still: consumer confidence reached an all-time low of 15 percent in 2008, with the financial services sector, not surprisingly, taking the biggest hit following the \$1.4 trillion worldwide meltdown. More than half of Americans had lost trust in banks, and 65 percent had lost trust in the stock market, the Financial Trust Index revealed.

In short, public trust in business and government has been shattered, and we're now searching for trustworthy leaders to pick up the pieces.

"It's human nature to crave what we don't have," explained Robert F. Hurley, Ph.D., Fordham University professor of management and author of a groundbreaking book examining the matter of trust from a decision-making perspective. "Our unmet needs become our strongest motivations."

"[The] worldwide scarcity of trust means that trust has

never been so precious and so valuable," Hurley concluded in *The Decision to Trust: How Leaders Create High-Trust Organizations*, published by Jossey-Bass in October 2011. "In an atmosphere of general distrust, those leaders with a good grasp on trust—who know how to judge it, build it and rely on it—have an enormous edge over their competitors." Hurley suggests that those who can succeed in the task of building high-trust relationships and high-trust organizations are more likely to be rewarded, because research shows that people instinctively gravitate toward individuals and organizations that are trustworthy.

In fact, high-trust companies definitely have a competitive edge in today's fast-paced global business environment, according to Hurley. "Speed, agility and commitment are crucial to winning in today's markets, and none of these is possible without trust. Those firms that understand how to create trust in these challenging times—like Google, Ernst & Young and Zappos—will have a major advantage."

So how does one decide whether or not to trust? Regardless of the relationship—be it with an individual, team or organization—Hurley has identified 10 factors that lead people to trust: risk tolerance, adjustment, power, situational security, similarities, alignment of interest, benevolent concern, capability, predictability, and integrity and communication. These factors, along with the overall concept of trustworthiness, are the foundations of two business courses Hurley teaches at Fordham: the undergraduate-level Principles of Management, and the Fundamentals of Management for graduate business students.

Hurley notes that a comment by a banker in one of his Fordham Executive MBA classes inspired this latest work. "He thought the whole discussion was pointless, that trust had no place in business," he recalled. "In actuality, the student



Public trust in business and government has been **shattered**, and we're now searching for trustworthy leaders to pick up the pieces.

was very astute and his comments proved prescient. The large, brand-name firm where he worked was untrustworthy. Years later, the CEO was fired and left with a \$150 million severance package, the stock price plummeted and the firm became a key player in the global financial crisis."

Putting an end to the major financial crimes of the 1980s was the goal of then-FBI Special Agent Edward M. Stroz, CPA, CITP, a 1979 graduate of the Gabelli School of Business, then known as the College of Business Administration, who went on to form the Bureau's Computer Crime Squad in New York City.

"While I was with the FBI, I learned the value of working for a high-trust organization," Stroz explained. "When you knock on the door as an agent, there's an element of trust the FBI 'brand' commands." He strives to build a similar reputation of trustworthiness for the firm he began in 2000: Stroz Friedberg now ranks among the world's most established and fastest-growing digital risk management consulting firms.

Stroz, who serves as co-president, spoke about creating a high-trust corporate environment as a panelist at this summer's Fordham Consortium on the Purpose of Business, a series of dialogues among international leaders in the business, academic, military, government, media and faith communities.

"We work to create a culture that's safe for the truth," he commented. "If you don't make it safe for employees to tell the truth, the truth doesn't come out. It creates a healthier culture."

All aspects of the firm's culture are clearly delineated—and externally published—in the Stroz Friedberg credo, which includes tenets such as "we earn our clients' trust," "we are ethical, neutral fact-finders" and we act as "a single firm" with "incomparable, cross-disciplinary teams."

The credo, which mandates the buy-in of every employee, embodies four of the key situational factors Hurley found embedded in high-trust organizations: similarities, alignment of interest, benevolent concern and communication. Leaders who integrate these in their organizational structures, he says, stand a better chance of succeeding in today's uncertain global economy.

"From a trust perspective, the label 'integrative stewardship' best captures what is required to restore trust in organizations and institutions." Hurley defines an integrative steward as a leader who has the ability to pull individuals together in a trustworthy fashion to serve the interests of the larger group.

"Stewardship is about service, not opportunism and self-interest," he concluded, and as such, is an approach he believes "fits perfectly" with Fordham University's Jesuit educational model.

"Integrative stewardship fits with the Jesuit philosophy of *magis*, of excellence and confidence in all we do, as well as the philosophy of men and women for others, or *homines pro aliis*," he said, recalling the words of the Rev. Joseph A.



O'Hare, S.J., who served as Fordham University president from 1984 until his retirement in 2003.

"As Father O'Hare always said, 'the most trustworthy leaders—and the happiest people—are those who are devoted to others.'" Hurley's experience at Fordham began as an undergraduate student; he earned his Bachelor of Science degree in 1978.

"The Jesuit educational model is a virtuous one that fosters an open exchange and dialogue between professor and student," he continued. "Students learn as much about what it takes to be a high-trust business leader in a philosophy or theology class as they do in any business management course."

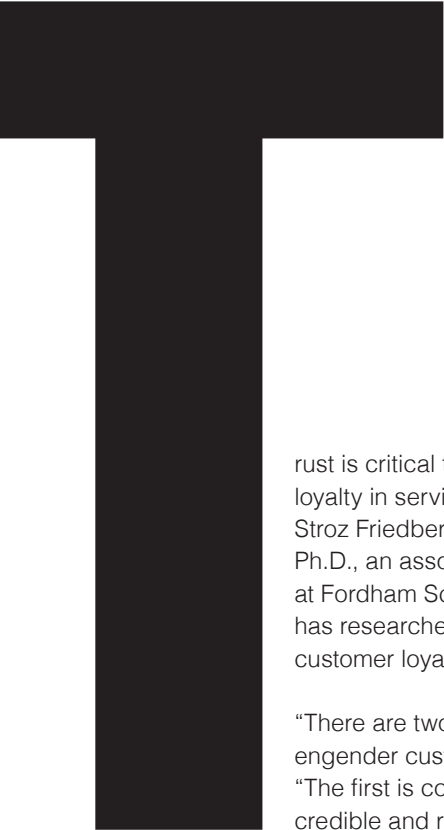
Stroz believes that his Jesuit education brought to the forefront his "inherent trustworthiness." "My years at Fordham refined the notion of who I am," he explained. I take the *cura personalis*—care for one person at a time—philosophy with me every day. Being a trustworthy person is consistent with the Jesuit tradition and, I believe, is a necessity to be successful in business today."

Stroz Friedberg, launched 11 years ago with one employee—Stroz himself—has grown an average of 30 percent each year and now has an international staff of more than 240 employees. Such growth, particularly in a tough economic environment, has not gone unnoticed. The firm was the subject of a 2010 *Harvard Business Review* profile that detailed its growth, the resulting challenges, and how the company

effectively managed those challenges by crafting the credo and by introducing new systems and structures that clarified roles and responsibilities, instilled greater accountability and improved discipline and planning.

"We created a high-trust firm from the inside out in order to achieve that same level of trust in our client relationships, and our clients appreciate that," Stroz said.

The most
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Trust is critical to engendering customer loyalty in service-oriented firms such as Stroz Friedberg, according to Lerzan Aksoy, Ph.D., an associate professor of marketing at Fordham Schools of Business. Aksoy has researched and written extensively on customer loyalty, satisfaction and retention.

"There are two aspects of trust that help engender customer loyalty," she explained. "The first is competence. Is the company credible and reliable? Does it do things right? The second aspect is benevolence.

Is the company acting on my behalf? Does it have my best interest at heart?"

Customer loyalty, on the other hand, is more difficult to define, according to Aksoy.

"Loyalty is an emotional bond," she said. "You must understand your customer's behavior as well as how they feel about you. The best way to measure loyalty is by relative share of wallet—how you're doing versus your competition—as well as surveys that uncover how customers feel about your company."

An article co-authored by Aksoy in last month's *Harvard Business Review* introduces the "Wallet Allocation Rule," a robust tool that enables companies to link their customer survey data with the share of wallet that their customers allocate to the firms and to their competitors.

As a general rule, high-trust companies tend to outperform their competitors. Consider the annual *Fortune* "100 Best Companies to Work For" list, for which trust is the primary selection criterion. Hurley wrote: "Studies of the *Fortune* 100 Best Companies to Work For in the United States have shown superior financial returns when compared to the S&P 500, and these results have been confirmed among corresponding lists in Denmark, the United Kingdom and Brazil." He points to other large companies—Microsoft, Google, Ernst & Young and QuikTrip—that have earned solid reputations for trustworthiness—and turned in solid financial performances.

"Our business culture is about to turn the corner," Hurley continued. "As low-trust firms fail—and they have—and as we become better judges of whom to trust, we will create an incentive for companies to be trustworthy." So what firms does Hurley believe are "trust failures"?

"Goldman Sachs violated clients' trust by failing to adequately disclose relationships that posed a conflict of interest, while Toyota betrayed trust by failing to communicate defect issues in the U.S. that were well known in other markets." The lesson to be learned from these best- and worst-case scenarios is clear, he said.

"Those companies that understand the importance of, and create, well-founded reasons to trust will have a meaningful competitive advantage."

—Barbara Esposito is a freelance writer based in New York.



Culture Shock

By
Claire
Curry

Play a carefree game of beach volleyball, or take a refreshing dip in the pool. Dine on a savory vegan dish from an eclectic menu of gourmet, organic cuisine. Release your tensions with a relaxing massage. Then, sip fine wines or learn to salsa. Retire to an art-deco-inspired lounge for a skillful game of billiards, or sink into a Crayola-hued beanbag and enjoy lively conversation over chilled wheatgrass shots.

Sound like the perfect escape at a luxury spa? For employees at Google, it's just another day at the office.

This atypical work environment—where lava lamps and foosball tables reign, sustainably designed yurts replace old school cubicles, and CEOs cycle along indoor bike paths to their next meeting—is a reflection of the emerging 21st-century business culture already flourishing at entrepreneurial ventures like Google.

The company, now entering its 13th year, is the product of a big idea that was driven from concept to market by two ambitious college students.

"Google is famous for its food and massages—it's part of the business model," says Bill Sickles (GSB '84), global business head for Google's Emerging Sector. "It's about helping people feel comfortable in their environment."

Four company cafés in Manhattan serve three squares plus snacks and feature healthy choices to meet any dietary preference, from raw food to vegetarian and everything in between. "It means that we don't have our engineers or salespeople walking up and down Ninth Avenue looking for a sandwich," he continues. "They can go to lunch with co-workers or interact in the café. It's a collegial atmosphere that allows for relationship-building. As much as the technology is a big part of our business, the 'people' element is key."

Securities industry pioneer Doreen Mogavero, founder, president and chief executive of the first and only floor-based broker/dealer firm to be wholly owned and operated by women, also put people first when she created a business

Global Intelligence

By Leslie Limon



Parker

Understanding that sometimes “yes” really means “maybe.” Not taking it personally when colleagues don’t acknowledge you in the elevator. Dining on fermented cabbage at a breakfast meeting—and putting on a brave smile. Fighting the urge to step back during a conversation with a client as he talks to you from a few short inches away. Recognizing that your staccato “Americanized” communication style ruffles feathers across the pond—and dialing it down a notch, or two.



Identifying cross-cultural differences often begins with our basic senses—taste, touch, sound, personal space, emotional sensitivity—and the depth of our global intelligence depends on how we detect, define and respond to this sensory data. After all, it can be subtle, and usually lies beneath the surface.

Culture is “like an iceberg,” says Chris Hendrix, a senior in the Global Business Honors Program (GBHP) at Fordham University’s Gabelli School of Business. “All the things you notice are at the top, and the rest is underwater. Looking at it like that makes it easier to understand.”

Helping students develop the global intelligence they’ll need to compete and succeed in today’s world is a primary goal for business educators. At Fordham, a host of courses and programs build global acumen through experiential learning. Semesters abroad, intensive cultural immersion tours, courses that take place in three different countries over one semester, and etiquette dinners that train students in the nuances of dining around the globe are among the offerings at Fordham Schools of Business.

Such experiences reinforce the importance of recognizing cultural differences when one enters the global workforce. And money talks, too: the cost of overlooking the value of cultural intelligence can add up for companies that compete globally.

Premature return of a single executive posted to a foreign country can cost a company as much as \$1.2 million, according to a National Foreign Trade Council study. What’s more, various studies peg the percentage of U.S. American expatriates who return early from developed countries at 10 to 20 percent, while 70 percent return early from developing countries. The primary reason: cultural maladjustment due to inadequate preparation.

A Globalization Spectrum

What about large multinational corporations? Does corporate culture transcend local differences? Not really, suggests Daniel McDonough (FCRH ’05), a business analyst who heads university development for Business News Americas (BNAmericas) in Santiago, Chile. Citing determining factors such as business sectors and the global background of a firm’s management team, McDonough, who studied economics at Fordham, is among many whose observations from

the front line suggest that there is a spectrum of approaches to globalization in the business environment today, from ethnocentric to polycentric and everything in between.

At one end, ethnocentric companies see their way as the “right way” and local ways as deviations to be “corrected” or ignored. This model is proving unsustainable as emerging economies gain in strength and number and demand to be dealt with as equals. “It would be a mistake to try to do business with them assuming you can set your own rules or judge them by Western standards,” says Sertan Kabadayi, associate professor of marketing and academic director of Fordham’s new Three-Continent Master’s in Global Management (3CMGM) program. Discovering years ago that (as in many cultures) a Brazilian “yes” isn’t always a request granted, Kabadayi didn’t judge Brazilians as unreliable; he learned to double-check.

At the opposite extreme are polycentric corporations that give local management free rein to follow their norms. Most

Fortune global 500 corporations lie somewhere between ethnocentric and polycentric models. Global public relations firms, for example, need localized operations to design campaigns that ring true for local audiences. Take shaving, says Timothy de Waal Malefyt, vice president and director of cultural discoveries for BBDO Worldwide, Inc., and guest lecturer in business and cultural anthropology at GBA. Shaving-product ads in Latin America cater to machismo, with models sporting well-sculpted moustaches. Ads in northern Europe present a more clean-shaven profile. This example illustrates the value of recognizing local norms and how that intelligence can translate into increased product sales. For global campaigns, BBDO offices work in concert to ensure that the messages appeal to a broader audience.

Even the financial sector, often considered homogeneous, is not immune to culture's impact. When Hendrix was an intern at a Japanese bank in New York, the Scarborough, Maine, native entered another world. "In the elevator, people would look down and not say anything, and I'd think, 'They must not like me,'" he recalls. He was also startled by the open workspace and strict bureaucratic procedures. Through weekly culture sessions for American employees, Hendrix began to gain a better understanding of Japanese cultural norms.

The Swiss bank UBS offers another example, says Carol McClure, who

graduated from Gabelli in 2003. She worked for three years in the multinational bank's Stamford, Connecticut, North American headquarters, where East Coast norms reigned. But when she transferred to London, she quickly discovered that British co-workers found her brisk American communication style somewhat intimidating. "My friends told me I needed to have 'a bit of a chat' before diving into the business at hand," she says.

Geopolitics & Vineyards

While it's important to know whether to bow or shake hands, cultural acumen also embraces history and geopolitics. "What happens in Libya, Egypt or in any part of the world has implications for business at the other end," says Kabadayi. "You follow not just financial and economic news, but also who's winning elections."

Since political risk management is crucial to global business decision-making, "business education has to include the impact of other countries' civilizations, laws and politics on business, and vice-versa," explains Marcia Flicker, associate professor of marketing and director of Fordham's Master of Business Enterprise (MBE) program. Geopolitics is included in both undergraduate and graduate business curricula. And in this fall's special topics graduate course Business and Geopolitics, Jonathan Story and

Dominique Moïsi, top advisers to global leaders and policymakers, are lecturing on the relationship of geopolitics to global markets.

The mix of politics, current affairs, history and economics offered in Gabelli's Global Business Honors Program is a great plus, according to Hendrix. He also praises the program's yearly capstone study tours that have taken him to London, Paris, Beijing and Santiago. He credits the program for pointing him toward an international career. "When I got the invitation [to join the program] and realized the opportunities to travel, I got really excited," he says. "I learned about these places in school, but the classroom is no replacement for firsthand learning experiences."

Study tours include lectures, company visits and free-wheeling exploration. In Beijing, students learned from a local history professor about when Europeans forced China's ports open 150 years ago. They now understand China's current push to regain global leadership. "We also 'took the training wheels off' and let them explore Beijing on their own," says honors program director Brian Dunn. For the Chile trip, students prepared by researching the Chilean wine industry so they could ask intelligent questions during their vineyard visit. And on a study tour in India, students in an Investing in India course interviewed equity analysts about their analytical metrics. Finally, the GLOBE program, an undergraduate international business specialization, requires



You're (Not) in My Space Conversational distance between acquaintances varies considerably among cultures. Arm's length seems about right to people in the U.S. or northern Europe, while people from a Latin American or Middle Eastern country may stand so close that you feel (and smell) their breath as they speak. Culture clashes can occur if one perceives the other as intrusive and backs off, sending signals to the other that they are unfriendly or even untrustworthy.

international experiences through study or work abroad, or a domestic internship with an international company. Last year, 154 students graduated with a GLOBE certificate.

Business students can take courses with intense one- to two-week capstone study tours that complement course content. GBA students can choose two weeks in China or a week in Istanbul. Trips pack a lot into a short time: in China, students are on the go 16 to 18 hours a day. For longer immersions, students can opt for a semester- or year-long study abroad program. Besides the Jesuit network of universities, Fordham has worldwide partnerships with institutions such as the University College in Dublin (UCD), Ireland, the site of McClure's study abroad experience and the inspiration for her international career. After that experience, she says, "I knew I was going abroad either for my graduate degree or to work there." She ended up doing both, earning her master's in finance at the London Business School and taking a position at UBS that ultimately led to her London assignment.

Classroom Diversity

A strong international student presence at Fordham University Schools of Business offers U.S.-based students another window to the world. To Harry Kavros, associate academic dean at Gabelli, increasing international students' numbers and diversity is crucial. "It enriches the classroom conversation with other points of view," he explains. "It also enriches friendships, and we would hope it would encourage study abroad to their countries." He notes that a new exchange relationship with Koç University in Istanbul will bring Turkish students to Fordham while giving Fordham students another study abroad destination.

In the graduate school, Associate Dean of Academic Programs Stuart Lipper agrees: "International students can offer domestic students real-world perspective, and that's what an MBA

degree is all about." The international presence is especially strong in the MBE program's first cohort. Of 44 students, eight are from the United States; a few are from Israel, Germany and Spain; and the rest hail from China. The program began in August with a strenuous boot camp: basic business concepts, business communications with ESL for native speakers of other languages, and cross-cultural team-building to break down cultural barriers and promote cohesiveness. Lipper says the aim is to duplicate this model for all international graduate students.

The graduate-level Three-Continent MS in Global Management program includes cross-cultural and global elements that Kabadayi hopes will set a standard for training all graduate business students. The first cohort includes 21 students from Belgium, India, the United States, China, Indonesia and Turkey, an intentional mix to foster cross-cultural interactive skills. The program covers business disciplines and personal development in four-month sessions at partner schools in Antwerp, Belgium, and Bhubaneswar, India, as well as at Fordham in New York City.

The Payoff

What are the ingredients for success in an inescapably global business environment? In a paper published for the International Association of Jesuit Business Schools, Fordham's Milan Zeleny makes the case for a new wisdom: "In the global economy, frequent or continuous strategic change will become the norm...Such an important mode of strategic thinking cannot be learned and mastered by asking how, but only by asking why." McDonough, too, cites companies' clamor for graduates with high-level analytical skills as the driving force behind BNAméricas' new partnership with the Graduate School of Business Administration that involves student internships in Santiago.

"It's really great to produce somebody who knows enough to get a high-level accounting job, but how great would it be if they could craft a regulation

because they know what other countries do, or make analogies to newer fields," adds Kavros. "Higher-level thinking from cultural learning and travels will pay off in leadership and management skills."

Another payoff: expanded notions of equity and justice, as Kavros saw during the India study trip. Visits included one to rural women in a microfinance relationship and another to a dense Mumbai slum where people worked productively despite substandard conditions. Many students zeroed in on these in their written impressions of India, revealing new perspectives on gaining wealth to contribute to society. "This was huge," says Kavros. "Their axes and values shifted." Is this what a globally focused education is supposed to do? "It's what a Jesuit education—an ethics and liberal arts-based education—is supposed to do," he answers.

—Leslie Limon is a freelance writer and former cross-cultural trainer based in Salem, Massachusetts.

Breakfast Is Served

For the wake-up meal, even intrepid travelers can find local norms a gastronomic challenge. Some of the more exotic fare that greets breakfast-eaters around the world:

China: rice or congee, a rice porridge, with small amounts of vegetables, fish or meat

Egypt: mashed fava beans with olive oil, chopped parsley, onion, garlic and lemon juice

India (north): a mix of rice, lentils and spices, often with deep-fried eggplant, oil-based pickles and yogurt (also common in Pakistan and Bangladesh)

Korea: rice, fermented cabbage called kimchi, tripe soup, breads and pastries

Malaysia: a mix of coconut rice, cucumber, anchovies, roasted peanuts, hard-cooked egg and sambal, a spicy sauce

Morocco: leftover tagine, a spicy lamb stew

PEOPLE

Visiting Scholars Talk Business

By Brett Johnson

V

isiting lecturer

Anjali Kumar may work full-time as an attorney at Google, but there's another title that she says describes what she does just as well—"idea acupuncturist."

"A lot of [my job] is looking at ideas—product ideas, business ideas—and saying here's where I can most add value, here's my best judgment about what the [legal] issues might be and here are the risks," she explains. "It's what I think of as acupuncture—putting in a needle in a specific place, helping unblock whatever issues they're grappling with on the business side, on the product side, and then helping that [idea] continue to flow."

Kumar keeps the creative juices flowing in other ways this semester in Fordham's business school classrooms. With fellow Google attorney **Blake Reese**, Kumar co-teaches an undergraduate course on law and the tech industry. The duo covers

legal topics such as copyright and software licensing and breaks down the basics of forming a corporate entity, from how to find funding to the importance of social responsibility.

Like many of this year's new faculty, the attorneys want students to understand how global businesses operate so that they can have a more well-rounded appreciation of the international marketplace.

"[We address] topics like foreign intellectual-property and privacy laws—every country has its own laws," noted Reese, who handles legal cases related to products, advertising and infrastructure at Google. "There won't be too much focus on foreign law, but we touch on it."

Kumar adds: "You can't have a technology company or certainly an Internet-based company without taking into account the global impact of your idea because things spread so quickly."

Few are better qualified to discuss economics and its global impact than the prolific French political writer



Dominique Moïsi and respected author **Jonathan Story**, two visiting scholars who are teaching at Fordham Schools of Business this year. The pair lecture in Business and Geopolitics, a graduate-level course that aims to help students develop an "ability to assess and handle the political environment" as it relates to business.

Referencing Moïsi's book *The Geopolitics of Emotion* as its main text, the course's primary objective is to explore the effect geopolitics has on how companies operate and perform. Weekly lesson topics are far-ranging,

from the recent sweeping changes in the Middle East, to the challenges of African nations, to climate change and corporate corruption, to the economic issues faced by countries in transition, including Russia and China. An emeritus professor of international political economy at INSEAD, Story's most recent book, *China Uncovered*, provides useful advice on how to conduct business in contemporary China. He's also researching a new book, *China in the World*, and publishes regularly on his blog, Storybook.wordpress.com. In fact, Story shares with

Seminar: Lessons from the War in Iraq

November 15 to 17, 2011

Marine General Peter Pace (Retired), 16th Chairman, U.S. Joint Chiefs of Staff, and Robert Hurley, Ph.D., Professor of Management Systems
Open to GBA students, faculty and alumni

Fordham Schools of Business more than five decades of experience teaching about world politics, public policy and global markets. And Moïsi, a senior adviser at the French Institute for International Relations, has equally impressive credentials. He contributes to *Financial Times*, *The New York Times*, *Foreign Affairs*, *The Guardian*, *Die Welt* and other international publications. Moïsi also has consulted with leading French politicians, including, most recently, Nicolas Sarkozy on the Libyan crisis.

In addition to sharing their expertise with business students in the classroom, Story and Moïsi were invited to speak at a Fordham Wall Street Council meeting this fall about the debt crisis in Europe and how global capital markets might fare in the future.

It's clear that Fordham Business Schools place a premium on faculty who inspire students to achieve fulfilling and successful careers in global business through their own professional experiences. **Marshall Carter**, chairman of the New York Stock Exchange Group and deputy chairman of the NYSE Euronext Board, returned to Fordham Schools of Business this year to serve as the featured speaker in the Flaum Leadership Lecture series. He delivered an informative presentation about leadership, ethics and the highlights of

his illustrious career spanning nearly five decades.

With a résumé that boasts a two-year term (from 2005 to 2007) as chairman of the United States' Joint Chiefs of Staff, **General Peter Pace** (Ret.) is another distinguished visiting scholar whom Fordham is honored to welcome to campus. Gen. Pace spoke at the Graduate School of Business Administration's commencement in May and was given an honorary doctorate of humane letters. Having served as the primary military adviser to former President George W. Bush during much of the Iraq war, Pace shares a unique perspective and firsthand knowledge of the ripple effect politics can have on global business interests. Both Carter and Pace are making guest appearances in Fordham business classes and at academic conferences throughout the 2011-2012 academic year.

Turkish broadcast journalist **Mithat Bereket** also brings special qualifications to Fordham's business school community. A respected reporter and war correspondent, Bereket has covered key world news stories, from the Gulf War to tensions in Algiers and conflicts in Bosnia, Kosovo and Chechnya. Nelson Mandela, Benjamin Netanyahu, Benazir Bhutto and Bill Clinton are among

the many world leaders he has interviewed.

In his graduate-level course, Communication with High-Level Executives and Leaders in Multi-Cultural Contexts, Bereket arms students with strategies to effectively communicate in diverse business environments. Students observe and analyze Bereket's interviews and participate in individual and group role-play simulations to actively develop and refine their verbal communication and negotiating skills.

The ability to communicate across cultural borders is key for undergraduate and graduate business students, including those interested in careers in energy finance. **Ehud Ronn**, a former University of Texas professor who joins Fordham as a visiting professor of finance this year, is an expert in the emerging sector that is based on tracking commodities such as oil and natural gas.

"Students in finance think of working in one of two broad categories—on corporate finance as financial analysts, or on the investments side," Ronn says. "I would like to ensure students are aware of the field of energy finance, in which students can use the tools they've learned in finance in a very exciting emerging area."

Ronn, who teaches the

undergraduate course Derivatives and the graduate-level class Risk Management and Energy Corporations, says that some American companies with offices in countries such as Saudi Arabia, Egypt and Venezuela often have jobs available for enterprising and adventurous business students.

Like other visiting scholars this semester, Ronn has a keen interest in promoting global consciousness. But he also appreciates that students' academic endeavors should translate into viable career opportunities upon graduation.

"Of course I want students to come [to my classes] because they'd like to learn about the world of commodities and their important financial aspects," he adds. "The other part that's important, and perhaps more important, is the employment prospects. I'd like students to think of this as a field where they would like to gain employment."

Ronn and all of the visiting scholars who are sharing their backgrounds at Fordham Business Schools this year bring fresh perspectives to the University's business faculty, which is collectively committed to equipping students with the latest intelligence and tools to succeed in an increasingly competitive business environment.

—Brett Johnson is a writer based in Brooklyn, New York.

Q & A

Hot Topic: Social Media Going Public

Business networking site LinkedIn's \$9 billion initial public offering (IPO) shattered expectations and sparked a flurry of speculation as to which social media firm would go public next. But at press time, none had followed. What's going on? Discussing the market forces at work is Athan Stephanopolous (GBA '07), founder and CEO of GorillaSpot, Inc., a provider of online video applications that enable media and brand companies to make their content social. Also a full-time lecturer of communications at GBA, Stephanopolous teaches Social Media, a course that examines the influence of social networking as a business as it has evolved from startups to large-scale firms.

Q: Why all the interest in these IPOs?

Social media is clearly the "it" thing at the moment, radically changing everything from how we communicate to how we conduct business. Never before in history have we seen an industry grow so fast. These businesses have gone from "zero to 60" in just a few years, growing from small start-ups to multi-billion-dollar companies.

Q: Was the LinkedIn IPO over-valued?

Not necessarily. I think it received substantial media

attention due to being one of the first "social media" IPOs, which forced many to watch carefully, given the talk of other impending IPOs, such as Zynga and Facebook. The truth is, LinkedIn has a proven business model with a real revenue stream, which is what is most important in any IPO. I think overall the market understood this and the valuation was justified. That remains to be seen with some of the other companies out there.

Q: What's your take on the highly publicized Groupon and Twitter IPO delays?

Each situation is different. Remember, demonstrating strong financials is the most important factor in a successful IPO. In Groupon's case, their reported revenue is not as impressive as it might seem. In the second quarter, they posted a net loss of nearly \$103 million on revenues of \$878 million. Add this to the relatively poor PR they've received lately from their merchants, and it's not surprising they delayed their IPO temporarily. However, it has recently been reported that they are looking for an IPO soon.

As for Twitter, I can't really see them wanting to IPO any time soon. Twitter has been abundantly clear that building a "massive" audience is their first priority, and then monetizing against



that network later. They have amassed one of the largest social networks but seem to be working through business models around the platform. Doing an IPO now makes no sense, as they have substantial venture capital and don't need the money.

Q: So it boils down to the business model?

That and market conditions. A volatile market such as what we've been experiencing is not an ideal environment for an IPO, no matter what the business. Just look at the fact that Groupon was one of 21 companies to announce IPO delays in August. That's the largest number in more than 10 years.

Q: Is social media the second dot-com bubble?

Again, not necessarily. Clearly there are many social media driven startups that are receiving abnormally high

valuations early on, but many have proven themselves by building solid companies with real revenue streams. This is what is different from the first dot-com bubble. There are now massive audiences online and entrepreneurs are building viable business on top of them, with social networks fueling the opportunity. I don't believe the story of social media will end like the first dot-com bubble. I think it is still quite early in the game.

Q: A case of "lesson learned?"

Sure. While there is still some "frothiness" in the valuations of early-stage web 2.0 companies, many venture capitalists are now more prudent and cautious. For the most part, these companies are building great products, gaining user traction before reaching out to investors for growth capital.

—Barbara Esposito



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