

# MIT Sloan

News and insights for the MIT Sloan community

Building  
the Future



# MIT Sloan

News and insights for alumni  
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### On the cover

New alumni stroll outside MIT Sloan's new building in spring. The building, situated between Memorial Drive and Main Street, adds 215,000 square feet to the School's footprint. The most sustainable building on the MIT campus, it includes light-sensitive window shades, a green roof, and an irrigation system that minimizes water use by responding to changes in the weather.

## Celebrating MIT Sloan together

### DEAR ALUMNI,

We very much enjoyed seeing so many of you return to campus last May for Alumni Weekend and *Building the Future*, the celebration of MIT Sloan. A record number of alumni from every MIT Sloan academic program journeyed to Cambridge from across the globe.

Alumni Weekend affirmed much of what we learned from the Alumni Engagement Study completed in 2009: You strongly desire continuous learning opportunities, prefer to learn with one another, and want more direct interaction with the School's faculty. The packed Back to the Classroom sessions made that clear.

Many of you also returned early to participate in the dedication of our new building and the faculty-driven colloquium, *Exchange 62: Now and Next*, which marked the occasion. It was gratifying to see the School's alumni, many of whom made generous gifts in support of the building, walking the halls of E62 and the Joan and William A. Porter 1967 Center for Management Education.

For those of you who were unable to attend *Building the Future*, we have posted videos of the dedication, the colloquium sessions, and the Alumni Weekend academic sessions online in their entirety, and edited excerpts will soon be available as well. Please visit <http://mitsloan.mit.edu/buildingthefuture/> for coverage of all the events and <http://mitsloan.mit.edu/buildingthefuture/alumni-weekend> for specific coverage of Alumni Weekend. On the *Building the Future* website, you also will find photo galleries of the events, more information about our new building, and even a self-guided tour of the building that you can download.

This year during Alumni Weekend, we also began what we hope will become a continuing tradition with our alumni: Sloan Stories. We asked some of you to share on video your memories of your time at MIT Sloan and the impact your MIT Sloan education has had on your careers and lives. Next month, we will be sharing these wonderful conversations with all alumni. We hope Sloan Stories will be a highlight of future alumni gatherings as well, and look forward to hearing your stories



*Tom Witkowski*  
Director,  
Creative Strategy

*Kristina Gulick Schaefer*  
Associate Dean,  
External Relations

about MIT Sloan and your lives. Please watch the coming alumni e-newsletters and visit the Alumni Portal to find out when and where you can view your classmates' videos.

Finally, welcome to the Class of 2011. Congratulations on your achievement. You are now part of a 20,000-plus-strong global network of leaders who are improving the world through principled management practices. That network includes graduates of all MIT Sloan programs. And, of course, you are also part of a larger alumni community that includes all graduates of MIT.

But the MIT Sloan alumni network also includes graduates of each of the School's partners in the International MBA program—Fudan University in Shanghai; Lingnan (University) College in Guangzhou; Tsinghua University in Beijing; SKK Graduate School of Business at Sungkyunkwan University in Seoul; and Universidade Católica Portuguesa and Universidade Nova de Lisboa in Lisbon. Congratulations to those recent graduates as well.

We encourage all of you—from the MIT Sloan Class of 2011 to all of the graduating classes that came before them—to join your local MIT Sloan or MIT alumni club, watch for and attend alumni events, and remain connected to MIT Sloan. We look forward to seeing you again soon.

Best regards,

Kristina Gulick Schaefer  
Associate Dean,  
External Relations

Tom Witkowski  
Director,  
Creative Strategy

# Building the Future at MIT Sloan

## DEAR ALUMNI AND FRIENDS OF THE MIT SLOAN SCHOOL OF MANAGEMENT,

This past May, I was proud to welcome more than 1,900 alumni and friends back to campus for our *Building the Future* celebration and Alumni Weekend 2011. In one long weekend, the School saw the dedication of its new building, a faculty-led academic colloquium, a meeting of the four global Executive Boards that guide its engagement with the world, and a slate of activities that gave classmates and their families a chance to reconnect.

We were excited for alumni to visit our new building, the centerpiece of which is the Joan and William A. Porter 1967 Center for Management Education. As expected, this new addition to campus did not disappoint.

Many of you commented not only on the stunning glass and stone façade, bordered by the Charles River on one side and Kendall Square on the other, but also on the level of excitement inside the building. For the past year, this building has brought a renewed energy to our faculty, students, and colleagues across MIT and around the world. It was a privilege to share this excitement with alumni and friends.

The School's new building is not just a capital improvement project or a routine update to the School's facilities. It is the launching point for a new, kinetic era in MIT Sloan's history. It is a driver for something we have always had: a unique and diverse community of students, faculty, and alumni dedicated to action and collaboration, and passionate about innovation.

I see the building as a platform for enhanced collaboration across MIT, among the Institute's student body, faculty, staff, alumni, and friends. In the not-so-distant future, I see students from across MIT using the Porter Center for Management Education as a gathering point to pursue innovation to improve the world.

With the new building, MIT Sloan grows not just in size, but also in scope:

- We are growing our faculty and programs at thoughtful levels. The School's global reach continues to expand, as we partner with top business schools and programs in Russia, Portugal, and throughout Asia to improve management practice and economic development around the world.
- The MIT Entrepreneurship Center brings the Institute's brightest science and engineering minds to MIT Sloan to partner with the School's aspiring entrepreneurs and brings



David Schmittlein  
John C. Head III Dean

critical, groundbreaking research to bear in the world through successful, innovation-driven enterprises. Student-led companies like sustainable sanitation firm Sanergy, winner of the 2011 MIT \$100K Entrepreneurship Competition, seek innovative solutions to the world's greatest problems.

- Our new sustainability certificate combines the experience of the School's landmark System Dynamics group with the most forward-thinking approaches to sustainable business practices. I was pleased to award 19 students with sustainability certificates in June.
- The new, intensive Executive MBA program draws on the faculty and curriculum of the School's Sloan Fellows Program in Innovation and Global Leadership to offer both new and time-tested knowledge to a cohort of committed executives from the world's top companies.

Our responsibility is great, our opportunities are unbounded, and our history will never be finished. In the new building, we have the physical home we need to fulfill our mission to develop principled, innovative leaders who improve the world and generate ideas that advance management practice.

To those who were able to join us in May—thank you.

I especially thank the hundreds of alumni and friends who donated to—and continue to donate to—the construction of our new building, as well as the thousands of alumni who give unrestricted gifts to the Annual Fund, gifts that allow the School's continued reach and influence on management practice and innovation worldwide. None of our successes and new endeavors would be possible without your support.

If you were not able to visit us for *Building the Future* and Alumni Weekend 2011, you can learn more about the events at <http://mitsloan.mit.edu/buildingthefuture/>.

*David C. Schmittlein*  
David Schmittlein  
John C. Head III Dean

## Tim Fu, MBA '12

- Founded PT Games to build video games for use in physical therapy
- Led MIT Sloan Clean Energy Study Tour to Denmark
- As an HVAC engineer, worked on new World Trade Center development

*“I think we have something special between the therapist, the game, and the patient. And later, between the trainer, the game, and the patient.”*



**Tim Fu tore his ACL playing Ultimate Frisbee** in October 2009, just as he was applying to MIT Sloan to study and develop renewable energy models. Injured, he dove into his physical therapy exercises, only to taper in enthusiasm as he healed.

“I did it every day for about three weeks,” he said. “Somewhere between three weeks and a month, I would do 50 percent of what I was supposed to.”

Fu wondered how therapists could work with patients to ensure physical therapy regimens were completed.

Enter PT Games, Fu’s startup to design Kinect for Xbox 360 games that assist in physical therapy exercises, built with the input of therapists. The Kinect is a video game platform that responds to human movement.

“It seemed like such a huge opportunity to make the service better,” he said. “Ultimately, we want to deliver a video game first for physical therapy patients and then for the general fitness audience.”

Fu and three partners began development of PT Games’ first game during the summer, but they are not alone in the field. Led by Wii Fit, health and fitness video games are gaining traction and appealing to people beyond the traditional young male video game-playing demographic.

Fu believes PT Games has a unique edge.

“No one really puts it together into a medical application,” he said. “I think we have something special between the therapist, the game, and the patient. And later, between the trainer, the game, and the patient.”

Video game development is an accidental future for Fu,

whose passion lies in the development and marketing of renewable energy models, the reason he came to MIT Sloan in the first place. A mechanical engineering graduate from Cornell University, his solar design team there formed a residential green home design firm, ZeroEnergy Design. Fu moved to New York City to work as an HVAC engineer at Jaros Baum & Bolles. Projects there included the new World Trade Center development.

But Fu—like many of the young innovators at MIT Sloan—saw a better model for what he was doing. His intentions are no less than colossal: find ways to build large-scale renewable energy enterprises supported by a community of like-minded investors. This spring, Fu led an MIT Sloan Clean Energy Study Tour to the island of Samso in Denmark, where many residents own shares in the 21-turbine wind farm that powers the entire island, with saleable energy to spare.

“I think there’s demand out there from people who want to invest, but just don’t know how or have the options right now,” Fu said about the United States.

The traditional challenges abound. The national energy infrastructure is built on a gas and oil model. Outside of a few small regions, Americans have shown resistance to the arguable unsightliness of wind turbines. And investment cost may feel prohibitive to many.

“We’re hoping to address some of that,” Fu said. “A lot of people who bought into renewable energy are early adopters. Someone’s getting (the financial benefit), and right now it’s big investment companies and private equity firms. We’d like to give that financial return to the end users.”

# New associate dean for external relations joins MIT Sloan

**MIT SLOAN ALUMNI HAVE A NEW CONTACT IN CAMBRIDGE.**

Kristina Gulick Schaefer joined MIT Sloan in January as associate dean for external relations. In her new role, Schaefer directs all of the School's work and connections with alumni, including the planning of events like last spring's Alumni Weekend 2011.

"We want to increase the engagement of MIT Sloan alumni back with the School," Schaefer said. "I'd like to see it as a lifelong engagement, not just their time on campus as students. Having nearly 2,000 of our alumni and friends return last May shows how robust our community is. I know that connection can be even stronger."

"The intellectual environment here is striking," Schaefer said, noting her first meetings with alumni left her "incredibly impressed with their passion for the place." She said, as well, that she is excited to work with the School's alumni around the world.

With the School's \$142 million new building complete and open for business, alumni will see MIT Sloan fundraising efforts shift to emphasize support for faculty and students, Schaefer said.

Alumni can also expect to see new emphasis on volunteer opportunities at the School, as well as enhanced offerings to capitalize on the School's career resources throughout their lives.

**"The intellectual environment here is striking."**



*Kristina Gulick Schaefer*

"I really am open and interested in hearing directly from alumni about what's working and what's not," Schaefer said. "And what we could do better."

In addition to spearheading MIT Sloan's alumni relations work, Schaefer oversees fundraising efforts involving support from corporations, foundations, and other donors. She also serves as a key liaison to MIT Resource Development and the MIT Alumni Association.

Schaefer was previously the vice president for advancement at Simmons College in Boston and served as a key member of the Simmons President's Council. Prior to her position at Simmons, she served as vice president for development and the director of foundation operations for the Children's Memorial Foundation in Chicago. Schaefer also served as executive director of development at Rice University in Houston, as well as the campaign director for Rice's James A. Baker III Institute for Public Policy. She began her career at the University of Vermont in Burlington before directing the annual fund at Texas Christian University in Fort Worth, Texas.



Harris & Harris Group Professor **Andrew Lo** and Senior Lecturer **Mark Mueller** won the first annual Harry M. Markowitz Award for their paper “Warning: Physics Envy May Be Hazardous to Your Wealth!” The award honors the best paper appearing in the *Journal of Investment Management*.



Senior Lecturer **Leigh Hafrey** and **Cate Reavis**, project manager for MIT Sloan Teaching Innovation Resources, won the Public Sector Innovations category of the 2010 European Foundation for Management Development Annual Case Writing Competition for “Management Principles and the Washington, D.C. Public Schools.” The two-part case study examined then-Deputy Mayor for Education Victor Reinoso’s, MBA ’97, search for a school chancellor and pursuit of federal Race to the Top funds.



Three faculty members won National Science Foundation CAREER Awards. Robert N. Noyce Career Development Professor **Vivek Farias** won for his project “Large Scale Stochastic Control: A Math Programming and Discrete Optimization Lens.” Assistant Professor of Statistics **Cynthia Rudin** won for her project “New Approaches for Ranking in Machine Learning.” Douglas Drane Career Development Professor in Information Technology and Management **Catherine Tucker** won for her project “Digital Privacy and Regulation.”



MIT Sloan School Career Development Professor **Denise Lewin Loyd**, along with co-authors Lisa M. Amoroso of Roosevelt University and Jenny M. Hoobler of the University of Illinois at Chicago, won the Fritz Roethlisberger Memorial Award for the best article published in the *Journal of Management Education* in 2010. The winning paper is entitled, “The Diversity Education Dilemma: Exposing Status Hierarchies Without Reinforcing Them.”

Assistant Professor of Applied Economics **Alberto Cavallo** and Society of Sloan Fellows Professor of Management **Roberto Rigobon** were featured in the *New York Times Magazine*’s “10th Annual Year in Ideas” issue for their Real-time Inflation Calculator, available at <http://bpp.mit.edu>.

# School's building director celebrated for "Greening MIT"

**HUNDREDS OF DONORS AND LABORERS**, along with an award-winning architectural firm, built MIT Sloan's new building, a project 13 years in the making.

Cindy Hill, the School's director of capital projects, was part of the team from day one.

In March, MIT honored Hill with an MIT Excellence Award for Greening MIT for her commitment to making the new building, including the Joan and William A. Porter 1967 Center for Management Education, the most energy-efficient building on the Institute's campus.

Construction on the building, designated E62, lasted three years. Hill was behind the job for the decade lead-up to groundbreaking.

**Hill has called the building "the heart of MIT Sloan."**

"Through her decade-plus leadership for the project to conceive of and construct E62 and the Porter

Center for Management Education, Cindy led a team of the School's faculty and staff through a thoughtful process that took into account the needs of our entire community and, importantly, the environmental needs of MIT," said John C Head III Dean David Schmittlein. "She did this with a commitment, drive, and passion that serve as inspiration to the School."

Hill was involved in the program study that determined the School's needs for a new building. She helped choose the architect, Moore Ruble Yudell; represented MIT Sloan's needs and concerns in every step of the design; and worked closely with MIT facilities to make sure the building was delivered on time and under budget.

The building has been praised by students, faculty, and staff for its usability and livability.

Sustainability features include:

- a building envelope that is designed to be highly insulated and airtight;
- an HVAC system that utilizes chilled beams and radiant panels to regulate temperature;



*Cindy Hill*

- an integrated lighting system that provides dimming of office lights and shade control in response to occupancy and daylight conditions;
- extensive bicycle parking;
- photovoltaic solar panels on the uppermost roof; and
- a flexible design of faculty offices and classrooms that can be redesigned when necessary for the next 100 years.

"Cindy played a large role in making this a green building, constantly advocating and seeking solutions which enhance the building's environmental impact," Paul Asquith, the Gordon Y Billard Professor in Finance, wrote in nominating Hill for the MIT Excellence Award. "These included multiple features, such as the green roof, which, without her, would not have happened, the solar panels, and the insulation system."

Hill has called the building "the heart of MIT Sloan."

"It gives students a home," she said. "This is where you will find the most people at any time during the day. There are many places to just sit and talk or quietly study. In the same way we want faculty bumping into each other, we want students to have that opportunity, too. There are lots of ways they can study, collaborate, and network."

Hill has worked at MIT Sloan for 25 years, with roles in the MBA program and educational services prior to joining capital projects.

The MIT Excellence Awards honor staff members who fulfill the goals, values, and mission of the Institute through their extraordinary work at MIT. This year, 19 people and three teams were honored at a March 1 awards ceremony in Kresge Auditorium.

## Professor Emeritus Eli Shapiro, 94; guided MIT Sloan in years after founding

**P**rofessor Emeritus Eli Shapiro, the bow-tie-bedecked economist who helped to develop MIT Sloan's academic character, died December 4, 2010, after a short illness. He was 94.

Shapiro was professor of finance at MIT Sloan from 1952 until 1962, before leaving to teach at Harvard Business School. He returned to MIT Sloan in 1976 as the Alfred P. Sloan Professor of Management, a position he held until his retirement in 1984.

MIT Sloan's first associate dean, Shapiro was known for his finance-appropriate dictum, "Don't forget the cash!" In addition to his work at MIT and Harvard, he taught at the University of Chicago, chaired the finance committee of the board of directors of Travelers Insurance Companies, and was president of the National Bureau of Economic Research from 1982 until 1984.

Shapiro arrived at MIT Sloan just as it was being established as a new school of management (it had previously been known as Course XV at MIT). He would become the School's first associate dean, as well as chairman of the Sloan Fellows executive education program.

"Professor Shapiro had an extraordinarily distinguished career," said John C Head III Dean David Schmittlein. "More than anyone, he was instrumental in charting the future academic direction of the School in the 1950s."

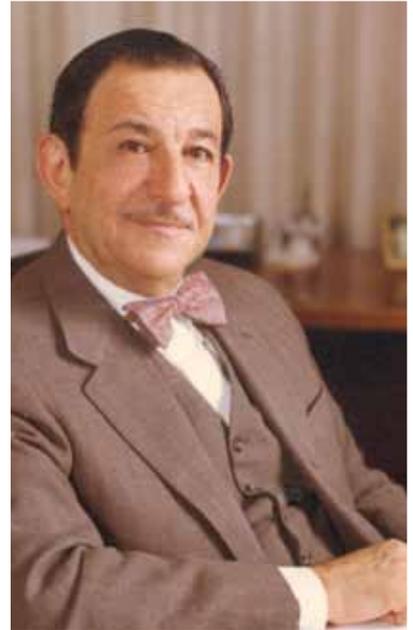
Trained in finance, Shapiro took to the culture and plurality of MIT, seeking out competitive advantage for the management school in the halls of the Institute.

"When I came to the School, it was my view that management education was a synthetic product, the application of various disciplines to the management of an enterprise," Shapiro said in a 2000 interview. "You build a faculty by taking people from various disciplines who have an interest in applying those disciplines to solve management problems. MIT was science and engineering, so that's where we turned."

"In the 21st century, most of the big issues of industry are technological," Shapiro said. "The more technical management becomes, the greater Sloan has an advantage by being part of MIT."

Shapiro was also known for his devotion to bow-ties. Students in one of his last Program for Senior Executive sessions surprised the retiring professor by wearing bow-ties in his honor and leaving the neckwear on his desk at the end of class.

Shapiro is survived by his daughter, Laura Dowling; her husband, Neal Dowling; and granddaughters, Julia and Sarah Dowling, all of Sudbury, Mass.



## Abraham J. Siegel, former MIT Sloan dean, 88; led School in time of strategic growth

A

braham J. Siegel, a former dean of MIT Sloan who reorganized the School's faculty into the three major areas of focus still used today, died on January 16, 2011. He was 88.

An expert in labor relations, negotiation, and organization studies, Siegel came to the Institute in 1954, originally as an instructor in the Department of Economics. He was named a full professor—with a dual appointment at MIT Sloan and the Department of Economics—in 1964. From 1967 until 1981, Siegel was MIT Sloan's associate dean under Dean William Pounds, and he was named head of MIT Sloan in June 1981, serving in that position through 1987. He was most recently the Howard W. Johnson Professor of Management Emeritus at the Institute.

As a professor, Siegel taught a course to MIT Sloan Fellows focusing on dilemmas and decisions in interpersonal relations and organizational settings. His research interests were in labor economics and labor/management relations, conflict management and resolution, and organization design and personnel issues.

As dean, Siegel hired the School's first director of alumni relations, showing a commitment to building a strong alumni community. MIT Sloan's physical campus was also a priority during his tenure, and Siegel oversaw the renovation of the original Sloan building, the construction of the bridge between E52 and E51, and the expansion of the School's classroom and research space.

"Some who knew him best have shared that in his passion for MIT Sloan, Abe was like a father to our community, and indeed that is how he shall be remembered," said John C Head III Dean David Schmittlein.

Siegel also re-engineered the MIT Sloan faculty and degree programs, organizing the faculty into three specific areas: behavioral and policy science; applied economics, finance, and accounting; and management science. Conversations Siegel initiated with the School of Engineering in regard to efficiency and effectiveness of manufacturing processes helped shape what would become the Leaders for Global Operations program.

Siegel leaves behind his wife, Lillian, and his three children, Emily Stangle, Paul Siegel, and Barbara Pugliese.



## MIT Sloan's Buck Weaver marketing award honors Magid Abraham, PhD '88, SM '82



*Glen Urban, Magid Abraham, and Andy Norton*

**MAGID ABRAHAM, PHD '88, SM '82**, cofounder and CEO of comScore, Inc., was honored this year with the eighth annual Buck Weaver Award for Marketing.

Established by MIT Sloan in 2003 and sponsored by General Motors Corp., the award recognizes individuals who have made important contributions to the advancement of theory and practice in marketing science.

The Virginia-based comScore, which Abraham co-founded in 1999, is a leader in Internet commerce and behavior research. The company tracks and analyzes Internet usage and purchases to provide clients with insights that help to target ads and develop marketing campaigns.

Glen Urban, MIT Sloan Dean Emeritus and David Austin Professor in Management, and Andy Norton, director of General Motors North America Portfolio Planning, presented the Buck Weaver marketing award to Abraham during a two-day symposium at the MIT Faculty Club. Abraham's presentation was titled, "Enabling Marketing Science Applications through Large Scale Behavioral Data Collection and Automated Analytics."

"Magid represents the best of innovation in marketing science in corporate America," said Urban. "His work on the use of UPC codes and browser panel research of Internet shopping and media behavior are major contributions to the field of operations research and market research in marketing. He has created real innovations that work in the marketplace and build new theory while improving the practice of marketing."

Abraham was selected from a pool of the very best academics and business leaders who have made fundamental contributions to marketing science, Urban said.

Abraham has served as president, CEO, and as a director at comScore since its inception. In 1995, he founded Paragren Technologies, Inc., which specialized in delivering large-scale customer relationship marketing systems for strategic and target marketing. He served as CEO until 1999. Prior to founding Paragren, Abraham held a number of senior leadership positions at Information Resources, Inc., including vice chairman and president/COO.

Abraham is a three-time honoree of the American Marketing Association, honored with the 2009 Charles Coolidge Parlin Award, the 2000 William F. O'Dell Award, and the 1996 Paul Green Award. In addition to a PhD in Operations Research and an SM from MIT Sloan, he holds an engineering degree from the École Polytechnique in France.

Henry Grady "Buck" Weaver was a pioneer in marketing research and market-based decision making in the 1930s. Working for General Motors, he was the first known director of marketing research to pioneer formal consumer research on attitudes, opinions, styling preferences, and customer design feature priorities. His contributions to the field were noted by *TIME Magazine* in the 1930s and were later uncovered by GM general manager Vince Barabba, now retired. Barabba and Urban developed the concept for the annual award.

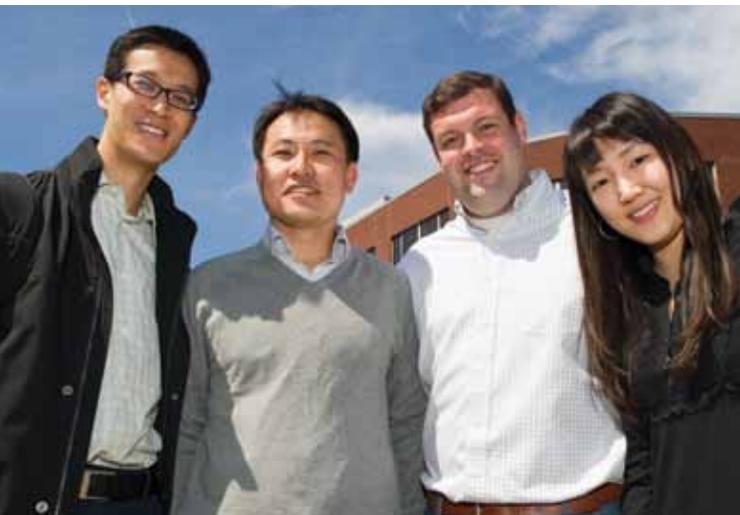
## Started a company? Join our Digital Shingle Project

If you've started a company, you're in good company. Hundreds of MIT Sloan alumni "hang up their shingle" every year, resulting in 200 to 400 businesses started annually. Today, there are nearly 25,800 active companies founded by MIT alumni, employing 3.3 million people and generating worldwide sales of \$2 trillion. That's the equivalent of the 11th-largest economy in the world.

MIT Sloan wants to hear about your company (or companies). We want to know where you are, what you're doing, and how you made it work.

Enter the Digital Shingle Project, an MIT Entrepreneurship Center endeavor to catalog companies started by MIT alumni, students, faculty, staff, and others associated with the Institute. Founders will have their "shingle" displayed throughout the MIT Entrepreneurship Center and on the center's website.

To have your company included in the Digital Shingle Project, visit <http://entrepreneurship.mit.edu/dsp>, and submit the "Five W's" (Who, What, When, Where, Why) of your business and any achievements or accolades worth noting. Also submit contact information and include a high-resolution image of your company logo.



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Thank you for your support of MIT Sloan.

# No Control

**MIT Sloan research reveals that online advertising subverts both government regulation and traditional marketing channels. So who needs billboards anyway?**



*Catherine Tucker,  
Douglas Drane Career  
Development Professor in  
Information Technology  
and Management and  
associate professor of  
marketing*

**Seventeen U.S. states** do not allow alcohol advertising, an effort to curb the social ills of underage drinking, drunk driving, and alcohol abuse.

But with the freewheeling, unregulated style of Internet advertising, might it all be in vain? Might advertising bans on alcohol and other controlled products—tobacco, medication, gambling—have backfired?

New research from Catherine Tucker, Douglas Drane Career Development Professor in Information Technology and Management and associate professor of marketing, finds that online alcohol advertisements are most effective in states that ban boozy billboards and transit ads.

“We found that in states that banned billboard alcohol advertising, people are 8 percent less likely to say that they will buy alcohol—but for consumers exposed to online advertising, this gap narrows to 3 percent,” Tucker said. “Online alcohol ad campaigns are much more effective in states with offline alcohol ad bans than in states without such bans.”

There is a lesson in this that goes beyond regulated industries. The popular multichannel advertising campaigns of the early Internet age, in which online advertising was tailored to complement traditional advertising, may have been ill advised. Online ads, it turns out, can substitute for traditional advertising altogether.

That has big implications,” Tucker said.

“In this new world of advertising, firms can easily get around state or local advertising regulations by using the Internet to reach people in those places,” she said. “Online advertising undermines the ability of local governments to control what their residents see and do not see. Firms that aren’t allowed to advertise offline will do it online, and the message will get through irrespective of the channel. This also means that people who are beginning to argue that Google has monopoly power in the online advertising world are asking the wrong question. They should be asking whether Google has monopoly power over advertising in general.”

“Advertising Bans and the Substitutability of Online and Offline Advertising,” a paper by Tucker and Avi Goldfarb, associate professor of marketing at the Rotman School of Management at the University of Toronto, was published this year in *Journal of Marketing Research*.

# Advertising Bans and the Substitutability of Online and Offline Advertising

Advertising regulation is widespread. There are full or partial bans on marketing communications in many industries, including alcohol, pharmaceuticals, video games, gambling, tobacco, and legal services. The existence and severity of these restrictions varies by country, state, and city. They often date from a time when local restrictions on advertising could be expected to have a binding effect on the types of advertising that the local population encountered. Today, widespread use of the Internet means that a firm's potential customers may encounter advertising content online that a local government has enacted laws to restrict.

This study examines how the effectiveness of online ad campaigns for alcoholic beverages changes when there are restrictions on offline advertising. By examining differences in advertising offline exposure that are not due to firm-level advertising decisions, we can also shed light on whether online advertising substitutes for or complements offline advertisements. To measure the effectiveness of the online ad campaigns, we use data from a large-scale set of field experiments that randomized exposure to online display advertisements of alcoholic beverages. These field experiments involved asking 61,580 U.S. Web users about purchase intent for alcoholic products, covering 275 campaigns for different products on different Web sites from 2001 to 2008. For each of these campaigns, a mean of 223 people completed the survey; approximately half these respondents were randomly exposed to an advertisement for an alcoholic beverage, and the others were exposed to an alternative placebo advertisement.

We contrast how exposure to online advertising affects purchase intent in locations that place restrictions on out-of-home advertising with locations that do not. We do this in two ways. First, we compare the 17 states that regulate out-of-home advertising such as billboards, storefront signage, and transit advertisements with the 33 states that do not regulate such advertising for alcohol. Table 1 provides descriptive statistics that foreshadow our core findings. Among those who did not see the online ad campaign, the percentage of respondents very likely or likely to purchase is 2.04 percentage points lower, or relatively 8 percent lower, in states with advertising bans than in those with no advertising ban. The relative difference in purchase intent between states with and without an advertising ban narrows to 3 percent after advertising exposure. We interpret this to suggest that online advertising reduces the effectiveness of offline advertising bans. This interpretation relies on the assumption that there is no systematic difference in alcohol ad effectiveness

between states with and without bans. In the complete article, we conduct a wide battery of tests to show that the pattern in Table 1 holds with thorough econometric analysis. We check that there were no systematic differences in the kind of advertisements that people saw or in the demographics of people who saw the advertisements across states with and without offline advertising bans. We show that the results are robust to allowing the effect of exposure to advertising to vary with a variety of state characteristics, such as alcohol consumption; alcohol abuse; and alternative state regulations that restrict the sale, consumption, and marketing of alcohol. We also show that there is no similar effect for other consumer packaged goods categories.

The analysis of state-level regulations provides a large sample understanding of differences between places with regulation and places without them. However, as we suggested previously, there still may be systematic differences in how people in states with advertising bans respond to alcohol advertising that are not related directly to the ban. Therefore, as a second empirical approach, we examine changes in four local regulations that provide a natural experiment on advertising regulation because they were either enacted or rescinded during the period for which we have data. Specifically, we study a 2003 ban on out-of-home alcohol advertising in Philadelphia, a 2004 elimination of a ban on college newspaper alcohol advertising in Pennsylvania, a 2007 increase in enforcement of an

alcohol advertising ban on San Francisco public transit, and New York City's 2007 withdrawal of a self-imposed ban on hard liquor advertisements on broadcast television.

The changes in local regulations complement the state-level results by relying on the weaker identification assumption that the changes in online alcohol advertising's effectiveness in a given location are due to changes in offline advertising rather than location-specific changes over time in online alcohol advertising responsiveness. This assumption is particularly plausible because one Pennsylvania regulatory change increased offline advertising regulation and the other decreased regulation, but both show that more regulation of offline advertising translates to more effective online advertising. Our estimates of the effect of offline advertising bans are reasonably similar, despite the much smaller sample sizes and specificity of local regulatory changes.

Crucially, for firms, we also show that the disproportionate effect of online advertising in places with advertising bans is related to levels of product awareness. Online advertising for products that have low levels of awareness is particularly effective in places with out-of-home advertising bans. In contrast, for products that have high levels of awareness, there is little difference in online advertising

effectiveness between places with and without bans. This suggests that online display advertising has an informative role for people in places with out-of-home advertising bans. In addition, it provides some support for the results being driven by diminishing marginal effectiveness of advertising goodwill because high-awareness products are already at the point of steep diminishing returns.

Also important for firms is the implication that Internet advertising substitutes for offline advertising. Our setting enables us to identify how offline advertising relates to the effectiveness of online advertising. This is valuable because usually it is difficult to separate the effects of offline and online advertising campaigns, given that both are launched at the same time. Alvin Silk, Lisa Klein, and Ernst Berndt emphasize in "The Emerging Position of the Internet as an Advertising Medium" that "[the Internet] looms as a potential substitute or complement for all of the major categories of existing media and appears capable of serving a wide range of communications objectives for a broad array of advertisers." This matters because it is not clear whether the unique capacity of the Internet to target and interact with users means that it extends and enhances existing external advertising campaigns or acts as a substitute for them.

**Table 1**  
**Percentages of respondents who say they are likely to purchase in states with and without out-of-home advertising bans**

Out-of-home advertising bans	Exposed	
	no	yes
<b>NO</b>	<b>28.88</b>	<b>31.01</b>
<b>YES</b>	<b>26.84</b>	<b>30.18</b>

Our finding that online display advertising is a substitute for offline display (primarily billboard) advertising contributes to an increasing literature in marketing that explores the relationship between offline and online environments for customer acquisition, brands, word of mouth, purchases, customized promotions, ad pricing, search behavior, and price sensitivity. We believe ours is the first study to empirically investigate consumer substitution between online and offline advertising.

More generally, our results provide an expanded framework with which to understand the effectiveness of online

local regulation outside tax policy. This dearth of empirical research extends to marketing regulations. Our results suggest that advertising restrictions are less effective when locals are able to access the Internet. Prior research has used aggregate nonexperimental data to show that partial advertising bans have negligible effects on total alcohol consumption, arguing that advertisers' substitution between advertising channels plays a role. In "Media Substitution in Advertising: A Spirited Case Study," Mark Frank also suggests that advertisers may substitute print, television, and radio advertising channels for one another. Our

and therefore it seems likely that this mechanism for rendering partial advertising bans ineffective will persist.

Our findings suggest that the Internet reduces the ability of local authorities to restrict the effect of advertising on the local population. Although the type of substitution we document has been possible previously, never before has there been a media channel that is so pervasive and that has the ability to reach a local population outside its political borders. As Manuel Castells (2001, p. 168) notes in *The Internet Galaxy: Reflections on the Internet, Business, and Society*, "The Internet decisively undermined national sovereignty and state control" of the flow of information to the state's residents. Not only are governments unable to regulate access to online advertising, but our results indicate that the absence of offline advertising actually increases the effectiveness of online advertising.

*Reprinted with permission from Journal of Marketing Research, published by the American Marketing Association, Avi Goldfarb and Catherine Tucker, Volume 48, Number 2, April 2011, pp. 207–222.*

*...it is not clear whether the unique capacity of the Internet to target and interact with users means that it extends and enhances existing external advertising campaigns or acts as a substitute for them.*

advertising. Most of the literature has focused on measuring the effect of advertising exposure and clicks. We contribute to this literature by emphasizing that the effectiveness of online advertising cannot be considered independently from the availability and feasibility of offline media.

Previous research has discussed the difficulties of tailoring local regulations to the Internet era in the areas of gambling, tobacco, and prescription drugs. However, there has been little systematic empirical work on the Internet's influence on the effectiveness of existing

research provides evidence of a related mechanism that renders advertising bans less effective: When one channel is blocked, the alternative channels become more effective. In the case of an out-of-home advertising ban, there may be little effect on overall customer consumption because the ban makes advertising in the nonregulated media outlets more effective. With the advent of the Internet, Web sites whose servers lie outside the ban's jurisdictional boundary provide a persistent alternative advertising outlet,





# BUILDING THE FUTURE

**FOR MORE THAN FIVE DECADES,**

MIT Sloan has been a leader in management education, research, and practice. In May, *Building the Future* celebrated MIT Sloan's distinguished legacy, ongoing evolution, and future promise, as well as the individuals—faculty, staff, alumni, students, and other supporters—who have contributed to MIT Sloan's reputation and success.

MIT Sloan's new flagship building, featuring the Joan and William A. Porter 1967 Center for Management Education, was the physical and intellectual center for *Building the Future* events. A dynamic platform for student-faculty collaboration, the building represents a new era for MIT Sloan—one defined by a strong sense of community and cross-disciplinary innovation.

Over the course of the three-day celebration in May, the Porter Center for Management Education served as the focal point for a series of thought-provoking and entertaining events, from the faculty-driven *Exchange 62* colloquium to the traditional academic and social events of Alumni Weekend.

All these activities took place within the context of MIT's 150th anniversary observance, which celebrated the Institute's outstanding accomplishments and continued leadership on the global stage.

# “This place works.”

## MIT Sloan community gathers to celebrate new building

**M**IT Sloan’s new building was designed to foster spontaneous interaction between faculty and students. In May, the School’s alumni and friends had the chance to try it out.

More than 500 people packed the ground floor and mezzanine of the building for the formal dedication, connecting old friends, colleagues, and classmates in celebration as part of MIT Sloan’s *Building the Future* series.

“This building is a testament to the strength and special nature of this community,” said Tara Thomas, MBA ’11, who addressed the crowd.

But only with the new building, including the Joan and William A. Porter 1967 Center for Management Education, is that community fully realized.

MIT President Susan Hockfield said the building is a perfect fit for the wider Kendall Square community and conveys “the sense that this is a place where people come to do important work.”

“We want Kendall Square, our neighborhood, to become a truly first-class place for people to live and work,” Hockfield said. “This building sets the standard for what that neighborhood could be.”

John C Head III Dean David Schmittlein said the building could not have been built without the work of donors, alumni, friends, and faculty. He praised the “magnetism” and “character” of the building and welcomed alumni from across six decades and 45 countries to the School’s new home.

Schmittlein said the building marks an important milestone in the School’s mission to develop principled, innovative leaders who improve the world and to generate ideas that advance management practice.

“In as much as this is a school that will never be finished, we are delighted to open a new chapter,” he said.

Dean Emeritus and Howard W. Johnson Professor of Management Richard Schmalensee, who oversaw the beginning of the building project, said the goal of the new building is to be “a place to work, not just a building to look at.”

“The team that tried to do all this succeeded wonderfully,” Schmalensee said. “This place works.”



1

1: Nobel laureate and MIT Sloan Professor Robert Merton arrives for the dedication, along with Dean Emeritus Richard Schmalensee.

2: Dean David Schmittlein talks with Alessandro Fracassi, MBA ’98, a member of the European, Middle Eastern, South Asian, African Executive Board.

3: MIT Provost L. Rafael Reif

4: MIT Sloan deans past and present: William Pounds, Lester Thurow, Glen Urban, Richard Schmalensee, and David Schmittlein

5: Tara Thomas, MBA ’11

6: MIT President Susan Hockfield

7: Dean Emeritus Lester Thurow and Patrick McGovern Jr., MIT SB ’59

Watch a video of the dedication of MIT Sloan's new building at:  
<http://mitsloan.mit.edu/buildingthefuture/dedication>

*“This building is a testament to the strength and special nature of this community.”*

Tara Thomas, MBA '11



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# Exchange 62: Now and Next

**E**xchange 62: *Now and Next*, a colloquium linking ideas and innovation for what's next in management, was one of the centerpiece events of the *Building the Future* weekend.

In keeping with MIT Sloan's spirit of collaboration, *Exchange 62: Now and Next* featured cross-disciplinary exploration of the key challenges that organizations face today—and will face in years to come. With session topics that ranged from the wisdom of crowds to global sustainability, *Exchange 62* encompassed a diverse and timely cross-section of management theory and practice.

1: Asian Executive Board member Chi-Won Yoon, SM '86, Associate Professor Antoinette Schoar, and Bennett Golub, PhD '82, at "Lessons from the Financial Crisis"

2: Unilever CEO Paul Polman, Dame Barbara Stocking, CEO of Oxfam GB, and Senior Lecturer Peter Senge

3: Professor Richard Locke at "Redefining Sustainability"

4: Professor Ed Roberts at "MIT's Entrepreneurial Ecosystem"

5: Leon Liebman, SM '67, asks a question at "Luncheon with the Laureates"



## In talk with dean, Admiral Thad Allen, SF '89, explains leadership during crisis

**T**wo things to expect in a national crisis: media and politics.

Neither can be ignored, and to think otherwise is a losing move, said Admiral Thad Allen, SF '89, the retired U.S. Coast Guard Commandant who led the response to last year's Deepwater Horizon oil spill.

Allen, in a frank conversation with John C Head III Dean David Schmittlein at Alumni Weekend in May, gave MIT Sloan alumni an inside look at the challenge of leading a coordinated response to an unprecedented set of problems.

Allen showed no great love for the political controversies and media uproars that accompanied each of his decisions. But he did not dismiss them, either.

"We live in a world right now where we will never have a major event that doesn't have public participation," Allen said. Failure to anticipate, include, and respond to criticism will only "impact the credibility of the response," he added.

During the Deepwater Horizon crisis, Allen led proactive communications, launching an oil spill webmap on [www.geoplatform.gov](http://www.geoplatform.gov) to put some of the government's best information in the hands of the general public. He used the same map to brief President Barack Obama and Vice President Joe Biden.

In the Gulf of Mexico, Allen and his team were tasked with closing the Deepwater Horizon wellhead, balancing input from a tremendous list of stakeholders: national politicians,



six state governors, Louisiana parish presidents, government science entities, BP, traditional and social media, the fishing industry, and more.

Balancing all those interests requires a "cognitive diversity" that, when managed properly, can provide great gains in collective intelligence, Allen said.

The pressure was intense, but Allen is a veteran of disaster. He led the government response to Hurricane Katrina, was in Haiti soon after last year's earthquake, and controlled the Coast Guard in New York Harbor after September 11. Before heading to the Gulf last year, he told his wife he was "not sure there's a chance to succeed in this thing" and accepted the great possibility of being fired within a matter of weeks.

"You need to learn how to manage your own morale," Allen said. He talked about emotional intelligence and the learned ability to monitor his own feelings in the midst of devastation and high-stakes response work.

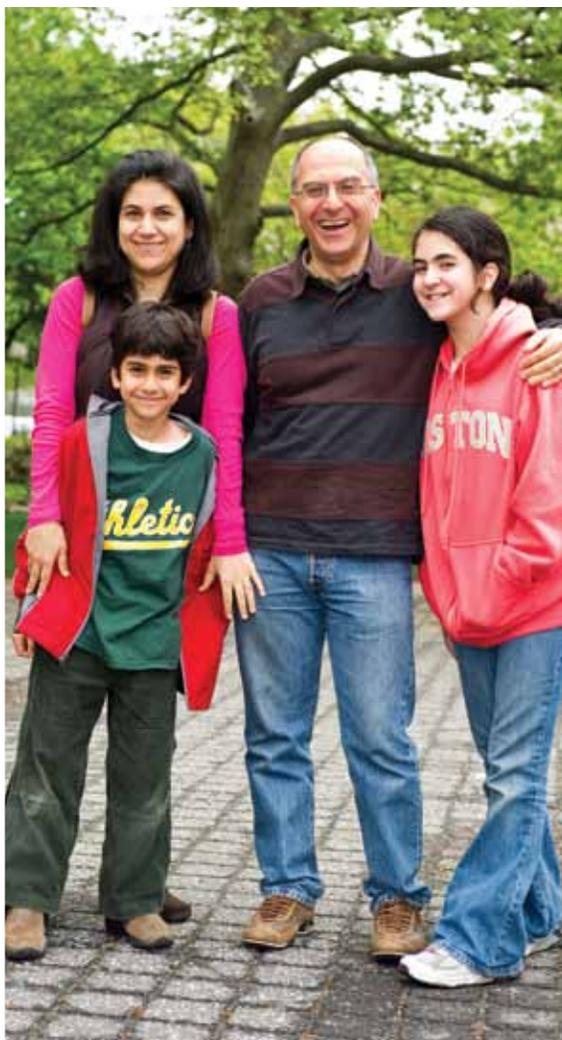
Allen, now a senior fellow at RAND Corporation, has read senior lecturer Peter Senge's organizational learning classic *The Fifth Discipline* seven times. He said MIT Sloan was a crash course in emerging technologies and team management, both of which served him well when dealing with complex engineering and science problems.

# Alumni Weekend 2011

Throughout *Building the Future*, MIT Sloan alumni from all years and programs joined together for a celebration of the school community. Alumni Weekend 2011 featured a special Friday night C-Function reception, class dinners and dancing, and the MIT Sloan Community Family Cookout.



View more photos and videos from Alumni Weekend 2011 at:  
<http://mitsloan.mit.edu/buildingthefuture/alumni-weekend>



# The new heart of MIT Sloan

**If MIT Sloan's new building didn't exist, someone would have to invent it. Fortunately, hundreds of the School's most committed alumni and friends already have.**

“I really cannot imagine that we started here for a year without this building,” said Rita Chao, MBA '11, whose first year at MIT Sloan was before the building opened. “It's really part of our life here.”

At 215,000 square feet, the new building, featuring the Joan and William A. Porter 1967 Center for Management Education, puts faculty and students together, working and interacting side by side with panoramic views of the Boston skyline.

“In the new building there are large areas set aside which will actually encourage I guess what I'd call ‘water fountain talk,’ for people between themselves and so forth,” said William A. Porter, SF '67, founder and chairman emeritus of E\*TRADE Financial Corporation, whose \$25 million gift, made with his wife Joan, led construction of the building.

Open spaces rule the day, and sudden and unexpected connections reign, with the wide walkways and elevator bay placing everyone—from undergraduates to new faculty to Nobel laureates to the most promising young entrepreneurs—just inches from a legendary chance encounter.

“While it was nice to have an attractive building, what was most important to me was a building that worked,” said Paul Asquith, Gordon Y Billard Professor in Finance. “I think the architects have done that remarkably well.”

A collaborative effort and a range of gifts from committed donors brought the building to life. Students have made the Siteman Dining Room the central social and creative space of the school. On sunny days, the Gruber Family Courtyard is a favorite study spot. All six classrooms are equipped to allow the latest in technological teaching innovations.

“This building, enabled by our extremely generous donors, has created a reflection point for MIT Sloan,” said MIT President Susan Hockfield. “I don't think anyone can imagine that the management innovations of the 21st century are going to come out of a single discipline. They aren't going to come out of marketing alone, or operations research alone, or finance alone. We are a collaborative place, but we can be much more collaborative with all the different disciplines within MIT Sloan under one roof.”

The new building emphasizes the School's commitment to real-world engagement by encouraging discussion, teamwork, and learning by experience. It is home to the entire MIT Sloan faculty and gives students access to 35 new group study and breakout rooms, as well as large academic spaces like the Hyman Classroom, which can accommodate 108 students. Construction of the \$142 million building also added nearly 30,000 square feet of outdoor space to MIT's campus, with green areas bracketing the building on the Main Street and Memorial Drive sides. The redesigned and rebuilt Shames Plaza, located behind E52, offers the MIT Sloan community additional outdoor space.

*Continued on page 26*

***The new building emphasizes the School's commitment to real-world engagement by encouraging discussion, teamwork, and learning by experience.***



*The building's leading benefactors, Joan and William A. Porter, SF '67, with Dean David Schmittlein, left, and President Susan Hockfield, third from left. The Porters' generosity and foresight served as the catalyst to launch the building project more than a decade ago.*

*Continued from page 24*

“The building looks amazing, seeing the use of color, and the use of glass and transparency,” said Martin Trust, SM ’58, who along with his wife, Diane, was among the leading donors to the project.

Some of the building’s most extraordinary visual elements are also its most subtle. The limestone in the three grand staircases contains fossils that are 155 million years old. At ground level, the terrazzo floor is made from crushed brown and green beer bottles, an aesthetically pleasing reminder that the building—E62 on the campus map—is the most sustainable building at MIT.

The building itself is a tribute to the generosity of alumni and friends committed to building the future of MIT Sloan and advancing the School’s 21st-century aspirations. Of the countless donors, 25 alumni, individuals, corporations, and groups each gave \$1 million or more to the project, and more than 100 gave \$10,000 or more. Those donors are honored on a ground-floor wall of the building as well as within individual spaces throughout the building. Alumni and friends have continued to give to the building following its dedication in May.

“With the new building, it’s hard to overstate the extraordinary impact our alumni and friends have had at MIT,” said John C. Head III, Dean David Schmittlein. “They’ve done nothing less than create the home of MIT’s Sloan School of Management. The building gives us new ways to educate our students. We have great spaces for them to network, collaborate, work on projects together. The classrooms and the building are designed to enhance our project-based learning. It really distinguishes this great school.” ● ● ●

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*The donors listed here supported the construction of our new building with a contribution of \$10,000 or more. This list is accurate as of July 31, 2011.*

# Thomas J. Vincent, SF '68



- Board member, advisor, and benefactor to the Father Ray Foundation for disenfranchised children in Pattaya, Thailand
- Established the Thomas J. Vincent (1968) Fellowship Fund to support minority student graduate education at MIT Sloan
- One of the few MIT Sloan Fellows alumni not to hold a bachelor's degree or equivalent

*The foundation has since founded, among other projects, the Thomas J. Vincent (1968) Fellowship Fund to help minority students pursue graduate education at MIT Sloan.*

**Tom Vincent is not Catholic.** He is not from Thailand. He is a skilled turnaround man, taking management control of failing business corporations to make them, and himself, profitable.

There is no obvious reason for him to be a key benefactor to the Father Ray Foundation, a portfolio of Catholic-managed children's homes in Pattaya, Thailand.

But he is.

A member of the board of directors and an advisor to the organization, Vincent first visited Pattaya in 1989 when he heard about the orphanage, vocational school, and school for the blind Father Raymond Brennan had established. Vincent was in Thailand on business and dropped in to introduce himself to Brennan, who gave him a tour.

"Kids began running up to us and hollering his name, Paw Ray ('Father Ray' in Thai)," Vincent said. "I thought to myself right then and there, 'This is not a movie set. They had no idea I was coming. It was not pre-announced.' You know, 'This is real stuff.'"

"I thought, 'These kids really need help here,'" said Vincent, who now lives in Thailand and Hawaii. "Because, my goodness, some of their histories would just give you chicken skin all over."

That year, Vincent established the Thomas J. Vincent Foundation to provide youth rehabilitation and education. The foundation has since founded, among other projects, the Thomas J. Vincent (1968) Fellowship Fund to help minority students pursue graduate education at MIT Sloan. Vincent started the fund in 1993 with a \$100,000 down payment. Fellowship grants are made annually, "no strings," to usually two students.

In 1991, Vincent established The Vincent Trust in Pattaya to send children from the Father Ray Foundation children's homes to area colleges, universities, and Catholic high schools.

"The fund has grown," Vincent said. "Many, many friends

have contributed to it. Today we have a sizeable amount in there, in dollar amounts about \$600,000."

Last year, Vincent wrote and directed a 30-minute film detailing the foundation's work. He also partnered with the Rotary Club of Ala Moana in Hawaii to buy a van to shuttle students from the Father Ray Children's Home to school.

Vincent was raised in Baltimore, where he attended Johns Hopkins University but dropped out for lack of cash. He went to work as a teletype operator and, in 1961, moved to work at Fairchild Aircraft. In 1975, he began turning around corporate divisions and groups at what is today oilfield company Baker Hughes. Later, with two colleagues, he bought into and turned around York Air Conditioning, more than quadrupling the stock price in less than two years. He retired in 1988.

Vincent attended MIT Sloan from 1967–1968. He said the relationships he formed at the School are lasting ones and that many of his classmates have contributed to the Thomas J. Vincent (1968) Fellowship Fund.

Learn more about the Father Ray Foundation at [www.fr-ray.org](http://www.fr-ray.org) or email [vincentfoundation@yahoo.com](mailto:vincentfoundation@yahoo.com).

To learn more about the Thomas J. Vincent (1968) Fellowship Fund at MIT Sloan, please contact the MIT Sloan Office of External Relations located at 30 Memorial Drive, Cambridge, MA 02142-1347, at 617-253-1557 or [mitsloangiving@mit.edu](mailto:mitsloangiving@mit.edu).



# MIT Sloan Reunion '12

Save the dates! June 7–10

Building on the success of Alumni Weekend 2011, MIT Sloan welcomes alumni from all graduate programs back to campus for Reunion 2012.

Mark your calendar for a weekend to return to campus and reconnect with the MIT Sloan community.

Activities include:

- Class-specific gatherings and events
- Back to the Classroom sessions with MIT Sloan faculty
- Alumni-developed workshops
- Family-friendly activities

**Help us plan a great weekend.** Volunteer to be a member of your class Reunion Committee. Volunteers are needed from all programs. To participate, email [mitsloanreunionteam@mit.edu](mailto:mitsloanreunionteam@mit.edu) or call **617-253-1557**.

We look forward to seeing you in Cambridge next June!



# Joël André Ornstein, SM '78

President, Majorn Corp.

- Pioneer in alternative asset and private equity investing
- Significant focus on energy investments
- Member of two MIT Sloan Executive Boards



**In the next 70 years**, as much as 70 percent of the world's energy could come from solar technology deployed in space.

That may seem like sci-fi, but it's not, said Joël André Ornstein, a private investor who works with a long view of the world's energy needs and technologies. According to Ornstein, space-based solar power is a reality and is on the radar for "substantial countries."

"The technology exists," he said. "The implementation is another story, to do it on a global scale, but the actual technology, which is microwaves, is not sci-fi."

Then again, said Ornstein, who has invested in the Switzerland-based Space Energy, that idea may not turn out to be central to the future of energy. The future may be in clean coal, natural gas, or any one of the marquee alternative energy sources—solar, wind, biomass—or in something else, entirely.

"The world really needs to continue to develop all of those," Ornstein said of alternative energy sources, pointing to natural gas and clean coal as promising energy sources. And he believes how energy is delivered will be just as important as how energy is developed.

"Eventually, there will be some winners, but we don't know yet," he said. "The key will be the energy delivery system to end users, not unlike social media Internet platforms of today."

The French-born Ornstein is president of New York City-based Majorn Corp., his private investment group formed in 1989 as a joint venture with the then-nascent Carlyle Group and a Paris-based holding company, which now controls, among others, the global Casino Group supermarket chain. Majorn works on a global basis backing Clermont Energy Partners, an oil and gas merchant banking team in London; New York-based MerSan Capital Holdings; and Paris-based investment bank, ACXIOR Corporate Finance. The corporation is also involved with a clean coal effort in China, a biomass company in Germany, and a wind power project in Europe.

Ornstein came to MIT Sloan as a research fellow just after the 1970s energy crisis. His research focused on the recycling of petrodollars, a timely topic in the early years of OPEC. At MIT Sloan, he worked closely with economist, Nobel laureate, and Institute Professor Franco Modigliani and Epoch Foundation

Professor of International Management Donald R. Lessard.

His work at the School was a launching pad for private equity-focused investing with a then-pioneering specialty of backing emerging teams, such as Carlyle and Apollo Global Management, and co-investing with them.

"I was completely fascinated with modern portfolio theory as a student, and of course it became an important part and basis for my future work and professional investments," Ornstein said. "At the time at MIT Sloan, the key subjects were option pricing, capital asset pricing, and modern portfolio theory."

Ornstein was an "old-line" investment banker for 10 years after leaving the School, working at Dean Witter Reynolds and First Boston Corporation, now Morgan Stanley and Credit Suisse, respectively. He switched to work in private equity and alternative asset investment.

In 2008, John C Head III Dean David Schmittlein created the MIT Sloan Executive Boards, four regionally based groups of alumni, friends, and business and government leaders from around the globe. The boards provide leading discourse on the issues surrounding management education.

Ornstein sits on two boards: the European, Middle Eastern, South Asian, African Executive Board and the North American Executive Board. He believes that the executive boards help the School maintain its competitive edge in a rapidly globalized world.

"As we sort of all predicted, the famous integration of globalization is probably one of the most significant changes that have been occurring in the past 30 years," he said. "We see it, of course, in any situation, whether it's a war, it's the energy sector, it's education, or any business."

"It's complex, and the rate of change is accelerating," he said. "One of the critical challenges is to overtake the limits of one's own vision beyond the limits of the world, and at the same time recover one's innocence, find in oneself the candid child—and maintain sort of a relative leadership visionary position."



## Martin Clubb, SM '82

Owner, L'Ecole No 41 winery

- Married to winery co-owner, Megan Clubb, SM '82
- Director at WineAmerica and Director and President at Washington Wine Institute
- Prior to MIT Sloan, earned a chemical engineering degree at Texas A&M University

*“With the distribution network we’ve successfully built over time, there’s an audience that’s really excited about this move into a more elegant, sophisticated look.”*

**Twenty years ago**, Washington state wine was just that: wine from Washington state, enjoyed in Washington state. There were only a few producers in the Columbia Valley and around Walla Walla.

Back in 1989, when Martin and Megan Clubb began running the family winery, L'Ecole No 41, the bottle labels featured a child's drawing. An eight-year-old in the family had colorfully captured the company's headquarters, a country schoolhouse built in 1915.

It was a fit, for the time being. Founded in 1983 by Megan's parents, L'Ecole became a regional favorite wine producer.

“That early kind of colorful, whimsical, fun label worked,” Martin Clubb said, “because it was so Pacific Northwest.”

But L'Ecole has grown up. So the couple has undertaken a rebranding effort to add layers of elegance and tradition to the wine's image. The schoolhouse is on the label, but now in a more historic sepia-toned and sophisticated illustration.

“Packaging and labeling substantially evolved for lower-tier wines; you went through this period of some kind of animal on the label, Yellow Tail, cats and dogs, that sort of thing, which eventually turned into marketing-spun colorful renditions that tended to drag our label image down,” Martin Clubb said. “And yet, as a winery, we were getting more and more serious about our own estate-grown fruit, the quality of the wine.”

Today, Washington wines—once the quiet cousin to Northern California's mass producers—are verging on big business nationwide. L'Ecole was the third winery in Walla Walla and the 20th in Washington. Today, Walla Walla has about 130 wineries, and there are 700 statewide.

L'Ecole's wines receive accolades from the major wine publishers. The winery has won a Regional Winery of the Year award from *Wine and Spirits* for nine years running.

“It's a really exciting transition for us,” Clubb said. “With the distribution network we've successfully built over time, there's an audience that's really excited about this move into a more elegant, sophisticated look.”

“We worked on this for quite a bit of time, focusing and clarifying what we are known for,” Clubb said. “And then we worked on packaging designs to say, ‘How can we develop these thoughts into our package?’”

Though both Martin and Megan own and run L'Ecole, Martin focuses the majority of his efforts there, while Megan is president and chairman of Baker Boyer Bank, the oldest bank in the state of Washington, now with a staff of about 200.

The couple met at MIT Sloan, where both were finance majors. They moved to San Francisco, where Megan went into management consulting and Martin began project development work at Bechtel Development Company.

The pair helped Megan's parents with L'Ecole's first harvest in 1983, and later decided the winery presented the opportunity to run a multigeneration family business, free of corporate workdays and endless business travel.

“We became very much enamored of the whole wine business and very supportive of what they were doing,” Clubb said. “When it came time to have a family, it really made us reflect about where we were going, what we were doing.”

Read more about L'Ecole No 41's rebranding at [lecole.com/label](http://lecole.com/label).



## Sona Chawla, SM '94

President, E-Commerce, Walgreens

- First e-commerce executive at Walgreens
- Key executive at Wells Fargo during the early years of online banking
- Married to Adil Daruwala, MBA '96

*“MIT Sloan ... gave me the right balance of skills and perspective moving into the world.”*

**The corner drug store may have gone corporate**, but it isn't going away. Not Walgreens, anyway.

After 110 years, the largest drugstore chain in the country isn't about to evolve into only Internet sales and services, but it does intend to be a leader online.

“At the end of the day, we all differentiate in our own unique way,” says Sona Chawla, president for e-commerce at the Deerfield, Ill.-based drugstore. “And we've already got this incredible asset. People are not going to stop going into the stores.”

“One of the reasons I exist is we will see things move (online), and the company certainly recognizes that there will be a shift,” she said. “And the belief is that having the combination is going to be better.”

Chawla, who moved to the United States from India at 18, is the first e-commerce executive at Walgreens. She joined the company in 2008 with “a white sheet of paper to define what (e-commerce) meant.”

What she decided was to use Walgreens' astounding market penetration—two-thirds of Americans live within three miles of a store—to build an online brand that enhances and complements the in-store experience. That means scheduling prescription refills through a bottle-scanning smartphone app. It means online components for photo and medical services, as well as online shopping.

“It's all the ways that we can help you manage your health,” Chawla said. “It's all the ways we can help you shop.” The result, she said, is a more efficient Walgreens and a more satisfied customer.

Chawla talks about Walgreens as a “leading multichannel

provider of health and everyday living.” E-commerce is a complement to the retail store, not the replacement it has become for markets like book sales and DVD rentals. In March, Walgreens announced a planned \$409 million purchase of online retailer drugstore.com.

The strategy leans hard on Walgreens' history and reputation. Customers, Chawla said, often refer to their local store as “my Walgreens.” She believes those same people will trust and appreciate new Walgreens programs like an online live chat with pharmacists or online shopping for in-store pickup.

“To me, that's how retail will evolve,” she said. “People are online savvy, but the need isn't going to go away.”

Chawla said she was excited to join Walgreens because it offered her an opportunity to develop fresh ideas within a large and established company. The e-commerce division, she said, is very much an integral part of the company and is an innovation driver for Walgreens.

It's not her first time joining an industry at a pivotal moment. In 2006, she joined Dell as vice president of global online business. She spent 2000 through 2006, key years for online banking development, at Wells Fargo, where she held executive positions in enterprise Internet services, Web channel management, and online sales, services, and marketing. Chawla worked as a consultant until 2000, after graduating from MIT Sloan in 1994.

“MIT Sloan was a great school for me,” she said. “It gave me the right balance of skills and perspective moving into the world. I think the kinds of people that it attracts are very balanced and very pragmatic. And I think I've carried that throughout my career.”

# Salvador Paiz, MBA '00

President, Fundación Sergio Paiz Andrade

- Provides classroom computers and teacher training in Guatemala
- Co-founder of Guatemala Visible, a public education project examining Guatemala's political nomination process
- Board member of Walmart Mexico and Central America

*"We never expected the minister of education to believe in us."*



**Salvador Paiz speaks with certainty.** He is message oriented, a must for a leader drawing attention and money to non-profit organizations.

But when he first arrived at MIT Sloan, Paiz was “nervous and uncomfortable about speaking in public.” He credits a public speaking class with giving him his confidence.

Recently, Paiz gave a speech in Guatemala to a crowd of 3,400, including top politicians. He gives motivational speeches to any of the 30,000 employees of Walmart in Central America, where he was an executive and still sits on the board.

“It’s an important skill that I’m now very grateful to have acquired,” he said.

Like his father, Sergio Paiz Andrade, SF '86, who was killed in a 2002 plane crash, Paiz has proven an adept businessman with Guatemala's best interests in mind.

As president of Fundación Sergio Paiz Andrade (FunSEPA), Paiz—with his family and with corporate support—has put more than 11,000 computers in 700 Guatemalan schools in six years. The foundation has trained more than 45,000 teachers to use technology in the classroom.

As a co-founder of Guatemala Visible, he helps direct a nationwide government transparency movement, illuminating judicial nominations once marred by political corruption and fraud.

Paiz also sits on the board of Walmart Mexico and Central America. He uses contacts and influence to find funding for FunSEPA and to recruit support for Guatemala Visible.

A “symbiotic relationship” with Guatemala's minister of education helped FunSEPA. The government was able to pinpoint need in schools. FunSEPA handled the fundraising and resources.

“We never expected the minister of education to believe in us,” Paiz said. “It was my mom and ourselves. No track record. Underfunded.”

Money came slowly for FunSEPA, but it did eventually come, through Paiz's business life and his experience in the United States. Fundraising began with a “Leave Your Change for Education” program, encouraging customers to donate amounts of less than \$1 on each transaction at Walmart and other partners. Later, Microsoft became a benefactor.

“In the process, we've tried to be creative on raising funds,” Paiz said. “You can imagine in a poor, third-world country, raising money for this sort of organization isn't easy.”

Guatemala Visible was founded in a successful attempt to disrupt a Supreme Court nomination process Paiz believes was directed by corrupt businessmen and criminals. The group uploaded more than 2,000 résumés of judicial candidates to its website.

“One of the things that is concerning us as a country is our overall security and justice system,” Paiz said.

“In a country like the U.S., that obviously gets a lot of attention. People understand the importance of the Supreme Court, the impact of the Supreme Court's decisions.” But in Guatemala, he said, judicial appointments are a “black box, voodoo, hidden process that nobody really understood.”

“We figured we would launch primarily a website, but really an education campaign to create awareness in Guatemala for the importance of institutions like the Supreme Court,” he said.

“It turned out that a lot of these guys did have some very colorful records,” Paiz said. “Of the original 13 (nominations), not one actually made it to the Supreme Court.”

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## IN MEMORIAM

*With deep sadness, the MIT Sloan School of Management reports the recent passing of fellow alumni.*

- |      |   |      |   |
|------|---|------|---|
| 1934 | Mr. Eino A. Jaskelainen, SB — January 28, 2011  | 1955 | Mr. C. Franklin Logan, SF — October 24, 2010  |
| 1938 | Mr. Saul Jacobson, SB — January 29, 2011  | 1958 | Mr. Eugene J. Popma, SF — January 6, 2011<br>Dr. Leonard S. Simon, SB — December 24, 2010   |
| 1939 | Mr. Joseph K. Dana, SB — December 27, 2010  | 1960 | Dr. Charles R. Adler, SF — March 16, 2011<br>Mr. John O. Hartung, SB — February 13, 2011  |
| 1940 | Mr. Robert W. Dobson, SB — February 9, 2011   | 1961 | Mr. Robert E. Huber, SF — December 19, 2010<br>Mr. Ernest F. Turner, SF — February 26, 2011                                       |
| 1941 | Mr. Everett R. Ackerson, SB — January 30, 2011  | 1962 | Mr. Maurice Ani, SF — November 2, 2010<br>Mr. Nathaniel S. Howe, SF — January 16, 2011<br>Mr. Max K. Kennedy, SF — March 19, 2011 |
| 1943 | Mr. George W. Bartlett, SB — February 27, 2011<br>Maj. Gen. Gwynn H. Robinson, BO — November 7, 2010  | 1967 | Mr. Wallace B. Hunter, Jr., SF — November 21, 2010  |
| 1945 | Mr. Donald H. Haliburton, SB — January 20, 2011<br>Mr. Henry J. Nickel, SB — October 20, 2010   | 1969 | Mr. Peter E. Viemeister, SF — March 2, 2011   |
| 1948 | Mr. Richard S. De Bell, SB — November 28, 2010<br>Mr. Harry H. Meyer Jr., SB — January 24, 2011<br>Mr. J. Bruce Moseley, SB — March 1, 2011       | 1980 | Mr. Charles L. Taylor, SM — November 27, 2010   |
| 1949 | Mr. Theodore C. Hossfeld, SB — November 2010<br>Mr. Thomas H. Martzloff, SM — October 14, 2010<br>Mr. Walter L. Robertson, SB — February 22, 2011 | 1982 | Mr. Charles A. Stainforth, SF — December 8, 2010  |
| 1950 | Dr. Ralph H. Robins, SB — December 22, 2010   | 2004 | Mr. Satish Krishnan, MBA — March 6, 2011  |
| 1953 | Mr. Peter J. Conlin, SB — February 1, 2010  |      |   |

*MIT Sloan was saddened to learn recently of the passing of the following alumni.*

- |      |                                     |      |   |
|------|-------------------------------------|------|---|
| 1920 | Mr. Peter J. Woolf, BO — April 1983 | 1988 | Ms. Vida L. Beder, SM — July 2008       |
| 1958 | Mr. Lewis A. Leake, SF — March 2010 | 1993 | Ms. Megan S. Jamieson, SM — August 2009 |
| 1974 | Mr. John Wyman, SF — June 2009      | 2006 | Mr. John Hempe, SDM — June 2010         |
| 1975 | Mr. John D. Madsen, SF — April 2008 |      |   |

MIT Sloan's Annual Fund paves the way for research, community engagement, and the continuation of innovation

# The Value of Support

By Mary Tamer

Connections are everything. Whether these connections are to colleagues and classmates or to family and faculty, networks of support are vital to the foundation of an individual, a business, or an organization—just as they are to a thriving institution.

For MIT Sloan, unrestricted annual giving is a mainstay of support for a myriad of diverse campus initiatives, all of which connect the School's community in local and global ways. In fulfilling its mission to develop principled, visionary leaders who advance the practice of management, MIT Sloan continues to focus on its community at large, strengthening ties among students and alumni; attracting and retaining top faculty and supporting their research; and creating a collaborative environment within the School and across MIT.

Contributions from alumni to the MIT Sloan Annual Fund also help to support events and activities that promote a connected alumni community, which was clearly demonstrated over the three-day *Building the Future* celebration in May. MIT Sloan's newest campus addition, E62, featuring the Joan and William A. Porter 1967 Center for Management Education, served as both backdrop and center stage for a weekend of activities that brought more than 1,100 alumni and their guests to Cambridge as part of the School's *Building the Future* events, Alumni Weekend, and the Institute's 150th anniversary observance.



Left to right: Alberto Cavallo, Assistant Professor of Applied Economics; Tavneet Suri, Assistant Professor of Applied Economics; Matt Marx, Alvin J. Siteman (1948) Career Development Professor of Entrepreneurship.

As part of the weekend's festivities, *Exchange 62: Now and Next*, a colloquium led by MIT Sloan faculty and other thought leaders, served as an exploration of the key challenges that organizations face today and will continue to face in the future. The MIT Sloan Annual Fund was critical to making *Exchange 62* possible, providing support for events that engaged students, faculty, alumni, thought leaders, and friends of the School.

"The colloquium was designed to showcase some of the great ideas that have been discussed in the corridors of MIT Sloan buildings by faculty, as well as students and staff, issues such as sustainability, how we can promote learning from action-oriented projects, and our international engagements designed to build management capacity," said Deputy Dean SP Kothari, the Gordon Y Billard Professor of Management. "The colloquium was designed to showcase these ideas and to have a discussion take place among all those who attended—our students, faculty, staff, and, most important, our alumni and our international partners—so the community is being built around the communication of ideas that bind us all together."

## Creating opportunities for faculty collaboration

For junior faculty, like Alberto Cavallo, Matt Marx, and Tavneet Suri, unrestricted annual support through the MIT Sloan Annual Fund provides the means for creative collaboration on campus and abroad, paving the way for groundbreaking research projects and dynamic teaching.

"MIT Sloan has been extremely supportive of me, first as a student and now as a faculty member," said Cavallo, Assistant Professor of Applied Economics, who earned an MBA from MIT Sloan in 2005 and a PhD from Harvard in 2010. In addition, his work as co-founder of the Billion Prices Project at MIT Sloan—which collects daily data from more than 400 retailers around the world to predict real-time inflation—was recognized by *The New York Times Magazine* as one of the best ideas of 2010 and was made possible by unrestricted funds to the Annual Fund.

Cavallo's experience of encouragement and assistance, according to Deputy Dean Robert Freund, is shared in great measure by junior faculty across all areas of discipline. The MIT Sloan Annual Fund gives the School's deans the flexibility to provide this vital support to faculty.

“The portfolio of work of our highly talented junior faculty members would not be possible without the support and generosity of our alumni through the MIT Sloan Annual Fund,” said Freund. “The unrestricted nature of these gifts allows me to recognize and reward the work of junior faculty members, as well as provide the resources that catalyze their creative talents. For that, the School and I are deeply grateful. The research highlighted in this article is a representative sample of the exciting research conducted here at MIT Sloan.”

With his specialized focus as the Alvin J. Siteman (1948) Career Development Professor of Entrepreneurship, Assistant Professor Matt Marx says the collaborative environment at MIT Sloan has been further enhanced by the departmental grouping of offices in E62.

“There are two things I love about MIT Sloan,” said Marx, an assistant professor of Technological Innovation, Entrepreneurship, and Strategic Management. “First, the research community is really fabulous. There are seminars during the summer, we go all year-round, and people work at the office, so we can talk about things. Recently, I asked a senior colleague to read one of my papers, and he gave it back to me the next morning with comments. In addition, the MBA students are awesome, and half of the students in my class are starting companies when they graduate. They are terrific.”

Marx also appreciates the connectedness of MIT Sloan to the rest of campus, with the new Entrepreneurship Center right in between. “The E-Center, in particular, does a good job at reaching out to graduates in other parts of the Institute,” said Marx. “This building never sleeps.”

Nor does Assistant Professor of Applied Economics Tavneet Suri, it seems, as she is frequently flying from Cambridge to the African continent for her ongoing



*Pedro Sanudo, SF '11*

research in the evolution of markets and various market failures in sub-Saharan economies. In particular, her main areas of focus are agriculture and formal and informal financial access.

For Suri, who works with a range of permanent staff in Kenya, Sierra Leone, and Rwanda, Annual Fund support is vital to enable field research to continue when grant-funded work doesn't cover the “what-ifs” of projects on the ground.

“For example, if you are overbudget because the exchange rate changes and you need a certain amount more, MIT Sloan is there to support the ongoing work,” said Suri, who has been at the School for five years. “I'm on leave this year, but this is another way in which MIT Sloan invests in their faculty—by allowing time to focus on their research. All of my projects require a lot of management and oversight. I have 20 permanent staff in all these countries, and up to 100 at times, and that requires a decent amount of management and time away from campus.”

#### **Investing in cutting-edge technology**

The MIT Sloan Annual Fund also played a significant role in funding MIT Sloan Technology Ventures, a new competition launched last fall for students to pitch promising IT initiatives. As explained by Armand Doucette, executive director of Sloan Technology Services, this pilot initiative is “a way to continue to improve

the IT infrastructure at MIT Sloan, to provide a voice to students who consistently identify opportunities to improve the IT environment, and to reinforce innovation as a hallmark of MIT Sloan.”

“The idea was to create the opportunity to engage students in a more formal manner around technology-related initiatives and to fund those initiatives that we could,” said Doucette. “Technology Ventures provides a voice to the students who regularly come to us with ideas to improve the IT environment and allows us to invest in their education. Our feeling was, let's engage them early in the process and get them to the table to talk about how technology can improve their experience.”

Among the competition's inaugural five winners was Pedro Sanudo, SF '11, whose idea focused on the creation of an online platform to “help tap the power of the MIT network” and to ease the formation of cross-campus contacts. Initially conceived as MITnet, Sanudo's idea is now called Peerpol and is currently in the developmental stages with funding provided by MIT Sloan, utilizing gifts to the Annual Fund.

“I strongly believe this positions MIT one step ahead of other schools that are already replicating many of the initiatives MIT launched in the past,” said Sanudo, who entered five ideas into the competition. “Who knows what this program could look like in the future—it could be life changing for many students and a strong pillar to support MIT's entrepreneurship and innovation leadership.”

As Sanudo well knows, entrepreneurship and innovation are part of the fabric of MIT and MIT Sloan, one that serves to connect students, alumni, and faculty through a multitude of endeavors made possible every day through the support of unrestricted giving.

*To support the MIT Sloan Annual Fund, please use the attached envelope or visit <http://mitsloan.mit.edu/giving/>.*

## In your own words

### Faculty recruitment, investment in people, giving back to help others: Why alumni support the MIT Sloan Annual Fund

#### Christopher McLeod, SM '79

“My philanthropy is focused on education. I have benefited greatly from the education I received, in particular

from MIT Sloan where I had a very positive experience. I know firsthand the thrill and intellectual stimulation of learning from faculty who are on the leading edge of management theory. In my case, for example, I learned options pricing theory from Nobel laureate Robert Merton when I was a student. I know my money is going toward a great institution, and it will be put to optimal use. Annual Fund gifts enable the recruitment and retention of the best world-class faculty and support their research, which is critical to the School’s mission and reputation. As students, we had the benefit of being taught by an outstanding faculty, supported by the gifts of alumni who came before us. Now it is our turn to see that MIT Sloan continues in that tradition.”



#### Eric Silverman, SM '91

“I believe in unrestricted annual support, and I think of it like investing. As an investor, I’m a backer of people—and I think the managers of MIT and MIT Sloan, in particular, can do a better job of figuring out where the money needs to go. When I invest in a business, while I want to know what the managers of the business will do with the money, they are in the best position to make the best use of the money; so I see that similarly in giving to MIT. I give my trust to MIT that they will use the money for the best purposes, and I believe in the management of MIT Sloan: the dean, the faculty, and all the people involved. That is what my dollar vote is for and that is how I demonstrate my belief in the people at MIT Sloan, by giving.”



#### Karen Mazer, SM '89

“When I was a student at MIT Sloan, I participated in the fundraising evenings when we would call alumni for their donations; so I had early exposure to the needs of the School. My overall Sloan experience was so positive, both academically and personally, that I knew I wanted to be part of the alumni giving program when I could. I have been contributing to the MIT Sloan Annual Fund since I graduated. And over time, as I got rid of my loan debt, I have increased my annual giving to higher levels. For anyone fortunate enough to be able to take care of their own needs, it is important to be generous to the communities that matter to you, and Sloan comes to the top of the list for me.”



#### Marcelo Saad, SM '91

“I had an extraordinary life experience at MIT and MIT Sloan, which, besides being a very happy period, made me much better prepared for a professional career. Giving back is not only ‘fair,’ but also the best way to help maintain MIT as a premier, world-class teaching institution—and indirectly to help many others to have the same benefits that the School provided me. MIT Sloan is much more than just a school with a few or even several areas of excellence, and its continuous development requires the pursuit of excellence in a multitude of areas. Finally, donating to MIT Sloan has allowed me, indeed pushed me, to keep myself more involved with the School over time. This serves as an important source of continual knowledge, and also gives me great satisfaction to interact more with the MIT community.”

#### Richard Rabinow, SM '68

“There are several reasons why I support MIT Sloan’s Annual Fund. I really enjoyed my education at MIT Sloan, and I think it has been very helpful. It created opportunities for me that I have been able to take advantage of, and I feel a responsibility to repay the huge value that I received. Virtually all of us have been successful, and a part of that, perhaps a significant part, we owe to MIT and the contacts we made. We know education is expensive, and our tuition, then and now, doesn’t cover the full cost. It is important that those of us who have been successful are able to give back in appreciation of that success.”



“One that would have the fruit must climb the tree.”

—THOMAS FULLER



## We provide the ladder.

Challenging economic times present extraordinary opportunities and incentives for companies to innovate. New markets and new business models are taking shape, and those companies who respond effectively will come out stronger than ever. At the MIT Sloan School of Management, we provide organizations and individuals with the latest insights, strategies, and tools to launch disruptive ideas, reach emerging markets, and develop new sources of revenue. From product development to technology strategy to managing change, our programs give you a leg up on the competition.

### Alumni Discount

MIT Sloan alumni receive 20% off any open enrollment program held in Massachusetts. With over 25 programs to choose from, there are plenty of reasons for you to return to the School to reconnect directly with the latest thinking and newest developments in management practice. See <http://executive.mit.edu/sloanalumni> for complete details.

### Executive Certificates

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

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

### New Certificates

- **Advanced Certificate for Executives in Management, Innovation & Technology (ACE):** a special Executive Certificate for participants who attend 25 program days and complete at least two programs from each Executive Certificate track within a four-year period. ACE is not a single program with a single group of participants— you choose the programs that best suit your interests and schedule.
- **The Advanced Certificate for Senior Executives (ACSE):** an intense, five weeks of executive education programs. Offered to an intimate group of senior business leaders from around the globe, it is designed to engage them in a powerful learning experience that exposes them both to MIT world class faculty and their research, and to colleagues who share similar experiences and responsibilities.

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