Prof. Oliver Williamson Wins Nobel Prize in Economics

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Fall 2009

Business Beyond Borders
From Everest to San Francisco, Alumnus Richard Blum Touches Many Lives

Plus: New Haas Leading Through Innovation Award Recognizes Prof. Henry Chesbrough, PhD '97
On the Cover:

Business Beyond Borders

Richard C. Blum, BS ’58, MBA ’59, has been named the recipient of the Haas School’s 2009 Lifetime Achievement Award to recognize his accomplishments in the worlds of business and philanthropy.

Leading Through Innovation

Adjunct Professor Henry Chesbrough, PhD ’97, receives the Haas School’s first Leading Through Innovation Award.

Your Haas Network in Digital Media

Profiles of Three Haas School Alumni in Digital Media and Entertainment

Darrell Rodriguez, MBA ’94, LucasArts

Danae Ringelmann, MBA ’08, IndieGoGo

David Porter, MBA ’00, Brackx

Your Haas Network in Asia

Profiles of Three Haas School Alumni in Asia

Linh Do, MBA ’04, Worldwide Orphanages

Pashupati Advani, MBA ’01, Advani OTC Dealers

Shaukat Khan, BS ’62, Mehboob Film Studios

20 Years of Success

For more than two decades, the Center for Young Entrepreneurs at Haas (YEAH) at UC Berkeley has made the pursuit of a college education a reality for underserved East Bay youth.

YEAH is the only university-based youth entrepreneur program to support students with year-long programs, providing hundreds of hours of education, mentoring, coaching, and support. However, YEAH is not state-supported—100% of its funding comes from corporations, foundations, and individual donors like you.

Learn how you can make a real difference in the lives of Bay Area youth.

WWW.HAAS.BERKELEY.EDU/YEAH

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Williamson’s work involves a multi-disciplinary field that he mapped out to study how varying organizational structures for markets and institutions affect economic behavior. The award is the second Nobel in economics for the Haas School and the fifth for UC Berkeley.

Williamson’s son, Oliver Williamson Jr., visiting from Poland, handed his father the phone at 3:30 a.m., saying, “I think this is the call.” The elder Williamson said he hopes this recognition “brings more attention and light to a field that has been largely overlooked in the world of economics.”

Williamson shares the prize with Elinor Ostrom of Indiana University. Both were recognized for their analyses of economic governance. The award is the second Nobel in economics for the Haas School and the fifth for UC Berkeley.

“It’s unbelievable,” Williamson, 77, told a crowd of more than 300 people packed into the school’s Bank of America Forum to celebrate with him. “I would describe myself as a conscientious teacher who had a lot of students who were tolerable and went on to do good work.”

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In Brief

**Women’s Sports Foundation**

Founded by Billie Jean King, is among the nonprofit clients that have teamed up with the Haas School’s Social Sector Solutions (S3) Program. Pictured here are the foundation’s Cicley Gay; Kirstin Mennella, MBA 10, the student lead on the foundation’s S3 project; and Nora Silver, director of the Center for Nonprofit and Public Leadership, which created S3.

**Haas, McKinsey Serve Up Nonprofit Solutions**

When tennis star Billie Jean King decided she wanted to nationalize a program that promotes health and wellness for girls through sports, the challenges seemed daunting. The team at the King’s nonprofit, the Women’s Sports Foundation, faced several questions that did not have easy answers: Which cities should be targeted? Who are the partners? What is the business model?

Enter Social Sector Solutions, or S3, a program offered by the Haas School’s Center for Nonprofit and Public Leadership in partnership with McKinsey & Company. For the past four years, S3 has dispatched teams of MBA and undergraduate students to consult with nonprofits like the Women’s Sports Foundation that are poised to launch entrepreneurial ventures. S3 matches each client with a custom-built team backed by classroom curriculum and a McKinsey coach. For instance, to help the Women’s Sports Foundation develop a plan to expand its GoGirlGo! Program, S3 created a team of Haas students with a sports or health background, led by an accomplished exquisitian and girls’ mentor, Kristin Mennella, MBA 10.

Venture Launchpad Blasts Off

Budding student-entrepreneurs at Haas now have a new step-by-step guide to help them successfully get their businesses off the ground. The UC Berkeley Venture Launchpad outlines all of the opportunities and offerings available to student-entrepreneurs during the entire life cycle of developing a business, from idea creation to going live. While several components of the Venture Launchpad have been in place at the school’s Laster Center for Entrepreneurship and Innovation for many years, the Launchpad now clearly delineates which component fits with a student-entrepreneur at one of seven stages of entrepreneurship. The Laster Center has raised $400,000 for the Launchpad, which debuted this fall.

**Design Eye for Tech Program**

Senior Lecturer Sara Beckman has been named the new co-faculty director of the Management of Technology (MOT) Program. MOT is a partnership between Haas and the College of Engineering that focuses on the use of technology to obtain competitive advantage and brings MBA and engineering students together in the classroom. Beckman’s charge at MOT includes exploring new opportunities and integrating the program more tightly with the Haas School’s “Leading Through Innovation” emphasis on developing leaders who know how to put new ideas to work.

**Undergrad Take Two**

The Haas Undergraduate Program climbed to #2 in this year’s US News & World Report ranking, up from #3 for the previous six years. Haas tied for second with MIT Sloan. Wharton took #1. UC Berkeley remained the #1 public university and ranked 21st nationally among public and private schools.

**Prof. Oliver Williamson Wins Nobel Prize in Economics**

Hundreds of Haas School faculty, staff, and students toasted Professor Oliver Williamson on Oct. 12 after he was named a winner of the 2009 Nobel Prize in Economic Sciences.
In Brief

New Hires Strengthen Haas Faculty Roster

Lucas Davis
from U. of Michigan
Field: Energy Economics
Economic Analysis and Policy
The depth and quality of expertise in energy economics here at Haas is unparalleled anywhere.

William Fuchs
from U. of Chicago
Field: Game Theory and
Dynamic Mechanism Design (Finance)
“Need first chosen to become an economist; I would have tried to be a chief professional snowboarder, or saffron guide.”

Mina Hsu
from U. of Illinois
Field: Neuroeconomics (Marketing)
“My research uses models and data from economics and neuroscience to study how the brain computes and values choices in a variety of social, financial, and strategic decisions.”

Arit Mian
from U. of Chicago
Field: Banking, Financial Markets and the Macroeconomy, Development (Finance)
The behavior of financial markets has a profound effect on human progress and wellbeing. I wish to understand these connections.

Leif Nelson
from UC San Diego
Field: Consumer Judgment and Decision Making (Marketing)
Before earning my PhD in psychology, I was a radio DJ. (Play poppy—poorly, I know—worst.)

Innovation Wizards

Innovation Wizards spotlights Haas School alumni and students who are putting fresh ideas to work, whether it’s in an exciting new business venture, a breakthrough new product, or novel business model.

Strange Brew: From Coffee to Shiitakes
NAME ARA SAULOZ and Alejandro Velaz, both BS 09, have found ground for a sustainable-venture—coffee groo and oyster mushrooms. The project was named among 12 finalists from more than 1,500 entries worldwide in a BBC/Newsweek competition for innovative grass-roots projects and businesses. The company now produces 500 pounds of shiitake and oyster mushrooms a week. Whole Foods Market buys the entire stock, selling the edibles for $8 per pound. Yet two days after that, they couldn’t brush their teeth.

Suitcase: “We found that consumers missed their mouths a lot and drank a lot of water,” Karasick says. “They had become accustomed to a clean-mouth feeling from chewing Orbit gum all the time.”

Chewing on New Ideas
When Wrigley Senior Marketing Manager Cindy Karasick, MBA 02, began investigating a new area for Orbit chewing gum in spring 2007, she went well beyond the typical market research.

In addition to talking with heavy Orbit chewers, Karasick led a team that conducted a “displacement study” with consumers. For the first two days, participants couldn’t chew gum. For the next two days after that, they couldn’t brush their teeth.

“Suitcase: “We found that consumers missed their mouths a lot and drank a lot of water,” Karasick says. “They had become accustomed to a clean-mouth feeling from chewing Orbit gum all the time.”

And so Orbit Mist™ was born. The sugar-free gum, which launched in March, “contains Micro-Bursts™ to deliver a hydrating sensation to the mouth. orbit Mist gum is now the second-fastest growing gum brand launched over the past three years, according to Nielsen data.”

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Petrofix usually caps its price of gasoline at the government’s published price on that day. Petrofix then pays the customer when gas prices increase above that published cap, through monthly reimbursements. If the price at the pump dips below the cap, customers pay the lower pump price.

Petrofix charges customers a fee of approximately 10 percent to 15 percent of the government’s published price per gallon. So if the government’s rate is $2.66 per gallon and a customer buys a five-gallon plan using an estimated 5,000 gallons per month, Petrofix would charge 27 cents per gallon multiplied by 5,000, or $4,050.

The purpose of the plans for customers is not to make money if prices go up. “Pabon explains. “It’s to protect customers from loss. It’s very similar to insurance.”

Toolkit for New Leaders
Power and Influence, Artful Bragging, and Leading Learning Teams are among a dozen workshops of the new, carefully designed Berkeley MBA Leadership Development Series, aimed at helping Berkeley MBA students become more effective leaders. The new series is designed to round out the experience and knowledge gained in core courses in the classroom and through experiential learning opportunities at Haas. The interactive workshops are taught by a cast of high-profile experts. They include William Arruda, Entrepreneur magazine’s anointed “personal branding guru,” and Srikumar Rao, author of Are you ready to succeed? and an adjunct professor at the London Business School.

Honoring the Art of Teaching
What made your best teacher so special? That was the question posed to 55 Haas School faculty members in a campus conference room one sunny day as they participated in a new seminar offered by the school’s recently launched Center for Teaching Excellence. The center aims to equip instructors with the tools and support they need to deliver top-tier teaching every day. It launched this year with four core initiatives: a three-day orientation for new instructors; coaching services; a mentoring program for instructors; and continuous learning events, including workshops on such topics as experiential learning and technology in the classroom.

The center was created with a $750,000 gift from Steve and Susan Chamberlin, former members of the Haas School professional faculty, who called teaching one of the hardest things they ever did. While good teaching makes an impression on students, it is rarely taught to PhDs, notes Adam Berman, executive director of emerging initiatives at Haas. "Fortunately, teaching is a craft," he says. "And there is a well-established set of best practices from which to draw, as well as a wealth of expertise at Haas."
In a new book, Professor David Teece builds on his research on “dynamic capabilities” to create a framework for understanding how firms develop and maintain competitive advantage in global markets. “This is a capstone that can pull together the intellectual grit that constitutes what every business school tries to teach,” Teece says of his new book, titled Dynamic Capabilities & Strategic Management: Organizing for Innovation and Growth. “It is an effort to think broadly about the theory of firm and strategic management, and coin the term ‘dynamic capabilities’ more than a decade ago. The focus now is on how firms innovate in the global marketplace and how they need to be managed in order to survive in rapidly changing business contexts. Capabilities refer to a business enterprise’s ability to mold assets to respond to changing technologies and markets. Teece’s seminal paper on the topic, “Dynamic Capabilities and Strategic Management,” published in 1997 in Strategic Management Journal, has been recognized by ScienceWatch as the single most cited article in the business and economics category from 1995 to 2005.

Dynamic Capabilities & Strategic Management: Organizing for Innovation and Growth

David J. Teece

The book explains how innovation becomes an important factor in asset pricing. In their working paper “The Demographics of Innovation and Asset Returns,” Gârleanu and co-authors Leonid Kogan of MIT and Stavros Panagacos of the University of Chicago determined that innovation also constitutes a risk factor for asset pricing. For example, take Amazon and Barnes & Noble, competing book and music retailers. As computer technology developed, the birth of the Internet served as a shock of innovation for traditional brick-and-mortar firms. In 1995, Amazon was an innovator, built its business online and outperformed Barnes & Noble. Barnes & Noble, originally a brick-and-mortar store, took its time to adopt new technology and sell goods online. As a result, without innovating, Barnes & Noble eventually had to close some stores and lay off workers. 

“If innovation is particularly successful, in the context of our model, two things happen. The old firms don’t perform as well and the existing or ‘old’ workers suffer in relative terms.” — Professor Nicolae Gârleanu

New Faculty Books

Power of Ideas

Wisdom from an Innovation Master

Prof. David Teece outlines how firms build competitive advantage

In his new book, Teece introduces readers to three classes of capabilities, which he describes as sensing, seizing, and managing threats/transforming. The framework identifies mechanisms by which entrepreneurially managed firms can sense or identify opportunities; seize those opportunities and capture value from innovation; and have the capacity to transform internally not only to survive but to thrive. Teece’s work focuses on managing assets and building capabilities within firms. He maintains that building the organization’s capabilities, rather than the individual’s, is the key to competitive advantage. One premise behind Teece’s 35 years of research is the need to study competition in the ecosystem. Teece purports that innovation is not only the unit of analysis, but it is also necessary to observe the role of government, educational institutions, and other players in the ecosystem.

In his book, Teece integrates multiple disciplines to give his readers a framework for thinking about top management decisions. He draws on economics, finance, organizational behavior, marketing, strategy, and decision theory. “I am trying to do for the firm what Adam Smith tried to do for the nation,” Teece says, referring to Adam Smith’s book The Wealth of Nations. “Believe it or not, nobody is really trying to build a comprehensive framework to explain wealth creation and maintenance by firms, despite the importance of the subject. I am trying to explain the essence of what it takes to build and sustain competitive advantage in a highly competitive world.”

A New Way to View Asset Pricing

Finance Prof. Nicolae Gârleanu explores the risk of innovation shocks

“Innovation” immediately denotes brilliance and discovery. In the realm of asset pricing, however, innovation can become a risk. Haas School Assistant Professor Nicolae Gârleanu created a financial model that reveals that a “shock” of innovation at a given company decreases human capital in competing companies that do not innovate. Consequently, asset pricing models must factor in the risk of innovation to ensure balance within the market and profit among equity holders, he found.

An intuition of innovation commonly implies increased efficiency, productivity, profits, and competition. In their working paper “The Demographics of Innovation and Asset Returns,” Gârleanu and co-authors Leonid Kogan of MIT and Stavros Panagacos of the University of Chicago determined that innovation also constitutes a risk factor for asset pricing. For example, take Amazon and Barnes & Noble, competing book and music retailers. As computer technology developed, the birth of the Internet served as a shock of innovation for traditional brick-and-mortar firms. In 1995, Amazon was an innovator, built its business online and outperformed Barnes & Noble. Barnes & Noble, originally a brick-and-mortar store, took its time to adopt new technology and sell goods online. As a result, without innovating, Barnes & Noble eventually had to close some stores and lay off workers.

“When innovation is particularly successful, in the context of our model, two things happen. The old firms don’t perform as well and the existing or ‘old’ workers suffer in relative terms.” — Professor Nicolae Gârleanu

The researchers studied an “overlapping-generations economy.” In this model, as in real life, people join the marketplace and how they need to be managed in order to survive in rapidly changing business contexts. Capabilities refer to a business enterprise’s ability to mold assets to respond to changing technologies and markets. Teece’s seminal paper on the topic, “Dynamic Capabilities and Strategic Management,” published in 1997 in Strategic Management Journal, has been recognized by ScienceWatch as the single most cited article in the business and economics category from 1995 to 2005.

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On the cold slopes of the approach to Everest, the world’s highest dental clinic sits at 11,600 feet. Here, Nawang Doka Sherpa tends to Sherpas, Tibetan people, and trekkers in a land where, until recently, children had four times the normal level of tooth decay and locals blamed evil spirits for such problems.

Nawang’s service here would never have been possible without Richard C. Blum, BS 58, MBA 59, the prodigious private equity financier and philanthropist who has made helping her people one of his life’s greatest passions.

In 1968, on his first trek in the Himalayas, Blum struck up a strong friendship with a Sherpa guide named Passang Kami, Nawang Doka’s father. A few years later P.K. (as he was known) confided that without an education, his five daughters would surely spend the rest of their days carrying loads over the mountains. “At that time no Sherpani had ever gone to high school,” says Blum. “I said, ‘P.K., your daughters are to you; you get them into school, and I’ll pay for it.’ We educated all five; two went on to college in the US; and the youngest one, Nawang Doka, went on to become a dentist for her people.”

Blum’s commitment to those five Sherpani girls is typical of his approach to investing in businesses, philanthropy, and friendship: Dick Blum invests for the long term, has a knack for seeing and nurturing latent value, and ultimately, cares first and foremost about improving human lives. The Haas School has named Blum the 2009 recipient of its Lifetime Achievement Award to recognize his countless achievements in the worlds of both business and philanthropy.

“Dick Blum is an exemplar of the type of leader that Berkeley-Haas strives to produce,” says Dean Rich Lyons. “A pioneering businessman, he invested in Asia decades before others, but didn’t stop there. He also dedicated himself to improving the lives of people in remote regions of Asia through his philanthropy and hard work.”

At 74, Blum has proven beyond all doubt that his approach is a recipe for success. Born the son of a clothing salesman who died when he was 10, Blum attended San Francisco public schools, earned a BS and MBA from Berkeley, and went on to build a fortune worth hundreds of millions of dollars by investing in troubled, undervalued corporations and breathing new life into them. His astute business skills have played no small role in his other pursuits, from his leadership on the UC Board of Regents to his philanthropic endeavors in the Himalayas.

Along the way, Blum has also helped his wife, US Sen. Dianne Feinstein, with numerous successful political campaigns. Married in 1980, the couple share a passion for politics, civil rights, and of course, family—including their four daughters and six grandchildren.

Hybrid Strategy

Blum is known as a tough negotiator, but he takes spiritual cues from his time in the Himalayas and his close friend, the Dalai Lama. His downtown San Francisco office could rival a museum of Himalayan art, adorned with ornate Buddha statues, painted and embroidered scrolls known as Thangkas, and a colorful Tibetan prayer wheel that stands just outside Blum’s private office.

Although Blum’s cordial ties to Chinese leaders have helped him penetrate Chinese equity markets, he counts the Dalai Lama among his personal friends. Here Blum joins the Dalai Lama in April in Berkeley, where the Dalai Lama gave a speech and Blum received the Berkeley Medal.

The offices house both Blum Capital Partners, which Blum founded in 1975, and his American Himalayan Foundation, the humanitarian organization that carries on his vision for helping the Himalayan people. On the business side, Blum Capital’s staff includes investment professionals typical of a private equity firm and portfolio managers who invest in public stocks. This structure mirrors what Blum calls his firm’s “hybrid investment strategy” of focusing as much on adding value to companies as on acquiring and selling them.

“We will do buyouts like anybody else,” Blum explains, “but we look for value in the market. We take large positions in companies and work with them—sometimes for a decade or more.”

His early successes included Ringling Bros.-Barnum & Bailey Circus in the late 1960s with previous employer Sutro & Co. and Northwest Airlines in the late 1980s. During the dot-com bust, Blum’s firm acquired a majority interest in CB Richard Ellis, now the world’s largest real estate firm, where Blum still serves as board chairman.

Most recently, one of Blum’s holdings—Myer, Australia’s largest department store chain—was moving forward on an IPO to raise up to $2.5 billion (Australian dollars). Blum Capital was part of a consortium that acquired the firm in 2006. If the IPO is successful, Blum and his limited partners will enjoy a return of approximately seven times on their money.

During the pre-recession equity frenzy, Blum’s approach may have looked downright conservative, but in retrospect it seems instructive. “Over a period of 30 years, I would say our balance sheets have about one-third the leverage of the average private equity guys, and nonetheless our returns over that period have been right around 20 percent. So I guess we must have done something right,” he says.

Leading Change at UC

Blum’s skill at getting results has been just as critical to his high-profile role on the UC Board of Regents. As chairman, he issued a scathing public critique of the university system and went on to lead a sweeping leadership overhaul in the office of the president.

Over 18 months, the administration substantially downsized its bureaucracy and cut operating costs by $169 million a year. And “the team of people there now is infinitely better,” Blum says, referring to UC President Mark Yudof, whom Blum personally recruited.

Blum also took a hard look at the University of California’s balance sheet. “There was a time when...”
we were told we had very little debt capacity, about $7 billion, but it wasn’t really true,” Blum recalls. “We found that we really had about $11 billion available to us if we were willing to go down to a single-A (bond) rating. We took some arbitrary debt caps off. For example, Berkeley had a $50 million debt cap. That frankly won’t keep your plumbing up to date.”

Blum’s dedication to the system stems not only from his loyalty to his alma mater but also a strong belief in its role serving California and the world. He has been involved with Haas for more than 56 years, serving on its advisory board and as president of the Cal Business Alumni Association. He was the named the Haas School’s alumnus of the year in 1994 and received the Berkeley Medal, the campus’s highest honor, from Chancellor Robert J. Birgeneau in April.

“If Berkeley has never had a more passionate or dedicated advocate than Dick Blum,” says Birgeneau. “He has repeatedly invested his energy, influence, and personal resources in Berkeley’s students and faculty. I know from personal experience that this is not just because of his proud memories of attending Berkeley, but also because he truly believes in the role of Berkeley’s students and faculty in alleviating poverty and creating more just societies.”

Tackling Global Poverty

Perhaps nothing demonstrates this belief more than Blum’s more than $30 million gift to create and build a new facility for the Richard C. Blum Center for Developing Economies, where faculty and students from Haas and across Berkeley focus on creating sustainable solutions to global poverty.

“One day walking across campus with Chancellor Birgeneau, it just struck me that you can’t find one kid on the Berkeley campus who doesn’t care about climate change, environmental issues, or making the world a better place,” says Blum.

The center’s projects have included designing devices for safe water and sanitation, developing technologies to help the rural poor, and nurturing local entrepreneurs and markets to help communities become self-sufficient. Students and faculty also are addressing issues such as good government and human rights. And a new minor in global poverty in practice is housed within the Blum Center.

“If Blum seems keen to expose students to the reality of global poverty, disease, and malnutrition, it’s likely because he truly knows the transformative power of such experiences,” says Blum. “I would say that not merely have I been changed by the Himalaya, he has written, “but I have been transformed by the great inner strength of the people of mountain range, and by their lessons of caring and kindness.”

Blum’s love for the region, and its people, and his deep, lasting concerns for the chronic poverty, malnutrition, and displacement he has witnessed there led to his creation of the American Himalayan Foundation (AHF), with help from such partners as the Dalai Lama and Sir Edmund Hillary, one of the first people to reach the summit of Mount Everest and founder of the Himalayan Trust. Blum’s AHF has about 175 active projects, including clinics, schools, elder care, and conservation efforts.

“If he really cares, not in a syrupy way, but in a from-the-heart way—like that’s in his DNA — about people who are poor or struggling,” Erica Stone, MBA ’87, AHF’s longtime executive director, says of Blum. “I’ve been trying to keep up with him and the mystical ideas that pour out of him every day for 18 years now, and I love being on his team getting to figure out real and practical ways to make the world better.”

Indeed, it was Blum who urged Stone to earn her MBA from Haas. “There are a lot of well-meaning people that try to go out into the world and do great things,” Blum says. “But whether that is running a feisty few schools in Nambia or encouraging carpet weavers in Tibetan refugee camps, the basic skills of business are really fundamental.”

“At the end of the day, really the only way you’re going to break people out of poverty is to grow enterprise and employment,” he adds.

Pioneer in Asia

This philosophy explains Blum’s investment approach in Asia and the developing world. In 1994, Blum co-founded Newbridge Capital, one of the first private equity firms dedicated to Asian markets (now a Texas Pacific Group subsidiary, TPG-Asia V, of which Blum is chairman). Blum hired another Cal grad, Peter Kosek, MBA 80, PhD 81, as the fund’s first managing director. Among the fund’s investments: Korea First Bank, one of Korea’s largest banks and a successful turnaround in early 2000.

“You find that in places like Korea, China, and India, once someone has an income of a few thousand dollars or more they’re a potential bank customer,” Blum says. “But these countries really didn’t have any banking system that caters to those people so someone can buy a washer or maybe put a little money toward an apartment, car, or whatever. So firstly, investing there is a good business. And secondly, it helps change people’s lives.”

“I really like to invest in companies that help people grow and prosper in their own lives,” Blum adds. “I’m still an old-line banker at heart. But my highest rates of return are seeing how you can change people’s lives, whether on the Berkeley campus or in a village in the Himalayas.

when Adjunct Professor Henry Chesbrough, PhD ’97, coined the term “open innovation” in a 2003 book, he was a bit ahead of his time. Companies were still in survival mode after the dot- com implosion, and the idea of throwing open their doors to the free flow of ideas seemed risky.

Six years later, Googling the term “open innovation” yields more than 30 million results, and Chesbrough has become widely recognized as one of the nation’s leading thinkers on the topic of innovation. Chesbrough’s theory that companies should use global connectivity to their advantage by seeking external ideas outside their own walls — while sharing internal ideas they can’t use with other firms — has become one of the hottest recent business trends.

Chesbrough has been selected as the first recipient of the Haas School’s Leading Through Innovation Award in recognition of his pioneering scholarly efforts in open innovation, innovation in the services sector, and the processes of industrial research and development. The new annual award is being established this year to celebrate Haas alumni who have achieved excellence as innovative leaders and who embody the principles of the school’s Leading Through Innovation strategy. Chesbrough is serving as exemplars to others in the Berkeley-Haas community.

“Haas is really undertaking a bold ‘open innovation’ approach to the future of business,” says Chesbrough. “Many schools pride themselves in leading through research, but leading through innovation is quite different. It recognizes there is value not only in discovering ideas, but in translating them into the market.

Chesbrough has been at the forefront of that approach. He directs the Center for Open Innovation at Haas and he founded the Berkeley Innovation Forum — a group of 30 companies in a wide range of industries that meets twice a year to exchange ideas, experiences, and knowledge about innovation management.

“Henry Chesbrough has been a leader in developing new theories about innovation and has been especially successful in helping put these new ideas to work — the definition of Leading Through Innovation,” says Dean Rich Lyons. “To do so, he has created stronger links between our school and the business community. His work is also having a positive impact on our society as a whole.”

In addition to leading the Center for Open Innovation, Chesbrough is now researching his third book, which centers on the services sector. One of his subjects is Spider-quiet $1 Blum Asset, lauded as one of the world’s best — and most experimental — restaurants. Its menu relies on the research of an outsider. Here’s how it works: You order the chest of popularity, they deliberately shut down six months every year to research their new menu. They also actively pursue outside partnerships — with a snack-food company, a hotel, and an airline — which is very unusual for a four-star restaurant.

Chesbrough’s first book, Open Innovation: The New Imperative for Creating and Profiting from Technology, came out when corporate R&D departments had been cut to ribbons but globalization made it impossible to have a monopoly on ideas. Chesbrough used case studies to explore how open innovation theory, actively promoting it through special divisions.

His 2006 sequel, Open Business Models: How to Thrive in a Com Implosion, and the idea of throwing open their doors to the free flow of ideas seemed risky.

By Laura Counts

10 Fall 2009 CalBusiness

2009 Recipient

Leading Through Innovation Award

Prof. Henry Chesbrough, PhD ’97, Honored for Developing New Innovation Paradigm
Your Haas Network in Digital Media

David Porter, MBA 00
CEO, 8tracks
New York

David Porter, MBA 00, is making a career out of music. Not playing or singing it—sharing it.

Ever since he was a teenager, Porter, now CEO of 8tracks, has been interested in both music and business. When he was 15, a *Rolling Stone* article about an investment banker’s SoHo loft piqued his curiosity about a banking career. After majoring in accounting, he landed an auditing job with Arthur Andersen.

— caught Porter’s eye, and he became increasingly fascinated by the Internet after reading Nicholas Negroponte’s 1995 book *Being Digital*. The next year, Porter rode the Andersen job to London, then the center of electronic music. Porter saw that Negroponte was right: Music would soon be digitized, and thus more widely available. Watching a DJ get $50,000 in one night just to pick music, Porter saw the value of a great tastemaker.

If the job is stressful, it doesn’t show. At 43, Rodriguez, a *Rolling Stone* President, LucasArts, is trim and relaxed. For inspiration, he can look at the lush emporium of San Francisco’s Presidio, where LucasArts is based. And for relaxation there is a conference room with a full complement of video games, from the LucasArts hit *Star Wars: The Force Unleashed* to another Rodriguez favorite — *Left 4 Dead*. Left 4 Dead isn’t much like the family-friendly games published by LucasArts; it’s a product of Rodriguez’s previous employer — Electronic Arts, where he served as COO of its Los Angeles game development studio — and unabashedly gory. Content aside, the significant difference in the two jobs stems from EA’s status as a public company while LucasArts is privately held. “It’s liberating being at a private company. Decisions don’t have to be made quarter to quarter. We think in terms of years,” Rodriguez says.

Rodriguez’s career path to LucasArts has hardly been a straight line. He earned a landscape architecture degree from Cal Poly San Luis Obispo. A long-held desire for an advanced degree led him to Haas, followed by jobs at EarthLink and Disney. A formal business education, he says, was essential in bridging the gap between the creative outlook — his natural inclination — and the broader view required of a top-level manager. Rodriguez finds social networking sites like Facebook and Twitter essential for staying in sync with “the Game,” who are both his employees and customers. Similarly, working in a low-walled cubicle instead of a private office makes communication with his team simpler and more effective.

For the man who collected *Star Wars* and Indiana Jones action figures as a boy playing a role in the ongoing fantasy created by George Lucas is clearly a delight. “It’s impossible to work at LucasArts and not constantly remember your first *Star Wars* moment and feel the passion that comes from everyone that works here,” Rodriguez says.

Join the Berkeley Digital Media & Entertainment Club to meet more Haas alumni in this exciting, fast-paced field. Email Christian Oestlein, MBA 06, christian.oestlein@mba.berkeley.edu.

Danae Ringelmann, MBA 08
Co-Founder, IndieGogo
San Francisco

The opening shot of Danae Ringelmann’s future came at a “Hollywood meets Wall Street” networking event in 2002. Then a 22-year-old novice investment banking analyst covering media and entertainment, Ringelmann found herself the center of a networking attention — simply because of her J.P.Morgan name tag.

“Everyone else there was a filmmaker looking to fund their project, so I was very popular,” laughs Ringelmann, MBA 08. “When a 70-year-old FedExed his script, pleading for my help, it just clicked that there should be a way to do this.”

Ringelmann’s initial idea was to set up an independent film investment fund that drove her to Haas, where it morphed into IndieGoGo. Along with Eric Scheil, MBA 08, and his former colleague, Slava Rubin, Ringelmann hatched a plan for a social marketplace where independent filmmakers could interact with fans, raise money, and build a following.

“Just weeks after I pitched it to VCs in my social entrepreneurship class, we went to Sundance 2007 with a one-line description,” says Ringelmann. “One year later, we were back at Sundance to launch.”

Since then, IndieGoGo has become the most trafficked site for independent film funding, helping raise over $130,000 and showcasing more than 1,900 projects from 90 countries. When IndieGoGo celebrated its first anniversary at Sundance 2009, Robert Redford himself offered kudos.

The site allows filmmakers to post free project profiles and then “sell” production perks — a film credit, access to the set, an extra role, or even a character name. The site’s most successful film to date is *Tapestries of Hope*, a documentary about the AIDS crisis in Zimbabwe, which raised $22,000. IndieGoGo takes a 9 percent cut of funds raised.

Ringelmann, who handles finance and customer development, stresses that crowd funding is just one element of the site. “We’re not here to replace other funding channels, but to complement them,” she says. “The minute someone gives even $1, they are emotionally connected, and they become your best promoters.”

Your Haas Network in Digital Media

Darrell Rodriguez, MBA 94
President, LucasArts
San Francisco

Welcome to the world of management, Darrell Rodriguez-style: a cubicle instead of a corner office; a polo shirt instead of a suit; and a Facebook page instead of a club membership.

Eighteen months into his job as president of LucasArts (the Interactive game division of Lucasfilm), Rodriguez, MBA 94, has the fun of supervising the creative teams responsible for developing a string of video games rooted in the *Indiana Jones* and *Star Wars* franchises as well as other new games — and the worries of piloting a consumer products company through the worst recession in decades.

“You think that our business would be immune to the downturn,” he says. “But that’s not the case.” Retailers are struggling, disposable incomes are shrinking, and the video game industry is still waiting for the next generation of hardware that will drive sales of faster, cooler games.

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Your Haas Network in India

Shaukat Khan, BS 62
Director, Mehboob Film Studios
Bandra, India

Deep in the heart of Mumbai’s suburb Bandra, where film stars’ mansions bump up against an urban slum, Shaukat Khan, BS 62, runs one of the five great Bollywood studios, Mehboob. On any given day, six studio stages host four to six film or photography sets, from product shots to educational films to the song and dance of Bollywood.

Khan inherited the studio from his father Mehboob Khan who put it on the map when his iconic film Mother India won an Academy Award nomination for best foreign film in 1958. Today, the patriarch’s two sons guide the future of the family business.

To prepare for his role, Shaukat Khan came to California in 1959. "We’re trying to do things that are quite innovative for Vietnam," says Do, who believes her biggest accomplishment has been helping reduce the stigma experienced by orphaned children with HIV/AIDS.

To do so, Do has channelled her MBA education to create a network of community workers to provide outreach to HIV/AIDS orphans. One flagship WWO program offers a small stipend to people from the local community to spend daily one-on-one time in orphanages with infected children.

The program fills a major gap in treatment for institutionalized children, who are often developmentally delayed due to a lack of emotional support compared to what a family setting provides. Programs from the US government and the Clinton Foundation ensure children with HIV/AIDS can receive free medical care. But Vietnam suffers from a shortage of trained social workers because academic training in social work was mostly shut down for more than two decades after 1975.

Although Do was born in Vietnam, she and her family left as political refugees in 1979 when she was still in preschool, eventually settling in St. Louis. She first exercised her entrepreneurial streak after graduating Stanford in 1998, when she founded a company to recruit new college grads for dot-coms. "I wanted to focus on one project and see the results," she says. "But I realized that while that was making a change, it wasn’t really the change that was close to my heart. It’s working with people who are impoverished that motivates me.”

Do, who went to Haas with the goal of working in nonprofit management, has been able to apply what she learned in areas such as marketing, strategy, and organizational behavior to running WWO’s Vietnam office.

Pashupati Advani, MBA 81
Director, Advani OTC Dealers
Mumbai, India

Hedge fund advisor Pashupati “Putty” Advani, MBA 81, left his native India as a young man to study engineering in London, then business at Berkeley. The combination, he thought, would serve him well for a career in Silicon Valley. But the school’s faculty pointed him on a different path.

Professor Leo Heilbroner recognized Advani’s financial skill and interested him in pursuing a career at a top financial firm. He earned his first stripes in that field at Kaiser Aluminum, thanks to a new learning partnership with Kaiser Aluminum created by then-Dean Earl F. Chell.

Sign up to assist Kaiser’s retirement committee, Advani got a chance to work directly with the firm’s treasurer. He was soon asked to prepare a report on a novel idea: how real estate could serve as an investment instrument for the pension fund. Kaiser accepted his proposal.

His success was no accident. Loading his MBA with finance courses, Advani had made sure to learn from the best: taking options with Professor Mark Rubinstein and real estate with Professor Ken Rosson.

Then, with an MBA and some marketable experiences in his pocket, he moved to New York to work as a bond trader, first at Goldman Sachs, then at Bear Stearns, which ultimately wanted him to open its first office in India.

The Asian financial crisis foiled those plans, but Advani decided to return to India anyway — even without a job. The time was right for him and the opportunities abounded. Once there, he created a thriving business in Mumbai in the early ’90s, advising hedge funds on everything from investments to governance and regulatory issues.

The business has taken a big hit in the recent financial crisis, but it is faring better than most of its Indian counterparts. “These are structural issues,” says Advani. “The whole world is adjusting down.”

In the meantime, Advani stays in touch with several of his Berkeley buddies. And, in spite of much work and travel, he volunteers frequently for the MBA admissions office, interviewing Indian applicants.

“Tired of the same old film reviewer stuff,” he says. “Besides, it keeps him plugged into the frame of mind of the 25- to 30-year-olds and allows him to exchange new ideas, he says. “It’s always nice to get a new perspective.”

CalBusiness
Fall 2009

Linh Do, MBA 04
Country Director, Worldwide Orphans Foundation
Ho Chi Minh City, Vietnam

When helping orphans with HIV/AIDS in Vietnam, Linh Do, MBA 04, approaches her work much like any entrepreneur, albeit one attuned to social rather than financial payoffs.

Since being hired as Worldwide Orphans Foundation’s (WWO) second Vietnam-based employee in 2006, she’s built a core staff of 15 and played an integral role in the development of WWO programs to help orphans infected and affected by HIV/AIDS. Her position as Vietnam country director has demanded as much energy, perseverance, and creative thinking as her previous work founding a startup.

“Your Haas Network in

CalBusiness
Fall 2009
The Haas School is among a few select business schools teaming up with executive search firm Heidrick & Struggles to offer a new set of opportunities to senior executives and firms who want to tap the expertise of such executives.

Q. What is the Chief Advisor Network and how does it relate to the Haas School?

It’s a select group of pre-retired and retired C-level executives who are no longer interested in full-time permanent roles but are eager to still be engaged in business and are interested in taking on short-term assignments with our clients.

We’re reaching out to Haas and other top business schools that may have alumni who fit our criteria and may be interested in participating in the network; it’s an opportunity for those individuals to leverage their experience in business but on a more flexible basis.

The value for clients is the wisdom and objectivity they get from these C-level executives, who can come in and make an impact on their organizations in a very short-term period of time. Companies led by Haas alumni also can benefit from the opportunity to tap this network of advisors.

Q. Why did you create this network?

We started this new initiative to acknowledge the demographic challenge confronting all countries across the globe. For instance, Baby Boomers number 81 million, versus 46 million in Generation X. In the near future, there just won’t be enough top talent to match the demand. But as we see the Baby Boomers cutting back, we don’t think they’re going to fully retire. We are, in fact, seeing many executives that want to do this, which gives them a more flexible, balanced lifestyle than a full-time position. We also are beginning to see organizations recognize the value of being able to get work done more efficiently by bringing in such business accelerators.

Q. How do you define senior- or C-level executive?

If it’s a Fortune-level company, I would include everyone who has been in the executive suite through divisional leadership roles. Individuals at smaller companies probably would have to have held a C-level position, such as CEO, CFO or CMO. We are looking for people who have something very specific to contribute to an organization and who are going to be able to make an impact.

Q. What kinds of projects do the executives typically work on?

They might serve in a transition or interim role or as an advisor to C-level executives or even founders. Or they might take on a consulting or project role.

Q. Can you give us some examples?

Our first assignment was for a private equity firm looking for someone to lead a short-term turnaround. They gave us three candidates within 24 hours. They liked the one individual so much that they have been wooing him to take the job on a permanent basis, which he agreed to do for the next 2/3 years. We have also just placed a public company CFO to be an advisor for one of our clients in Korea.

Q. What is the cost?

We started this new initiative to acknowledge the demographic challenge confronting all countries across the globe. For instance, Baby Boomers number 81 million, versus 46 million in Generation X. In the near future, there just won’t be enough top talent to match the demand. But as we see the Baby Boomers cutting back, we don’t think they’re going to fully retire. We are, in fact, seeing many executives that want to do this, which gives them a more flexible, balanced lifestyle than a full-time position. We also are beginning to see organizations recognize the value of being able to get work done more efficiently by bringing in such business accelerators.

Q. Do you have examples of C-level executive projects typically work on?

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1981
Hal Bogotch, BS, of Los Angeles, is writing English language arts test questions for a fast-growing educational services enterprise, PowerLearningUSA.com. Based in Scottsdale, Ariz., his wife, Laura Laramara, is illustrating a picture book for a bilingual division of the University of Houston Press. Their daughter, Anna, starts kindergarten in a dual-immersion, all-Spanish school in September.

Jeffrey Eglash, BS, writes, “I am working as a senior counsel for litigation and legal policy for General Electric in Fairfield, Conn., and live nearby in Weston with my wife, Karen, and sons, Elliott and Benjamin.”

Barry Geisler, BS, of Los Angeles, has been starting his 22nd year as general manager of the Patriot Center, the 10,000-seat arena at George Mason University. Barry is married to Meredith Geisler, president of Meredith Additions for Student Activities, a sports public relations and communications firm. They have two children, Natalie (14) and Grant (9).

Joann (Martens) Weiner, BS, was elected vice president of Community Tax Adv. She is an adjunct professor at George Washington University, teaching public economics and will present a seminar on the financial crisis.

Lynn (Warfield) Westbay, BS, graduated a graduate program in 2006 with an emphasis in public health at the Brown School of Social Work at Washington University in St. Louis.

1982
Mitch Collins, BS, writes, “I recently accepted a position as an accelerated RN at the Oxford College of Applied Sciences in Oxford, Ok. ORCAS is one of the most unique and successful organizations in the country in obtaining funding under the Small Business Innovation Research Programs of the National Institutes of Health. Our research is focused on developing innovative strategies to address a range of public health issues. See www.orcasinc.com. After many years away from the left coast, it is great to be back. In many ways Eugenie reminds me of the Bay Area, with close proximity to the coast, mountains, and wineries. I hope to visit the Golden Gate Bridge and the Japantown district before leaving New York. Following my great experience at Goldman Sachs, I moved to Israel, where I am currently doing business development for an American/Israeli stem cell technology startup.”

1983
Steven Peetz, BS, MBA 1991.

1984
Marc Bruderer, BS, MBA 1991.

Jennifer (Farell) Guttmann, BS, writes, “I continue to run a small tax practice while juggling raising our children. I volunteer in Seattle for a women’s homeless shelter and I’m on the board of a local women’s club, where I am responsible for fundraising efforts for local charities.”

1985
Debbie (Chen) Keesey, BS, of Tonome, Calif., who has a law degree from Cornell, is doing estate planning for young families and producing eco-friendly bamboo clothing and furniture (www.SpunBamboo.com).

Timothy Wong, BS, moved a private, nonprofit high school into a former, upscale car dealer- ship at the “window of the bay” in Monterey, Calif. He writes, “The architecturally and open-floor design of this building complements our unique campus culture by stressing the importance of developing authentic relationships while integrating the skills necessary to thrive in a global digital market. To view a video of this transformation, visit www.calwinarts.com.”

1990
Thomas Luzitng, BS, MBA 1991.

1991
Daniel Cirzi, BS, writes, “The Bowles Hall Alumni Association will be hosting its 60th Annual Big Game dinner on Nov. 20 at the Stanford Hotel in Palo Alto. Several distinguished Haas alumni are expected to be in attendance. Held every Big Game weekend since 1949, this special anniversary dinner will have Boxersmen from eight decades. For more information on the event, please contact Dan Cirzi at dancirzi@stanford.edu or (650) 363-9151.”

1992
Laura Calaway, BS, is working as an independent change manager and site development focused on technology projects. She and her husband reside in the East Bay area and celebrated their 12th wedding anniversary!

1993
Edward Kennedy, BS, was promoted to partner in the San Francisco office of the law firm Ess & Young in July 2008. Ed serves clients in a number of industries, including retail and consumer products, real estate, hospitality and technology, and the campus coordinating partner for Ernst & Young’s Bay Area office at Berkeley. Ed moved his home this year to Walnut Creek, where he enjoys the outdoors and his two children, Alex (6) and Andrew (4). Timothy Wong, BS 85, moved a private, nonprofit high school into a former, upscale car dealership ( pictured here) in Monterey, Calif. While eating at the Cal Business
dining hall, he asks a student he doesn’t know if he is a Cal alum. The student says yes, and that makes him feel good about himself. Eugenie reminds me of the Bay Area, with close proximity to the coast, mountains, and wineries. I hope to visit the Golden Gate Bridge and the Japantown district before leaving New York. Following my great experience at Goldman Sachs, I moved to Israel, where I am currently doing business development for an American/Israeli stem cell technology startup.”

1997
Kimberly Koo Iaocovella, BS, MD 2002, and wife, Jennifer Seguin

2000
Claudia (Gallegos) Caazares, BS, writes, “I recently had two very important accomplishments take place in my life. No. 1, I welcomed my third child into this world, and No. 2, I’m a blossoming happy and healthy. No. 2, I was promoted to the position of housing and community development division manager for the city of Fremont. My education at Cal has definitely provided me the backbone to the level of planning, research, and analysis that is required of my position. I am just now more than ever in my new position. I welcome the challenge in managing a $15 million annual budget and staff to provide safe, decent, and affordable housing for some of Fresno’s poorest families.”

Ramtiz Mirzazi, BS, lives in Los Angeles, having been won over by the city’s high energy and abundant sunshine. She is an attorney at Allred, Maroko & Goldberg, where she practices employment law with a focus on discrimination, retaliation, and sexual harassment.

2004
Jay Bharadwa, BS, writes, “I proposed to my girlfriend of six years and fellow Cal alumnus, Sania, on campus the weekend of August 2. Another tour Cal alumnus, we had come up from New York to Monterey for a wedding, and since we were flying off SFO to attend a day trip to take a break on Sunday, April at Rancho’s (an inexplicably named Tap Room – who came up with that?), then through a series of ups and downs I led her through a scavenger tape hunt to Sprout, Henry’s, Blake’s, and Racha’s Cafe – all places that meant a lot to her at Cal. At each stop, one of her best college friends surprised her (separate from the six of us who were there for the wedding) with a drink, a meal, a tour of the sights, etc. They had come from Los Angeles, San Francisco, or New York, and were matched with the place where they had memories with my girlfriend. The last clue led her to me, where I proposed. Then, with a lot of help from Terri, Diane, and many other members of the Haas Alumni Relations team, I threw her a surprise engagement party...
recent books, Using case studies, been founded in November 1929 at the historic de Y oung house at 1616 California Ave. in San Francisco. More info: sfspinsters.com. Professionally, I am excited to announce that I made the move from Google to Facebook. I love most about working for Facebook is running into and reuniting with tons of Haas alum undergrad and MBA alumni!”

Submit your news online at http://www.haas.berkeley.edu/alumni Notes

Deborah Smith, BS, of San Jose, Calif., started working full time for Agilent as a financial ana-lyst in August. He writes, “Spent a month in Iran this summer; it was a great experience visiting friends and family and reliving childhood memories. As far as political issues are concerned, didn’t see any protests while I was there, but the atmosphere was definitely different.”

Max Oliva, MBA, of San Jose, Calif., writes, “I'm back in the US, I've been meeting with startup companies involved in renewable energy, specifically smart grid solutions. My book, (Novalis, Toronto; 23rd Publications, U.S.) was published in May. It is available in the US through Twenty-Third Publications Online. I'm the principal attorney at the law firm of Tom Nemat which is located in Irvine, Calif. I focus my practice on corporate law, business formation and startup issues. I'm also a die-hard Haas football fan!”
Tentatively titled, the book explores the influence that women absorbed from the presence or absence of their fathers. The second book in his series will focus on 50 of the world’s most successful and universally regarded women, and their fathers’ influence. “I will look at motherless daughters and fathers. Interactions for women are still being accepted for all three works. They can be submitted to kevinrenner@mba.berkeley.edu.

Kevin Renner, MBA, writes, “After teaching full time in the Faculty of Business Administration at Mission College, Thailand for six years, I was asked to return to Berkeley as an assistant for academic innovation in 2008. Earlier this year, the Tha Ministry of Education named me an unclassified professor, an important milestone in the institution’s development for which we are very thankful.”

Dirk Hofer, MBA, writes, “I have been enjoying fix (in) for over two years leading SAP’s Global Business Operations for the Americas, Market Part, turns out to be a great hub to explore many archetypal sites around Europe, which is how I managed to experience leisure time. I started with Egypt in January and wanted my way to Galway in Turkey and Greece in April and then on to Pompei and Rome, covering 1,700 BCE all the way to 400 AD in just six months.”

Murali Subbarao, MBA, of Saratoga, Calif., writes, “I have taken classes, internships, and American Business Awards for Silicon Valley Business Journal. On a personal note, I looked forward to visiting the campus as a California Alumni Trustee, for help. My father was Arnold, is now a sophomore at Berkeley. He plans to major in environmental economics and energy resource management.”

Brian Kaplan, MBA, was promoted to vice president of development and marketing at the Silicon Valley Education Foundation and works in public education across the region and is focused on ensuring students graduate from high school prepared for success at a post-secondary institution (trade school, college, or university). SVEF runs programs for students and teachers, conducts research, and builds partnerships with stakeholders, and seeks to influence educational policy and the quality of public education. Check out www.sveducation.org to learn more. Brian can be...
Melissa Kelley, MBA, writes, “This spring, KRK Public Radio and Television hired me to write a grant to the National Endowment for the Arts to participate in The Big Read. The NEA funded our request, and I’ve since proceeded to write a memoir about my time in China.”

Keith Hoang, MBA, of San Antonio, Texas, writes, “Jared and I got married in June. We are happily practicing real estate law in the Bay Area.”

Eric Browne, MBA, writes, “After a few years in Boston, I moved back to Seattle to do another software startup. Check out www.smartweet.com to track any type of work, improve team collaboration, and lay the foundation for a food, drink, and entertainment of course is key. Most importantly, the lasting memories will revolve around my children’s fun times and the peace and beauty of California that Celeste and I were able to enjoy. Best regards, Nick, Celeste, Nico (13), Andrew (11), and Marianna (9).”

Patrick Mahoney, MBA, writes, “I’m becoming a partner at a healthcare law firm.”

Brian Liddicott, MBA, of San Diego, Calif., writes, “I’m moving to a new home in the shallows of the Pacific Ocean. My wife and I are looking forward to being closer to my family.”

Mark Beckford, MBA, writes, “I’m back in July. This was our first time back in over two years. Our family has grown a lot in the last year and a half. We have a new niece named verdana, who was born in July. She is our first grandchild. We are also expecting our second child in September.”

Darien Bellord, MBA, writes, “My wife and I welcomed a baby boy, Elliot, into the world last September. We’re still living in San Francisco, where I’m covering technology as an editor for Bloomberg News.”

Sam Enoka, MBA 99, writes, “I feel pretty good about my career. I’m starting my own business and I feel like I’m doing something that I really enjoy.”

Nikhil Turner, MBA, writes, “I’m happy to share that my husband, Eli, is back in the United States after a few years in China. We will be moving to a new home in the city of Shanghai.”

Karen B. Davis, MBA, writes, “I have a new baby!”

Steven Peletz, MBA, became chair of the Development Council for the Haas School July 1. In that volunteer role, he is happily working with alumni and Development and Alumni Relations staff to foster public giving of all kinds to Haas, recruit energetic and committed volunteers, build a solid and engaging fundraising platform that will make giving easier to do, help volunteers and alumni understand the compelling business case for giving, and make the process of volunteering fun, rewarding, and inspiring to those who will pitch in. Contact Steve for information on the fundraising effort. At work, Steve continues to help clients buy, sell, and invest in real estate. I’m happy to invest in real estate on my own. At home, Steve and his wife, Lisa, continue to enjoy raising our two children and travel intermittently.”

R.J. Scherms, MBA, of Lafayette, Calif., enjoys art and music. He is currently working on a new album and enjoys going to concerts and music festivals. He writes, “I’m happy to share that my husband, Eli, is back in the United States after a few years in China. We will be moving to a new home in the city of Shanghai.”
2002
Jill Alvirez, MBA, of Palo Alto, Cali, writes, “Our Alvirez family has been growing. We have Zvi (5), Ari (3) and now Tali (4 months). Soon I return from maternity leave to Google, where I manage some of Google’s key out-sourced relationships in finance. Warm hello to everyone!”

On Sept. 13 Cindy Karasick, MBA 02, married Adrian Winoto in Chicago. The couple currently lives in Chicago. Cindy will be transferring her job to a Seattle-based Capital City as a marketing manager.

Sangita Chakraborty, MBA, of Palo Alto, Cali, writes, “I have been spending a fantastic summer exploring beautiful locations (11) and Kenya (1) and now I have my baby. With my busy career I found myself needing support and I joined the TEDxPatagonia event in Chile.”

2003
Christine Connett, MBA, of San Francisco, writes, “I was married on July 3 on the beautiful north shore of Oahu. We recently returned from our honeymoon in the Maldives, Java, and Bali, where I continue to work at Old Navy as a director in inventory management. The wedding was attended by a number of Haas classmates, including Tanya Tan, MBA 02, and Patricia Buytenhuys, MBA 02. Christine and her husband, Michael Connott, MBA 02, have a son, Mark Graham, born on July 31.


Justin Riezel, MBA, of Cupertino, Cali, writes, “I just started a new job at Adobecom a senior product manager.”

Andrea (Kappenman) Sharma, MBA, and her husband, Nationals, celebrated the birth of their son, Ravi Rishi Sharma, on June 27.

2005
Sangeeta Chakraborty, MBA, of Palo Alto, Cali, writes, “I moved to Seoul and find great opportunities in GSG. Go Bears.”

2007
Steve Falace, MBA, is back in the Bay Area again working on an assignment in Baltimore, Md. Steve is working with Jeffrey A. Parkin and Associates, a financial advisory firm that works with public sector clients in transportation infrastructure. He is still based in San Francisco.

MBA REUNION
APRIL 23-25, 2010

William Buchan, MBA, of Union City, Cali, writes, “I am the co-founder and CEO of SalsaSalvaje.com, a website focused on growing the salsa community and exploring new opportunities in semicommunal marketing.”

Marcelo Vazquez, MBA, writes, “We launched our first TEDx event in Chile with a group of friends called TEDxPatagonia. It was a great evening of emerging stories and great networking.”

You can check our website at http://www.tedxpatagonia.com

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Richard Velazquez, MBA, of Redmond, Wash., writes, “The birth of my son is going to be fortunate and prosperous. He

1. BSA REUNION APRIL 23-25, 2010

Alumni Notes

status. This month we are moving from South Beach to 11th/Lake in San Francisco, trading in ultra-convenient urban living for a more peaceful, laid-back neighborhood still close to work at MetaL Capital as a product manager while John remains a graduate student at the Wharton School. We are both enjoying our time in Seattle, Wash. The sustainable business supporting startups and established organizations to develop, grow and engage in the innovation ecosystem. The first Annual Women’s Leadership Network event was in August, a success that I am very excited about. We are looking forward to the next seminar in September and our big annual conference in October. We are very fortunate to have such an amazing team and able leadership. Check us out on www.cheapmags.com.”

Angela Dorsey, MBA, married Nick Shaik, MBA 06, in Laguna Beach, Cali. Angela works as brand manager for Pure Barre and Nick is assistant professor of bioethics at Loyola Marymount University. The couple currently lives in Seattle.

2009
Sandy Li, MBA 05, and Michael Wozniak, MBA 06, were married on Fourth of July in Kamloops, Canada. "This year was a big thank you to

Tanya (Himathongkam) Vannapruegs, MBA, of Redmond, Wash., writes, “On August 1 in a beautiful ceremony at Alki Beach in Seattle, Wash. They honeymooned in Bali, Lombok, and Singapore. The good fortune continues as we bought a home in the Seattle area! In September, my husband and I spent a week on a trip to China with 23 friends from 10 countries. We are very fortunate to have such an amazing team and able leadership. Check us out on www.cheapmags.com.”

Bill Gemmer, MBA, of South San Francisco, writes, “I am very excited about our new venture in marketing and new opportunities created by the TEDxPatagonia event in Chile.”

“Isa, the family, and I moved to Santa Barbara, Calif., in late July. I’m now heading up product management at Ask.com as a senior product manager.”

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tory management. The wedding was attended by a number of Haas classmates, including Taven

Daughney, Sonali Rohagti, Andrew Yee, Masae Otsuka and Mervin Tal.”

Jay Jung, MBA, of Seoul, Korea, writes, “I am very happy and honored to visit Haas for recruiting week this year as a recruiting manager for Samsung Global Strategy Group, in-house consulting agency and leadership program in San Francisco, CA. I am very excited in philantrophic work at the foundation for the Division of Health Care which is wholly supported by the Haas School. Work mainly involves trainings for medical personnel from oversees in Thailand, and at the expanding concept and prac-

Michael Velazquez, MBA, of Tupelo, Miss., and Christine Chen, BA 90 (English/Mass Comm) at their Seattle wedding
Business Visionary Don Fisher, BS 51

Don Fisher, BS 51, chairman emeritus and founder of Gap Inc., passed away Sunday, August 27, at the age of 81, following a long battle with cancer. Fisher was a long-time member of the Haas Board, which advises the dean on strategic and policy innovations, and recently served as the board’s chair.

“Don was a truly great businessman of our time, who demonstrated throughout his life the values and principles that we strive for at the Haas School,” said then-Director Robert J. Sternberg, PhD, MBA 72.

Fisher’s life was the embodiment of the values and principles that the Haas School stands for. He was a true leader who inspired others with his vision and dedication. He will be greatly missed by his family, friends, and colleagues. Our thoughts are with his family during this difficult time.

At the Haas School, we are committed to fostering a community that values diversity, inclusion, and social responsibility. Fisher was a leader in these areas, and his legacy will continue to inspire us for years to come.

Maurice Moonitz
Executive Director of Executive Development
By Tariq Dennison, MFE 04

Riding the train from Warsaw, Poland, to Vilnius, Lithuania, we pass sleepy Prussian forests outside our window. Our one-year-old starts smiling at the attractive middle-aged woman sitting across from us, and soon she is chatting with my wife about her life in Lithuania. Before we know it, she invites us to dinner at her polished, top-floor flat, where her partner, a successful real estate entrepreneur, teaches me about the Baltic property market.

It’s one of many memorable encounters on our 200-day tour of 20 emerging market (EM) countries that I had previously traded from a New York desk. Until Nov. 20, 2008, when I found my pink slip among the thousands flooding Wall Street that year, I had spent much of my career trading derivatives and structured products linked to emerging markets. So while the New York derivatives job market was in a coma, I decided it was a perfect time to visit countries like India, Slovakia, China, and Malaysia (whose economies were not as heavily leveraged nor apparently as affected by the credit crisis) to search for my next opportunity and see firsthand how well these emerging markets actually work.

Our itinerary included traveling to 20 EM countries almost entirely by train. We called our trip “The Road Less Traded.”

Real Estate Lessons

Fortunately, my wife could easily leave her job at the time and my son was not yet in school. I soon came to realize that traveling as a family instead of as “one guy” would introduce me to several aspects of these markets — particularly related to real estate — that I might not learn about on my own.

For example, after our fourth hotel, my wife found an apartment for our three-day stay in Kiev, which immediately proved to be far more comfortable and home-like than a hotel, with more space, a kitchen, and a washing machine. But searching for and staying in apartments in different cities also gave us a quick glimpse at the real estate situation and a better idea of how people live in these places.

In Russia, it proved relatively difficult to find an apartment; most were in dark, tight, smelly Krushchev-era cement blocks and a very poor value. This seemed to be because the Soviet mass-produced just enough of these for citizens to live in, and then the occupants became owners when the USSR collapsed, leading to very high home ownership rates (and probably little surplus for visitors to rent). Our observations reinforced for me how real estate is the most local (perhaps the only truly local) tradable asset and how watching the property markets in these countries should always be part of how I evaluate them.

Russia’s Scarcest Resource

In Moscow, the family played at home one evening while I went to share a drink with a fellow Berkeley MFE working there. While we drank from our $35 glasses of Scotch at one of the city’s many trendy bars, he talked to me about the leanest ‘90s in Russian business and how the “make a million today, get shot tomorrow” mindset has resulted in most people’s long-term horizon extending only 12 to 18 months.

Similar conversations with a Berkeley alum in Kiev and a friend of an alum in Kazanoyar, Siberia, also confirmed that the scarcest resource in Russia is the desire to invest long-term; something I would soon discover was more abundant in China.

Sea of Coal

After hearing for years that “the 21st century belongs to China,” we arrived and began looking for it. Hoping to avoid a limited view of the country by starting in a big city like Beijing or Shanghai, we began our tour of China in Datong, a city of less than 2 million people in the north-central part of the country.

Datong sits on a “sea of coal” — the largest coal base in China. Consequently, the city is enjoying rapidly developing wealth and suffering from tremendous pollution. It looks like one giant, dusty construction site and seems more like a city building toward the future than having already arrived there — often a sign of a “high risk/high return” phase of investment. But with countless high rises nearing completion, it’s easy to envision Datong looking like Jersey City three to five years from now.

As of this writing, we are about to board a train from Guilin, China, to Hanoi, Vietnam, with sadly only Southeast Asia and about two months separating us from our goal of Singapore by November. While we are still sorting out whether the next great opportunity will actually be out here or will be selling EM investments back in the West, we have already discovered no less than a handful of places we’d love to live — Budapest, Vilnius, Shanghai — whose economies have been developing in excitingly different ways and whose markets hope to continue trading wherever we end up next...

To follow Tariq Dennison’s tour, visit roadlesstraded.com.