

STANFORD  
BUSINESS

GRADUATE  
SCHOOL OF



# 2015 Year in Review



ANNE T. & ROBERT M. BASS CENTER  
KNOIT MANAGEMENT CENTER  
645 KNIGHT WAY





MBA Class of 2015 graduates, **BENNETT HAUSER, SARAH HARRISON, and RYAN HARPER** (LEFT TO RIGHT) prepare to walk from the arch at Littlefield to the GSB graduation ceremony at Frost Amphitheater.

## Dear Friends,

We are pleased to share with you the range of activities and achievements at Stanford Graduate School of Business over the past year. It has been a successful year of collaboration among alumni, faculty, practitioners, staff, and friends that has allowed us to deliver transformational experiences for each of our students.

As one of more than 28,000 GSB alumni, you are the foundation of the GSB community. We know it is important for you to stay connected to the school, and we are actively working to develop a range of opportunities that will keep you engaged with the GSB and with one another.

Last year, nearly 3,000 of you visited the Knight Management Center to attend class reunions and conferences, participate in the Executive Challenge, and teach and mentor our students. Of those who could not come to the school, hundreds of you gave your time to interview prospective students, attend and organize local chapter events, and share your perspectives with the school and fellow alumni. Thousands and thousands of you supported the school financially—thank you for your time, your support, and your dedication to building a stronger GSB community.

## Reaching High-Potential Individuals

We are extremely pleased with the quality of the students we are attracting to all of our degree programs. Our student body is more diverse than ever, and our selectivity and yield continue to increase, a trend that parallels the university's undergraduate program. Last fall, we received more than 7,350 applications for the MBA Program and enrolled 410 MBA candidates.

The Class of 2016's 410 students arrived at the GSB from more than 312 organizations; 69% of them are the sole MBA candidates from their organizations. International students represent 44% of the class, the highest number we have welcomed to the GSB, from a record 62 countries. In addition to their diversity of industry experience, 42% are women, and U.S. minorities represent 23% of the class, both all-time highs.



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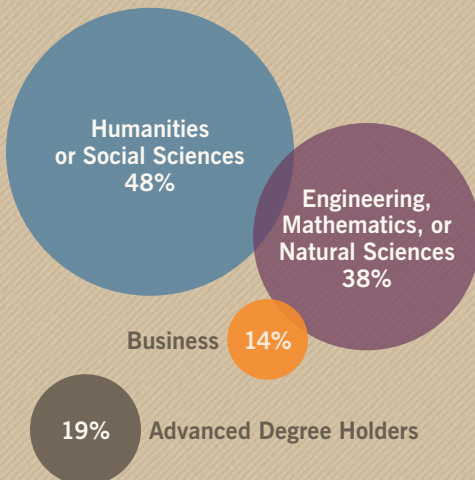
Through the Stanford Africa MBA Fellowship, now in its third year, we welcomed students from six African countries. Under this program students receive financial aid for their tuition and fees and are required to return to their countries after graduation to work for a minimum of two years. Of the eight students selected among 80 finalists, six were the first in their families to graduate from college, two were the first in their families to complete high school, four were raised by single mothers, and two are genocide survivors who grew up as refugees.

We feel fortunate to make these opportunities available to students who would not otherwise consider attending or have the financial means to attend the GSB. Next year we hope to offer similar fellowships to MBA candidates living in the United States who are promising leaders working in sectors that have been traditionally underrepresented, such as automotive, heavy equipment, and farming.



In 2014–15, Senior Associate Dean **LARA TIEDENS** (CENTER), the Jonathan B. Lovelace Professor of Organizational Behavior, oversaw the Initiative for Leadership Education and Development (I-LEAD), which administers the GSB’s leadership curriculum. Leadership Labs, the Arbuttle Leadership Fellows, Touchy Feely (OB374), and the Executive Challenge form the backbone of a curriculum that helps students develop and practice leadership skills and strategies while forging stronger relationships with their classmates. This year leadership coaches and facilitators guided and assessed students’ work in electives, such as *Paths to Power* and *The Art of Self-Coaching*, and assisted the Stanford Ignite program in New York and various Executive Education modules.

WHERE THEY COME FROM  
**Undergraduate Majors**  
 MBA CLASS OF 2016



## Supporting Our Students

At events and meetings with alumni and other groups, we often talk about the immersive environment we provide to students as they undergo a personal metamorphosis at the GSB. We wanted to share a small part of how we support our students as they embark on this wonderful journey.

Though they articulate in the admissions process why they want an MBA from Stanford, many students arrive with an exploratory mindset. We support their exploration by providing guidance and support along many dimensions as soon as they arrive. Early in Autumn Quarter, students meet in small groups with academic advisors to understand the course options for meeting the academic requirements, and later in the quarter they have one-on-one meetings with those advisors to select their courses. To support the classroom experience and improve public speaking skills, students meet individually with a coach who teaches them communication techniques.

“...small-group opportunities remain a hallmark of the GSB experience, allowing students to create authentic connections outside of the classroom.”

This year eight full-time leadership coaches provided feedback to the full class of 410 MBA1s and 68 MBA2 Arbuttle Leadership Fellows. In addition, they supported the Personal Leadership Coach program, in which the fellows provided multi-session personal coaching to 204 MBA1s for two quarters.

Small-group opportunities remain a hallmark of the GSB experience, allowing students to create authentic connections outside of the classroom. While balancing the pursuit of academic, professional, and personal goals, students have the ability to meet in small groups for advice and to explore student leadership opportunities. We also provide students with the opportunity to join peer career-support groups that are facilitated by a career advisor, take advantage of a mix of advising and peer networking, and practice holding others accountable.

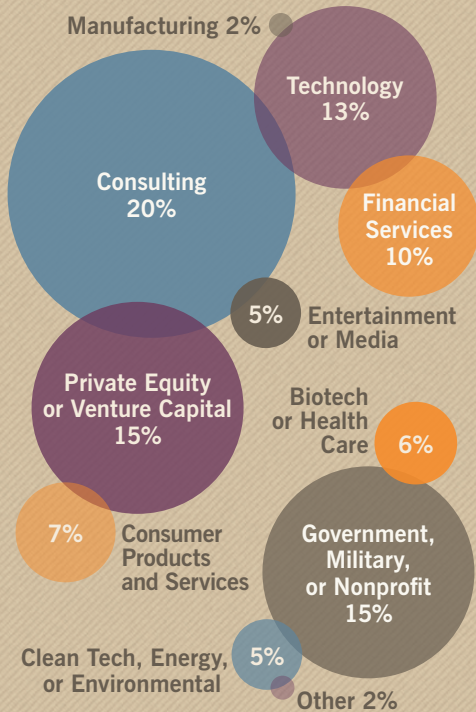
Some students choose to practice the skills they learn in class by taking part in the Student Association, while others elect to organize a conference or celebration for one of the student clubs. Many women become members of Women in Management groups, which are small groups of women who meet with a facilitator every other week. This year we piloted coed groups to encourage productive conversations and understanding across gender lines.

All of these experiences are part of a unique MBA Program that is filled with opportunities for growth inside and outside the classroom. Along the way, students refine their goals and select the pathways that will help them reach their academic, professional, and personal goals.

The MSx Program for students with 10 to 12 years of professional experience, compared to 4 to 6 years for MBAs, remains a powerful program to take students’ careers to the next level. MSxers in the intensive one-year program increased from 89 last year to 92 students in 2015–16, with female students representing 29% of the class, up from 18% in 2014–15. The program is in fantastic shape and the quality of this year’s applicants was higher than ever.



WHERE THEY COME FROM  
**Industry Experience**  
MBA CLASS OF 2016



Organizations Represented: 312



Last August, **KATHRYN SHAW** (CENTER), the Ernest C. Arbuckle Professor of Economics, and accounting faculty member Anne Beyer led a Global Seminars Program for GSB students who traveled to the Brazilian cities of Manaus and Rio de Janeiro. The group of 25 first-year MBA students and three MBA2s explored the topic of economic mobility by examining the role of small businesses and entrepreneurs in increasing income for the relatively poor as well as the institutions and public policies that support such economic development.

Thanks in part to the generosity of MSx alumni, for the first time we were able to provide targeted fellowships to MSx students. Because many of these students are self-supporting and use their time at the GSB to pivot into a second career, financial aid is a powerful tool that helps provide a significant segment of the class with this transformational opportunity.

Our PhD Program grew to 131 students this year. We had the highest number of applications in a decade, resulting in 28 new PhD students who arrived at the GSB this fall. We are excited that our first group of six Research Fellows, including two women, arrived this past summer. Last year we established the program with the goal of broadening the pipeline of prospective PhD students, with an emphasis on attracting women and minorities.

## Living and Learning Together

On schedule and under budget, Highland Hall, the 200-room residential facility located adjacent to Schwab Residential Center, will open next summer. Combined with the existing 280 units at Schwab Residential Center, we will be able to accommodate all unmarried first-year MBAs on campus, allowing us to deliver a complete living and learning environment to our students. The Highland Hall project is funded to a large extent by gifts, we are particularly grateful for the support we have received, and continue to receive, from our generous alumni.

“ This past academic year 98 student leaders planned, organized, and led 22 Global Study Trips for 589 GSB students who traveled to 23 countries ...

This past academic year 98 student leaders planned, organized, and led 22 Global Study Trips for 589 GSB students who traveled to 23 countries on 5 continents. In August, we piloted the Global Seminars Program, a nine-day travel seminar for MBA1s led by faculty and MBA2s. The first two seminars took students to South Korea and Brazil to study economic and social development. The program satisfies students' global experience requirement and provides them first-hand experience working with leaders from business, government, and nonprofit organizations.

## Going Global, Leveraging Technology

Our efforts to extend our global reach are strengthened by our ability to deliver a range of courses, certificate programs, and interactive experiences that leverage education technology. In the past 12 months, we achieved our goal of establishing Stanford Ignite, our immersive certificate program for entrepreneurship and innovation, in geographic locations where we can make the greatest impact on promising entrepreneurs. We offer the program in six countries, including this past summer's launch of programs in London, São Paulo, and New York, and continue to grow existing programs in Bangalore, Beijing, and Santiago. Last summer we concluded our second Stanford Ignite for Post-9/11 Veterans for 35 current and former members of the armed forces.

This fall, for the first time, we'll offer the Stanford go.to.market program to entrepreneurs and business intrapreneurs in Mexico City. The intensive, six-day certificate program, which we've offered for the past three years in Goa, India, teaches





**NADOU LAWSON**, Class of 2016, was born in Lomé, Togo, and as a young girl moved to DeKalb, Illinois. She graduated *magna cum laude* in finance and management from Carroll University, and then worked in finance at Kimberly-Clark and Google for six years. Nadou is COO of the MBA Student Association and in August co-led a Global Seminar trip to South Korea for MBA1s. After graduation, Nadou would like to scale businesses that improve the lives of consumers in Africa.



**RALPH EWIG**, MSx '15, has a BS, MS, and PhD in aerospace engineering and served as VP of engineering at Aerojet Rocketdyne and mission operations manager at SpaceX. Through courses like *Formation of New Ventures* and *Startup Garage*, Ralph created a business plan to provide uninterrupted telecom and data services to clients using low-Earth-orbiting satellites. His team won \$25,000 at the BASES Challenge, Stanford's annual startup competition that awards funding to aspiring Stanford entrepreneurs. The company is now raising a seed round of \$2 million.

participants practical business skills so they can refine their business models and execute and pitch their ideas. Stanford go.to.market is designed for entrepreneurs, innovators, scientists, engineers, and students with business ideas who are currently developing their strategies and plans. We are using education technology to supplement our faculty in classrooms for Stanford Ignite and go.to.market.

Last spring we offered for the first time the LEAD Certificate: Corporate Innovation, an eight-course online certificate program designed to be completed over 12 months. The program deploys teaching assistants and coaches to work through a curriculum composed of three foundation courses on finance, strategy, and critical thinking and five individually selected electives.



**[The LEAD certificate] will advance our knowledge of online learning that we can bring to our degree programs.**

The LEAD Certificate: Corporate Innovation program is a remarkable experience for participants, who leverage messaging and discussion forums and interact with each other and faculty using technology-enabled collaboration platforms. We use the AvayaLive platform to drive cohort-level engagements in a 3D version of the Knight Management Center, where participants and faculty meet up via their personalized avatars. Our first cohort includes 85 participants from 24 countries who represent a range of industries.

The concept of the program was envisioned by Executive Education, which worked with a task force of 11 GSB alumni. We appreciate the task force's dedication and recommendations to create an offering that will advance our knowledge of online learning that we can bring to our degree programs.

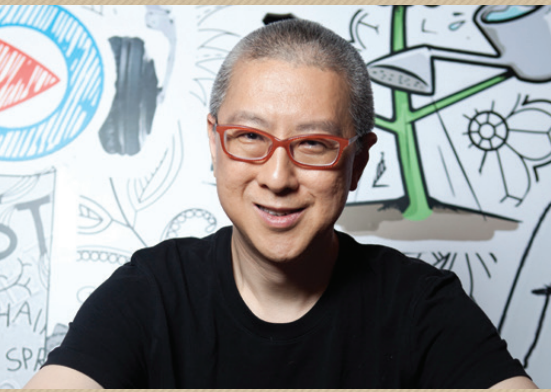
As we develop our education technology capabilities, the Stanford Executive Program remains a pillar of Executive Education, drawing 162 executives from 42 countries last summer. After 20 years as SEP faculty director, OB faculty member Robert Burgelman stepped down from his position, having demonstrated the vision to keep the six-week program vibrant in today's business climate. We are immensely grateful to Robert for his dedication and pleased he will continue teaching at the GSB.

Buoyed by our success in recent years to create strategic custom programs for companies like Caterpillar, Alfa, Hewlett-Packard, and General Motors, Executive Education designed its largest program to date for Infosys. It leverages face-to-face and online pedagogy and will run over four years, engaging the 200 most senior executives at Infosys. Executive Education also launched two new open enrollment programs, The Corporate Entrepreneur and The Innovative CIO, both focused broadly on the theme of innovation.

## Building World-Class Faculty

Faculty research remains at the center of our efforts to create knowledge across all management disciplines. Nearly six years ago we set out to increase our tenure-line faculty to 125–130 to provide us with critical mass in our seven academic areas and to allow us to deliver a diverse elective curriculum. This fall we closed in on that goal as we welcomed 12 new faculty members, bringing tenure-line





**VICTOR KOO**, MBA '94, participated last June in an interactive media salon with China-based journalists, using the Highly Immersive Classrooms at the GSB and in Beijing to promote Stanford Business Insights and the Stanford Ignite program. Victor is chairman and CEO of Youku Tudou (NYSE: YOKU), a company he founded in 2005, which is China's leading internet TV company, a cross between Netflix and YouTube.



**PAUL OYER**, the Fred H. Merrill Professor of Economics, and two former colleagues traveled to Bakersfield, Adelanto, and Ludlow, in California, and to Las Vegas, Nevada, and Yucca, Arizona, last fall to learn about product differentiation, pricing, brand management, and other topics. They published a book titled *Roadside MBA: Back Road Lessons for Entrepreneurs, Executives and Small Business Owners*, created an Emmy-nominated video series, and last fall Paul taught a course on how small business owners apply management concepts to strengthen their companies.

faculty to 124, a 17% increase compared to 106 faculty in 2009–10. We've attracted a remarkable group of mostly junior faculty whose interests range from computer science to behavioral economics. Going forward, our focus will be to slightly increase our faculty and to recruit women and minorities.



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During our reaccreditation last fall by the Association to Advance Collegiate Schools of Business, the body recognized the extraordinary strength of our pedagogy that pairs tenure-line faculty with practitioners. Last spring, co-teaching brought together marketing faculty member Harikesh Nair and Allan Thygesen, Google VP of Global SMG Sales and Operations, to teach a new elective course, *Monetization: Choosing a Business Model*, which focused on creating a strategy for monetization and revenue growth within an organization. Students tackled business model design, aligning various functional areas to implement a monetization strategy, and the tradeoffs that occur when choosing among profitable monetization policies. Accounting faculty member Stefan Reichelstein joined with GSB lecturers Don Wood, partner at the venture capital firm DFJ, and Dan Reicher, executive director of the Steyer-Taylor Center for Energy Policy and Finance at Stanford, to teach an elective course, *Sustainable Energy: Business Opportunities and Public Policy*, which examined trends and opportunities in the sustainable energy sector with a focus on low carbon energy.

Two additional new elective courses included OB faculty member Lindy Greer's course on *The Psychology of Startup Teams*, which explored the psychological dynamics specific to startup teams and ways to lead these teams to optimal performance. Another new course was finance faculty member Arvind Krishnamurthy's *Money and Banking*, designed to help students understand the connections between the Federal Reserve, financial markets, and the macro economy, including how interest rates are determined and how the Fed conducts monetary policy.

## Publishing Faculty Research

The depth and breadth of our faculty research across all management disciplines has been extraordinary. We would like to give you a sense of their work by focusing on research by our Organizational Behavior faculty. They continue to push the limits of traditional research to extract findings that are changing what we know about human interactions and helping to shape the makeup of successful teams.

These faculty members could not conduct research without the resources of our Behavioral Lab, which last year managed 850 requests for research support from faculty and doctoral students and drew more than 125,000 participants to its in-person and online surveys. The lab's resources include eye-tracking technology, as well as psychophysiology equipment used for human-subjects research that measures galvanic skin response, EEG, and heart rate variability. This year we added salivary collection equipment used for hormonal analysis in negotiations research conducted by OB faculty member Maggie Neale.



## New Emeriti

**JIM PATELL** (BELOW LEFT), the Herbert Hoover Professor of Public and Private Management, who since 2003 has taught *Design for Extreme Affordability*, one of the GSB's most impactful elective courses, announced his retirement this past summer. In the past 12 years, *Extreme* student teams have completed 110 projects with 40 partner organizations in 24 countries. Jim joined the GSB's accounting faculty in 1975, served as senior associate dean of academic affairs from 1985 to 1991, and then joined the operations, information and technology faculty. In 1998 he received the MBA Distinguished Teaching Award, and in 2007 he was awarded the GSB's Robert T. Davis Faculty Award for Lifetime Achievement and the Miriam Aaron Roland Award for Volunteer Service at Stanford. Jim will teach *Extreme* for the next two years.



OB faculty member **MIKE HANNAN** (ABOVE RIGHT), the StrataCom Professor of Management and Professor of Sociology, is retiring after 39 years at Stanford and the GSB. Hannan, a renowned sociologist, studies organizational change—both formal theoretical treatments of organizational change and empirical studies of the emergence, change, and dissolution of categories and populations of organizations. Among his many honors, Mike was elected to the American Academy of Arts and Sciences in 1991, received two best book awards from the American Sociological Association, and in 2014 received the Theorodology Prize from the Princeton Department of Sociology.

OB faculty member Nir Halevy and PhD candidate L. Taylor Phillips, published a paper titled *Conflict Templates in Negotiations, Disputes, Joint Decisions, and Tournaments*, examining decision makers' mental representation of situations that present opportunities to behave cooperatively or competitively. Conflict templates capture decision makers' perceptions of the relationships between their actions and outcomes. Their first study investigated situational influences and the cross-situational consistency of templates using a longitudinal diary design. They found that deal-making negotiation produced more competitive perceptions than dispute resolution, joint decision making, or naturally occurring social interactions. Their second study investigated downstream consequences of conflict templates by having participants submit strategies for a tournament involving four types of situations. Each strategy was matched with all other submitted strategies in a series of repeated games that included more than 12 million rounds. They found cooperative perceptions positively predicted economic performance in the tournament, highlighting conflict templates' impact on conflict management and resolution.



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Sharique Hasan, OB faculty member, received a research grant from the Stanford Institute for Innovation in Developing Economies (SEED) to study networks among aspiring entrepreneurs in India. In collaboration with the India Institute for Information Technology-Delhi and iSPIRT, a think tank that seeks to transform India into a hub for next generation software products, Hasan founded a startup boot camp called Innovate Delhi that brought together more than 110 entrepreneurs. The intensive 3-week boot camp and field experiment found that as they try to overcome institutional hurdles, entrepreneurs must be creative in securing access to knowledge, resources, and cofounders. His working paper titled, "Conversational Peers, Team Dynamics, and the Ideation Process," analyzes networks as an important resource for entrepreneurs in developing countries.

The research by Hasan and Rembrand Koning, a GSB doctoral student, found that the entrepreneurs used their networks at Innovate Delhi to help them find cofounders, by discovering who was available, who is talented, and who works effectively in teams. The researchers found that even short conversations with peers willing to share their experience helped entrepreneurs and teams generate higher quality ideas that translated into more novel products with greater business value, a finding that had been extremely difficult to show with certainty prior to their work.

From a broader perspective, SEED awarded \$2.7 million in grants in 2014–15 to support 33 research projects in 23 countries. As faculty research gains momentum, we also made progress to increase hands-on learning for 11 GSB student interns who traveled to Ghana and Nigeria this summer to work with executives who are enrolled in SEED's transformation program. This fall the institute's Accra, Ghana-based regional innovation center welcomed its fifth cohort of companies to the program. We are excited that SEED will open a second hub in East Africa in 2016. As in West Africa, GSB faculty will teach courses in-country and remotely, while coaches work with the cohorts' highest-performing leaders to hone their management skills.



## Engaging with Alumni Worldwide

Just as our Town Square and Community Court at the Knight Management Center are physical destinations for our alumni and friends at the GSB, across the university, and in Silicon Valley, our digital media platforms are now virtual destinations for those who may not live in close proximity to the school. We view digital communication in all its forms as a powerful resource that keeps us connected to each other, to influencers we follow, and to information that impacts the day-to-day decisions we make.

This year we will complete the web redesign project we started in 2012, which allows us to leverage the web to deliver rich multimedia experiences to you. Our web traffic has increased by 40%, growing from 230,000 unique viewers per month in 2011 to more than 320,000 in August 2015. Social media has become a cornerstone of our digital outreach, increasing from 16,000 followers on two platforms in 2011 to more than 1.7 million followers across 12 platforms in August 2015.



**Our alumni are the underpinning of our small GSB community, a community that is woven together by our shared life experiences...**

We are very pleased that in the past three years we have engaged so many GSB chapters and communities through the Business of Change alumni events we organized in 14 cities and 6 countries. We celebrated the final year in Los Angeles, Boston, London, Zurich, and Washington, D.C. It was fantastic to bring the “classroom” to nearly 1,300 alumni, who were buoyed by the participation of 22 faculty members who taught short seminars at the events. We would like to thank the 250 alumni volunteers who helped make these events so successful—we could not have done it without you!

Our alumni are the underpinning of our small GSB community, a community that is woven together by our shared life experiences—first as students and then as alumni—as well as our commitment to excellence in management education on all levels. We are united by our belief that the next generation of students will apply what they have learned at the GSB so they can take on the business, leadership, and management challenges that exist in cities, regions, and countries across the globe.

We are deeply grateful to all of you, our alumni, who make the work of the GSB possible. We are dedicated now more than ever to our mission of educating young men and women who will change lives, change organizations, and change the world. We could not do this valuable work without you. On behalf of the lives you have touched and the lives you will touch in the future, we thank you.

### Stanford Graduate School of Business

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MARY BARRA, MBA '90, who spoke at the GSB's View From The Top speaker series last year, has been CEO of General Motors since January 2014. In 1988, after eight years in a variety of engineering and staff positions at GM, Mary received a GM fellowship to attend the GSB. She has spent her entire career at the company and has led divisions, including Global Product Development and Purchasing & Supply Chain, where she was responsible for design, engineering, program management, and quality worldwide. She joined Stanford's Board of Trustees in 2015, and serves on the GSB's Advisory Council and on the board of directors for General Dynamics.

**CHANGE LIVES. CHANGE ORGANIZATIONS. CHANGE THE WORLD.**

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