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Wharton Media Report  
Global Alumni Forum 2011  
San Francisco

Communications Office  
Wharton School  
University of Pennsylvania  
[www.wharton.upenn.edu](http://www.wharton.upenn.edu)

# **Media Report**

**Global Alumni Forum  
San Francisco, California  
June 23-24, 2011**

# Table of Contents

I. Executive Summary.....	3
II. Press Releases.....	6
III. Press Activity.....	13
• Forum Press Attendance.....	13
• Forum Interviews.....	14
• Seminars for Business Journalists.....	17
IV. Social Media.....	20
V. News Coverage.....	22
VI. Internal Coverage.....	43

## Executive Summary

This year, the Global Alumni Forum (GAF) was held in the US for the first time in San Francisco. As a result, our communications efforts focused on highlighting compelling timely topics of interest to a global audience rather than specifically on spotlighting issues of interest about the country that hosts the event. As a result of this strategy, topics covered by the media included sustainability, emerging economies, business education, Silicon Valley, social enterprise and the 10th anniversary of Wharton's San Francisco campus.

Our office achieved our goal of maximum exposure for the GAF in San Francisco through pre-event and real time media interviews and placement, an organized and active social media presence, less than 24-hour turnaround of on-site event coverage and of course, the tried and true on the fly media work that enabled reporters to take advantage of the GAF's speaker list and faculty presence for on the spot coverage and encourage further interest.

### **Seminars for Business Journalists (BJS)**

Our Seminars for Business Journalists were held on Wednesday before GAF bringing over 30 national and international reporters to our San Francisco campus for a full day of "seminar" presentations by Professors Kent Smetters, Len Lodish, Raffi Amit and Vice-Dean Doug Collom. Attendees included reporters from *sinomedia* (China), *Financial Times* (UK), *The San Francisco Chronicle*, *Marketplace Radio*, *San Francisco Business Times*, *Chronicle of Higher Education*, *Handelsblatt* (Germany) and *Reuters*. Feedback was positive for the day's events and seven reporters took advantage of our offer to cover the GAF by staying in San Francisco to attend the event. In fact, we scheduled one BJS-er who writes for *Poets & Quants* and *Forbes India* with four interviews with top faculty presenting at GAF.

### **Media interviews and placement**

In conjunction with Lewis PR, our office managed over 20 interviews of media with various Wharton faculty, GAF invitees and Wharton alumni speakers at and before the event. Interviews occurred with publications from the west coast (*San Francisco Chronicle*, *San Francisco Business Times*, *San Francisco Examiner*), with national circulation (*Forbes*, *Techcrunch*, *Poets & Quants*, *Bloomberg Businessweek*, *Reuters*, *Dow Jones*) and those with international reach (*Handelsblatt*.)

Special attention was given to securing west coast placements for the Dean which resulted in two interviews with *San Francisco Business Times* (see article: <http://www.bizjournals.com/sanfrancisco/print-edition/2011/06/24/wharton-expands-san-francisco-campus.html>) and *Forbes*.

To date, we have had approximately 10 GAF-related placements in media (see attached list) with more expected from onsite interviews including a *Poets & Quants* piece on Dean's Medal Awardee Connie Duckworth and the *Forbes* article featuring Dean Robertson.

### **Social Media**

It was especially energizing to see the co-ordination of our efforts in regards to social media which led to an active real-time Twitter presence, content-rich Facebook stream and comprehensive up-to-date Flickr photo sets, all as the GAF was happening. Wharton Communications worked with K@W to have complete coverage of the Forum's events as well as re-posting the positive activity from alumni attending the events. As a result, the [Wharton GAF Twitter](#) stream had around 160 tweets with over 80 followers during the two-day event,



[Wharton's Facebook](#) page, with approximately 15,000 followers featured key GAF media hits and our [Wharton GAF Flickr set](#) now features nearly 100 photos and, to date, more than 4,000 views across the set.

#### **Other assets**

- Video

Wharton External Affairs Communications handled video for the GAF. These videos include interviews with various alumni and coverage of certain panels which will be featured in Wharton Magazine and available through the Wharton You Tube channel.

- K@W blogs

K@W editor Rachel Kipp attended the Forum and in addition to posting content to the K@W Twitter feed, wrote two blogs for K@W today which were posted on June 23 ([Greece, the Eurozone and a 'Great Rebalancing'](#)) and June 24 ([Rodent DNA in Office Buildings: Why Genomics Matters.](#))



## II. Press Releases

Date	Media	Synopsis	Page
6/8/11	Various Sources	<a href="#"><u>Business leaders from leading global organizations join Wharton faculty members and Dean Robertson of the Wharton School in a range of panel discussions and talks.</u></a>	7
6/14/11	Various Sources	<a href="#"><u>Wharton has announced that the Dean's Medal, the School's highest honor, will be awarded to two members of the Wharton community: Connie K. Duckworth and Robert B. Goergen.</u></a>	10



## II. Press Releases



June 8, 2011

### San Francisco to Serve as First-Ever U.S. Host for Wharton Global Alumni Forum, June 22-24

*Hundreds of alumni, more than 70 global executives and Wharton faculty to discuss important issues at three-day event*

SAN FRANCISCO & PHILADELPHIA--The [Wharton School of the University of Pennsylvania](#) today announced the speakers at its 40th [Global Alumni Forum](#), taking place in San Francisco on June 22–24, 2011 at the Westin St Francis Hotel. The Forum in San Francisco, Wharton’s 40th, is the first ever to take place in the United States.

The 2011 Global Alumni Forum will center on the theme, "Creative Solutions to Global Challenges," and aims to develop new solutions to emerging political, economic and environmental issues. Attendees will have the opportunity to interact with key players who are driving these changes both during the Forum as well as at evening networking events.

Since 1993, 39 Wharton School Global Alumni Forums have been held in some of the world’s leading cities across five continents including Shanghai, Mumbai, London, Beijing, Mexico City, Rio de Janeiro, Bogota, Dubai and Paris. This year the Forum will also serve as a celebration of the tenth anniversary of Wharton | *San Francisco*, the School’s academic home on the West Coast. Wharton | *San Francisco* offers Wharton’s Executive MBA program as well as Executive Education courses, conferences, and custom programs for individual companies.

Business leaders from prominent global organizations such as Facebook, China International Capital Corp Ltd, Oracle, Investor AB, KKR and eBay will join nearly 20 Wharton faculty members led by Thomas S. Robertson, Dean of the Wharton School, in a range of panel discussions and talks. Co-chairs of the conference are S.A. Ibrahim, Wharton MBA '78 and David S. Pottruck, University of Pennsylvania '70 / Wharton MBA, '72.



## II. Press Releases



Keynote speakers include Wharton Prof. Jeremy J. Siegel, the Russell E. Palmer Professor of Finance; Jacob Wallenberg, Chairman of Investor AB, Wharton undergraduate, '80 / Wharton MBA, '81; Craig Venter, biologist and entrepreneur famous for his role in sequencing the human genome; Levin Zhu, President of China International Capital Corporation Limited/Chairman of Management Committee of CICC; and Carlos Pires de Oliveira Dias, Chairman of the Board, Drogasil, Board Member, Camargo Correa Group, São Paulo.

Others speakers include:

- Jack Abraham, Director, eBay Marketplaces, Wharton undergraduate '08
- Ari Ariwibowo, GP, Fairways Indonesia Fund I, Jakarta, Univ of Penn School of Engineering'95/Wharton undergraduate '95/Wharton MBA,'01
- Ethan Beard, Global Director of Partnerships, Facebook, Wharton undergraduate '94
- Jeb Dasteel, Senior Vice President and Chief Customer Officer, Oracle Corporation
- Connie K. Duckworth, Founder and CEO, ARZU, Inc., Wharton MBA '79
- James H. Greene, Jr., Partner, KKR & Co., Wharton undergraduate '72
- Bill Schlough, Senior Vice President and CIO, San Francisco Giants, Wharton MBA '89
- Ashmeet Sidana, Partner, Foundation Capital, Wharton MBA '03
- Rosanna Ramos Velita, Presidente del Directorio & Chairman, Caja Rural Los Andes/Perú, Univ of Penn PhD, '92; Wharton MBA '92

## II. Press Releases



Panel topics include global private equity, innovation, sustainability, retail, emerging economies, the role of women in the 21st century, social media and investment strategies. A full list of speakers and panels can be found here: [http://whartonsanfrancisco11.com/sanfrancisco11/Schedule\\_all\\_days.aspx](http://whartonsanfrancisco11.com/sanfrancisco11/Schedule_all_days.aspx).

Wharton alumni have a significant presence on the U.S. West Coast, contributing both new talent and senior leadership to virtually every industry. Currently there are five different Wharton alumni clubs and many thousands of Wharton alumni residing in the region.

### **About the Wharton School**

The Wharton School of the University of Pennsylvania—founded in 1881 as the first collegiate business school — is recognized globally for intellectual leadership and ongoing innovation across every major discipline of business education. The most comprehensive source of business knowledge in the world, Wharton bridges research and practice through its broad engagement with the global business community. The School has more than 4,800 undergraduate, MBA, executive MBA, and doctoral students; more than 9,000 annual participants in executive education programs; and an alumni network of 86,000 graduates.

## II. Press Releases



June 14, 2011

### Wharton School Announces Highest Honor to Two Prominent Alumni

PHILADELPHIA--[The Wharton School of the University of Pennsylvania](#) has announced that the Dean's Medal, the School's highest honor, will be awarded to two distinguished members of the Wharton community: **Connie K. Duckworth, WG'79**, and **Robert B. Goergen, WG'62**.

Wharton Dean Thomas S. Robertson said, "Our vision for the future of the Wharton School comprises three pillars: social impact, innovation and global presence. In this spirit, I am honored to present the Dean's Medal to two individuals who strongly exemplify these important values of the Wharton School. The global effects of their contributions to social impact and innovation stand as powerful examples to our current students and alumni of the transformative potential of a Wharton education."

**Connie K. Duckworth** is a retired Partner and Managing Director of Goldman, Sachs & Co., where she was named the first woman sales and trading partner in the firm's history. In 2004 she founded ARZU, Inc., a nonprofit organization that provides sustainable income to Afghan women by sourcing and selling the rugs they weave, and serves pro bono as Chairman and Chief Executive Officer. A member of the Wharton School's Board of Overseers, Ms. Duckworth also serves on the Boards of Directors of the Interfaith Youth Core in Chicago and NorthShore University HealthSystem in Evanston, Illinois. She is a past Chair of the Committee of 200, the organization of leading women entrepreneurs and corporate business executives in the U.S. and she is the author of *The Old Girls Network: Insider Advice for Women Building Businesses in a Man's World* (Basic Books 2003). The recipient of numerous awards for leadership and advocacy, she was named a 2008 Skoll Foundation honoree for Social Entrepreneurship. Ms. Duckworth created the Connie K. Duckworth Endowed Doctoral Fellowship and the Connie K. Duckworth Endowed MBA Fellowship at the Wharton School to provide support to female graduate students.



## II. Press Releases



**Robert B. Goergen** is founder, Chairman and Chief Executive Officer of Blyth, Inc., a global industry leader in candles and home fragrance products. He is also Chairman of the Ropart Group, a private equity investment firm. Previously, Mr. Goergen was a Partner with McKinsey & Company and served with Donaldson, Lufkin & Jenrette, McCann-Erickson, and Procter & Gamble. He is a member of the Board of Directors of Protein Sciences Corporation. Since 1982, he has served on the Board of Trustees of the University of Rochester, most recently as Chairman. Mr. Goergen is a member of the Wharton School's Board of Overseers, and his son, Robert Blyth Goergen, Jr., earned an MBA from the Wharton School in 2000. Goergen's commitment to seeding innovation — and to the next generation of entrepreneurs — is reflected in his support of numerous initiatives at Wharton and the University of Pennsylvania, including the Goergen Entrepreneurial Management Program and the Robert B. Goergen Professorship of Entrepreneurial Management.

### **About the Dean's Medal**

Created in 1983, the Wharton School Dean's Medal recognizes outstanding leaders of private enterprise, public service, and academia. The awardees are chosen for their contributions to the enlargement of the global economy and to the improvement of lives worldwide. The dean selects individuals who, through excellence in management, have truly made a difference in the creation of wealth and value, and in the promotion of a peaceful and prosperous world. Past recipients of the award include two Nobel Prize winners, presidents of five countries, and many chairmen and chief executive officers from thirteen countries worldwide. For more information, please visit: <http://www.wharton.upenn.edu/alumni/deansmedal/>.



## II. Press Releases



### About the Wharton School

The Wharton School of the University of Pennsylvania—founded in 1881 as the first collegiate business school—is recognized globally for intellectual leadership and ongoing innovation across every major discipline of business education. The most comprehensive source of business knowledge in the world, Wharton bridges research and practice through its broad engagement with the global business community. The School has more than 4,800 undergraduate, MBA, executive MBA, and doctoral students; more than 9,000 annual participants in executive education programs; and an alumni network of 86,000 graduates.

### The Campaign for Wharton

With an ambitious \$550 million goal, The Campaign for Wharton includes foundational elements and cutting-edge initiatives in such areas as faculty and student support, research programs and curriculum development, technology and facilities, and unrestricted support. Launched in 2005 and ending in 2012, The Campaign for Wharton will help to ensure Wharton's prominence as the thought leader in global business education. For more information, please visit [www.thecampaignforwharton.com](http://www.thecampaignforwharton.com).

## III. Press Activity

### Forum Press Attendance

Outlet	First Name	Last Name	Title
Bloomberg Businessweek	Rachael	King	Journalist
Dow Jones	Ian	Sherr	Reporter
Filipino American Radio Network	Caroline	Ocampo	Journalist
Financial Times	Zoe	Corbyn	Journalist
Forbes	Eric	Savitz	Editor
Forbes-India/Poets & Quants	Neelima	Mahajan	Journalist
Global Media Productions, Inc. – Nigeria	Bukola	Shonuga	Executive Producer/ Host
Handelsblatt – Germany	Astrid	Doerner	US Correspondent
LC2 TV – France	Irene	Houngo	Reporter
Manila Mail	Bradford	Adkins	Editor
Manila Mail	Mila	Quibilan	Reporter
Xinhua News Agency	Jing	Guan	Reporter
The French News Agency	Jean	Baptiste-Su	Bureau Chief

# III. Press Activity

## Pre-Forum Press Interviews

Media	Journalist	Type of Interview	Spokesperson	Status	Date of Publication
Smart Planet	David Worthington	Phone	Eric Orts	Published	6/29/11
The Atlantic	Alexis Madrigal	Phone	Craig Venter	Pending	TBD
Xinhua News Service/ China Daily	Jeff Sheehan	Phone	Jing Guan	Pending	TBD
Bloomberg Businessweek	Simon Clark	Email	Connie Duckworth	Pending	TBD
SF Examiner	Steve Drumwright	Phone	Jeff Sheehan	Published	6/19/11
Reuters	Alexei Oreskovic	Phone	Peter Fader	Not quoted	N/A
SF Business Times	Sarah Duxbury	Phone	Dean Thomas Robertson	Published	6/24/11

# III. Press Activity

## On-Site Interviews During the Forum

Media	Journalist	Type of Interview	Spokesperson	Status	Date of Publication
Poets & Quants	Neelima Mahajan	Face to Face	Prof. Raffi Amit	Pending	TBD
Poets & Quants	Neelima Mahajan	Face to Face	Prof. Peter Fader	Pending	TBD
Handelsblatt	Astrid Doerner	Face to Face	Bob Doll	Published	6/28/11
Forbes	Eric Savitz	Face to Face	Dean Robertson	Pending	TBD
Dow Jones	Ian Sherr	Face to Face	Peter Fader	Published	6/24/11
Handelsblatt	Astrid Doerner	Face to Face	Jacob Wallenberg	Pending	TBD
Handelsblatt	Astrid Doerner	Face to Face	AT Trader	Pending	TBD
Poets & Quants	Neelima Mahajan	Face to Face	David Reibstein	Pending	TBD
Poets & Quants	Neelima Mahajan	Face to Face	Prof. Jerry Wind	Pending	TBD



# III. Press Activity

## Post-Forum Interview

Media	Journalist	Type of Interview	Spokesperson	Status	Date of Publication
Poets & Quants	Andrea Carter	Phone	Connie Duckworth	Pending	TBD

## III. Press Activity

### San Francisco Business Journalist Seminar Attendance

First Name	Last Name	Outlet
Elisha	Rivers	1590 KLIV AM (Empire Broadcasting)
Regina	Reyes	ABS-CBN Philippines
Fakir Selim	Hossain	ATN Bangla USA LLC – Bangladesh
Rene	Ciria-Cruz	California Lawyer Magazine
Jing	Guan	China Securities Journal (Xinhua News Agency)- China
Roshanak	Taghavi	Christian Science Monitor
Josh	Keller	Chronicle of Higher Education
Caroline	Ocampo	Filipino American Radio Network
Zoe	Corbyn	Financial Times
Neelima	Mahajan	Forbes-India/Univ of CA SoJ
Bukola	Shonuga	Global Media Productions, Inc. – Nigeria
Astrid	Doerner	Handelsblatt – Germany
Trang	Ho	Investor’s Business Daily
Evelyn	Larrubia	LA Daily Journal/ Stanford University

## III. Press Activity

### San Francisco Business Journalist Seminar Attendance

First Name	Last Name	Outlet
Wendy	Norris	LA Daily News/Stanford University
Irene	Houngbo	LC2 TV- France
Bradford	Adkins	Manila Mail Newspaper
Patrick	Hirsch	Marketplace Radio
Dan	Gallagher	MarketWatch
Wallace	Witkowski	MarketWatch
Stacie	Chan	Patch.com
Lisa	Chung	Patch.com
Pep	Vasquez	Philippines Today
Peter	Henderson	Reuters
Steven	Brown	San Francisco Business Times
Casey	Newton	San Francisco Chronicle
Patrick	May	San Jose Mercury News
Xin	Wang	Sinomedia Group Inc.- China

**Wharton Seminar for Business Journalists:**  
**Wharton | *San Francisco***  
**June 22, 2011**

The Wharton Seminars for Business Journalists is pleased to present a special free one-day seminar for business reporters on June 22, 2011.

The event will take place at the Wharton | *San Francisco* campus. This seminar will allow West Coast based journalists to improve their reporting skills and gain valuable insights into current financial management practices. Wharton faculty scheduled to present include Profs. Kent Smetters, Leonard Lodish, Raffi Amit and Wharton | *San Francisco* Vice Dean Doug Collom.

Journalists are invited to register. The sessions are complimentary but space is limited. Please apply at [www.wharton.upenn.edu/journalists](http://www.wharton.upenn.edu/journalists)

**AGENDA**

- Date: Wednesday, June 22, 2011
- Location: [Wharton | \*San Francisco\*](#)  
101 Howard Street, San Francisco, CA
- Schedule of Events:

Time	Activity
8:30 a.m. – 9:00 a.m.	Registration & Continental Breakfast
9:00 a.m. – 9:15 a.m.	Introductory Remarks
9:15 a.m. – 10:30 a.m.	“The Economy”- <a href="#">Prof. Kent Smetters</a>
10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 11:45 a.m.	“The Economy”- continued Prof. Kent Smetters
11:45 a.m. – 1:00 p.m.	Lunch
1:00 p.m. – 2:15 p.m.	“Entrepreneurial Marketing”- Prof. Leonard Lodish
2:15 p.m. – 2:30 p.m.	Break
2:30 p.m. – 3:15 p.m.	“Entrepreneurial Marketing”-continued <a href="#">Prof. Leonard Lodish</a>
3:15 p.m. – 3:30 p.m.	Certificate Ceremony & Closing Remarks
3:30 p.m. – 4:30 p.m.	“Venture Capital Today”: Panel Discussion with <a href="#">Rob Coneybeer</a> , Managing Director, Shasta Ventures; <a href="#">Aydin Senkut</a> , Founder and Managing Director of Felicis Ventures; <a href="#">Prof. Raphael (Raffi) Amit</a> , and <a href="#">Douglas Collom</a> , Vice Dean, Wharton   <i>San Francisco</i> ; Partner, Wilson Sonsini Goodrich & Rosati

For more information:

- Web: [www.wharton.upenn.edu/journalists](http://www.wharton.upenn.edu/journalists)
- Email: [communications@wharton.upenn.edu](mailto:communications@wharton.upenn.edu)
- Contacts: Peter Winicov /Connie Sellers
- Phone: +1-215-746-6471 or 1-215-746-2826



## IV. Social Media

Wharton leveraged a variety of social media channels and activity to reinforce the importance and visibility of the Global Alumni Forum. The aim of this activity was to generate positive international buzz around the event, encourage media pick up, and build relationships with important global media and influencers.

The specific channels and activities implemented by the Wharton team during the forum included Twitter updates, Facebook posts and YouTube videos. All of these efforts generated hundreds of social media mentions, such as tweets, comments, video views and Facebook 'likes' and posts, and successfully assisted in creating broader awareness for the Forum. It also emphasized the event's first-class status, reaching new audiences and fostering relationships with existing Wharton communities.

# IV. Social Media

## #WhartonGAF hashtag 262 total 'tweets'



Key Twitter Commentary During Event:



**gingreyes:** Some may say it's gone too far and overhyped but the future of social media accdg to experts: bigger, personal, global. #WhartonGAF

19 days ago 6 retweet

10,939 Followers



**rjenbarr:** "The 60 million genes we have discovered so far will be the building blocks of the future". (i.e. new vaccines) @JCventer #WhartonGAF

19 days ago 3 retweet

5,710 Followers



**knowledgwharton:** Wallenberg: The eurozone works if everyone "plays by the rules." "The problem is that 4 countries did not play by the rules." #WhartonGAF

19 days ago 2 retweet

8,541 Followers



**tedsv:** #TEDxSV spkr @mkapor discussing how he chooses #startup investments: fundamentally social and make a difference in the world. #WhartonGAF

20 days ago retweet

6,388 Followers



**wharton:** Video: Additional highlights from the 40th Wharton Global Alumni Forum in San Francisco: <http://t.co/FydzycMC> #WhartonGAF

6 hours ago retweet

14,094 Followers



**andrew\_heller:** Dean Tom Robertson @wharton on innovation, internationalization and intellectual capital at #WhartonGAF San Francisco <http://t.co/ADKTPEP>

20 days ago 2 retweet

59 Followers



**biff\_savage:** #WhartonGAF The opening of the Facebook API has opened the doors for disruption -TravisKatz

20 days ago 2 retweet

63 Followers



**vladkuznetsov:** At #WhartonGAF listening to Mitch Kapor on startup investments with social impact: inkling, piazza, UniversityNow

20 days ago retweet

1,345 Followers



**measurefuture:** RT @knowledgwharton Andrew Trader on Zynga, "Gamification" and the Power of #Analytics: <http://t.co/bLZLDXV> #WhartonGAF #measure

20 days ago retweet

326 Followers



**alexbraunstein:** Excited for "New Directions for Social Media" #WhartonGAF w/@mkapor @traviskatz @srabe @ethanbeard David Reibstein and Shannon Berning

20 days ago retweet

211 Followers

# V. News Coverage

No	Media	Title	Synopsis	Page
1.	The San Francisco Examiner, 6/19/11	<a href="#">International business speakers head to San Francisco</a>	An interview with Jeff Sheehan covering the upcoming conference and especially why San Francisco was chosen.	23
2.	The San Francisco Chronicle, 6/22/11	<a href="#">Heads Up</a>	Overview of the upcoming event, including listings of the main topics and keynote speakers.	24
3.	Wall Street Journal / Dow Jones, 6/24/11	<a href="#">CICC Head Sees Opportunities To Diversify Chinese Investments</a>	At the GAF, Levin Zhu of CICC stated that he sees opportunities to help wealthy Chinese invest in US companies, “the accumulation of wealth needs to be diversified”.	25
4.	San Francisco Business Times, 6/24/11	<a href="#">Wharton expands San Francisco ‘campus’ digs</a>	An article covering the opening of the new campus, the upcoming Forum and its highlighted speakers.	27
5.	Handelsblatt, 6/28/11	<a href="#">Wir werden uns wieder einmal durchmogeln</a>	Speaker Bob Doll is interviewed.	29
6.	Smart Planet, 6/29/11	<a href="#">Green tech moves to the top of the class at Wharton</a>	A summary of each participant’s insight in Eric Orts’ Venture Capitalist panel at the Wharton Global Alumni Forum.	34
7.	Social Media Today 7/13/11	<a href="#">How Social Media Has Disrupted the Internet</a>	An article based off of the discussions of disruptive social media at the GAF.	40
8.	Environmental Leader, 7/15/11	<a href="#">Panel Talks Venture Capital and Sustainability</a>	A video highlighting a panel discussion at the Wharton Forum. This highlight reel covers investments for developing energy and energy related technologies.	42

**Article: 1**

Publication: San Francisco Examiner  
Date: June 19, 2011  
Audience: 212,958  
Circulation: 102,787

## International business speakers head to San Francisco

By: Steve Drumwright | Local Editor | 06/19/11 10:43 PM

*Jeff Sheehan, the associate dean for international relations at The Wharton School, is helping to host Wharton's Global Alumni Forum, which runs Wednesday through Friday at the Westin St. Francis. It is the first time the event, featuring top business speakers, is being held in the U.S.*

**Why choose this location for your conference?** San Francisco is home to our West Coast campus and was a natural choice. In addition, 2011 is the 10th anniversary of the establishment of Wharton San Francisco, so the timing was perfect.

**What is The City's real place in the international business landscape?** Our experience in holding forums 39 times all around the world has convinced us that each major global city has a different role to play in the increasingly complex and mutually supportive living organism known as the global economy.

**Does San Francisco match up well with any one country in particular?** It all depends on what you compare. In terms of physical beauty, San Francisco matches up well with Sydney. In terms of high-tech, San Francisco matches up well with Hsin Chu. In terms of cuisine, well, that's a tough one. Take your pick.



Jeff Sheehan (Courtesy photo)



**Article: 2**  
Publication: San Francisco  
Chronicle  
Date: June 22, 2011  
Audience: 3,350,449  
Circulation: 235,350

# San Francisco Chronicle

## Heads up

The University of Pennsylvania's **Wharton School**, which operates a satellite campus in San Francisco, holds its alumni forum at the St. Francis hotel on Thursday and Friday. Attendees will chew over topics such as private equity, global retailing and social media. Keynote speakers include DNA researcher **Craig Venter**, Wharton finance Professor **Jeremy Siegel** and Swedish investor **Jacob Wallenberg**, and it all wraps up with a party at City Hall.

*This article appeared on page **D - 1** of the San Francisco Chronicle*

**Article: 3**

Publication: WSJ/Dow Jones  
Date: June 24, 2011  
Audience: 7,103,938  
Circulation: 2,117,796

THE WALL STREET JOURNAL.

JUNE 24, 2011, 12:10 A.M. ET

## CICC Head Sees Opportunities To Diversify Chinese Investments

SAN FRANCISCO (Dow Jones)--The chief executive of one of China's largest investment banks said he sees increasing opportunities to help wealthy Chinese invest in U.S. companies.

Levin Zhu, who runs China International Capital Corp., said that as China continues to expand and citizens accumulate wealth, they need to diversify investments beyond their home country.

"This accumulation of wealth needs to be diversified," he said, adding that his company will help Chinese "find better investments in this part of the world."

Zhu made his remarks at a San Francisco conference for the Wharton School of the University of Pennsylvania Thursday.

CICC, which was founded in 1995, is one of China's leading investment banks. The company has stuck to bread-and-butter investment banking activities, such as underwriting and M&A advisory, rather than invest its own capital.

Earlier this year, the Chinese government unveiled a policy that allows Chinese companies to use the yuan to invest abroad. Using the yuan for overseas investments, like acquisitions, would help spread the use of the currency, which could be held at local central banks or used to buy Chinese goods.

Many investors expect the yuan to rise as quickly as China will allow, a move the U.S. and the International Monetary Fund support. The Chinese government maintains a band around the currency's value that is seen rising about 5% a year. Allowing the yuan to rise would help China contain its relatively high inflation.

During a question-and-answer session after Zhu's speech, he was asked to respond to increasing fears about China's purchases of U.S. Treasuries.

**Article: 3**

Publication: WSJ/Dow Jones  
Date: June 24, 2011  
Audience: 7,103,938  
Circulation: 2,117,796

**THE WALL STREET JOURNAL.**

"It's a complicated issue," he said, adding that U.S. Treasurys help to bring balance to China's economy. "It's partly related to export and, in my opinion, the issuance of domestic debt."

He did say, though, that there are concerns about how well U.S. Treasurys will hold value, but he did not explain why.

-By Ian Sherr, Dow Jones Newswires; 415-439-6455; [ian.sherr@dowjones.com](mailto:ian.sherr@dowjones.com)

--Andrew Morse contributed to this article

**Article: 4**  
Publication: San Francisco  
Business Times  
Date: June 24, 2011  
Audience: 1,553,658  
Circulation: 16,936



## Wharton expands S.F. 'campus' digs

San Francisco Business Times – by Sarah Duxbury  
Date: Friday, June 24, 2011

Ten years after opening its only campus outside Philadelphia, Wharton business school has decided it's time to grow in San Francisco.

It has signed a 10-year lease for 34,000 square feet in the Hills Brothers Building. The new "campus," opening January 2012, is close to Wharton's current digs in the Folger Building, but 30 percent larger, and Wharton will finally be able to mount a sign announcing its West Coast presence.

Better facilities, including higher ceilings, a third amphitheater-style classroom, more breakout rooms and open space, drove the move.

"It's really a function of needing enhanced space for the program," said Thomas Robertson, dean of the Wharton School of the University of Pennsylvania.

About 100 students enter Wharton San Francisco's two-year executive M.B.A. each year; it meets every other weekend and for two week-long sessions each summer. Wharton in San Francisco attracts students primarily from Northern California. In addition to the executive M.B.A., the San Francisco campus also offers a host of non-degree short courses.

**Article: 4**  
Publication: San Francisco  
Business Times  
Date: June 24, 2011  
Audience: 1,553,658  
Circulation: 16,936



"The San Francisco location is an ideal site in tying into Silicon Valley and giving access more readily to Asia, and those are two of our major priorities," Robertson said.

Robertson said that applications have started to tick up since the worst of the recession, and that as much as 80 percent of its M.B.A. candidates receive at least partial reimbursement from their employers.

This week San Francisco also hosted Wharton's annual Global Alumni Forum – Wharton's answer to Davos, and the first time it has been held in the U.S. Local attendees include technology entrepreneur and investor Mitch Kapor, Jack Abraham of Ebay, Ethan Beard of Facebook and Bill Schlough of the Giants, among others.



**Article: 5**

Publication: Handelsblatt  
Date: June 28, 2011  
Circulation: 142,513

Schulden türmen sich immer höher auf. Droht den USA die Pleite? Alles nur Gerede, meint Bob Doll, Chefstrategie von Blackrock. Im Interview erklärt er, warum er sich keine Sorgen um die Billionen seiner Kunden macht.

Bob Doll, Chef-Strategie beim internationalen Vermögensverwalter Blackrock. Quelle: REUTERS

**Handelsblatt: Herr Doll, in den USA gibt es eine schwere Schuldenkrise. Bereiten Sie sich auf den Fall vor, dass die Schuldenobergrenze bis zum 2. August nicht erhöht wird und der Staat dann nicht mehr zahlt?**

Bob Doll: Nein. Das Reißen der Schuldengrenze wäre gar kein Problem. Das Finanzministerium hat seitenlange Pläne, wie es dann vorgehen soll. Es ist genau ausgearbeitet, wer zuerst bezahlt werden muss, wer warten kann, welche Vermögenswerte verkauft werden und welche Reserven von einem Posten zum anderen verschoben werden können. Das ist keine schöne Angelegenheit. Aber es ist ein gewisser Puffer für mehrere Monate.

**Handelsblatt: Werden die Aktienmärkte einbrechen, wenn die Schuldengrenze nicht rechtzeitig erhöht wird?**

Doll: Wenn wir die Schuldenobergrenze rechtzeitig erhöhen, dann werden die Kurse steigen. Wenn wir sie nicht rechtzeitig erhöhen, dann wird es einfach weiterhin eine Belastung sein. Ich denke nicht, dass es einen Crash geben wird. Meine persönliche Meinung

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– und die ist etwas positiver als die von Blackrock: Die ganze Bestürzung und das Gerede, das wir hatten, ist viel zu übertrieben. Wenn alle anderen Faktoren gleich bleiben, würde ich sagen: Wird die Schuldengrenze nicht rechtzeitig erhöht und die Kurse sinken, dann bin ich ein Käufer.

**[Dax im Check: Bei vielen Aktien ist die Luft raus](#)**

**Handelsblatt: Viele Konjunkturdaten in letzter Zeit waren schwach. Ist die US-Wirtschaft auf dem Weg in eine neue Rezession?**

Doll: Die Bruttoinlandsprodukte der entwickelten Länder und der USA wachsen schwächer als gewöhnlich. Das hat vor allem strukturelle Gründe. Und in dieser langsamen Erholung befinden wir uns nun zusätzlich noch in einer Schwächephase. Aber ich denke, quasi alle Faktoren, die uns in diese Phase geführt haben, sind temporär: das Erdbeben in Japan, der hohe Ölpreis, ein langsames Wachstum in China sowie Schneestürme und Tornados im ersten Halbjahr. Deshalb glaube ich, dass die zweite Jahreshälfte stärker sein wird als die erste. Aber auch dann wachsen wir immer noch langsamer, als wir eigentlich sollten.

**Handelsblatt: Ökonomen wie Larry Summers, der ehemalige Berater von Präsident Barack Obama, fordern neue Konjunkturprogramme. Was halten Sie davon?**

Doll: Wir hatten die stärkste Kombination von monetärer und fiskaler Politik, die die USA je gesehen haben. Die Maßnahmen

**Article: 5**

Publication: Handelsblatt  
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brauchen Zeit, um sich zu entfalten, zum Teil mehrere Jahre, um zu wirken. Lasst uns jetzt nicht noch hier und da ein wenig herumfummeln.

**Wir können uns noch mehr Zeit erkaufen**

**Handelsblatt: Allerdings entstehen immer noch zu wenige Arbeitsplätze in den USA.**

Doll: Viele Leute glauben, dass die Jobsituation schrecklich ist. Wir gehen jedoch davon aus, dass in den USA in diesem Jahr zwei bis drei Millionen neue Jobs entstehen werden. Das wäre so viel wie seit fünf Jahren nicht mehr. Und wenn man sich die ersten fünf Monate des Jahres anschaut, dann lief es bislang besser als erwartet. Die Monate Februar bis April waren die besten drei Monate für den Arbeitsmarkt seit acht Jahren. Darüber spricht niemand.

**Handelsblatt: Die Probleme auf dem Arbeitsmarkt haben aber auch den Hoffnungsträger, das Silicon Valley, erreicht. Was kann man dagegen tun?**

Doll: Wir müssen dringend die Unternehmensteuer reformieren. Amerikanische Technologieunternehmen haben keinen Anreiz, einen Mitarbeiter im Valley einzustellen, wenn sie damit einen geringeren Nachsteuergewinn machen, als wenn sie ihn anderswo auf der Welt einstellen würden. Wir brauchen niedrigere Steuern und ein einfacheres System mit weniger Schlupflöchern. Wenn ich mit Vorständen spreche, dann sagen sie meist: Sie investieren nicht, weil sie nicht

**Article: 5**

Publication: Handelsblatt  
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Circulation: 142,513

wissen, wie die Regeln in Zukunft sein werden. Und solange die Unternehmen keinen Anreiz sehen, Leute einzustellen, werden sie das auch nicht tun.

**Handelsblatt: Nicht nur in den USA, auch in Europa sind die Staatsschulden das Thema Nummer eins. Wie sehr beunruhigt Sie die andauernde Krise in Griechenland?**

Doll: Das wahrscheinlichste Szenario ist, dass wir uns wieder einmal durchmogeln werden. Ich glaube aber nicht, dass wir das Problem endgültig lösen werden. Die Frage ist: Können wir weitere Pflaster finden, um uns noch mehr Zeit zu erkaufen? Ich glaube, es wird gelingen.

**[Neue Deutschland AG: In welchen Dax-Konzernen Blackrock steckt](#)**

**Handelsblatt: Schüren diese kurzfristigen Rettungsaktionen nicht weiter das „Moral Hazard“-Problem, das Investoren demonstriert: Die Regierungen werden schon einspringen, wenn es brennt?**

Doll: Ja, wir sehen schon ein bisschen davon, und man muss sich fragen: Wie lange werden die Deutschen, die Europäische Zentralbank und der Internationale Währungsfonds Griechenland damit davonkommen lassen? Wo ist die Grenze, und wann wird sie erreicht? Es ist ein Balanceakt. Niemand hat ein Interesse an einer Staatspleite. Wenn Griechenland und der Euro untergehen, wer wird dann am stärksten getroffen? Nicht Griechenland, sondern die Deutschen! Aber das heißt nicht,

## **Article: 5**

Publication: Handelsblatt  
Date: June 28, 2011  
Circulation: 142,513

dass die Antworten dieses Mal auch die Antworten für das nächste Mal sein werden.

### **Handelsblatt: Wie viel Zeit werden wir bekommen?**

Doll: Schwer zu sagen. Vielleicht sechs Monate oder zwölf oder 15? Auf jeden Fall wäre eine Staatspleite in Griechenland ein schwerwiegendes Ereignis. Wir wissen alle, wie hochverschuldet die europäischen Banken sind. Schon jetzt drückt ihnen das die Luft ab. Wir brauchen sicher nicht mehr davon.

### **Zur Person: Bob Doll**

Der Stratege Robert C. Doll Jr. (56) ist seit 2001 Chief-Wertpapierstratege beim börsennotierten internationalen Vermögensverwalter Blackrock in New York. Daneben ist er der führende Portfoliomanager des Blackrock Large Cap Series Fund. Bevor Doll 1999 zu Blackrock kam, war er unter anderem President und Chief Investment Officer bei Merrill Lynch Investment Managers. Bob Doll hat einen MBA der Wharton School der Universität of Pennsylvania und einen Universitätsabschluss in Rechnungswesen und Volkswirtschaft.

Der Vermögensverwalter Blackrock wurde 1988 gegründet und stieg in Rekordzeit zum weltgrößten Vermögensverwalter auf mit nach eigenen Angaben rund 3,65 Billionen Dollar unter Verwaltung. Blackrock hat beste Verbindungen ins politische Washington und wird heute in einem Atemzug mit Goldman Sachs als einflussreichstes Finanzhaus an der Wall Street genannt.



**Article: 6**  
Publication: Smart Planet  
Date: June 29, 2011  
Audience: 118,177



# Green tech moves to the top of the class at Wharton

By [David Worthington](#) | June 29, 2011, 6:07 PM PDT

Green technology was the topic of discussion at one of the nation's premier business schools this week when a [forum](#) at the University of Pennsylvania's Wharton School sought to determine whether the venture capital model would work to push the world toward sustainable energy solutions.

Wharton professor Eric Orts assembled a panel of VC industry experts for the school's 40th Wharton Global Alumni Forum 'Venture Capital's Influence on Environmental Sustainability' event.

The panelists cited remarkable growth in funding for green technology and how there is a "perfect storm" of conditions for investing in it. Here are some of the insights that each participant had to share:

**Article: 6**

Publication: Smart Planet  
Date: June 29, 2011  
Audience: 118,177



**Ashmeet Sidana, general partner, Foundation Capital**

- Venture capital fuels innovation; innovation solves the world's problems.
- China is adding two coal plants every week and Japan just had a major nuclear incident – those are not paths to sustainability.
- VC firms are looking for companies that have a high risk/high reward pay off, but prospects must be capital efficient.
- Department of Energy loan guarantees and government regulations are useful in some cases, but “will not get us to nirvana.”



Foundation Capital has invested into energy management software manager [EnerNOC](#), smart grid firm [Silver Spring Networks](#), and sustainable brick maker [CalStar](#).

**Article: 6**

Publication: Smart Planet  
Date: June 29, 2011  
Audience: 118,177



**Andrew Chung, principal, Lightspeed Venture Partners**

- There has been significant clean tech investment since 2001; it now accounts for 20 percent of all dollars invested in global VC. US\$7-8B was invested last year alone.
- Expect clean technology to grow and become more important to venture capitalists as exits come and the industry matures.
- Renewal energy technologies are reaching grid parity for the first time in history.
- Weave in corporate, government, and social imperatives, and they create a perfect storm of elements to create momentum around clean technology.
- It is a good time to invest in VC for clean tech and to be a clean tech entrepreneur.



Lightspeed Venture Partners has \$2B in committed capital, and is operating on an \$800M round raised in 2008. Some of its beneficiaries include [Solarzyme](#), a now public company that produces algae based fuel and oil byproducts.

**Article: 6**

Publication: Smart Planet  
Date: June 29, 2011  
Audience: 118,177



**Cynthia Ringo, managing partner, DBL Investors**

- Its early investment in Tesla was ridiculed; Tesla is now the most capital efficient car company that ever delivered a product onto the road.
- DBL has “invested long” in solar power, backing start-ups such as [Solar City](#) (an integrator), [Solaria](#) (concentrated PV panel maker), thin film panel maker [Solexant](#), and smart glass manufacturer [Soladigm](#).
- Soladigm’s Mississippi factory was able to more easily ramp up manufacturing to become capital efficient with a state grant of \$40M to cover the plant’s cost.
- We try not to count on public policy – it is too unpredictable.



“We look for things that will be very large. Is this or is this not going to be a huge market, and does the company have something disruptive enough to create tremendous amount of value?” she said.

**Article: 6**  
Publication: Smart Planet  
Date: June 29, 2011  
Audience: 118,177



**Robert MacDonald, managing partner, Craton Equity Partners**



- Rising energy prices and a focus on addressing climate change renewed VC interest in funding clean technology.
- Pension funds drove investment in clean technology. Less than \$500M was invested in the sector in 2000; \$9B was invested in 2010 alone with over \$200B invested worldwide.
- Stakeholder corporations have come full circle from zero interest in clean technology to buying products and services as well as investing side-by-side with venture capitalists. "They are providing exit strategies for our companies."
- In 2010, there was \$34B in MA (merger and acquisition) activities from Fortune 500 companies.
- IPO markets are coming into clean technology for "exits."
- Water will be a growing area of investment.

Craton Equity Partners' \$200M fund is now fully committed, he said. Its target is to raise 2x that capital in the near future. MacDonald highlighted [Petra Solar](#), a company that makes solar panels that are mounted on top of utilities poles, and waste water treatment firm [Liquid Environmental Solutions](#).

The latter treats food preparation wastewater from over 1,500 Wal-Mart locations, removing fats, oils, and grease so that water may be treated locally.



**Article: 6**  
Publication: Smart Planet  
Date: June 29, 2011  
Audience: 118,177



**Bank of America Merrill Lynch, Global head of clean technology investment banking, Jon Krahulik**

- Bank of America gets involved when clients are looking for exit strategies. He sees “massive” opportunity in the MA realm. Also, public markets are open to successful exits.
- In 2005, just 3 percent of VC funding went to clean tech, and today it’s over 20 percent.
- Energy supply and energy management companies will be the “stars” – specific mentions were made about building products, oil, solar power, and water.
- Companies that figure out how to fund their models are on the best path. VC firms are doing a good job helping start-ups find corporate partners in stakeholder industries and keeping their expenses low.
- Sustainability boils down to economics: products must be cost competitive without a subsidy. Consumers gravitate toward something that has a sustainability element if it has acceptable features and costs benefits.



There is a \$20B commitment towards sustainability at Bank of America, Krahulik said.

The VC model ultimately still makes sense for new ideas for breakthrough technologies that could change the planet, Wharton’s Orts told SmartPlanet. “It’s the only place where crazy new ideas can be sold to someone looking to make money on a crazy idea that no one knows about yet.”

“A lot of business models are dependent on government subsidies, competing against countries like China who is very heavily subsidizing renewable energy. The EU is the same. It’s not exactly a level playing field for US companies.”

**Article: 7**

Publication: SocialMediaToday  
Date: July 13, 2011  
Audience: 88,999



# How Social Media Has Disrupted the Internet



Tags: [Best Practices](#) [Facebook](#) [Google+](#) [How Social Media Has Disrupted The Internet](#) [LinkedIn](#) [Social Customer](#) [Social Media](#) [Social Networks](#) [Strategy](#) [the star group](#) [Wharton Global Alumni Forum](#) [Wharton School of the University of Pennsylvania](#)

0 comments Posted July 13, 2011 by [Steve Olenski](#) with 1219 reads

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**At the recent Wharton Global Alumni Forum, hosted by the prestigious Wharton School of the University of Pennsylvania, the subject of "disruption" was front and center and the fact that "... a fundamental shift is taking place online, from an information-based web to the 'people web.'"**

I don't know about you but when I was a kid being slapped with the label of "disruptive" wasn't exactly one would put on their resume but apparently in social media's case, it's a good thing... a very good thing.

"Whenever we use the word 'disruptive' in the business we're in, that's a positive thing," said entrepreneur and Lotus 1-2-3 designer Mitch Kapor who was a speaker at the aforementioned forum. He was joined on the panel entitled "New Directions for Social Media" by Ethan Beard, Facebook's director of platform partnerships; Wharton Digital Press executive editor Shannon Berning, Bryan Srabian, director of social media for the San Francisco Giants and Travis Katz, a former MySpace executive and founder and CEO of travel recommendations site Gogobot.

Accordng to Katz, "Web 2.0 was centered on user-generated content, where anyone could be a publisher. We're now in the third wave -- I call it a social wave." He is referring to of course to the social media revolution or as Beard puts it "... the fundamental shift taking place online, from an information-based web to the "people web." I would change the tense in Mr. Beard's statement just a tad and say that the fundamental



**Article: 7**

Publication: SocialMediaToday  
Date: July 13, 2011  
Audience: 88,999



shift has already *taken* place.

In either case, social media has caused a massive disruption in businesses both small and large and all points in between...

"The question is no longer 'Why?'. The conversation has shifted into, 'How do I do this and how do I do it well?'" said Beard speaking of the urgency businesses now have in determining the best use of social media in their overall marketing strategies. Katz agreed, adding: "If you are in a consumer-facing business, you need to be on social media because people are talking about your business, and you need to know what they are saying, and you need to be solving problems."

The bottom line in ALL of this is social media has made and will continue to have a profound effect on everything a business/advertiser/company/etc does now and in the future for the simple fact that people, not information, are now driving the bus. One of my recent posts ([How Social Media Affects Search Marketing](#)) brings this to light in terms of Search Marketing and the impact people, AKA social media, have on what was previously thought to be information-generated only, Search.

Some questions for marketers, business owners, etc...

- Are you using social media to be "disruptive?"
- Or broadening the scope, are you "disruptive" at all i.e. challenging and questioning the accepted norms?

Sources: Wharton School of the University of Pennsylvania, [Knowledge @Wharton](#), Google Images, [How Social Media Has Disrupted The Internet](#)



**Article: 8**  
Publication: Environmental Leader  
Date: July 15, 2011  
Audience: 40,122

## Panel Talks Venture Capital and Sustainability

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Highlights from a panel discussion exploring new investment criteria for developing energy and energy-related technologies, new materials, green jobs, etc., at the 40th Wharton Global Alumni Forum celebrating the 10th anniversary of Wharton, San Francisco.

# VI. Internal Coverage

No	Media	Title	Synopsis	Page
1.	Knowledge Today, 6/23/11	<a href="#">Greece, the Eurozone and a 'Great Rebalancing'</a>	Jacob Wallenberg's keynote address is highlighted.	44
2.	Knowledge Today, 6/24/11	<a href="#">Rodent DNA in Office Buildings: Why Genomics Matters</a>	J. Craig Venter's keynote speech is discussed.	45
3.	From the Dean, 6/28/11	<a href="#">New Perspectives on Global Issues at Alumni Forum</a>	A Global Alumni Forum panel on social media is noted.	46
4.	Knowledge Today, 7/1/11	<a href="#">Will Google+ Help the Search Giant Succeed at Social Networking?</a>	An article covering the opening of the new campus, the upcoming Forum and its highlighted speakers.	47
5.	Knowledge@Wharton, 7/6/11	<a href="#">Web 3.0: The 'Social Wave' and How It Disrupts the Internet</a>	"New Directions for Social Media," a Global Alumni Forum panel, is highlighted.	49
6.	Knowledge Today, 7/7/11	<a href="#">More Growth and Investment Ahead for China</a>	Levin Zhu's speech on China's long-term growth potential is featured.	52
7.	Knowledge@Wharton, 7/14/11	<a href="#">Navigating the Hype -- and Opportunities -- in Emerging Private Equity Markets</a>	A Global Alumni Forum panel on private equity is noted.	53



## Greece, the Eurozone and a ‘Great Rebalancing’

Posted on June 23, 2011



A more “federalistic” system — in the vein of the structure of the United States government — would allow the European Union to streamline processes and achieve the “most significant” economic development, according to Swedish banker and industrialist Jacob Wallenberg.

In a keynote address at today’s [Wharton Global Alumni Forum in San Francisco](#), Wallenberg, who is chairman of Investor

AB in Stockholm, acknowledged that making such a move is easier said than done. “The cultural differences between the countries in Europe are such that I do not foresee a chance to move in that federalistic direction in the near future.”

What does need to happen is closer collaboration between the eurozone member countries, Wallenberg said. The concept of the EU is sound as long as all of the countries “play by the rules. The problem is that four countries did not play by the rules,” he noted, referring to the financial troubles plaguing Greece, Spain, Portugal and Ireland. “If it’s a large number of countries, that’s when you have a problem.”

Calling Greece “the weakest link in the EU today,” he added that the EU member countries and the International Monetary Fund “cannot afford a Greek meltdown” — the potential impact of which he compared to the collapse of Lehman Brothers “times two.” The worst-case result of the eurozone’s current problems would be the partial disintegration of the EU, with some countries abandoning the euro, Wallenberg said. But he believes that the eurozone “is an integral part of the global economy, and a lot more important to the world’s development than what it has been given credit for.”

Meanwhile, the global economy is experiencing a “great rebalancing,” and both Europe and the United States must pick up the pace of economic development and innovation in order to compete with emerging markets in Asia and Africa. “If the West does not act now to get more competitive, we will not be bypassed by the Chinese — I would argue that we will be run over by the Chinese,” Wallenberg said.

He also urged the lessening of a rising tide of protectionist trade policies, noting that the West needs to set an example for the rest of the world. “We can’t abandon free trade principles when they are inconvenient. We can’t introduce trade barriers and then turn around and complain about the lack of access to Brazil or India or China.”

For more on the eurozone’s future, see [Knowledge@Wharton’s interview](#) with Wharton finance professor [Franklin Allen](#).

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## Rodent DNA in Office Buildings: Why Genomics Matters

Posted on June 24, 2011

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Biologist and entrepreneur J. Craig Venter was born in 1946. Today, there are three people alive for every one that existed the year he came into the world. With an increasing population comes more strain on the Earth's resources. Venter believes genomics, or the study of the hereditary information of organisms, is key to filling some of those needs.

During a keynote address at the [Wharton Global Alumni Forum](#), he shared

additional statistics: Starting in the mid-1800s, it took about 112 years to add a billion people to the global population. "We're now adding one billion people every 11 to 12 years, and it's not clear when the numbers are going to tap out," said Venter, who is founder and president of the nonprofit J. Craig Venter Institute and also CEO of Synthetic Genomics, a private company. "We are a society that is 100% dependent on science for the future."

Venter was part of the team that was the first to sequence the human genome, and in 2010 played a key role in creating the first cell with a synthetic genome. The moral and ethical implications of Venter's work have been the source of debate, but he argued that such efforts are key to human survival. "We're trying to go from reading the genetic code to getting new life forms right out of the computer. It will be much to the benefit of the future of humanity as we try to find ways to feed and provide fuel and water to our ever-expanding population."

To Venter, genes are the components that can be used to design new "software" for specific purposes, including fuel and vaccines. He noted that the first genomic vaccine, for meningitis B, is coming to the market, and technology is now to the point where a synthetic vaccine for the flu can be developed in less than 24 hours. "With H1N1, it took over six months to get a new vaccine on the market."

In trying to create the first artificial life form, Venter's team learned that in some cases, just one error made the difference between success and failure. But they also wanted to make sure that the success was real and not simply the result of a contaminant. So the team built "watermarks" into parts of the genetic code where they knew major insertions would not cause problems.

At first, the watermarks were simply the 46 names of all of the scientists involved in the project. Later, they added three quotations, including one from James Joyce: "To live, to err, to fall, to triumph, to recreate life out of life!"

"The genome that we had has these [watermarks] in it, and that's very unlikely to occur naturally in the world," Venter said. "We were very proud of ourselves until I got a letter from James Joyce's estate's attorney," claiming the scientists needed permission to use the quote. (It was later determined that the quote's inclusion was fair use.)

Venter also discussed other efforts, including an air genome project, to determine what kind of DNA can be found in different environments. Testing done by his team found that the indoor air of a New York City office building contained mostly human DNA — but 15% came from rodents. Outside the office building, rats made up 40%.

"We live in a microbial environment, and understanding it is going to be critical for our survival," Venter said.

## FROM THE DEAN New Perspectives on Global Issues at Alumni Forum

June 28, 2011

One of the highlights of my job as Dean is meeting and learning from our many impressive alumni around the world. Over the years the Wharton Global Alumni Forums have become the premier venue for these conversations. At each one -- whether it is in Beijing, Bogota, Cape Town or Madrid -- hundreds of alumni, faculty and staff come together for a series of spirited discussions about the state of global business.



For the first time this year we combined our three regional meetings into a single event, which we concluded last week in the innovation mecca of San Francisco. Although it was the first time we have held an Alumni Forum in the United States, it was a truly global affair with alumni from all over the world in attendance and presentations by Levin Zhu of China International Capital Corporation, Jacob Wallenberg of Investor AB and Carlos Pires Oliveira Dias of Camargo Corrêa.

We engaged in fascinating panel discussions on such topics as the rise of the CIVETS countries (Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa), the global private equity industry, and the new roads that are being paved in social media. We also toasted the 10th anniversary of Wharton | *San Francisco*, our West Coast campus that is home to a thriving MBA Program for Executives, a world-renowned menu of non-degree programs for executives and a strong entrepreneurial program.

It was an invigorating session, including the keynote speech from Craig Venter on his work with the human genome. It was especially heartwarming to award the Dean's medal to our alumna Connie Duckworth who has been such an impressive role model for women executives.

As always, I came away with a new perspective on the constantly evolving business landscape, heartened by the vision and knowledge of the worldwide Wharton community.

[See photos of the Wharton Global Alumni Forum in Flickr.](#)

Only published comments... Jun 28 2011, 11:00 AM



### THOMAS S. ROBERTSON

*Dean, Wharton School and Reliance Professor of Management and Private Enterprise, University of Pennsylvania.*

Tom Robertson has long been a champion of international and interdisciplinary education. Since returning to Wharton as Dean in 2007, his focus has been to expand Penn's global footprint while advancing Wharton as a force for social and economic good.

## Will Google+ Help the Search Giant Succeed at Social Networking?

Posted on July 1, 2011



With this week's "invitation-only" launch of Google+, the search giant unleashed its latest attempt to stake a claim in the social networking space. But can Google successfully take on Facebook?

Critics point to Google's underwhelming experiences with previous social networking applications, including Buzz and Orkut, as examples of the company's inability to accurately assess market needs and respond effectively. But others point to Google's deep pockets, previous successes in search and [strengthening Android mobile platform](#) as reason to believe the company can make an impact in the social media sector as well. Google+ also has the advantage of learning from Facebook's shortcomings — for example, the new service allows users to be selective about which information is shared with different groups of followers.

"Just because it is Google doesn't mean that [Google+] will have instantaneous success," says Wharton marketing professor [David Reibstein](#). He points to some of Google's previous failures, including Google Wave, which was intended to take on Microsoft Outlook and instant messaging services by offering a mix between chat and email. Then there was Google Buzz, which was seen as an attempt to go after Twitter and Facebook. Reibstein says those misses came because Google did not fully understand "what all is involved in those businesses ... basically, not understanding the customer well enough."

[Kartik Hosanagar](#), a Wharton professor of operations and information management feels differently. "Google's advantage is that it has a lot of cash and it can afford to build, learn, fail and restart," he notes. "Clearly, Orkut and Buzz have not worked out as well as planned. But Google can afford to restart. More importantly, as a late entrant, Google+ has the advantage of learning from Facebook's mistakes and delivering a product without those deficiencies." Hosanagar says that the biggest user frustrations with Facebook have revolved around privacy concerns and contacts management. "Google+ is specifically focused on fixing these issues."

Features of Google+ include the ability to create groups or "circles" of contacts, such as circles for friends, family and acquaintances; users can choose what information and updates they share with each circle. In addition, Google+ offers video chat and group-texting applications, and allows users to instantly upload photos and videos from Android smartphones. The service also has a "+1" button that is similar to Facebook's "Like" feature. (For more, CBS has compiled a [roundup of Google+ reviews](#) from across the web.)

But Google is moving forward cautiously with its latest effort. Vic Gundotra, a Google senior vice president, told the *Wall Street Journal* that "fundamentally we believe online sharing is broken." He continued, "We're not going to nail it on our first attempt, but we'll work as long as it takes."

Google, of course, seems to have [a penchant for launching beta products](#). Soon after opening the invitational rollout for Google+, it temporarily discontinued new registrations, citing "[insane demand](#)."

According to Reibstein, Facebook "ought to be able to very easily respond" to the Google+ "circle" feature, if not others. "The question is how sustainable is any advantage coming out of Google+, which means something not easily replicable." He adds that with its video chat capabilities, Google+ may deliver a strong challenge to Internet phone service Skype, a possibility also noted by Om Malik, founder and senior writer for technology trends site GigaOm.

"Google has to play to its strengths — that is, tap into its DNA of being an engineering-driven culture that can leverage its immense infrastructure," [Malik wrote](#). "It needs to look at Android and see if it can build a layer of services that get to the very essence of social experience: communication." He predicts that Facebook is safe for now, arguing that "the only way to beat Facebook is through a

thousand cuts.”

During a discussion on social media at last week’s Wharton Global Alumni Forum in San Francisco, panelists were asked why Google has had such difficulty in developing a social networking application with staying power. Panelist Ethan Beard, Facebook’s director of platform partnerships and former director of social media and head of new business development at Google, noted that the companies have two distinct cultures.

“There’s a fundamental difference [between Google and Facebook] in how the products are designed and in how the design process takes place,” Beard said. “Google is very academic.... Some of the greatest thinkers in computer science now work at Google. The design process ... is focused on building a really cool back end that sifts through the data and pops out the result.”

On the other hand, Beard described Facebook as having more of a “hacker culture,” in the sense that “instead of working on the back end and throwing up any front end, we start with the designers and say, ‘What if a user saw this [on the front end]?’ and then ‘OK, that’s good, now go build the back end as fast as you can so we can start to play with it.’”

Cultural challenges aside, Hosanagar is optimistic about the prospects of Google+. “There’s nothing in Google’s DNA that prevents it from building a good social product,” says Hosanagar. “Given how big the social space is, and how much bigger it will be, Google is doing the right thing by trying for a third time.”

In the end, much depends on how many “+1s” Google+ gets from users. “Whether Google+ will stick will depend to some extent on the whims and fancies of unpredictable consumers,” Hosanagar notes. But Reibstein says the imponderables lie elsewhere: “I am not at all confident [Google] has a real feel for understanding what the marketplace needs.”

*Spread Knowledge:*



Featured Professors: [David J. Reibstein](#), [Kartik Hosanagar](#)

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## Web 3.0: The 'Social Wave' and How It Disrupts the Internet

Published : July 06, 2011 in [Knowledge@Wharton](#)

As far as Travis Katz is concerned, it is impossible to name the single best hotel in Cabo San Lucas or the absolute tastiest cheesesteak in Philadelphia.

It's not that Katz, founder and CEO of travel recommendations site Gogobot, has doubts about the quality of these products. It's that the answer "depends very much on who is asking the question." And according to speakers at the recent Wharton Global Alumni Forum in San Francisco, that basic fact is at the root of the next wave of disruption to hit the Internet.

"Web 2.0 was centered on user-generated content, where anyone could be a publisher. We're now in the third wave -- I call it a social wave," said Katz, a former MySpace executive who served on a Forum panel titled "New Directions for Social Media." Also on the panel were Ethan Beard, Facebook's director of platform partnerships; [Wharton Digital Press](#) executive editor Shannon Berning; entrepreneur and Lotus 1-2-3 designer Mitch Kapor; and Bryan Srabian, director of social media for the San Francisco Giants.

The web has grown to the point where "there's too much information," according to Katz. "Finding ways to filter out information and find what's relevant to you is getting harder and harder. The model of Google doesn't work at scale -- especially when it comes to things where taste matters."

Katz predicted that the future of the Internet "is one where every page is going to be personalized. If you plan a trip to Paris, you shouldn't see [search results listing] 900 hotels. You should see six hotels based on where you stayed before; the places you checked in at on Facebook and Foursquare, and the places where your friends have stayed. It's not something that's just relevant to travel; it's something that makes sense for almost every part of the Internet."

A fundamental shift is taking place online, from an information-based web to the "people web," said Beard, who works with partners integrating Facebook's platform and the Facebook Connect service into their sites. In the first decade of the Internet, "if you looked over the shoulder of two people looking at CNN, you would see the same page. The web was also very much about topics.... If you wanted to know the Giants score, you went to ESPN, if you wanted to know the weather forecast, you went to The Weather Channel. You basically knew what you were looking for -- you just had to go out and find it."

Today, people are no longer surfing the Internet anonymously. More than 250 million Facebook users log on each day, and each of their pages looks completely different, Beard pointed out. "There's a shift to focusing [online activity] around relationships and around people.... It's not what everybody thinks is the best cheesesteak; the one or two answers that are important to me are coming from my friends, rather than the anonymous masses."

At Facebook, the phenomenon is referred to as "social design," and Beard said there's no better example of its power than the site's photo application. When the service launched five years ago, its competitors included sites that offered features such as red-eye reduction and the ability to resize images. "Our photo application had none of those; you can't do anything practical on Facebook photos. But the one thing you can do turns out to be the most interesting -- you can tag a friend" -- i.e., identify people in photos and share the photos with friends.



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Although Beard argued that Facebook is "helping people build out what identity looks like" on the web through its applications and the sharing of its platform with other websites, the company has also drawn criticism for the ways that it employs users' personal information and the often-confusing steps required to opt out of certain applications, including a recently introduced facial recognition feature that automatically tags people in photos. "Prior to Facebook, the Internet was either open or closed; it was either e-mail or the web," Beard said. "We still have a long way to go. Every time we add features to the site, it adds complexity, which requires us to add privacy controls."

## **No Social, No Viability**

What does the Internet's "social wave" mean for tech start-ups or the sector's more mature companies? "Whenever we use the word 'disruptive' in the business we're in, that's a positive thing," Kapor stated. "At this point, it's old hat to say that social media is a disruptive innovation. When there are low-friction ways for people to interact directly with each other based on their real identities, it is a revolution."

Kapor developed his perspective based on experiencing successive eras of development in the tech industry. In 1982, he founded the Lotus Development Corporation and designed Lotus 1-2-3, a user-friendly spreadsheet program that has been called the first "killer application" for the PC. Later, he became chairman of Linden Lab, a San Francisco firm that created the online virtual world Second Life.

Today, Kapor invests in seed-stage information technology start-ups with an eye toward firms with the potential to make "some degree of positive social impact." Several of those investments have been in the education space; all utilize social media. For example, Piazza is an online study group community designed to allow students and instructors to exchange questions and engage in discussions related to specific classes. MIT and Stanford are among the schools currently using the service.

"The number of hours per evening that students were using this was completely off the charts," Kapor said. "The lessons we can draw from that are that almost all applications are going to have a social layer to them. We're still going to be living in a world where one size does not fit all. There will be both broad platforms like Facebook, and verticals in lots of different areas like e-commerce, travel and education. But if something isn't fundamentally social, it's not going to be viable."

To that end, even established players like Google are trying to gain a foothold in the social media space. After failing to gain traction with Google Wave or Google Buzz, the search company's latest effort, Google+, debuted last week. In response to a question about why Google hasn't yet developed a social application with staying power, Beard, who was the firm's director of social media and head of new business development before joining Facebook, suggested that the company's culture might play a role.

"There's a fundamental difference [between Google and Facebook] in how the products are designed and in how the design process takes place," he said. "Google is very academic.... Some of the greatest thinkers in computer science now work at Google. The design process ... is focused on building a really cool back end that sifts through the data and pops out the result."

Beard described Facebook as having more of a "hacker culture," in the sense that "instead of working on the back end and throwing up any front end, we start with the designers and say, 'What if a user saw this [on the front end]?' and then 'Okay, that's good, now go build the back end as fast as you can so we can start to play with it.'"

## **How, Not Why**

As tech companies try to build social applications that click, the business world at large is struggling to figure out where and how social networks fit into their overall marketing and customer relations strategies. "The question is no longer 'Why?'" Beard noted. "The conversation has shifted into, 'How do I do this and how do I do it well?'"

Katz agreed, adding: "If you are in a consumer-facing business, you need to be on social media because people are talking about your business, and you need to know what they are saying, and you need to be solving problems."

Listening is one of the key aspects of the social media strategy for baseball's San Francisco Giants,

according to Bryan Srabian, who directs the club's efforts in that area. He manages the team's Facebook page and is the voice behind its Twitter feed, @SFGiants. A defining moment for Srabian in understanding the power of social media is when he was able to have a conversation via Twitter with an author he admired. "If we can have that relationship online, if we can interact with the fans, we can establish a voice as customer service representatives or concierges. We can have a relationship that we've never been able to have before. It's always been a broadcast medium of us telling you to come to the game or buy tickets. [Using social media,] we can answer questions and have real conversations."

The Giants established a presence on Twitter and Facebook because fans were already using the sites to talk about the team, follow the games and share photos. The company's strategy is still evolving, which Srabian believes is true for most companies. "Things are moving so quickly that the minute we think we've figured something out, new things come up," he said. "The biggest challenge has been the immediacy of things that happen that are then reported via players, fans and even reporters trying break stories before their official media outlets so that their Twitter handle is on it as opposed to the media outlet. It's raised many more questions than answers, but ... we're learning day by day."

Although a common lament among companies is that interacting with consumers via social media means giving up a measure of control over brand strategy, Katz argued that many firms are fooling themselves in that respect. Echoing a comment he heard from the CEO of JetBlue, he noted that "social media eliminates the illusion that you actually have control. [Companies] always thought they had control over a brand and control over the message because they weren't hearing the conversations that [consumers] were having. People are always talking about your brand in ways you can't control."

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## More Growth and Investment Ahead for China

Posted on July 7, 2011

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Although China's emergence as an economic power is a hot topic around the globe, the country and its culture remain a mystery to many, particularly in the West, according to the head of one of the largest Chinese investment firms.

Speaking at the recent Wharton Global Alumni Forum in San Francisco, Levin Zhu, chief executive of China International Capital Corp., noted that, although Chinese civilization is millions of

years old, the country only became a republic in 1911. And it has only been since the 1970s that the now-Communist country has been opened to the world.

"Some in the West find China almost incomprehensible," Zhu said. "Indeed, the traditional culture and history of the East and the West are so different. People don't even realize that when they are making arguments, they are naturally making assumptions based on their own experiences."

According to Zhu, China has made "great progress" in terms of modernizing and overcoming problems related to widespread poverty and illiteracy among its population. But he also noted that the country is still in the early stages of becoming a developed nation. "China is listening and learning from the West and from the world," he said. "We have many issues to deal with, including the economy and social development, which is still the most challenging task for us. There have been a lot of debates over models of economic development and changing from an export-led economy to a consumer-driven economy."

China's long-term growth potential, however, is rooted in the population's work ethic and drive to succeed, Zhu said. "We're probably facing some near-term challenges [such as] overinvestment and inflation. As for how we do this long-term in a sustainable way, in an effective way — there's a lot to work out. But for at least the next 10, 15, 20 years, China can still continue to grow."

As China develops, Chinese investors will look for ways to diversify their wealth outside the country's borders, Zhu noted. His company, CICC, was founded in 1995 and is now one of China's leading investment banks. "Our company will help [Chinese investors carry out] this diversification, and find better investments in this part of the world."

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## Navigating the Hype -- and Opportunities -- in Emerging Private Equity Markets

Published : July 14, 2011 in [Knowledge@Wharton](#)

Ten years ago, private equity was a nonentity in China. Today, Chang Sun, Hong Kong-based managing partner of Warburg Pincus, has heard stories of firms raising "billion-dollar funds" in several months as opposed to the more standard year and a half.

And it's not just the upper echelon of Chinese wealth that is getting in on the act. At a panel on private equity at the recent Wharton Global Alumni Forum in San Francisco, Sun recalled a trip for a haircut when "my barber told me that he was investing in private equity and that he expected to get 20-times return on his low capital contribution to a little-known local PE firm with a total history of about 30 days."



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Stories like this are indicative of the great opportunity -- and potential peril -- that exists in today's global private equity landscape. As economies in Europe and the United States continue to struggle, the flow of wealth is moving east to China and India, and south to Latin America. Private equity firms are close behind, changing their business models to respond to worldwide growth in competition and a new, post-financial crisis investment climate.

When Frederick Goltz, a San Francisco-based partner at KKR, joined the firm in 1995, the company had 22 executives, one fund and two offices. Today, there are 14 offices across four continents and more than 300 employees managing myriad products that are separate from the firm's private equity business.

Other firms have expanded in a similar way. "The competition has grown more intense. We have been forced to rethink the way we've done business. We have moved from what was a pretty opportunistic model to where we have a very focused, proactive effort to win a particular industry group within a particular geography," said Goltz, who served on the panel along with Sun; Josh Harris, founding senior partner at Apollo Management in New York; and Octavio Lopes, a partner with GP Investments in Sao Paulo, Brazil.

Rethinking the firm's business model required a "mindset change," Goltz added. "We found as we moved from a general private equity business to a more specific private equity business that there were more opportunities than we could fit within the narrow perimeters of a PE deal. The reality is, for all the stars to line up for a change-of-control PE transaction is a pretty low hit-rate business. I did a lot of work on things that got put into a filing cabinet never to be seen again."

The vehicle for creating value within the industry, too, has changed, according to Goltz. "Fifteen or 20 years ago, it was all about taking advantage of arbitrage opportunities or engaging in situations through leverage. The model is very different now.... I don't use financial engineering as a derogatory term, but the reality -- given the competition in the industry -- is that it can't be the only mechanism for value creation. Private equity leaders are the ones that focus systematically on making their portfolio companies better."

Another challenge is navigating today's often "overvalued" investment environment, Harris said. "Every time I pull the trigger on an investment, I think about the financial crisis and what we all went through; but the bond market doesn't."

Why are the markets up? "The Fed, the EC [the European Commission, the executive body of the European Union] and other governments are printing money, so there's a wall of money," Harris noted.



"PE itself is overvalued. The wall of money is hitting all of these markets and the key is to differentiate yourself in terms of special skills, and being in businesses where this overvaluing ... isn't really hitting you."

That "wall of money" is masking weak points in the economic recovery in the U.S. and the inherent risk of many investments, according to Harris. "We actually don't find that many deals that come out of our model with a 20% return. We're not doing a lot with regular rate private equity. In past recessions, in past financial crises, the financing environment came back and the purchase prices lagged. What we're seeing now, because of the wall of money, is that purchase prices immediately snapped back or never went down, so it's somewhat of a treacherous environment for the PE player."

Harris said some of the strongest investment opportunities currently can be found in distressed industries, or in industries where there is a significant number of forced sellers. "There's a lot of shifting in the major energy companies and the major metal companies are selling certain types of their portfolios. There's a big opportunity in the liquidation of European bank assets. Many countries in Europe have woken up to the problems in Ireland, so you see big banks selling everything from loans to distressed debt to businesses."

There is also what Harris described as a "massive" opportunity in the American real estate market, where prices continue to slump. "Banks have not yet recognized many of the steps they have to take. There's a lot of debt owned by the banks, and as they earn enough income to write it down, you will see it come out and see the real estate market de-leverage."

### **Ignoring the Hype**

All of the panelists agreed that following opportunities is no longer a matter of travel within the U.S. and Europe. "Private equity is not immune to the flow east of wealth and of opportunities," Harris pointed out. "Our investors, the opportunities, our teams are all now in distant places like the Middle East, China and the rest of the Pacific. Those are the places in the world that are growing. The places that are not growing are the U.S. and Europe."

But Harris noted that in most emerging markets, "big global firms are faced with a situation where too much capital is chasing too few deals." He added that there is a "little bit of a bubble-like" feel in many of these countries. "In Brazil, China and India, a lot of people get funded who shouldn't be funded, and it's fraught with peril."

In Latin America, the first large PE funds began to emerge in the mid 1990s, according to Lopes of Brazilian firm GP Investments. "There was a lot of interest in Argentina and Brazil.... There were probably five big firms doing investments in Latin America, plus all of the traditional immersion banks. Most people lost all of their money in the Brazilian economic crisis [of 1999], so the industry almost disappeared in the late 1990s and early 2000s."

As the Brazilian economy and others in Latin America began to grow, however, the industry was able to make a comeback. Funds are now expanding and so are the size of investments. Still, Lopes described his firm's activities as very traditional-style private equity. "We buy traditional companies of a decent size -- maybe \$100 million to \$300 million [in annual revenue] -- that have issues surrounding them related to shareholders or [mismanagement], or the capital structure has problems. We usually do not get involved with companies that are well-managed or are doing really well because they have always been expensive and are even more expensive nowadays."

He noted that the number of investment targets with those requirements has increased significantly in the past five years. For one thing, many businesses in Latin America are family-owned and have aged into the second and third generation, a time when conflicts over succession and feuds at the executive level are more common. For another, businesses in Brazil are becoming more valuable.

"Probably half the companies we are targeting today, we didn't know about five years ago because they were too small," Lopes said. "You're seeing companies that had \$100 million in revenues five years ago and now have \$300 million to \$400 million," but lack the management teams and technology to effectively deal with that expansion. "That's the type we like -- a company that needs a lot of change. In terms of targets, I've never seen anything as positive as the environment we're seeing right now."

One of the reasons that Lopes' firm steers clear of investing in companies that are already strong overall is that it would then have to compete with multinationals eager for a piece of the rapidly developing Brazilian market. "If you are an international firm, Brazil generally looks easier than Asia," Lopes pointed out. "It's a very Western country. Consumer trends are very similar to the West. Labor regulations are complicated, but similar to what you have in the U.S."

### **In China, a 'Paradigm Shift'**

The hopes of Sun's barber are an example of the high expectations surrounding the Chinese private equity market. According to Sun, the industry had few options in China prior to 2003, "mainly because the private sector had not developed, and most of the opportunities present were in the state-owned companies, where the objective was to provide employment rather than profitability."

Exit paths were also limited because hardly any Chinese companies were publicly listed. "In China, the whole history of capitalism started in the late 1970s and the early 1980s," Sun noted. "There were few managers available to become PE managers."

Over the past eight years, however, the private sector has blossomed in China and created a new class of entrepreneurs who have built their fortunes in industries such as real estate and technology. Three decades of overseas investment in China have given rise to a pool of qualified professionals who understand the private equity model. Chinese companies increasingly have sought to become listed on Nasdaq and other international stock exchanges.

Finally, private equity has become more accepted by the business community in China as a viable funding alternative. "Before 2003, people in China preferred strategic investments from Alcoa, from Coke, from IBM because [those companies] provided technology as well as capital," Sun said. "Today, Chinese companies are coming up with innovative technology and want more help on the managerial side and less on the technical side."

Private equity in China currently is going through what Sun described as a "paradigm shift," with firms coming to the country and trying to raise funds denominated in the local currency, the renminbi, in addition to the U.S. dollar. "The Chinese government is becoming a lot more confident and is resisting foreign capital. Chinese businesses are starting to prefer domestic funds as opposed to foreign funds," Sun noted. "Foreign funds are feeling the pressure, and most international funds are seeking to raise local currency denominated funds."

The Chinese government has also adopted policies to discourage foreign listing of domestic companies, launching the Chinese Nasdaq as an alternative. "Firms like ours used to raise money offshore and invest in China, and then come out again by going public in New York or Singapore or Hong Kong," Sun recalled. "Now, the whole thing can be done in China. You can raise money in China, invest in Chinese institutions and go public in China, all in local currency. That's a paradigm shift, and everyone has to adapt."

Key to that adjustment is keeping a cool head in the face of the "gold rush mentality" that has developed in the sector, Sun noted. "Everyone is chasing the 50-times return ... but that era is coming to an end. We have to realize that China is still essentially a planned economy. It's still a communist country trying to do capitalist things."

Sun also stressed the importance of foreign investors doing their due diligence before making deals in China. "People get off the plane, and they see all of the signs of wealth and they get too excited," he noted. "Our gestation time for every deal is six to nine months. Most of that time is spent with the entrepreneurs, going on vacation with them, going to staff meetings. The company can fool you with the numbers. But if you spend enough time with the co-workers, with the peers, you'll find out what their thinking is."