Wharton

WHARTON ALUMNI CLUB OF NEW YORK | WINTER 2019

Joseph Wharton AWARDS WINNERS

How They Learned to Lead!

UNIVERSITY of PENNSYLVANIA

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LETTER FROM THE PRESIDENT

Winter 2019

Our Joseph Wharton Awards Dinner commemorated the one-year anniversary of the Club passing the baton of leadership from **Kenny Beck**, WG'87, to an experienced volunteer team, which I am just a part of. Kenny commented at the Dinner that the transition has been so smooth that he has not received one comment or complaint! I am so grateful to each and every member on our Board of Directors, Executive Committee and committees of volunteers for making the transition a success and for growing the Club in new ways! Thank you, team!

Prior to the Dinner, I reached out to past award recipients and learned that most had at least three mentors who really helped them in their careers. If you don't have any mentors, think proactively of who you would like as a mentor and consider reaching out to them. **L.D. Salmanson**, WG'13, in the previous issue of this magazine wrote about how he used that strategy successfully. One of this year's awardees featured in this issue has had over three significant mentors — **Kunal Bahl**, W'06, Eng'06, Co-Founder and CEO of Snapdeal, who received the 2018 Joseph Wharton Award for Young Leadership.

During the Dinner, I asked alumni who are in the position to Make the Call to consider reaching out and mentoring those who you believe have potential to contribute to the C-suite or on a Board. If you attended this year's Dinner, you would have heard from several such remarkable alumni. As you can see from the articles in this issue, these alumni are making global, national and local impact. The recipient of the Lifetime Achievement award, **Arthur D. Collins, Jr.**, WG'73, is retired Chairman and CEO of Medtronic, and board member of Boeing, Alcoa and U.S.Bancorp. Art felt called to lead as a young man entering the Navy and learned early that, to lead, he needed to earn trust by performing consistently with integrity.

Jonathan Gray, C'92, W'92, President and COO of Blackstone, is the recipient of the 2018 Joseph Wharton Award for Leadership. Jonathan took an unusual path of having worked solely at Blackstone since graduation, and then from an early stage, grew Blackstone's real estate portfolio to $120 billion today! The 2018 Joseph Wharton Award for Social Impact went to **Anne Welsh McNulty**, WG'79, President of the McNulty Foundation. Anne met her husband in high school and attended Wharton with him. From an early age, they believed that leadership could be learned, practiced and improved to make a positive impact on others.

Soumyo Chakraborty, WG'01, is our Club's modest but accomplished Chief Technology Officer. Soumyo serves as a VP of Technology for Two Sigma, one of the most successful hedge funds in the world. Read about Soumyo's thoughts on using technology to improve collaboration among Club volunteers, help alumni create webinars for fellow alumni, and provide online access to some of our most popular events.

Regina Jaslow, W'97
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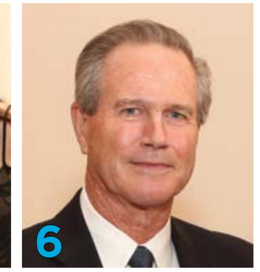
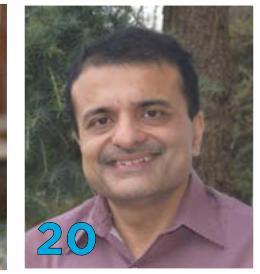
FRONT COVER:
(l. to r., top to bottom)
Anne Welsh McNulty, WG'79; Arthur D. Collins, Jr., WG'73; Jonathan Gray, C'92, W'92; Kunal Bahl, W'06, Eng'06.





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JOSEPH WHARTON AWARDS DINNER, 2018

(L. TO R.) KENNETH BECK, WG'87; ALEX GORSKY, WG'96; ANNE WELSH MCNULTY, WG'79; ARTHUR COLLINS, WG'73; KUNAL BAHL, W'06, ENG'06; REGINA JASLOW, W'97

THIS year's Joseph Wharton Awards Dinner was held October 11 at The University Club of New York on Fifth Avenue and 54th Street. The high-ceilinged ballroom with chandeliers and classic wood panels felt fitting for our celebration of the world's oldest business school, founded in 1881.

The four 2018 Joseph Wharton Award recipients were:

- Lifetime Achievement — **Arthur D. Collins, Jr.**, WG'73, retired Chairman and CEO of Medtronic;
- Leadership — **Jonathan Gray**, C'92, W'92, President and COO of Blackstone;
- Social Impact — **Anne Welsh McNulty**, WG'79, Managing Partner of JBK Partners and President of the McNulty Foundation;
- Young Leadership — **Kunal Bahl**, W'06, Eng'06, Co-Founder and CEO of Snapdeal.

"WCNY connects alumni looking for capital with alumni looking to invest, and alumni looking for opportunities with alumni looking to hire people. We serve from graduation to death, although I've discovered that Wharton alumni don't die — we just yield to maturity."

Regina Jaslow, W'97, our Club President, encouraged attendees to find those they could mentor. "I recently asked the Joseph Wharton Award recipients, both past and 2018, about how many mentors they had had in their careers. The majority could think of three or more mentors who had made a difference in their lives. I encourage attendees at this year's Dinner to mentor, especially seasoned alumni, to give fellow alumni a boost to serve in the C-suite or in board roles. As a mentor, you may hold the power to develop the next Joseph Wharton Award recipient. So, determine this year to Take the Call, and Make the Call!"

Alex Gorsky, WG'96, CEO of Johnson & Johnson, served as Chair of the Dinner. He spoke of the simple honor to be present. "When we live in a cynical world, the time that you are taking tonight to recognize good people is awesome. As some of us age, we become more sentimental about the lessons learned and friends made at school. We come here tonight to share that with faculty, share that spirit of optimism again, know what a great source of good that business can be, and hear how awardees innovated and made a global impact. I am proud to share the stage tonight with Arthur, Jon, Anne and Kunal. I feel their impact beyond the financials — that they are making a difference to their employees and their communities."

Kenny Beck, WG'87, was recognized as the catalyst bringing back the Joseph Wharton Awards Dinner. In recognizing volunteers, he reminded attendees that there are 70 Wharton Alumni Associations around the world, with the Wharton Club of New York being the largest. "We have over 220 volunteers providing over 200 events per year and serving 25,000 alumni. Our Club benefits from three principles:

1. Enlightened self-interest
2. Tangible results
3. Small interactive events, which are the most valuable

(TOP) BARBARA SAFRANEK, WG'87; REGINA JASLOW, W'97; WILLIAM SALIY, WG'02; (ABOVE) JONANTHAN GRAY, C'92, W'92; KUNAL BAHL, W'06, ENG'06; LISTENING TO PROFESSOR USEEM

NICK GORSKY, W'11; NAUMAN SHAH, C'93

ROB DINERMAN, W'78; FORMER DEAN TOM ROBERTSON; KODIR NOROV, W'00; GERALD LUCAS, WG'87; ANDREW BRENNER, C'78, W'78, WG'79,

JAMES RIEPE W'65, WG'67, HON'10; KENNETH BECK, WG'87; VICE DEAN HOWIE KAUFOLD, W'75

THOMAS E. MORAN WG'73; ALISON MATEJCZYK

REGINA JASLOW, W'97, ENCOURAGING ATTENDEES TO MENTOR

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CALLED TO LEAD!

JOSEPH WHARTON AWARD FOR LIFETIME ACHIEVEMENT

Arthur D. Collins, Jr., WG'73,
Former Chairman and CEO, Medtronic

Art Collins, WG'73, surrounded himself with leaders from a young age—his parents, coaches, fellow Naval officers, and business mentors. He sought to learn responsibility, the relevant skills for the task at hand, and how to motivate others. These lessons served him well as his leadership responsibilities grew.

Where did your initial interest in medicine come from?

I come from a medical family. My father was a Penn undergraduate and attended medical school before serving as an Army doctor in World War II. After the war, he pursued the practice of ophthalmology. My mother was a registered nurse and also served in World War II. As a child, I tagged along with my father as he made hospital rounds. When I began college, I took courses that held open the option of a pre-med degree. However, my father told me, "As much as I love being a physician, if you don't have the calling to be a doctor, pursue your own dream, whatever it may be."

Somehow, my dream involved leading people. When I graduated college, it was 1969. The Vietnam War was raging, and I chose to enter Naval Officer Candidate School (OCS) in Newport, Rhode Island. I initially served on a destroyer, but my last assignment was as an assistant professor teaching courses in naval science at Penn. That was fortuitous because I was then accepted into Wharton's graduate program.

What were your first few jobs after Wharton, and how did you choose them?

I received a first-rate education at Wharton, but most of what I learned was somewhat theoretical in nature. At the time that I graduated with an MBA, the most sought-after jobs were in consulting and investment banking. I chose the consulting route and joined the Chicago office of Booz Allen Hamilton to put some of that theoretical knowledge into real-world practice.

After four years, I had the option to become a partner with the firm, but I told my mentor there that I was itching to get out and run a business rather than just advise clients. He took me seriously and made several key introductions. I ultimately had three options about the person I would work for: Jack Welch who had recently arrived as one of three Group Presidents at GE's corporate headquarters; Bob Stuart, the Chairman and CEO of Quaker Oats; or Ted Ledder, the Chairman and CEO of Abbott Laboratories.

I chose to go to Abbott as Manager of Corporate Planning and Development. After 18 months in that staff position, I finally got my opportunity for a European line position, first in Brussels, Belgium and then in Frankfurt, Germany. I returned to the States after four years in Europe, and then moved through several general management positions before becoming Corporate Vice President with responsibility for all the worldwide business units that comprised Abbott's diagnostics franchise.

Why did you leave Abbott for Medtronic in 1992?

By then, I knew that I wanted a chance to become the CEO of a large, multinational corporation. I had been offered a few COO positions at smaller firms that I declined, and Abbott had just made a change at the top that blocked any opportunity for me to be CEO there for a number of years. So, when Medtronic contacted me with an offer to join as the President of an international division with a shot at becoming the next COO and, ultimately, CEO, I said, "Yes."

Why were you given so many great opportunities?

Some people might say that I was at the right place at the right time, or that I was just lucky. However, as my career unfolded, I found that the harder I worked, the luckier I became. It's true that I worked for some great mentors who opened a few doors for me, but once a door was opened, I had to walk through it and then perform. I recognized early on that careers are built one job at a time, and I was willing to take on any assignment that offered me experience and a chance to show my capabilities.

I also can't discount the value of what I learned during my service in the Navy. In fact, I wouldn't trade anything for the experience I had as a 22-year-old, wet-behind-the-ears college graduate entering Naval OCS, and then as an officer with responsibility for a division of over 30 men whose ages ranged

ART COLLINS retired from Medtronic in 2008 after serving at the highest levels over 15 years, first as President and COO, and then Chairman and CEO. Medtronic is the world's largest medical technology company, with annual revenues of $30 billion and 98,000 employees in over 160 countries.

Art joined Medtronic from Abbott Laboratories where he was Corporate Vice President with responsibility for Abbott's diagnostic products and worldwide business units. Before joining Abbott, Art worked as a consultant with Booz Allen Hamilton. Before coming to Wharton, Art served as an officer in the United States Navy and was honorably discharged with the rank of Full Lieutenant.

He currently is a member of the boards of directors of Arconic, Boeing and U.S. Bancorp, and he previously was a director of the boards of Alcoa, Cargill and Tennant. He also serves as a Senior Advisor at Oak Hill Capital Partners and a Managing Partner at Acorn Advisors. In addition, Art authored *The Adventures of Archibald and Jockabeb*, a nine-book series of adventure stories for children. He received a B.S. and a Doctor of Laws honorary degree from Miami University. He also has an MBA from Wharton, where he was a member of the undergraduate faculty, and has subsequently served on the School's Board of Overseers for 15 years.

ALEX GORSKY, WG'96, 2014 WINNER OF THE JOSEPH WHARTON AWARD FOR LEADERSHIP AND CEO OF JOHNSON & JOHNSON; ART COLLINS, WG'73; AND JIM RIEPE, W'65, WG'67, HON'10, THE 2017 JOSEPH WHARTON AWARDEE FOR LIFETIME ACHIEVEMENT.

between 18 and the mid-50s. During my time in the Navy, I learned a critical lesson that would play out time and time again: the better and more motivated the team I assembled was, the easier my job became.

In a recent interview with Wharton professor Mike Useem, you discussed the importance of leaders being prepared and acting decisively. Can you recount a real-life example while you were in the Navy?

Sure. I believe that decisive leaders don't always act before they need to, but they always act when they have to. This lesson played out for me one night during my deployment in the Mediterranean.

It was a few minutes after midnight, and I had just relieved the previous officer of the deck and had assumed the "con" (taking control of the ship) on the bridge of the destroyer. We were participating in a dangerous nighttime exercise with an aircraft carrier group, and our assignment was to take the role of an enemy ship and to try to penetrate the shield of other destroyers protecting the carrier.

My destroyer was cruising at about 20 knots in silent mode without the radar or sonar activated, and visibility was poor since there was little moonlight that night. I suddenly was terrified to see the carrier appear out of the darkness about 45 degrees off the port bow, heading directly into the vector of our current course.

Previous training instinctively overcame fear, and I immediately shouted out the commands, "Left full rudder! Port engine back full! Starboard engine ahead full!" Our bow slowly started to drift to the left moments later, and then the port turn began to pick up momentum, finally passing by the starboard stern of the carrier with about 150 yards to spare, which was just inside the margin of safety. Later, when my heartbeat returned to normal, I reflected on the benefits of many long hours of training, being prepared and acting decisively when it was needed.

What other leadership skills did you seek to hone early in your career?

Someone once told me that to effectively lead, you have to understand both your organization's objectives and what specific capabilities are required to succeed. First in the Navy, then with Abbott and finally at Medtronic, those capabilities included technology. I'm not formally trained as an engineer or scientist. However, as a Naval officer in charge of an anti-submarine warfare division, I needed to rapidly learn the ins and outs of how sonars work, including Doppler technology. We also carried air-launched torpedoes with nuclear warheads onboard my destroyer, so I had to understand that technology as well.

Then, as a consultant, I needed to quickly come up to speed on each client's unique set of skills, whether they were highly technical or not, including associated acronyms and other jargon. At Abbott, I developed an understanding of the technology supporting sophisticated diagnostic instruments and reagents we manufactured and marketed in the fields of immunochemistry, clinical chemistry and microbiology. And as I led Medtronic, I required good working knowledge of the human physiology and technology that underpinned medical devices treating heart disease, spinal disorders, diabetes and other medical problems.

Coming in at a very senior level from the outside, how did you earn trust at Medtronic? Do you have any general advice in this regard?

I'm glad you used "earn" in asking that question. I've always believed that trust doesn't automatically accrue to a leader simply because of his or her position. Rather, trust needs to be earned — day in, day out. I'm sure that some at Medtronic were skeptical as to why I was hired from the outside, and I'm sure many other employees withheld judgment on me until they had a chance to see how I performed. You earn trust in a number of ways, but I think that the most important factor is consistently acting with integrity.

So, what does that mean? It means being honest, displaying good judgment, putting the well-being of the organization above any personal interest, being willing to admit mistakes, and never asking the people who work for you to do something you aren't prepared to do. No one is perfect. Everyone will make a mistake from time to time, and I've made my share of mistakes along the way. However, I've learned over time that people are really quite savvy. They can tell when someone is trying to do the right thing and is telling the truth, and when they aren't. With that said, my simple advice for all leaders and aspiring leaders is to do their best and to treat people the way they in turn would want to be treated.

(TOP) ART COLLINS, WG'73, SHARING HIS CHILDREN'S BOOK SERIES, *THE ADVENTURES OF ARCHIBALD AND JOCKABEB*, AT A LOCAL SCHOOL. (ABOVE) ART COLLINS, WG'73, AND HIS WIFE, SOPHIA SHAW.

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AWARDS DINNER

How would you describe the pace of change in the medical technology industry while you were at Medtronic? How did you stay ahead of competition?

Medical technology evolved quickly when I was at Medtronic, and that trend continues today. For example, during my tenure as Chairman and CEO, about two-thirds of our revenues were generated by products introduced within the previous three years. To keep up, each year, we budgeted about 10% of revenues for R&D. More importantly, we spent a great deal of time listening to our customers, staying close to cutting-edge technology being developed in academic medical institutions and other high-tech industries, and continually re-evaluating our product portfolio. I also came to believe that two major criteria needed to be met for a new medical device to be successful: the product needed to provide better patient outcomes and be less costly to the medical system than existing alternatives — one without the other wouldn't cut it.

During your 15 years as COO and later CEO of Medtronic, revenues and earnings per share grew in excess of 15% per year. How much of that growth was organic versus through acquisition? Also, what advice do you have about acquisitions?

Calculating the exact split in revenue and profit growth that was generated organically versus through acquisition is a complicated exercise. However, I can safely say that, while I was at Medtronic, the vast majority of the growth was organic — perhaps well in excess of 70%. With that said, we made a number of very important acquisitions, and we learned a number of lessons in the process. First of all, remember that most acquisitions are not successful and do not end up meeting the original acquisition economics. To maximize the chances of success, do your homework, and complete the necessary due diligence. Continually put yourself in the seller's shoes and understand why it is selling. Be disciplined during negotiations, and don't be afraid to walk away if necessary. Plan for and adequately staff acquisition integration efforts, and carefully identify and make sure you keep the key resources you are acquiring. Finally, while well-executed acquisitions can be a key component in sustained corporate growth, they should never take focus off of organically growing the business.

Over the past 20 years, you have served on the boards of some of America's most iconic companies: Alcoa, Boeing, Cargill and U.S. Bancorp. How did you choose those boards?

I'd start by saying that the director selection process for any board should be a two-way street. In other words, the fit needs to be right for the company and for the individual director. I purposely chose boards outside the medical field because I wanted to be in a perpetual learning mode. As you'll note, each of the companies you mentioned is in a completely different industry. In addition, I purposely gravitated toward companies that were leaders in their given industry segment. Board dynamics also were very important to me, as was the quality of other directors and the CEO.

Board diversity in its broadest definition was another key consideration. I am firmly convinced that a diverse group of directors who are engaged, willing to check their egos at the door, and committed to the success of the company they serve is an important ingredient to any corporation's long-term success. Finally, it was very important for me to convince myself that my experience and skill set could add real value to the board I was considering.

Finally, are there any other lifetime leadership lessons? If so, how did you learn them?

> "It is a great honor to have been selected as this year's recipient of the Joseph Wharton Lifetime Achievement Award... Our country, more than ever, needs courageous leaders who are willing to speak out and take a stand if they witness an injustice or see the truth being bent or completely discarded. This is important during these difficult times when some of the political rhetoric in Washington, D.C., further divides rather than unites us, as a nation.
>
> Everyone in this room is a leader in his or her own right. Your individual and collective voices make more of a difference than you can imagine.
>
> — EXCERPT FROM ART COLLIN'S ACCEPTANCE SPEECH

I was a good student while growing up, but I would have to say that I learned much more about leadership from sports than in the classroom. Whether it was on the football field, baseball diamond or basketball court, useful lessons were continually reinforced about winning and losing the right way, about never giving up, and about the importance of teamwork.

Fortunately, I had two great parents who were role models in many ways. Each of my grandfathers died at an early age, so my father and mother ended up being raised by my two grandmothers. Coming from relatively humble backgrounds, both of my parents worked their way through college.

In addition to my parents, there were coaches, teachers, friends and other mentors along the way who provided encouragement and who were willing to call me out when that was necessary.

During my career, I had the good fortune to work for and with some terrific people — many of whom were successful leaders in their own right. Without all of them, I wouldn't have achieved what success has come my way, and I certainly wouldn't have had as much fun along the way.

Finally, I would be remiss if I didn't mention my two daughters and wonderful wife. When I retired from Medtronic, some thought that I would write a book on leadership. Since I didn't think the world needed another ex-CEO penning a treatise on that subject, I declined. However, with encouragement from my two daughters, I wrote the nine-book series of adventure stories for kids, *The Adventures of Archibald and Jockabeb*. My wife, who was the former President and CEO of the Chicago Botanic Garden and currently is an adjunct professor at the Kellogg School of Northwestern University, has provided me great support. As an aside, we recently started a small consulting firm, Acorn Advisors, to provide governance advice to nonprofit institutions and large family offices.

— KT

PASSION, OPTIMISM AND GIVING BACK

2018 JOSEPH WHARTON LEADERSHIP AWARD

Jonathan Gray, C'92, W'92
President and Chief Operating Officer Blackstone

"In the post-crisis period when people either didn't have capital or didn't have conviction, and a lot of folks froze, we believed that there was actually good opportunity.

JONATHAN GRAY, C'92, W'92 AND HIS WIFE MINDY BASSER GRAY, C'92; WITH DR. SUSAN DOMCHEK, M'05, AND DR. ROBERT VONDERHEIDE.

Jonathan Gray, C'92, W'92, joined Blackstone's mergers and acquisitions and private equity group straight out of Wharton and the College of Arts and Sciences in 1992. Almost 26 years later, in February 2018, he was named President and Chief Operating Officer. He is a rumored successor to founding CEO and financial industry icon, Stephen Schwarzman. The Blackstone Group (NYSE: BX) is an American multinational private equity, alternative asset management and financial services firm that today has over $450 billion under management. But it had just about $1 billion when Jonathan joined the founding team, making the trip from Philadelphia to New York.

Along the way, he married his college sweetheart, raised a beautiful family and became a leading philanthropist. "Luck has been a core competency for me" is how he began our conversation, expressing humility and continuous gratitude for the different turns his life has taken.

It's not every day that one speaks with someone in control of over $450 billion. So, to prepare, I phoned a friend who knows Jonathan Gray, and he described him as uniquely nice and very successful at the same time.

"Call me Jon," he said when we began our conversation.

What did you want to be when you grew up?

My dream was to be a professional athlete playing for Chicago. In high school, I played basketball. We were crazy, rabid Cubs, Bears and Bulls fans, growing up. I went to, I think, almost every Chicago Bears home game from 1975 to 1988 with my brother and dad who had season tickets.

In your award acceptance speech, you said that you entered the university thinking you might want to write for the *New York Times*. How did you get from the College of Arts and Sciences and the *New York Times* to Wharton and Blackstone?

I loved buying stocks, starting from around the time I got a few stocks for my bar mitzvah (like McDonald's and Coca-Cola). I'd always had an interest in the markets. At Penn, I was in Sammy (Sigma Alpha Mu), where a bunch of my fraternity brothers were in Wharton, so I thought I could do that, too!

Blackstone, at the time, was about 90 people, and we had one private equity fund that was around $800 million under management. I was also a bit of a political junkie, and I knew several Blackstone executives had served in the White House. Pete Peterson, one of the founders (who passed away earlier this year), had been Commerce Secretary under President Nixon. Roger Altman had been Assistant Treasury Secretary under President Carter, and David Stockman was President Reagan's Budget Director. And there were other notable people, such as Steve Schwarzman who had run M&A at Lehman Brothers.

So, the firm wasn't well-known, but it had very prestigious people, and people were just starting to talk about this sort of private equity business — it was called the LBO [leveraged buyout] business at the time, and Blackstone was the only place that hired kids right out of school.

You began at Blackstone in M&A, but you are best known for building the Blackstone real estate platform into the largest in the world. How did you make the transition to real estate?

Part of the reason was, when Blackstone offered me the opportunity to switch over to real estate, it seemed like a way for me not to go back to business school. I didn't know anything about real estate, but I liked principal investing (investing Blackstone's own money as opposed to raising capital from investors). I was doing M&A the first year, as well as private equity, which I really liked because we would analyze and then decide whether or not to buy the company. If it was a portfolio company, we'd decide whether to invest in the business or whether to sell the business. Whereas, with the M&A stuff, I found that I would work all weekend on some pitch book, stay up all night, and then probably wouldn't even get to go to the meeting.

Your breakout success included moving beyond buying divisions of companies to buying whole companies. Is that correct?

In 2004, there had never been a takeover that was done with public real estate debt. The CMBS [commercial mortgage-backed security] market had exploded, and you could borrow so much

> "If you treat outside parties in a positive way — you play long ball in your dealings with other people, you always honor what you say you're going to do — then the people you work with and who work for you see that, and you can help set the tone of a business. You can get people excited and energized.

more than you could corporately — which made sense because real estate is a hard asset. But no one had ever been able to take that and bring it to a corporate buyout. We convinced Bear Stearns and Bank of America to provide the financing, and we bought Extended Stay America. That was a $3.5 billion deal at the time, and we brought in our private equity fund because it was so large.

Then we started looking at Prime Hospitality, which had a bunch of different divisions in hotels, some high-end hotels, some brands and other stuff. However, there was a bunch of it that we didn't want. We bought the company and then quickly started disassembling it. So, we figured out — wow, there was a fruit basket concept, where if we bought a whole company, actually, the sum of the parts was greater than the whole. We also figured out with these businesses that, sometimes, they weren't necessarily managed particularly well. Like classic private equity, there were things we could do to operate and invest capital and so forth. Between 2004 and 2007, we kept doing more and more, ultimately leading to buying Equity Office at $39 billion and Hilton at $26 billion in 2007.

Once you established this investment strategy, what was it about you and Blackstone versus other firms that enabled you to expand it?

Unlike other people who were doing this, many of whom were following us, we were pretty disciplined. So, we were selling down a lot — something like $60 billion of real estate prior to the crash, and we were really focused on the quality of the things we were buying. There were two key elements of the business. The first was turning it from one-off individual assets or small portfolios into corporate real estate deals, super-sizing the business in the 2004 to 2007 period. The second was, in the post-crisis period when people either didn't have capital or didn't have conviction, and a lot of folks froze, we believed that there was actually good opportunity, and so we started buying back debt on our own properties inexpensively. We started buying all sorts of assets — U.S. housing, London office buildings, Australian shopping malls.

We really began expanding our footprint. We grew our small European business; we expanded into Asia; we went beyond real estate private equity into core real estate and more-stabilized, long-term-hold real estate; we went into real estate debt, mezzanine debt, liquid debt and mortgage debt. While most people were waiting for the "all clear" signals, we expanded the business to such a point that, today, we have $120 billion of equity capital under management in that business and became, by far, the largest real estate player globally.

In February 2018, you were elevated to the role of President and COO. How did you prepare for this role, and how would you describe what you do now?

I went on the Management Committee about 11 years ago and on the Blackstone Board of Directors six years ago. Two or three years ago, they started training me to think about having more responsibility. So when the announcement finally came at the beginning of this year, nobody was surprised, and I was as well-trained as one could be to take on the new role.

Now, my responsibility is to help oversee the firm, to oversee all the business units across the firm, and to help tell our stories to the public markets — since, we're in the press all the time. In addition, I'm thinking about new strategic initiatives for the firm, thinking about the big limited partners we have.

I'm also thinking about how we deploy capital, so I sit on investment committees across the firm. That's our main job — raising capital, deploying it and delivering great returns. I'm also involved in people issues, including compensation. So, my job is to make sure the trains run on time at Blackstone.

You described growing the global footprint of the Blackstone business after the Great Recession. In your new role, do you find that you travel internationally more than you did before?

I think I travel differently. I'll camp out for a longer period of time. Before, I might go to London for a day, and go and see properties or operating partners of ours. I've probably been to London five or six times this year, but on two of the visits, I camped out for four or five days because I spent a lot of time with our people. So, I've been to Europe a bunch, and I've been to Asia three times this year. I think you have to have a real passion for this. Some would say it's not for the faint of heart.

What makes going to work every day fun for you?

One of the things that make this job so much fun is the breadth of things I get to see and talk about. It could be U.S. infrastructure, or Japanese residential, or energy assets in Europe. What is consistent is the high-quality people; a disciplined investment process; and in almost every market, trying to be a leader in scale. I love the firm and the people here.

The award you received is about leadership, and what's clear throughout your comments is that you enjoy leading people.

You know, it's funny, but I do! I have a policy that, before I go to sleep at night, I clear out my email. I get hundreds of emails every day. I want people to know that I got their note, and I respond, even with a short "Great, thanks." When you do that, it creates a level of responsiveness that people feel. If you treat outside parties in a positive way — you play long ball in your dealings with other people, you always honor what you say you're going to do — then the people you work with and who work for you see that, and you can help set the tone of a business. You can get people excited and energized.

I love seeing talent grow, and in my real estate business, we have some amazing talent around the world. It makes me so proud to have played a part in that. If you enjoy leadership, and you enjoy investing, there couldn't be a better job than the one I have.

Who are some outstanding leaders who have impacted your life?

Steve Schwarzman, our CEO, is so passionate about excellence. Most of us can look 3 feet in front of us; Steve is looking 3 miles ahead. When you work with somebody who has that kind of vision — that you can do more, and that you should always be striving for excellence — that's very powerful.

Pete Peterson was a great people person. He showed the power of building relationships over a lifetime. Nobody had a better Rolodex in the world in business or politics. You'd go into Pete's office with something to do, and he would do it right then — he'd make a call. He could call almost anybody in the world.

John Schreiber co-founded the real estate business with Pete and Steve. John is the father of eight kids. He is the most low-key, humble person. He was so diligent about the numbers and reading all the material. He cared about training young people, including me, on how to do things. He never lost patience. He just taught us how to be thoughtful investors.

Tony James, my predecessor in this role, is so analytically capable. He could look through a deal and, in an instant, isolate the key issues and risks to a business or real estate asset and would always press you on the downside.

What have you learned about being a philanthropist?

There's no better feeling than giving. It's the ability to impact somebody's life — to give somebody opportunity — in education and healthcare, and to make advances in cancer. And then the appreciation that people have for that — that feeling. I've described the philanthropy that Mindy and I do as the best investments we've made.

How would you like to be remembered one day?

Somebody who worked hard and cared a lot about what he did. But who also cared about the people he did it with, and who recognized the importance of giving back.

— by Geralyn Breig

JONATHAN ("JON") GRAY is President and Chief Operating Officer of Blackstone, and is a member of Blackstone's Board of Directors. He sits on its Management Committee and most of its investment committees, including serving as Chairman of the Real Estate group's investment committee. Mr. Gray previously served as the firm's Global Head of Real Estate, which he helped to build into the largest real estate platform in the world with $120 billion of investor capital under management. He joined Blackstone in 1992.

Mr. Gray currently serves as Chairman of the Board of Hilton Worldwide. He also serves on the board of Harlem Village Academies and Trinity School. Mr. Gray and his wife, Mindy, established the Basser Center for BRCA at the University of Pennsylvania School of Medicine, which focuses on the prevention and treatment of breast related cancers. They also established NYC Kids RISE in partnership with the City of New York to accelerate college savings for low-income children.

Mr. Gray received a B.S. in economics from the Wharton School, as well as a B.A. in English from the College of Arts and Sciences at the University of Pennsylvania.

> "The two most important decisions in my life were to ask out my wife Mindy after Romantic Poetry class, and to go to the East Coast and attend Penn.
>
> I got to grow up with this business, at a firm that has amazing core values, that cares about people, operates with integrity, strives to be the very best, and possesses a real entrepreneurial spirit and a real sense of meritocracy.
>
> Beyond Blackstone, Mindy and I spend a lot of time trying to give back. We recognize that we've had incredible good fortune, and we can do something with it. It's not just a responsibility — it is something we really love to do.
>
> We focus on two primary areas. The first is kids here in New York City. Our children have had so much opportunity, so shouldn't other kids have more? We support low-income child savings programs, health clinics, after-school programs and charter schools. It's all about creating opportunity.
>
> The second area is the BRCA gene, which unfortunately causes cancer. We created the Basser Center at Penn to focus on counseling families, treating patients and accelerating research. The progress to date has been really remarkable, and it gives us hope for the future.
>
> So, it all comes back to Penn, which created this incredible opportunity for me and my family.
>
> — EXCERPTS FROM JONATHAN GRAY'S ACCEPTANCE SPEECH

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AWARDS DINNER

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AWARDS DINNER

FAILURE, FOCUS, FAMILY!

JOSEPH WHARTON AWARD FOR YOUNG LEADERSHIP

Kunal Bahl, ENG'06, W'06
Co-Founder and CEO of Snapdeal

Kunal Bahl, ENG'06, W'06, is Co-Founder and CEO of Snapdeal, an e-commerce company based in New Delhi. Kunal embraces three principles for business that he learned through his life experiences: failure, focus and family.

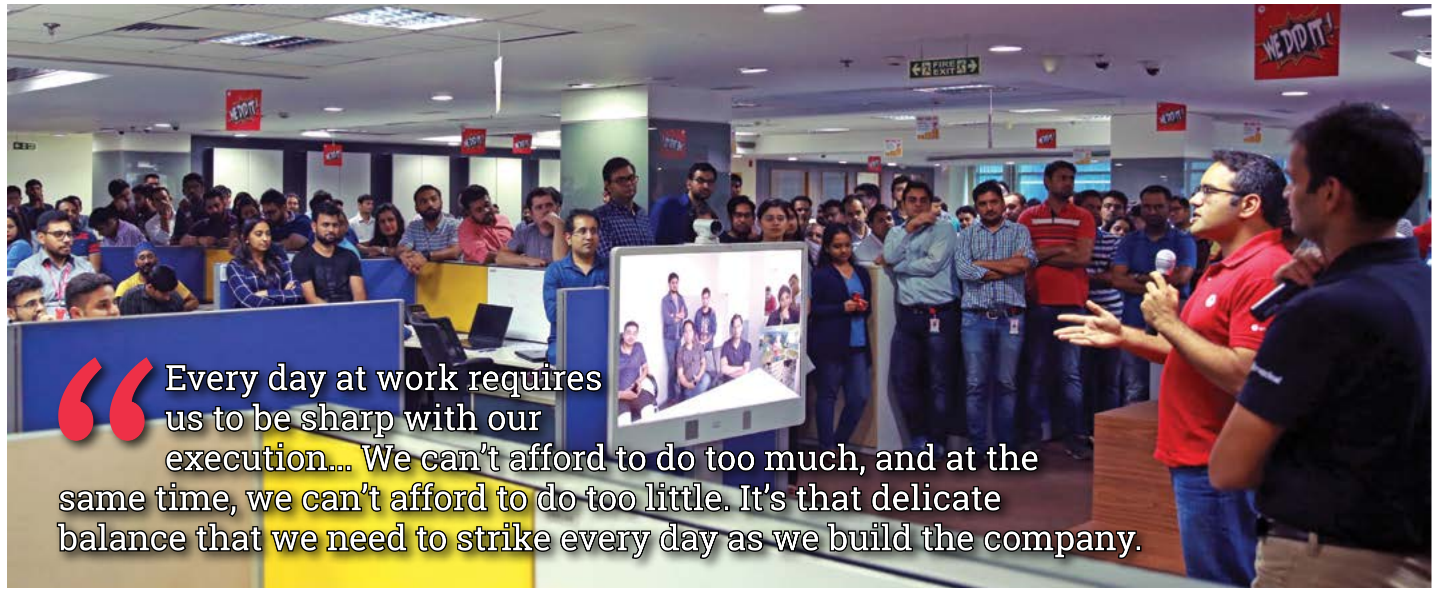
Kunal persevered through failures many times and kept coming out a winner. After finishing high school, he failed to get admission into one of India's top colleges. Kunal felt disappointed, as did his extended family, who gathered to commiserate. This, of course, led him to Wharton and the incredible journey that followed.

On graduating from Wharton, Kunal went to work for Microsoft, but failed to obtain a work visa while there. So, he packed his bags and headed back to India, eventually setting up Snapdeal, which employed thousands in India. Kunal's forced departure from the U.S. was actually lamented by Microsoft CEO Satya Nadella in his book.

In India, Kunal reached out to his best friend, Rohit, who was working at Capital One, and convinced him to co-found a coupon company, Snapdeal. Their initial efforts at printing coupons failed, so they pivoted to SMS-based coupons, which also did not fare well. They then pivoted to a discount card, which failed. Finally, in early 2010, Snapdeal began a Groupon concept and grew it to the largest player in that market within eight months. This rapid success caught the attention of venture capital firms and enabled Snapdeal to receive growth funding.

How did Snapdeal become an online shopping site?

Rohit and I realized that the Groupon market was limited in India, so we visited China. We saw Alibaba selling physical products. Within a month, we returned to India and, a month later, shut down the coupon part of the business. At that time, in 2013, as we began to bring sellers and buyers together, we had only one month of cash remaining. Fortunately, we were able to secure $1 million in funding. Thereafter, eBay invested $100 million, the Singapore Sovereign Wealth Fund put in $100 million, and finally, Softbank put in $650 million.



KUNAL BAHL, ENG'06,W'06, SPEAKING TO HIS EMPLOYEES AT HIS COMPANY OFFICES.

What drove investors to Snapdeal?

As mentioned, we had begun to demonstrate traction with sellers and buyers. We also had an excellent management team, and investors were confident that this was a team worth backing. It also helped that, globally, investors were waking up to opportunities in India.

In 2014, we began a concerted growth spurt, acquiring companies and aggressively growing our top line. In e-commerce, top line is defined as gross merchandise value (GMV), the total value of merchandise sold on the platform over a given period of time. Growing GMV is a high cash burn option, with competitive discounts leading to massive losses for platforms. That is how the e-commerce market started in the initial years, and everybody was scaling up in this manner.

At Snapdeal also, we were in this high-spend, high-growth mode for a while. However, observing the dynamics, we could assess that this growth was neither real nor sustainable. We became wiser, and by the end of 2015, we recalibrated to a strategy aimed at reducing expenditure and driving sustainable growth.

Then investors saw an opportunity of a merger?

Just as our team coalesced around our vision and strategy of net margin-centric organic growth, a new challenge arose in terms of executing a merger. A lot of energy and time went into this protracted merger discussion that didn't lead anywhere. I could talk many hours about this, but there were discordant views from shareholders to board members. About six months into the process, it became clear that efforts to drive a merger were crumbling under the weight of irreconcilable differences. It was a painful and precarious period because cash reserves at Snapdeal were draining rapidly.

At the end of 2017, we got together and said, "Let's either merge or not in the next two weeks!"

We committed to re-energize, divest noncore assets and focus. The result was Snapdeal 2.0.

What are the principles of Snapdeal 2.0?

Our goals were that Snapdeal must:

- Single-mindedly focus on our core business — running a pure-play marketplace.
- Divest non-core assets quickly. Move away from operating multiple businesses, each with their competitive pressures and resource requirements.

KUNAL Bahl Kunal Bahl is Co-Founder and CEO of Snapdeal.com, India's online marketplace. Its mission is to create lifechanging experiences by providing a platform for sellers of 35 million products (from India and the world) to come together with buyers.

With millions of customers and 300,000 sellers, Snapdeal is the shopping destination for internet users across the country, delivering to more than 6,000 cities and towns in India. In its journey till now, Snapdeal has partnered with several global marquee investors such as Softbank, Alibaba, Foxconn, BlackRock, Temasek, eBay, Sequoia Capital and Intel Capital, among others.

Kunal is an engineer from the University of Pennsylvania, with a business degree from The Wharton School. He was named The Economic Times Entrepreneur of the Year 2015, which is the most prestigious entrepreneurship award in India. He was also featured in the 2014 Fortune Global 40 under 40 list. Kunal has been a recipient of many other distinguished awards, including the Prime Minister's Award for Contribution to the Digital Industry.

In his personal life, Kunal is keenly interested in travel, food, adventure, sports and politics.

- Return to our roots of catering to value-conscious buyers, our most loyal consumers over the years.
- Continuously improve the experience for our buyers and sellers.
- Ensure everyone in the team is aligned to the company's plans.
- Commit immediately to reach positive cash flow.

What did you learn about focusing?

Today, most Indian e-commerce companies sell their own goods and their own private labels. Snapdeal chose not to own one piece of inventory. It is strictly a platform for sellers and buyers in India to come together. We do not want to compete with our sellers — nor do we ship our seller's inventory. There was no marginal advantage to run that logistics company by ourselves. Early in 2018, we found a good home for our logistics company, Vulcan Express. We are still its largest customer, but it is owned by someone else. This brought us closer to our aim of focusing on the marketplace. In hindsight, we spent more time on solving logistics-related issues than building a marketplace — our primary business. While one could argue that owning a captive logistics setup would help us compete, it became clear that opening new fronts as a business adds complexity, with an inevitable dilution of focus.

Every company goes through this cycle of starting with a strong core, solving a real problem for people — it succeeds and then becomes exuberant. The company believes it can solve other problems, and believes this and that are also interesting. So it hires new division heads.

The CEO then becomes a project manager over multiple projects — spreading thin — spending insufficient time on each business. We want to spend 100% of time on one business.

There is a story of Bill Gates, Sr. meeting both Bill Gates and Warren Buffet. He gave them each a piece of paper and asked them, "Write the one thing that made you both successful." They both wrote, "Focus."

But I found that you have to get scraped at the elbows — to learn these lessons well.

Finally, you realize that you are better off growing one successful profitable business than having a constellation of businesses that are losing money, are not leaders in what they do, and do not have any structural advantage over other market players. I guess everyone has to learn their own lessons.

Every day at work requires us to be sharp with our execution, and mindful with our decisions to start or stop initiatives. We can't afford to do too much, and at the same time, we can't afford to do too little. It's that delicate balance that we need to strike every day as we build the company, while ensuring that we are catering to the needs of our buyers and sellers to the best of our abilities.

Focus also means having the confidence to say no — we have learned to do that as a company. It's the things you don't choose that make you who you are. This is now one of our biggest strengths and is now deeply assimilated in our culture.

Why do entrepreneurs need to keep learning this lesson?

There can be exuberance around the market opportunities. Logistics is also important, and payments are also important — so why can't we …? What you don't realize in the end is that every great company first got one business right. Grow it before embarking on a new adventure.

What was your experience at Penn?

It was a tremendous experience for me. I had never spoken with a non-Indian person in my life before I came to Penn.

I was a very shy child, but after coming to Penn and gaining encouragement, I overcame my diffidence. I began the Wharton Indian Students Association in the undergraduate level. I also fundraised money for underprivileged children in my country.

My classmates had already been active in these kinds of activities before arriving at Penn. But in an Indian high school, doing things outside the classroom was not actively encouraged. Indian schools are primarily about studying and making sure you succeed. That's what we value, because India is a survivalistic society. Making sure your child gets a good job is parents' No. 1 priority. There is no social safety net. If you fall, you fall hard. So, at Penn, more than my academic work, the other activities were where my development happened.

You've written that you gained much from Wharton's entrepreneurship program.

I wanted to do something entrepreneurial, because my dad runs a manufacturing business. The Wharton Entrepreneurial Program (WEP) was incredible! Every Thursday, you could sit with an entrepreneur and talk about anything you wanted. As a 20-year-old, how are you going to have the chance to ask questions to groundbreaking founders like Josh Kopelman, W'93?

Inspired by WEP, I helped to organize the Wharton Business Plan competition. I could work with investors, MBAs, jury members and participants. I could learn so much from their perspectives. Then, somehow, I became a teaching assistant for an MBA class.

Doing all these things definitely helped me start my company. When you run an organization where everyone is a volunteer, such as the Wharton Indian Students Association, you learn how to galvanize people, how to work toward a common cause. How do you get people to be consistent and perform what they sign up for when they have classes and many other commitments? Then you gain skills at a subliminal level to galvanize people when you are running a company.

Before Penn, I had never stood up in front of more than five people. Today, I regularly speak before hundreds of team members or conference attendees.

What is your focus outside the business?

My wife and I had two children in the past two years. My mentors taught me to never compromise time with kids. Of course, the family cares about the business, but they care more about me as a person. If you don't have that, you don't have anything.

When I arrive home, my daughter knows I'm there, and I can forget about any type of problem. There is no better stress buster than the love of your family.

Would you say that family focus is culturally a part of India?

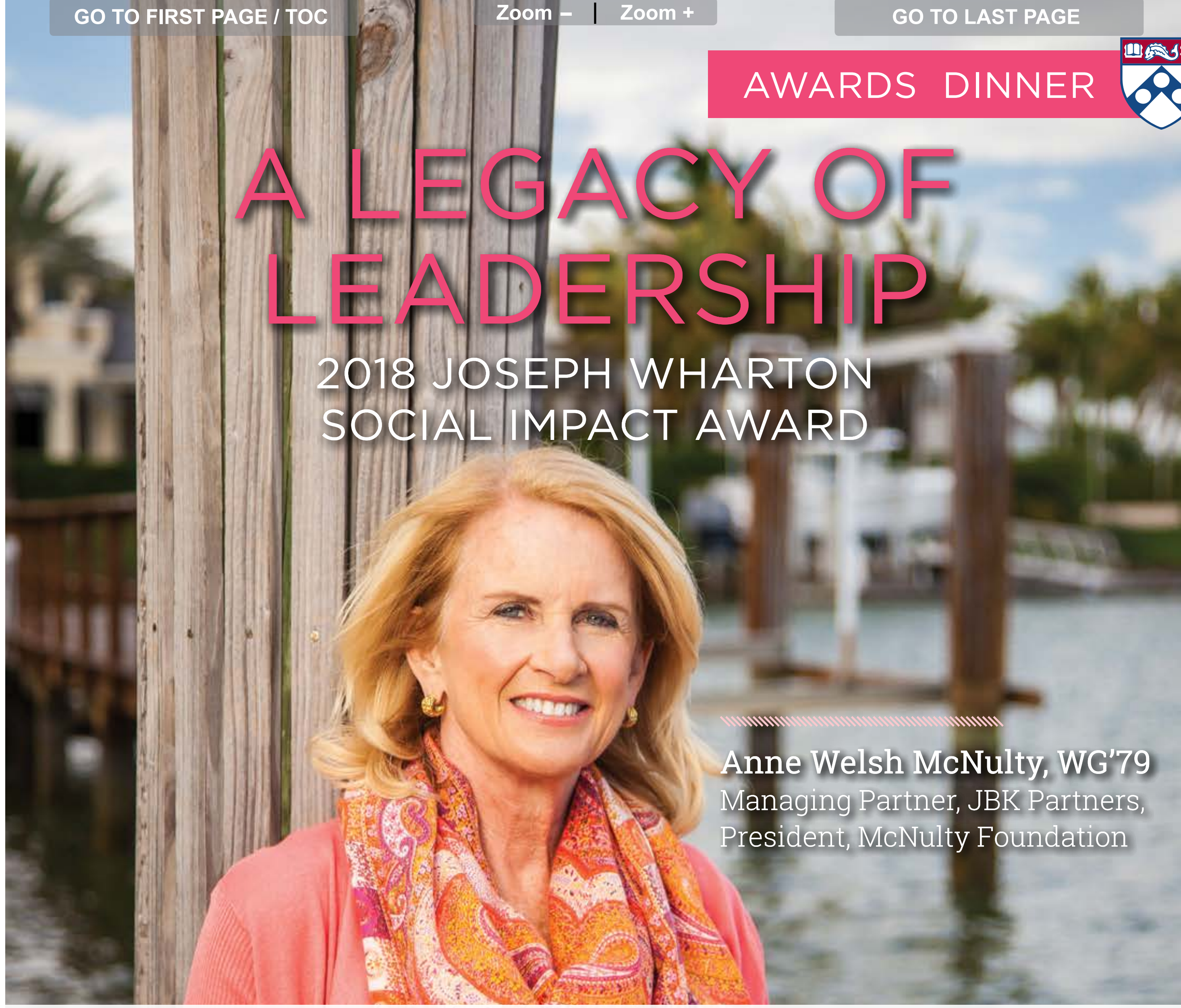
Both Rohit and I are family-centric. We rarely spend time at industry conferences. We really enjoy spending time at work, but we both also enjoy time with our family.

We have both minimized social activities outside the family. It's near zero for both of us. But, I think we are in the minority. Often, executives feel a quest to move forward, that if they spend more time at work, they'll succeed. The general feeling is that, "You can't fault someone for working hard."

What is your advice for fellow alumni?

At the bottom of the abyss, what you need to muster is the grit and courage to continue. That spirit to keep moving ahead — resolute and steady — is liberating and energizing at the same time.

— KT



A LEGACY OF LEADERSHIP

2018 JOSEPH WHARTON SOCIAL IMPACT AWARD

Anne Welsh McNulty, WG'79
Managing Partner, JBK Partners,
President, McNulty Foundation

Anne Welsh McNulty, WG'79, determined 10 years ago to honor her late husband, John McNulty, WG'79, by growing and focusing on their philanthropic work. Theirs was a storybook Philadelphia romance. Growing up in the modest parts of Philadelphia, they met at a large, 4,000-student Catholic high school, attended Philadelphia colleges and married soon after.

Attending Wharton for graduate school felt like a big risk. Wharton was local, so they didn't expect a fundamental transformation, and thought it would be more fun going together. But they would give up their salaries — his was $20,000, after three years at Arthur Andersen and Anne's was $16,0000 at Coopers and Lybrand. Giving up two years of income, not to mention taking on student loans, was intimidating.

And their parents counseled against it. John's dad, a landscaper, had not finished high school because, at the age of 12, he was orphaned in Ireland. John's mother was also from Ireland, and her first job in the U.S. was as a maid for a New York investment banker. Anne's parents had been children during the Great Depression, and were extremely risk-averse.

But John saw that the MBAs at their firms were making more than they were, and he hated that. So, they arrived at Wharton somewhat anxious, yet it would be one of the best bets they ever made.

What do you do at the McNulty Foundation?

We believe that individuals can learn to lead and can transform themselves. This notion of "change yourself, change the world" is infused in the work I do through our family foundation

The McNulty Foundation invests in higher education through the Leadership Program at Wharton, Institute for Women's Leadership at Villanova, and Scholars Program at St. Joseph's and at Hunter College. We focus on higher education to develop the capacity for leadership in the next generation.

Our first John P. McNulty Prize winner, for example, was Jordan Kassalow, who was doing impressive work with

VisionSpring when we honored him. His original model was to sell an optometrist "business in a bag" to women in developing countries so they could sell affordable eyewear to people. Since then, he's done something brave, which is to go back to the drawing board, after realizing the problem is so huge that it required new solutions. Now, he's co-founded EYElliance, which involves major eyewear makers to address affordable eyeglasses on a planetary scale.

Wharton was a transformative experience for me and John. It challenged and stretched us. The John P. McNulty Prize celebrates my husband John's legacy by honoring individuals who have pivoted into social change work, and are using their expertise, resources and networks to drive highly effective change. I think this is part of why I've come to believe in the ability to learn leadership and in the value of those experiences that enable individual transformation.

What are you looking for in a McNulty Prize candidate?

We are looking for courageous leaders who are having a multiplier effect on other individuals and communities. They create sustainable change rooted in the autonomy of those they seek to help. We're also looking for individuals with local expertise who are equipped to respond to the social, cultural and economic context in which they work.

What was your experience at Wharton?

On the challenging side, until Wharton, we had never been in class together. John was a year ahead in high school, and we had gone to different colleges. Wharton admissions back then had never had a couple who entered married and left still married.

We soon learned that being in class together at Wharton was a bad idea. We had totally different approaches to studying and even to where to sit in class. We took a total of two classes together — macroeconomics with Professor Mansfield, who wrote our introductory economics textbook; and statistics with Professor Krieger. We were a disastrous study group of two — we actually made each other worse. Fortunately, we reached the amicable resolution of never taking classes together.

On the inspiring side, after we chose the first courses, it hit us that this was the most extraordinary opportunity ever! The professors were fascinating, and our fellow students were from all over the country and all over the world. We had a real feeling of Dorothy from ***The Wizard of Oz***: "Toto, I've a feeling we're not in Kansas anymore." The level of discourse and interactions, not just in the classrooms, but also with the various speakers and executives who came to campus, were exhilarating. And, frankly, it was fun for us as grads of Villanova and St. Joseph's to be in classes with students from Harvard, Penn, Princeton, Yale, etc. and to learn that, despite what we expected, some of them were not all that smart — and some of our parochial biases were confirmed because a few really were arrogant jerks. Of course, almost all were bright and engaging, and challenged our thinking, and that is what we enjoyed the most.

What did you learn from your husband that you want to share?

What stands out most for me about John from the early years, was seeing John's personal transformation.

We met in high school at the first dance at the beginning of the school year — I was a sophomore, and he was a junior. When I first knew John, he was, let's say, a somewhat indifferent student. I was a serious student. After John and I started dating, he suddenly started paying attention. He took his class rank from about 385th in a class of 500 boys to 40th two years later when he graduated. Given the math of trying to change class rank, it was compelling. Once John put his mind to something, he was determined and disciplined.

This is why I've come to believe in the ability to learn leadership and in the value of those experiences that enable individual transformation. John was a true leader — and that was something he learned. He practiced. He got better and learned from his mentors, peers and everyone in the world around him. He made me a better leader — showed me how to stand up for myself, how to listen to others and how to motivate people.

John had a powerful reputation at Goldman. What made him such an effective business leader?

He was a big personality and a man of action. He had the vision to take the asset management business at Goldman Sachs — a sleepy stepchild business — and make it bigger than anyone could have imagined. Within a year, he doubled a division with 100 people in it. Today, the division has more than 10,000 people.

He was a talent hawk. He built a dynamic new team of incredible young people, hiring a number of talented women. He was eager to pay it forward by interviewing and hiring young candidates himself — my kids called his employees John's "other children."

He fought the battles to protect his business from the doubters and the critics. And he set out the clear ambition that this would be a global enterprise — that all involved in building it could (and did) take pride in.

How does this tie in with the mission and programs of the McNulty Foundation?

In the years since John's passing, we have dramatically expanded the work of the foundation, and we have gotten laser-focused on inspiring, developing and driving individuals at different stages of their leadership journeys. Transforming others is a significant part of the McNulty legacy, as well as a defining feature of the McNulty Foundation's programs. The foundation's guiding principles are:

- Urging individuals to stretch for challenges that they may not realize they're ready for
- Challenging and mentoring women to reach their full potential
- Focusing on leadership, which can be learned through education and experiences that push individuals to understand and expand their abilities

The McNulty Leadership Program at Wharton is unique in working with undergraduate, graduate and executive education students to develop personal leadership capacity through experiential learning, reflection and experimentation.

I have a particular interest in women's leadership. When I was at Wharton almost 40 years ago, the women on campus were ambitious and adventurous and ready to take on the world, even if Wharton was not fully ready for us. After all, Vance Hall had only one women's restroom, and it was in the basement.

Since I was one of the women, it was exciting because everything was going to change, and everything was open to us in terms of opportunities that hadn't been. Of course, it was not as straight a path as many of us thought it would be.

The new Anne Welsh McNulty Institute for Women's Leadership at my alma mater Villanova is becoming a national voice on women's leadership. It is a place where women can develop the skills and experiences that can help them excel in their chosen fields and act as agents of change. The Institute is inclusive, welcoming women and men of all backgrounds, disciplines and abilities, since men are clearly part of the solution.

Which leader inspires you and why? What leadership principles work for you?

I was reminded the other day of a sign in my all-girls high school algebra class that read: "It's nice to be important … but it's more important to be nice." After a year of this, I finally talked with Sister Alma Maria, my tough-as-nails math teacher (who, by the way, was not especially nice). She said the sign wasn't hers — and she definitely didn't think it was more important to be nice. I've always carried that experience with me, and it reminds me to fight the impulse to teach all women to be nice instead of making themselves heard.

Throughout my career, I have seen this conflict between women's desire to be effective and the expectation that we be nice. I've seen it in the financial world, in the philanthropic world, and for that matter, as a mom. Nice is nice — but nice is not enough.

I don't want to say everything should be a shouting match. But we all have to develop those verbal elbows to get back on top of a conversation when someone's talking over us or ignoring us. We have to be ready to speak up, to use our voice.

ANNE WELSH MCNULTY is the co-founder and managing partner of JBK Partners, with businesses including investment management and a private philanthropic foundation which is focused on leadership development and social change. Before starting JBK Partners, she was a Managing Director of Goldman Sachs and a senior executive of the Goldman Sachs Hedge Fund Strategies Group.

The John P. McNulty Prize, created to celebrate her late husband's legacy of leadership, is given in partnership with the Aspen Institute and recognizes the success of global leaders solving intractable challenges.

The newly named McNulty Leadership Program at the Wharton School is pushing the boundaries of traditional education in the fields of leadership and teamwork and Anne's support has catalyzed new strategic initiatives to expand the program's audience and offerings.

Anne serves on the Board of Trustees of the Aspen Institute, and on the Board of Overseers at the Wharton School. She is a former Trustee at Villanova University.

Anne earned her MBA in Finance & Insurance from the Wharton School at the University of Pennsylvania, and graduated as valedictorian from Villanova University. Anne's three children, Johnny, Brynne and Kevin are all proud graduates of the University of Pennsylvania, and her daughter Brynne is a graduate of Wharton.

ANNE MCNULTY, WG'79, SPEAKING TO ATTENDEES AT THE JOSEPH WHARTON DINNER, 2018

Leverage Technology to Improve Member Engagement

Soumyo Chakraborty, WG'01
Chief Technology Officer, Wharton Club of New York
Vice President, Two Sigma Investments

> In the last 5 to 10 years, there has been an explosion of computer power and an explosion of the availability of data that provide the essential fuel to drive algorithms spanning multiple industries.

Soumyo Chakraborty, WG'01, has class. When I remind him that he was the top-ranked student in our class for the two years we shared at Wharton, he protests, "No, no, there were five of us. I think they called them Palmer Scholars — I was just one of them." Despite his wanting to be considered an ordinary man, as WCNY's new Chief Technology Officer, Soumyo is exceptional.

Soumyo came to Wharton, having worked as a software engineer at a tech startup and going deep into computer science at ATT Bell Labs. His goal in attending Wharton was to broaden his perspective by learning about finance, marketing and management. Wharton did open his eyes to see things from various angles. And he transitioned into roles, including engineering management, project and product management, and founder and CEO of startups, that required him to incorporate those skills.

What did you apply from Wharton to your work?

I had a class with Professor Jitendra Singh, in which I wrote my first business plan. It was for a bioinformatics business, applying IT to biology to make drug discovery more efficient. I learned to appreciate the business aspects of a competitive landscape. After that, I wrote numerous business plans, outside of class, for my company, which we used to incubate new business ideas and help them raise capital.

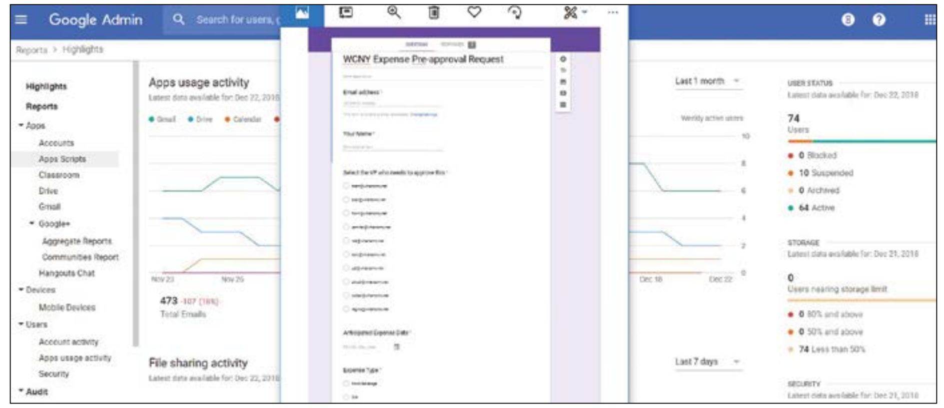
Within a few years, I decided to try my hand at running my own firm.

None of my ventures became household names. Some went, at best, sideways. One area that fascinated me, and still intrigues me, was integrating renewable resources into the electric grid. Along with my background in computer science, I applied what I learned in finance and operations management to this issue. One question was, "As battery-dependent vehicles increase their demand on the grid, along with the somewhat unpredictable timing of when they get plugged in, what would be the overall effect? Will it destabilize the grid?" I tried to use computer models and simulations to understand and analyze the impact, but I could not make money on it.

Since then, I have made it a personal research interest and have been periodically publishing papers at academic conferences on the topic. Currently, I'm working on a publication in which I analyze electric power hubs, and present a way to model the behavior of bulk power prices. As we obtain more energy from solar, does pricing become more volatile based on weather variables like solar irradiance (the power per unit area received from the sun in the form of electromagnetic radiation)? There are 20 different factors I'm analyzing that can affect electricity pricing. You can explore these types of questions with the use of machine learning models.

And then you came to Two Sigma, one of the world's top performing hedge funds.

Eight years ago, Two Sigma was a much smaller firm. They liked that I had such a variety of interests, and a hybrid background combining technology and finance. Due to Two Sigma's culture of learning, they also were supportive of my research interest in the science of the solar industry and publishing of papers. I had two children growing and thought that I better get back into the job market, and I joined Two Sigma. Today, we have several different investment business lines, all with a heavy focus on engineering and technological innovations, and with the primary external products being funds. I work in the engineering division, focusing on the management of technical projects and products.



WCNY GSUITE ADMIN PAGE + AN EXPENSE APPROVAL APP SETUP FOR THE FINANCE TEAM

What can you say about the hedge fund industry in general?

In the past five to 10 years, there has been an explosion of computer power and an explosion of the availability of data that provides the essential fuel to drive algorithms spanning multiple industries. We see this rapid growth in the power of computer algorithms in a wide variety of areas like speech recognition, language translation, financial modeling, self-driving cars or recommendation systems such as Pandora. Most of our problems in corporate and daily life can be structured as pattern-matching problems, which can be solved by appropriate datasets and computer algorithms. That makes machine learning and data science an exciting area.

Can artificial intelligence learn how to build models through machine learning?

Let's say you're analyzing handwriting. There are training sets — say, sets of A's handwritten by different people. The computer tries to learn the patterns that represent A. That learning is embedded into models.

Then, take the model and give it something it has not seen before. The model tries to guess what it is. The more training data you can supply to the model, the more it can improve its ability to predict. In the old days, we lacked data. But today, we have so many sensors — providing so much data to train our models. There are also vast amounts of human-generated data easily available today. For example, how do you make a translation machine? You need a huge amount of translation data to train the machine. One source of translation data is the transcripts from the United Nations and EU proceedings and speeches that are translated by professional human translators into many different languages. Those are now available to train the computer models.

This raises the need to store the data and to run computations on the data. So, the growth of data, cheap data storage and compute power has driven the progress in machine learning.

What are your plans as the Chief Technology Officer of WCNY?

I'd like to leverage technology to improve member engagement, which is also a key area of focus of WCNY's President and the leadership team. One way is to create cloud-based webinars, allowing members to join our events remotely or view events afterward. We will have a camera at the event (a laptop camera is good enough), and will make the event interactive. A remote participant can ask questions and listen to answers. We evaluated a few webinar vendors and made a selection.

A second initiative has been to improve collaboration among volunteers using the cloud-based Google G Suite platform. This will provide shared spaces, where Club members can co-create and share documents in a secure way. It will also enable us to build automated workflows. One example is a G Suite app that we implemented for our finance team. Team members can use it to set up rule-based approval workflows to reimburse people more efficiently.

My third effort is to improve the integrity of our data. As you know, this initiative will affect the magazine, and potentially help address issues we faced in the past where some members were accidentally removed from the mailing list. I received a data dump from the school, and ran initial analytics involving data from both the school and Club databases. I am still studying this and working with our communications team to come up with possible solutions.

> I'd like to leverage technology to improve member engagement which is also a key area of focus of our president and the leadership team. One way is to create cloud-based webinars, allowing members to join our events remotely or view those afterwards. We will have a camera at the event, a laptop camera is good enough, and also will be able to make the event interactive.

CLOCK IN A CONFERENCE ROOM AT TWO SIGMA

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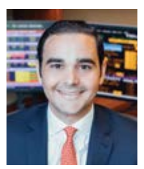
WHAT ...OUR MEMBERS SAY ABOUT THE CLUB?

Through WCNY, I've met Wharton alums across a range of ages, interests and industries, and attended exclusive events. I've shared my experiences and expertise with the Club's leadership team. I look forward to seeing WCNY continue to grow and to participate in its future activities!

— **Kristina Yang**, WG'16
Director Global Omnichannel,
The Estee Lauder Companies.



I joined WCNY and the Wharton Hedge Fund Network in 2014 while working at BlackRock. Little did I know — the sophisticated level of knowledge I would acquire, the close ties to industry professionals I would foster, and the support these Wharton alumni have provided me.

— **Jacinto Diaz-Hache**, W'13,
Managing Partner, Hache Capital; Co-President, WHFN

The Wharton Club of New York is an incredible resource for Wharton alumni in the New York area. I am continually impressed by their array of industry-focused groups, career development activities and interesting speaker events.

— **Arthur Bass**, W'73,
Managing Director,
Wedbush Securities

GO TO **WWW.WHARTONNY.COM/MEMSUB.HTML** & JOIN TODAY!

QUESTIONS OR NOT SURE ABOUT YOUR MEMBERSHIP STATUS?
PLEASE CONTACT GABRIELA SANCHEZ AT **GSANCHEZ@WHARTONNY.COM**

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WHARTON ALUMNI CLUB OF NEW YORK

WCNY CHRISTMAS SOCIAL, DECEMBER 10, 2018

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Club website: www.WhartonNY.com

MARK YOUR CALENDAR NOW!

Customer Value and Why It Matters
Author Speaker Series
Wharton Professor Peter Fader
Thursday, January 31 at 6:00 p.m.
Location: Midtown.
The Customer Centricity Playbook: Implement a Winning Strategy Driven by Customer Lifetime Value

An Evening With Jerrold Fine, Founder of Charter Oak Partners Management
Author Speaker Series
Tuesday, February 5 at 6:00 p.m.
Location: Midtown.
Make Me Even and I'll Never Gamble Again
His book describes life at Wharton and Wall Street in the 1970s

WCNY: Business Development Group
Thursday, February 14 at 6:30 p.m.
New members are welcome!