RICE UNIVERSITY SPENDS A DAY WITH THE NEW YORK STOCK EXCHANGE
Business leaders and up-and-comers from across Texas gathered at Rice University’s Jesse H. Jones Graduate School of Business to discuss the future of capital markets with Duncan Niederauer, the CEO of NYSE Euronext.

Niederauer and Bill Glick, dean of the Jones Graduate School of Business, hosted a panel discussion on the economic crisis, regulation, a changing shareholder base and the future of the global economy with CEOs of NYSE-listed companies in Texas and the Dallas Federal Reserve Board chairman.

“NYSE Euronext is proud to partner with Rice University’s Jones Graduate School in hosting an open forum on the future of capital markets,” Niederauer said. “As we work to rebuild public trust and confidence in the economy and markets, it is important to exchange thoughts and ideas with communities and constituents across America. Rice University and Houston present an ideal platform for the public, private and academic sectors to join together to share perspectives on the economy, regulation and markets that impact our lives today and in the future.”

Later in the day, students and faculty from Rice’s Jones Graduate School were tapped to ring the NYSE Closing Bell® remotely from campus. Rice is only the second university to have this honor; the first was Emory University in 2009, Niederauer’s alma mater.

“From the inception of this program, the Jones Graduate School has been excited to host NYSE Euronext and the leaders of these important international companies,” Glick said. “It meant so much to our students to have access to and hear directly from these esteemed corporate leaders about the experiences they have had. More importantly, our students had the opportunity to discuss the future of business, the future in which they will lead.”

Panelists included James Hackett, chairman and CEO of Anadarko Petroleum and chairman of the Dallas Federal Reserve Board of Directors; Lanham Napier, president and CEO of Rackspace Hosting Inc.; James Turley, global chairman and CEO of Ernst & Young; and John Carrig, president and chief operating officer of ConocoPhillips.
CEO NEIDERAUER’S CHARGE TO LEAD

As part of a daylong series of events that included ringing the closing bell of the New York Stock Exchange, Duncan Niederauer spoke openly with MBA students about his journey to success — from his 7th grade social studies paper, “Everything You Ever Wanted to Know about the New York Stock Exchange, But Were Afraid to Ask,” through 22 years at Goldman Sachs to his current role as CEO at NYSE Euronext. The son of a German immigrant, Niederauer assumed the responsibilities of operating the world’s largest and most liquid exchange in 2007.

Dean Glick interviewed Niederauer about the critical elements of his career, the next step of the organization, and his perspective on leadership and business principles.

Chock full of colorful stories, Niederauer never lost sight of his audience of eager second year MBAs. “You never know where your breaks are going to come from,” he began, reminding the students to get creative when job hunting in this strapped market. “Cast a wider net. Look everywhere.”

Upon his appointment as CEO at NYSE Euronext, Niederauer realized immediately he was going to have to transform not only the culture of the organization, but the structure as well. “This is not a typical CEO job. The exchange was founded sixteen years after the country was founded,” he said. “It’s part of the infrastructure of our country.”

After letting that sink it, he went on fiercely. “But when you walk into a situation, you quickly assess it, you own it, you’re accountable.” A key part of any transformation, he insisted, “is to be in the middle of it, roll up your sleeves, be involved in the process. As you’re managing a transformation, give people markers along the way so they can see and believe in the vision.”

That kind of frank communication is the defining quality of Niederauer’s leadership. As a double major in Economics and English at Colgate, he found that his love of business and literature created a balance that has served him well. “You cannot over communicate when trying to transform a company or bring it through a crisis,” he said.

He prides himself on his accessibility, his communication skills, and his candidness. All of which Duncan Niederauer proved to his captive audience at the Jones School.

His final piece of leadership advice: “Check your ego. Be confident, but be humble.”
To understand more about the causes of the financial crisis, how it might play out, and the impact it has had on both students and faculty, five finance faculty from the Jones School weigh in with their financial expertise.

WHERE IS THE ECONOMY HEADED?

“We are in a situation where there is a lot of uncertainty, and the problem with uncertainty is that it stops people, and especially corporations, from spending. There’s hesitation because, before making huge investments, like building new facilities or hiring people, companies want to see more stable economic conditions.”

Gustavo Grullon, Associate Professor of Finance

WHAT HAS BEEN MOST SURPRISING ABOUT THE ECONOMIC CRISIS?

“It’s not just a recession like the other ones, or at least the recent ones. It’s a recession that has the characteristics of having been a failure of an important market, the asset-backed security market.”

Jefferson Duarte, Gerald D. Hines Associate Professor of Real Estate Finance

HOW HAS THE CRISIS IMPACTED YOUR TEACHING?

“I definitely spend much more time on current events than I have historically, and I find my students are keenly aware of current events. But to have a chance at understanding the current economic and financial crisis, we need to understand the big drivers through a handful of core macroeconomic concepts.”

Barbara Ostdiek, Associate Professor of Finance and Academic Director, El Paso Corporation Finance Center

“How every day there is a headline…something that struck deep to the theoretical heart of finance. Why is it that the regulatory structure is like this? Why is it the nature of these kinds of investment banks to take these kinds of risks? Why do they have leverage ratios greater than 20? It is a nice way to teach these core principles with some dramatic real-life examples.”

James Weston, Associate Professor of Finance

HOW HAVE YOUR STUDENTS REACTED TO THE CRISIS?

“Our young people should be looking not just two or three years down the road, but 10 years down the road, 20 years down the road, and developing skills for that future. Students understand this is another transition period. They will get through it and do very well in the future.”

George Kanatas, Jesse H. Jones Professor of Finance and Finance Area Coordinator
Front row, left to right: Lanham Napier, Rice ’93, CEO of Rackspace; Duncan Niederauer, CEO of NYSE Euronext; and Bill Glick, dean of the Jones Graduate School of Business shake, rattle and ring the closing bell.
ABOUT RICE UNIVERSITY

Rice University in Houston, Texas, is consistently ranked one of America’s best teaching and research universities. It is distinguished by its:

- Small size: 2,995 undergraduates and 2,013 graduate students;
- Eighth-largest endowment per student among American colleges and universities;
- Residential college system which builds close-knit, diverse communities;
- Interdisciplinary, collaborative culture which integrates teaching and research, and both undergraduate and graduate work.

ABOUT THE JONES GRADUATE SCHOOL OF BUSINESS

The Jones Graduate School of Business at Rice University is one of the world’s leading business schools. One of seven academic units of Rice University, it is named in honor of the late Jesse Holman Jones, a prominent Houston business and civic leader.

RICE MBA FULL TIME

The Rice MBA from JGSB is earned in an intimate, focused and interactive environment that encourages both independent thinking and strong relationships. Rice’s MBA Full-Time program combines three essential elements: a comprehensive and challenging core curriculum; a required Action Learning Project, summer internship, and numerous field-project-oriented electives; and a range of specialized electives which provide further integration of knowledge.

RICE MBA FOR EXECUTIVES

Designed to enhance business acumen, the Rice MBA for Executives draws experienced professionals with its emphasis on leadership and strategy. Students form lasting relationships with a locally-based faculty and fellow students who are active in the business community. The top-ranked Rice MBA for Executives offers experienced professionals the opportunity to acquire a valuable education without career interruption and apply classroom knowledge to the workplace immediately.
RICE MBA FOR PROFESSIONALS

The Rice MBA for Professionals offers a unique opportunity to earn a degree while continuing to work. Students who want to accelerate their careers by enrolling in the Professionals program have the same rigorous learning experience, faculty, and facilities as our MBA Full-Time and MBA for Executives programs.

RICE PHD IN BUSINESS

The Jones Graduate School’s doctoral program is intended for candidates aspiring to become faculty members at business schools in prestigious research universities. Students engage in both coursework and research as part of their doctoral training. Students nearing graduation interview for faculty positions, hoping to start their careers as assistant professors at business schools around the world.

BUSINESS UNDERGRADUATE MINOR

The Jones Graduate School’s undergraduate business minor enables students to pursue any of the excellent majors at Rice University while enhancing their education with select business courses. The integrated curriculum emphasizes knowledge in functional business areas that support the development of core skills: communication, globalization, innovation, leadership, team work and technical business knowledge.

THE RICE ALLIANCE FOR TECHNOLOGY AND ENTREPRENEURSHIP

The Rice Alliance supports entrepreneurs and early-stage technology ventures in Houston and throughout Texas through education, collaboration, and research. Since its founding in 1999, the Rice Alliance has assisted in the launch of over 230 technology companies that have raised more than $500 million in early-stage funding.

The Rice University Business Plan Competition has become the largest and richest intercollegiate graduate level business plan competition in the world. In 2009, more than $800,000 in cash and prizes were awarded.

EXECUTIVE EDUCATION

The Office of Executive Education provides business leaders, at all levels, the opportunity to sharpen their business acumen through a variety of programs including open enrollment, certificate programs, application-based management programs and custom-designed programs for organizations.

Jones Graduate School of Business

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