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RICE BUSINESS

MAGAZINE OF THE JONES GRADUATE SCHOOL OF BUSINESS AT RICE UNIVERSITY FALL 2016

THE EMERALD CITY

How the greening of Houston is transforming the way we live





SUMMER SCHOOL

Jones EdGE added a new opportunity to its portfolio this summer as first-year students embarked on a two-week academic seminar in Vallendar, Germany. The WHU* European MBA Summer Institute set the stage for Rice Business students to gain targeted and compact insight on business in Europe, as well as engage with international faculty and MBA students from around the world. Combining coursework, case studies and excursions to successful German companies, the summer institute — titled, “The Changing Environment for International Business in Europe” — was the beginning of a new partnership between Rice Business and WHU. Our students attended tuition free and will host an exchange student this fall.

*Wissenschaftliche Hochschule für Unternehmensführung, Otto Beisheim School of Management

GERMANY

JONES EDGE

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Excerpted from Rice Business Wisdom

PURPLE RAIN.

McNair Hall at night bathed in the lightshow from the fountain on Jamail Plaza.

RICE BUSINESS

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Change of Address? New Job?

Update the online directory with your new contact information at business.rice.edu/alumni.

Comments or Questions?

We'd love to hear your thoughts about *Rice Business*. Send an email to Weezie Mackey, editor and associate director of communications at wmackey@rice.edu.

By the time you read this, I will have completed just a bit over 90 days at Rice and the business school. So much has happened in this short time, including the introduction of our Rice Business nickname and the national and global launch of Rice Business Wisdom, our online ideas magazine that makes faculty research easily accessible — in your life and on your phone.

As a native Texan I grew up always knowing Rice and like to quip that Rice is the school no one got into. What I mean is, Rice has a hard-won and deserved reputation for admitting only the smartest students, delivering intellectually demanding courses and cherishing top-quality, leading-edge research. Very few universities can rightly boast such a reputation. Knowing that a dean's position at a top school doesn't often become available, I was thrilled to have the opportunity to interview at Rice. Throughout the process my only concern was

that I had grown too attached to the opportunity to endure not securing it.

Now that I'm here I can happily share that this job is a dream come true for me and my family. We get to live, work and play in a fabulous, diverse and friendly city. We can enjoy the city's arts, sports, various cultures and the best food scene in the country. We are adjusting to the warmer weather and taking advantage of all that being a part of Rice offers, like the football team's home opener against Baylor and the tailgate party with more than 400 alumni, friends and family attending.

Over the first month of the academic year I made presentations to each of the classes of students (both 2017 and 2018) and the undergraduate business minors, to the staff, faculty, alumni, alumni board, Jones Partners and Council of Overseers. In this organization, like all others, it's the people that make it great and make it special. Listening to them, I learn something new about Rice Business every day.

To all of those I've met, I say with conviction, you are now and always will be part of the Rice Business family. We take family seriously. Your education and your Rice degree are paramount to us.

The foundation of that degree relies on the faculty in your classrooms and the research they produce. By introducing RiceBusinessWisdom.org along with our new brand, we've created a way to bring that research to a broader audience in a lively, quick-to-read package, and it's going to help you change the world.

The increasing energy I see in McNair Hall and across campus sets the stage for big things to come for Rice Business. And we're just getting started.

— Peter

Brand Launch Week By the Numbers

4 30' x 40' banners wrapping Rice stadium
66 Rice Business Wisdom articles
1 new dean
172,705 social media impressions
444 people at Friday Night Lights tailgate party
1,800 Rice Business T-shirts
3,300 uses of Snapchat geofilter



Leila Zomorrodian, a graduate of the MBA for Professionals Weekend program, celebrates the culmination of her two years of study at Investiture, the hooding ceremony in Tudor Fieldhouse.



INVESTITURE

Don Woo and his children celebrate a family of all Rice graduates at the Rice Ring Ceremony. Woo graduated the same day as two of his children, a first in the 40-year history of the business school. Pictured: Don Woo (EMBA '16), Christian Woo (Mathematical Economic Analysis '13), Lauren Woo (Mathematical Economic Analysis, Business Minor '16), Austin Woo (Chemical and Biomolecular Engineering '16).



REUNION *by the numbers*

1976

The class of 1976, the first graduates of the business school, celebrated their 40th reunion

2016

68 alumni volunteers from various class years and programs served on the Reunion Host Committee

1500

1,500 alumni participated throughout the weekend

6000

More than 600 alumni, family and friends gathered for the Reunion Partio

Faculty Promotions

Amit Pazgal, Friedkin Professor of Management (Marketing)

Scott Sonenshein, Henry Gardiner Symonds Professor of Management (Organizational Behavior)

James Weston, Houston Endowment Professor of Finance

Faculty Honorary Titles

Kevin Crotty, William S. Mackey, Jr. Distinguished Assistant Professor of Finance

Anastasiya Zavyalova, Verne F. Simons Distinguished Assistant Professor of Strategic Management

Welcome to New Full-time Professors, Lecturers and Visiting Professors

Scott Davis, Lecturer in Marketing

Heber Farnsworth, Visiting Assistant Professor of Finance

Janet Moore, Director of Full-Time Communication Program

Lydia Musher, Lecturer in Communications

Hesam Panahi, Lecturer in Management – Entrepreneurship

Leila Peyravan, Assistant Professor of Accounting

Sean Wang, Visiting Assistant Professor of Accounting

2016 Faculty Teaching Awards

Alumni Award for Excellence in Teaching

James P. Weston

MBA for Executives Award for Teaching Excellence
Prashant Kale

Full-Time MBA Award for Teaching Excellence
Dan Dubrowski

MBA for Professionals Evening Award for Teaching Excellence
Benjamin Lansford

MBA for Professionals Weekend Award for Teaching Excellence
Hajo Adam



Startups inspire increased prizes

This year's 42 competitors in the Rice Business Plan Competition came from top universities around the globe and were chosen from nearly 400 entrants to compete in four categories: life sciences; information technology/Web/mobile; energy/clean technology/sustainability; and other. Highlights include:

- Cisco participated for the first time this year with three Internet of Everything challenge prizes: \$100,000, \$25,000 and \$10,000.
- Since the beginning of the competition, Jerry Finger presented the second place prize. This year, in his honor, the \$15,000 prize was increased to \$50,000 and got the support of the Anderson Family Fund.
- The GOOSE Society award went from \$250,000 to \$300,000.
- Rice's Brown School of Engineering gave \$25,000 towards a Tech Innovation Prize, a first for the school.
- The OWLS Investment Group went from a \$100,000 investment to \$280,000.
- The biggest increase in prize money this year came from The Indus Entrepreneurs. TiE went from \$50,000 to five prizes totaling \$370,000.



Rice Business Plan Competition Gala at the Hilton Americas in downtown Houston.

q u o t a b l e s

"One of the things I'm most excited about with the undergraduate business minor is that it allows the business school to integrate more thoroughly with the rest of the university. Courses are very similar in the level of rigor to the MBA, just different in the approach."

*Alex Butler, Professor of Finance
Faculty Lead, Undergraduate Business Minor*



Alex Butler

"Accounting sets the sense of trust between all the parties. I find that a great value that I can add to the world."

*Giray Ozseker, Rice B.A. Economics '16
MAcc '17*

"I was able to apply the knowledge and skills ... to re-negotiate a 70 percent increase in my next contract which more than returned the investment I made in the course."

*Graduate Certificate in Health Care Management
Executive Education
Dr. Ronald Andrews, Physician/Owner
Pediatric and Internal Medicine Associates*



Lizzy Berger

"Discussing and debating my ideas with professors in the Jones School hones my ideas into specific and testable questions."

*Lizzy Berger, Ph.D. '16
Assistant Professor of Finance, Johnson Graduate
School of Management, Cornell University*

What's in a name?

When Wild Turkey announced that actor Matthew McConaughey would take on the role of creative director for the bourbon company, marketing professor Wagner Kamakura weighed in with Inc.com.

Businesses should not underestimate the deeper, psychological value of a celebrity endorsement. According to “schema theory,” which holds that all knowledge is organized into units, consumers often purchase products according to the image they wish to project in public — whether or not that image is actually true.

McConaughey’s association with a liquor brand is especially meaningful, inasmuch as it’s often harder for customers to determine the quality of pricier alcohol. The product, Kamakura explains, is “experiential.”

“These are the services and products where you can only judge quality after you’ve paid for it,” he says. “For experiential groups, you need to rely on some source of information,” such as a famous endorsement.

Still, Kamakura questions the long-term economic impact of signing a celebrity partner.

“The day a celebrity contract is announced, there’s usually a bump in the stock price [of a company]. That’s what investors believe. But it does not necessarily mean that the value of a firm has gone up,” he explained.

Investors would do better not to “overreact” to the news of an endorsement, just as they’re often advised not to overreact to a negative piece of news. Consider, too, that a celebrity — like a political candidate — may one day make a gaffe, or fade from the limelight, which could negatively impact the companies they’ve become associated with.

“We want to create a persona, or schema, and we create our persona by the brands we believe form it,” says Wagner Kamakura, the Jesse H. Jones Professor of Marketing at Rice University in Houston. For example, “someone who is liberal tends to read the New York Times, drive a Volvo, and drink lattes. Then there’s the cigar chomping, Mercedes-Benz driving, Fox News watcher.”

alright, alright, alright



“Very excited for the launch of #RiceBusiness!”
#whereyougetyourmbamatters
-@affairofcharact

“...We celebrated the launch of the #RiceBusiness brand and the unveiling of the #RiceBusiness-Wisdom site. You know it’s a party when there’s an ice sculpture involved!” -@alainadale

“I attended #RiceBusiness alumni event tonight. I’m impressed with new dean @profp_rod and am excited for the direction the school is headed” -@brandonbaudin

“Love my new life in Rice!!!”
#ricebusinesswisdom
#ricebusiness
-@yiyangbonnie

“When you think of Rice Business, you think of the immense possibilities”
#RiceBusiness -@profp_rod





“My choice to earn an MBA was very deliberate. I had to consider my family in the decision, and I needed a program that would complement my career. Reputation was important so I looked at a lot of programs. When I came to the Rice campus and met with admissions, I got the sense that this felt right. I wanted to have the full experience. I was sold.”

— Nadia Bollinger, MBA for Professionals, Evening

An IT supervisor at ExxonMobil, **Nadia Bollinger** '18 has worked for the energy company 12 years — since she graduated from Texas A&M. She is used to going to school while working, having earned an M.S. in IT Project Management from UH, but that was before she married and had her daughter. Since then everything has changed and her priorities have shifted.

“I want the best life for my family. An MBA made sense.” The self-described Pakistani-Canadian-American wants to be involved beyond the classroom, too. She’s got her eye on the finance club, NAWMBA and the Wright Fund. No matter how she gets involved over the next two years, she says, “I feel like I’m at the right place at the right time.”

“Rice Business Board Fellows was one of the main reasons I chose to attend Rice. I remember thinking what a unique and amazing opportunity it would be to help further a cause I care about. As Board Fellows president, it has been a truly heartwarming and rewarding experience to share my vision, and expand the school’s reach to servemore nonprofits.”

—Joey Ammouri, MBA for Professionals, Evening



As a child of immigrants from Nazareth, **Joey Ammouri** '17 carries with him their drive for success, and selfless passion for giving back and being involved in the community. Along with his position as industrial sales manager at GE, busy social and travel schedule, and passion for running and fitness, Joey is also heavily involved with Big Brothers Big Sisters. He naturally found Rice Business Board Fellows to be the perfect fit when he started business school. Joey was placed with the Positive Coaching Alliance, which partners with youth sports organizations to help kids become “Better Athletes, Better People.” As Board Fellows president, he hopes it will be for others what it’s been for him — a prominent part of his graduate education.

Super Stars

How to play offense and defense in the Houston Super Bowl

Two alumni leading the Houston Super Bowl Host Committee tell us about the excitement, stress and professional growth that comes with planning one of the nation's biggest sporting events.

Chris Newport ('13) is executive vice president, chief of staff. He was former chief of staff for Mayor Annise Parker. **LaMecia Butler** ('12) is director of community relations. Previously, she led community relations for the San Francisco Bay Area Super Bowl 50 Host Committee.

WHAT ATTRACTED YOU TO WORKING WITH THE SUPER BOWL?

Chris: First of all, it is the biggest event of the year. The eyes of the world are turned to wherever it is. My prior work with the City of Houston made it a natural fit.

LaMecia: I've always loved sports and had a deep desire to work in the community. When I saw the impact it would have in the community, getting involved was a no-brainer.

WHAT'S A TYPICAL DAY ON THE JOB?

LaMecia: It is a blend of working with people throughout the community, local business owners, NFL contractors, non-profits and other constituents. There are 10 days of events before the Super Bowl we have to prepare for, too!

Chris: There isn't anything close to typical. It is controlled chaos ... We have two clients, the NFL and the City of Houston. I am working with our partners in government, mostly at the local level but also at the state level, making sure agreements are in place and locked down.

HOW DOES WORKING FOR THE SUPER BOWL COMPARE TO WORKING FOR THE MAYOR?

Chris: It is actually very similar. What I do here is make sure everyone is on task and getting done what needs to get done. We depend a lot on partners in local government, and I still get to talk with my colleagues from the city. Communicating, trouble-shooting, decision-making — many of the skills are the same.

STRATEGIES FOR PUBLICIZING THE SUPER BOWL?

Chris: We are launching with the start

LaMecia:
I am so impressed with the innovation of people in this community. You don't have to go to Silicon Valley to look for solutions that work.



Chris:
This is an opportunity to reintroduce ourselves to a global audience ... just announcing ourselves as a wonderful place to come visit and take a business risk.

of the football season, using social media broadly and a number of events to connect businesses, volunteers and philanthropic organizations. Our partnerships with local media bring a Super Bowl experience to the Houston region ... We also have the cooperation of NASA beaming down the ceremony.

La Mecia: We have countdown clocks in the airport and Discovery Green ... We are also promoting on social media with hashtags to get people involved in the conversation ... We're using Snapchat, Twitter, Instagram, Periscope and Facebook.

ANY SPECIAL CHALLENGES FOR WOMEN WORKING IN THE SUPER BOWL?

LaMecia: It is not an issue of gender but of whether you are a subject matter expert. I don't feel there is anything I am not prepared for, and no one questions my gender.

WHAT IS TOUCHDOWN HOUSTON?

LaMecia: It is a \$4 million grant focused on three areas of funding: education, community enhancement and health, spanning 11 counties and all ages.

WHAT ARE THE ECONOMIC BENEFITS THAT THE SUPER BOWL BRINGS TO A CITY?

Chris: It is perfectly reasonable to recognize there is a material economic benefit to communities that host these games. Whenever we do estimates of economic impact, we try to understate.

LaMecia: The grants that come with the Super Bowl can bring major change. You can't underestimate the value of what a grant can do to transform a business.

— By Mary Lee Grant



Toxic Brew

Based on Research By Peter Rodriguez

**Governmental
Corruption Is Poisonous
For Foreign Firms**

“Why hire a lawyer,” a longstanding Kenyan joke goes, “when you can buy a judge?”

The same question can be asked in countries from Africa to Asia and from Europe to the Americas, where government corruption so taints life that citizens can feel there’s little to do but turn to grim humor. But government corruption also brews trouble for foreign firms that operate in these countries.

Rice Business dean Peter Rodriguez and a team of coauthors decided to take a closer look at this dynamic, assessing what the direct and indirect costs of corruption really are for multinational firms, and proposing strategies they might use to deal with it.

The findings are timely. Foreign direct investment has leaped in recent years, most dramatically in big emerging markets such as China, Brazil, Mexico, Indonesia and Poland.

The definition the scholars used in their research was simple: abuse or misuse of governmental power for private or personal gain. Yet corruption actually varies. In some places it is predictable, in some it is arbitrary, and in some a mixture of both.

Predictable corruption pervades the very tissue of well-structured, stable governments, and in a way is easier for foreign firms to manage. At least they can expect the services paid for. Under arbitrary systems such as post-Communist Russia, there’s no way to weigh costs and expectations. Officials may demand bribes, but promised services still will not be delivered. In either case, costs rise further because firms can’t rely on institutions such as courts to enforce contracts.

The direct cost of both types of corruption is clear: money handed out for bribes and kickbacks. But firms that work with corrupt regimes also quietly squander vast resources wrangling red tape and two-stepping with organized crime to buy protection.

Then there are the indirect costs. Firms often hemorrhage huge sums investing in lobbying, influence and currying favor. In some Chinese provinces, for example, foreign companies are openly required to offer “profit-sharing” with local government.

What’s a foreign firm to do? One possibility: avoid the mess altogether. That’s what Procter & Gamble did in Nigeria, where it shuttered a Pampers plant rather than bribe customs.

Firms also can alter the way they enter a

corrupt country’s market. In Eastern European and former Soviet economies, for instance, the higher the corruption level, the more likely it is a global international firm will invest through a joint venture, with local partners, rather than a wholly owned subsidiary.

Another approach: rigorous internal codes. Honeywell, for example, unequivocally forbids bribes and supplies employees with cards bearing ethically driven questions they have to ask themselves in ambiguous situations.

Firms can also reach out to communities where they hope to do business. Hope Group donated textbooks to 17 million students in China with the aim of brightening their reputation. The results of this strategy tend to be mixed, though, since gifts to communities or institutions don’t much impress rapacious officials out for themselves.

International agreements and norms are additional weapons. In Kenya, one of the more promising examples of the global approach, it is now slightly harder to buy a judge than it was a decade ago. In 2007, after a wave of political bloodshed, a coalition government launched a huge judicial reform funded by Kenyans, donations from Germany and the United Nations, plus \$120 million from the World Bank.

Success has ebbed and flowed, but data-based decision making, better wages for judges and a struggle against corruption culture are among the current gains.

No one anti-corruption strategy is a panacea. But just as international firms use multiple business strategies, the authors argue, firms should try a mix of antidotes to corruption. Considering the damage it does to foreign firms and host societies both, corruption is too toxic a brew for a healthy business to swallow.

See RiceBusinessWisdom.org

Peter Rodriguez is dean of the Jones Graduate School of Business at Rice University.

*To learn more, see Jonathan P. Doh, Peter Rodriguez, Klaus Uhlenbruck, Jamie Collins, and Lorraine Eden. “Coping with Corruption in Foreign Markets.” *Academy of Management Executives*. (2003, Vol. 17), No. 3.*

A portrait of Peter Rodriguez, a middle-aged man with short dark hair, wearing a dark suit, white shirt, and a blue patterned tie. He is smiling slightly and looking towards the camera. The background is a blurred indoor setting with warm lighting.

PETER RODRIGUEZ: COMING HOME

Born and raised in Texas, Dean Peter Rodriguez returned this summer with his family after 13 years at the University of Virginia's Darden Business School where he was senior associate dean for degree programs and chief diversity officer. He sat down with Rice Business to talk about how he got here and what exciting things lie ahead.

On economics

I went to college and thought I was going to be a doctor. But I didn't like it nearly as much as I liked thinking about the economy and organizations and history.

When I got into those classes it was singing to my soul, and I just knew that's what I wanted to do. I always had a tinkerer's mindset and an idea that I wanted to be someone who learned about how things worked. That's what drew me to economics.

On a tinkerer's mindset

If I hadn't been an economist, I would've definitely been an engineer. When I was a little kid we had a lot of devices back then, and I would always tear apart televisions, tape recorders, radios, walkie talkies just to see what was inside and to see how they worked. I've always had that interest. I'm still very big into technology.

On grad school

Going to graduate school was never much of a question. I expected that's what you did. I wasn't satisfied with what I knew. My mind was always back at those fundamental questions. It was a thrill to be able to go back to graduate school and just indulge in learning in that deep way.

On working for JP Morgan Chase

I had an opportunity to work in banking in Houston. It was a great experience to be able to learn about business, organizations and how people work. It made me a much better economist because I thought about things in a way I never could have had I not worked with people, tried things, failed and brought those things back into the academic interests that I'd always had.

On working in administration

I don't think anybody ever knows when they're going to do something like change from being an academic to being an administrator. At some point you get the opportunity to lead an organization. Something speaks to you and you say I really want to accomplish this. I enjoy working with people in that way.

On diversity

When you think about diversity, it means lots of things to lots of people. It really is the way people live and work together — how they're treated and how they feel within an organization. And it's the acknowledgement that we're all different in many ways, our ethnicity, our race, our gender, our religion and each of those ways has to be alive in the organization. You have to be able to come to work and come to school and bring and be your whole self and feel valued and respected.



The dean captures the atmosphere at Rice Business tailgate party.

On photography

I take a lot of photographs of my kids, and they don't see it the way I do. They see the technical skill or they see the setting, I see them looking back at me and I think, I remember that moment. I remember when you were looking at me. And that's a memory that's perfectly captured.

On teaching

I will definitely teach a class once I get settled. I haven't decided exactly when and where. I need to get a little bit more of my bearings, but it will be economics related. I hope to do some field teaching. That's some of my favorite work and what I've been doing intensively for the past five years. Rice students are phenomenal, and I can't wait to be in the classroom with them.

On business school

I think people wonder if they'll retain their value proposition. I'm sure they will, but they'll have to adapt just like everywhere else. I think people look at the world at large and say, things are changing rapidly. Are you keeping pace? Are you still adding value?

On your research

I've always found the topic of corruption fascinating. What you see there are opportunities to get a window on the world. Corruption happens when institutions, ambition, organizations and individuals come together. Very often they want to achieve the highest goals: future development, greater investment returns, all these good things but something goes awry. It's a human error that takes place, but it takes place within complex systems. It's fascinating. You can't understand corruption without understanding individuals, society and organizations all at the same time.

On Texas and Houston

We've had 13 fantastic years in Virginia, but we're thrilled to be coming back to Texas. There are so many things here that we love and miss. All the life



At the game with his boys.

that you have in a big city is extremely exciting for us. It's the sports teams, the food, the culture, the diversity. I'd forgotten about the heat and humidity and the scale of the city when you're driving in. If you're from a small town, you think, this is a big place. Everything is happening. There are shops everywhere, restaurants, people are moving about. It feels energetic and exciting. And it's going to be a big change.

On social media

What's great about social media is being connected. I feel more connected to people who are far away from me than I ever was before. I have students who graduate and it used to be a fond farewell and I hope to see you in 10 years but now we keep conversations going. I feel like I'm always part of their lives. And that has made being a professor even more enriching.

This interview has been edited for space and clarity. For more, <http://business.rice.edu/about/letter-dean>.





The Long and Winding Road

TRAVEL JOINS THE SLOW REVOLUTION

By Sarah Viren

“Part of my goal, especially with my kids and my family, is that I want them to be open to new things and to see the world from other perspectives.”

When Chris Bolding took her family to Panama on a recent vacation, she made sure they stopped by the famous canal. But after that, she, her husband and their three teenage kids did their best to stay off the beaten path. They traveled through the mangroves with local guides, wandered into a bat cave where the water went up to their chests, visited a little-known coffee plantation, and spent a long weekend on a remote island without any cars that they could see or — as they soon learned — ATM machines. At one point, Bolding’s husband embarked on a four-hour boat ride to another island to get cash, but even that inconvenience was worth it, says Bolding, a Rice Business graduate (’98) with more than 18 years of experience working in the travel industry.

Though Bolding probably wouldn't have classified her vacation as such at that time, her Panama trip is a good example of a relatively new tourist trend known as "slow travel." Rather than flying in and out of a tourist hot spot for a rushed week of must-see sites, slow travelers try to live by that age-old adage about the journey trumping the destination or experience being more important than acquisition. They advocate taking the scenic train through the Alps, spending a month walking the Appalachian Trail, or renting a house in the French countryside for a week and getting to know the locals and local cuisine.

cuisines, and in eating communal meals. Their fervor has since ignited a whole host of similarly "slow" movements: slow cities, slow parenting, slow art and even slow sex.

The driving force behind much of this is a sense that, as we've become more time-efficient and technology-drive, we've also lost track of what makes us happy, healthy and — well — human. In Carl Honoré's book *In Praise of Slowness: Challenging the Cult of Speed*, the self-declared "globetrotting ambassador for the Slow Movement" describes his own awakening as the moment when he found himself almost buying a

for us today I think, the most relevant front in the slow revolution."

In many ways, though, slow was always the way we traveled — at least until recently. Some of our most famous travel writers and adventurers moved slowly out of necessity. Marco Polo's trips to China by boat and camelback later inspired other adventurers including Christopher Columbus. Meriwether Lewis and William Clark spent more than two years, by horse and by foot, exploring the territory west of the Mississippi.

In one journal entry from that exploratory trip, Lewis almost sounds like a modern-day slow

has made travel more accessible to more people, and also much quicker.

Ironically, technology is also what is now allowing tourists to return to their slow traveling roots, so to speak. Bolding remembers a family vacation to France when she was in high school and her mom lugging around a big book of bed and breakfasts listings—the only way then to find accommodations with a more local touch.

Now, as Constantine Hallax, another Rice Business graduate ('01) working in the tourism industry, explains, internet upstarts like Airbnb make staying with—or getting a ride or buying

“The key to slow travel is a state of mind.”



Or as Bolding, now director of business development at Sabre Travel Network, likes to tell her children, "The fact that you saw the Sistine Chapel or the Panama Canal might get one mention in a conversation, but those stories about the people you met or the food you ate or the experiences you had are the ones you'll tell again and again."

As a movement, slow travel has its origins in the slow food revolution, which began in the late-1980s in Italy in response to the first McDonalds opening up in Piazza di Spagna, Rome. Slow foodies believe in local farming, in preserving traditional food preparation customs and

collection of one-minute bedtime stories to read to his children at night.

"These days, the whole world is time-sick," Honoré writes in the book's introduction. "We all belong to the same cult of speed."

His solution, of course, is to slow down. And it's a message that's found an audience. Honoré's book has been translated in to dozens of languages since it was first published in 2004 and was later called the *Das Kapital* of the Slow Movement by the Financial Times. Though the book didn't address slow travel when it came out, Honoré later claimed that this branch of the movement was "the most exciting and, certainly

traveler espousing the joys of taking one's time while moving through the landscape.

"The buffalo (sic) Elk and Antelope are so gentle that we pass near them while feeding, without appearing to excite any alarm among them," he wrote. "And when we attract their attention, they frequently approach us more nearly to discover what we are."

Things only began to change for travelers as technology advanced: the train came along and then the automobile and finally the plane, and along with these new modes of transportation came the rapid construction of highways and hotel chains and fast food restaurants, all of which

a meal from — a local much easier than it was in the past.

"Everyone is seeking uniqueness in travel," he says. "And the technology that exists today can provide you with that."

Hallax, who previously worked for Travelocity and is now vice president of business development for TripCase, a travel application developed by Sabre Travel Network, says traveler review sites are a good example of technology aiding slow travel trends. By allowing tourists to read and share opinions about trip itinerary, sites like TripAdvisor and Gogobot can give potential travelers the confidence to go off the beaten path

or stay at a nontraditional lodging that they might have avoided — out of fear or lack of knowledge — in the past.

Apps, Hallax says, are also making it easier for travelers to plan more complicated trips without the assistance of a travel agency or local contact. There are apps now to help travelers quickly figure out the exchange rate, learn key phrases in a new language, trace one's wanderings through an unknown town or city, or coordinate lodging, food and transportation plans.

Hallax's company recently developed an app feature called SafePoint for TripCase that allows

off the beaten path. This means that slow travel can often also equal more sustainable travel.

And on this front, the slow traveler has a whole host of resources at her fingertips. Organizations like the International Ecotourism Society help evaluate and publicize legitimately ecological trips and locales while private sector companies such as Expedia are beginning to offer "green" search options for those looking to find sustainable travel or lodgings options.


Money, however, can also be a driving factor for those opting to travel slowly. Though slow travel is not always cheaper, it can be, and those

Slow travel is still more popular in Europe than the United States in part because the movement began there, but also, as Dickinson explains, because the infrastructure and long holiday traditions in Europe are more accommodating to the slow traveler.

"It's not uncommon for Europeans to take a one month holiday which enables people to take time travelling," Dickinson notes. "It is more difficult to invest in slow travel when your holiday is shorter—it limits how far you can go."

Still, that doesn't mean Americans are saddled to fast travel forever. Bolding sees the

in the Woods by Bill Bryson, about traveling the Appalachian Trail, also indicate that the old-fashioned pilgrimage — a staple of slow travel — might be finding new life in the United States along America's trails. According the Appalachian Trail Conservancy, more than 4,000 people hiked the entire 2,180 miles of that trail in the 2010s, up from about 1,500 hikers in the 1980s. The USDA Forest Service reports that both day hiking and camping are much more popular now than they were in the 1980s, with about a third of all Americans saying they enjoy hiking and a quarter saying they've recently camped.



“The fact that you saw the Sistine Chapel ... might get one mention in a conversation, but those stories about the people you met ... are the ones you’ll tell again and again.”

employers to monitor world events, and if anything happens — from a terrorist attack to a flood — to locate and contact employees traveling and working abroad or domestically.

"The world is becoming more dangerous," Hallax notes. "But technology and these other tools will help mitigate some of these concerns."

The ecotourism movement, and environmentalism in general, has also had a hand in popularizing slow travel. As Janet Dickinson, professor of tourism at Bournemouth University, explains in her book *Slow Travel and Tourism*, traditional modes of "mass travel"—via airplane, staying in chain hotels, etc—tend to leave a larger carbon footprint than embarking on a pilgrimage, say, or staying two weeks in a remote village somewhere

on a budget might find slower forms of tourism more appealing monetarily and philosophically. The great American road trip is said to be making a comeback in recent years for that very reason.

In a recent survey by AAA, road trips were the number one vacation choice for Americans, followed next by trips to national parks. Sarah Schimmer, a spokeswoman for the organization, said the slow pace of a road trip is appealing for nostalgic reasons but added that there is also a practical side to travelers' decisions to drive instead of fly.

"What we are seeing is that more people are taking road trips and are being inspired to take road trips because gas prices are so low," Schimmer notes.

recent popularity of riverboat tours — especially as an alternative to the cruise ship vacation — as one example of a slow travel trend in the United States. And, she says, the fact that many Americans are now adapting to more overlap between their work and home lives means that lots of potential travelers, herself included, are finding ways to take longer vacations — with the idea that they'll do a little bit of work here and there while traveling.

"I just took a 16-day trip, and I said, Two mornings on the trip, I'll answer some emails; I'll do some work."

The popularity of travel memoirs like *Wild* by Cheryl Strayed, which chronicles her 1,100-mile trek along the Pacific Crest Trail, and *A Walk*

Advocates of slow travel, including the travel writer Nicky Gardener, author of the "Slow Travel Manifesto," also point out that trips don't have to be long or even require that much distance to count as "slow." In her manifesto, published at the travel web site Hidden Europe, Gardener writes that one of the best ways to travel slowly is to start at home. She encourages would-be-slow travelers to walk or take a bus one day rather than driving or to check out a church or cafe they've noticed in their neighborhood but never had the time — or perhaps never made the time — to visit in the past.

"The key to slow travel is a state of mind," she writes.

The Emerald City

How the greening of Houston is transforming the way we live

Discovery Green

"Houston doesn't look like Houston anymore."

— Mimi Swartz



Buffalo Bayou Park feels like a perfect public space. Completed in 2015, the re-design of the park along 2.3 miles of Houston's primary bayou incorporates 10 miles of hike and bike trails and footpaths, a dog park, public art, gardens, bike and kayak rentals, playgrounds. Visitors can tour an abandoned underground reservoir and eat brunch in a glass-walled restaurant raised on concrete pilings that makes them feel as though they're up among the trees.

Seeing all the sweating cyclists, the parents drinking coffee and pushing strollers, the pedestrians stopping to take selfies with the skyline as a backdrop, you might not believe that this same park was an afterthought. The bayou had become blocked from view by invasive vegetation and its loved-to-death trails used — especially in the evenings — only by diehards. Large swaths of the park

were inaccessible and underutilized. In 2011, with a comprehensive master plan by SWA Group in hand, Buffalo Bayou Partnership led a \$55 million redevelopment, which included a \$30 million donation from the Kinder Foundation, that catalyzed its transformation into one of the country's best urban parks. That's according to a 2016 *USA Today* reader poll.

But that same poll ranked another Houston urban park even higher: Discovery Green, designed by Hargreaves Associates, came in fourth. Together, these two parks have helped to change the conversation about the city. As *Texas Monthly* writer Mimi Swartz quips, "Houston doesn't look like Houston anymore." Once defined primarily by its freeways and parking lots and its "almost sensational lack of convivial public space," as essayist Philip Lopate griped in the '80s, Houston is now being celebrated as a national model for

its investments in places where people can gather to relax, play and exercise. Charles Birnbaum, president and CEO of Washington, D.C.-based The Cultural Landscape Foundation, which was inspired to hold its annual conference here, writes that Houston is "undergoing a transformation ... at a scope and scale unseen in the U.S. in more than a century."

Consider: The underused Levy Park in Upper Kirby, once home to a few baseball diamonds, is being completely redesigned and reprogrammed with a \$15 million investment. On the other side of town, historic Emancipation Park in the Third Ward is getting a \$33 million redevelopment, including the construction of community center designed by celebrated African-American architect Phil Freelon. A private group hired landscape architecture firm West 8 to conceive of a master plan for a Houston

Botanic Garden. And new master plans have been completed to restore and redesign the 155-acre Houston Arboretum and Nature Center and the 1,500-acre Memorial Park.

“It’s a great time for parks in Houston,” says Anne Olson, president of Buffalo Bayou Partnership. “The appreciation of them has grown over the years, and the business community sees more and more the economic impact that they can have.” Olson points to new residential developments currently under construction that are actively marketing their proximity to Buffalo Bayou Park.

“There’s such intense competition for Millennials,” she says. “Parks and open spaces and trails are just one more amenity that they are attracted to.”

But these parks, open spaces and trails are not cheap. Many cities have parks departments that strain to keep up with the demand, and Houston is no exception. As much as the city has been recognized for its development of these amenities, it has been praised for its innovative ways of paying for them. Adrian Benepe of the Trust for Public Land told the Houston Chronicle: “Houston has become a laboratory of interesting solutions for park building, financing and management.” The predominant solution is the public-private part-

nership. The land where Discovery Green is, for example, was purchased by the City of Houston in two transactions in 2002 and 2004 on the recommendations of a pair of private philanthropists. But the park is now managed, programmed and maintained by a separate nonprofit conservancy that raises its own money and has its own staff.

Though some critics have argued that these public-private partnerships can lead to inequity, they do allow certain parks to be chosen, so to speak, so as to be better stewarded by private philanthropy, property tax reinvestment and other focused revenue streams.

There’s no doubt they’re effective: another public-private partnership was formed to lead the way on a project that could be even more transformative for Houston than any single park: Bayou Greenways. Bayou Greenways revisits a plan first developed in Houston in the early 1900s by landscape architect Arthur Comey that called for trails and linear parks along the city’s major bayous. Funded through a \$166 million public bond in 2012 and private fundraising — including \$50 million more from the Kinder Foundation — work is underway building these trails and transforming more than 3,000 acres of

land around Houston’s bayous for use for recreation and mobility. When the project is completed in 2020, 150 miles of trails will line the bayous, connecting neighborhoods to job and retail centers, parks, transit and more.

Beth White is president of the Houston Parks Board. “Houston is one of the most exciting places in the country right now in terms of investments the city is making in quality of life infrastructure,” she explains. “We’ve been doing all these pieces, and now we have this ability to do all this connective tissue that’s going to take this whole effort to a different level.”

White is excited about the multifaceted social and economic impacts that the Bayou Green-

ways might have, from improvements in public health to increases in property values to investments in neighborhood parks. She imagines that Bayou Greenways will have an effect on Houston similar to that of other ambitious urban projects like The High Line in New York City or the 606 in Chicago. Not only will the project spark development, White says, it will transform the way the city “views itself and the way it lives. This will have an impact on people wanting to stay here. The power of visionary systems to make cities livable places cannot be overstated. It’s extraordinary.”

— *By Allyn West*

Buffalo Bayou Park





Competition Never Tasted So Good:

Gourmet Food Truck Owners Band Together to Succeed

Scott Sonenshein's academic curiosity has led him to study banks, booksellers, entrepreneurs, environmentalists, fashion, and most recently, the complex social identities coalescing around food truck ownership. The Henry Gardiner Symonds Professor of Management at Rice Business, Sonenshein applies qualitative and generative methods to his research questions, heading into the field to collect data via interviews, careful observation and participation (think: hanging out). It's a hands-on approach that marries the tools of social science and ethnographic methods to understand how businesses work. The data often points to counter-intuitive, but important, research questions.

In the case of his recent foray into Houston's food truck scene, Sonenshein was curious, at first, about the special relationship between owner-chefs and their customers. But the data soon revealed extraordinarily collaborative relationships. His findings from the multiyear project teach us some surprising ways that competitors help each other out.

During a recent conversation in his McNair Hall office, Sonenshein talked about the evolving nature of qualitative field research, the precariousness of food truck life, and how he recently lost the 15 pounds he gained in the name of research.>

Curiosity and coincidence

Several years ago, I was reading [a Houston magazine], and there was a review of a couple of local food trucks. I was curious. You don't think of the restaurant review column as a place where you would see food trucks reviewed. I searched around a little and learned that they're big business. Wow, I thought, here's a nascent field that's trying to establish legitimacy, and you're seeing some of the early signs of that through getting reviews.

A couple weeks later, I was reading the Wall Street Journal, and there was this story about the University of Washington kicking food trucks off its campus. Their food services company decided that they wanted to get in on the business. They came back with their own food trucks that looked independent, but they were really owned by a large food services company. Why would this multi-billion dollar conglomerate be worried about mom-and-pop businesses?



How qualitative research works

What you do with this type of method is you start off with a question that motivates your research, but you let the data lead you to what's most interesting. It's called "grounded theory". ... Almost every time, I have what I think is a really interesting research question that turns out either not to be the most interesting question I should be asking or turns out not to be at all related to what I'm finding in the data. In general, these are multi-year projects that are very iterative.

Finding the right questions

A lot of my early interest was on the relationship between the food truck owner and the customer. Was there some type of special relationship or almost intimacy that forms when the same person who is cooking your food is also handing it to you in the window? But on my very first visit to a food truck, I realized what a terrible question to be asking.

If you've ever been to a food truck, you see that those windows are high up, and they have plexiglass on them. The mode of interaction is you reaching your hand up toward the window, so especially for a guy like me who's not very tall — that question

didn't pan out! But what did turn out was [hearing about] the relationship with other food truckers. One said, "We're really friendly. We get along, we hang out. This is very social." That's where the research started to morph into studying these dynamics between competition and collaboration.

Food truck life

[My informants] would elaborate on all the remarkable things they do to help each other out, like tweeting to raise awareness of each other, fixing

each other's trucks, running errands, volunteering, sharing parking spots at food truck venues, etc. (Parking spots are a big issue, because the market has exploded recently.) One person put it this way: It's a constant cycle of just helping each other out."

The power of a shared identity

We found that these food truck operators share a strong social or collective identity that belies traditional notions of competition and the many competitive pressures of, to put it succinctly, food

truck life. That sense of identity leads to lots of cooperation, banding trucks together to survive and make the market stronger and more welcoming. In the case of my research, it comes down to the collective identity: By forming a collective identity, you view the success of the group as your own success.

What about the exceptions?

Some people truly embody and embrace the collective and that's what motivates all these helpful behaviors. There are oth-

ers that don't want to be part of the group — this is more the exception. The group imposes sanctions against these trucks, and they generally struggle.

Raising reputations one meal at a time

There are over 1,000 mobile food units in the Houston area. I was particularly interested in the gourmet segment of food trucks, which is experiencing rapid growth. You'll find people using artisanal ingredients, more chef-driven-type menus, lots of creativity in terms of the product,

premium ingredients and so on. Because food trucks already had an identity — namely, cheap, inexpensive, noncreative food — they struggled for customers at first. So, another question is, "How do [gourmet food trucks] band together to create a different identity?"

Focusing on Korean Mexican fusion and dessert trucks

People who know me tell me I focused on dessert trucks because I love dessert. That's true — I do love dessert. But the reality is dessert trucks

(along with Korean Mexican fusion) were one of the more concentrated segments of the market where there were people selling very similar products. So the idea to test the ideas in the paper is to locate those areas where you might not expect a theory to hold up. That's why we oversampled on those.

The hard road of food truck life

Everyone has a profit motive, this is not simply just I want to do this because it's cool. Some are doing quite well, some were not

at the time of the study, and some went out of business.

Informants use the term "food truck life" to refer to the major challenges in operating a gourmet food truck. It's a very hard industry of course — equipment breaks down, the weather turns bad, the city puts in place restrictive regulations. These are very resilient people who work incredibly long hours. As glamorous as it might seem on TV, my sense is that most of us would not last very long doing it.

What's important from a research perspective?

It's another way of characterizing a market. We don't tend to talk about markets as being shaped by a collective identity, so it gives us a potent window into thinking about how relationships and markets might unfold a little differently when a large chunk of firms within that market share a collective identity and redirect competition away from price and towards group status. It's also refreshing to see them help each other out, not necessarily for personal gain, but because they embrace and embody the collective. To me that's a pretty powerful idea.

—By Lynn Gosnell



This interview has been edited for space and clarity. It is based on research conducted by Scott Sonenshein, Otilia Obodaru, assistant professor of management, and Kristen Nault, research analyst.



Business Jargon

How to optimize
verbage for a
robust value add —
or
how to not
communicate
effectively

If buzzwords like “synergy,” “value add” and “leverage” make you want to go big AND go home, you’re not alone. Few of us have the bandwidth for dated business jargon — and it gets dated fast. By the time we’ve learned the meaning of the latest lingo, it’s already annoying to the “gurus,” “rock stars” and “thought leaders” who likely coined it in the first place.

Take “future proofing,” a fresh concept when it appeared on the scene a few years ago to describe, well, pretty much what it sounds like: making something immune to the unforeseeable ravages of the future.

Future proofing was a game changer on the bleeding edge, in bizspeak — until it wasn’t. In 2013, the same year it began popping up in Wall Street Journal headlines (for example, “Barbers, Bakers and Bankers: Whose Job Is Future-Proof?”) it was listed as one of “The 65 Business Words to Strike from Your Vocabulary Right Now” by Bryan A. Garner, the author of the “HBR Guide to Better Business Writing.”

Garner took the phrase to task in a tongue-in-cheek Huffington Post article, advising, “Leading-edge leveraging of your plain-English skill set will ensure that your actionable items synergize future-proof assets with your global-knowledge repository.”

Part of the problem with phrases like “future proofing” is that, while snazzy, they are essentially meaningless. Making anything truly future proof is, after all, impossible, since no one knows what the future will hold.

Others are offensive because they’re wordier or showier versions of phrases that exist already and are perfectly useful. Garner, along with other word-

smiths, points out that using more or bigger words doesn’t mean you’re communicating better. For example, in lieu of the jargony “in light of the fact that,” he suggests a simple, elegant alternative: “because.”

James Weston, a finance professor at the Rice Business, argues that buzzwords either make simple concepts more confusing or complex concepts more superficial.

“Generally, buzzwords like ‘global synergies’ and the like are a big red flag to me that a shallow and meaningless argument is about to come my way,” he says.

Then there are the insidious euphemisms, such as “let’s communicate offline,” which Weston translates to “I want to tell you something and I don’t want it to be discoverable in litigation.”

Or the obnoxious exaggerations, like “thought leader.”

“I might punch the next person that says this to me in the face, but we should communicate offline about that,” Weston jokes.

But for sheer superfluity of meaning, the word “ideate” is unbeatable — literally. It won Forbes’ 2015 “Jargon Madness” competition, elbowing out contenders like “leverage,” “disrupt” and “growth hacking” as the term most abused by startup founders, developers and marketers.

Forbes defined the winning term as “a nonsense word meaning ‘think,’ ‘dream up’ or ‘conceive of an idea.’ Formerly known as ‘brainstorm.’ ”

If it irks so many of us, then, why is jargon so common? James Sudakow, the author of “Picking the Low-Hanging Fruit... And Other Stupid Stuff We

Say in the Corporate World” believes the use of buzzwords is driven in part by the urge to be seen as an insider — but it has a tendency to backfire.

“Sometimes people who overuse corporate jargon actually lose credibility,” he says. “Being authentic and relatable are more and more important in leadership these days. Talking in jargon hardly makes someone relatable or authentic.”

So how do we rid our vocabularies of the dreaded buzzwords? It’s harder than you’d think, Sudakow says. He once found himself using one of his least favorite expressions, “We’ll bake that into the process” — meaning simply “we’ll include it” — in a presentation. The phrase just popped into his head because he’d heard it so often.

“The reality is that corporate jargon is used so frequently, no matter where you work, that it is actually hard for it not to rub off on all of us and become a habit.”

You could be a regular buzzword user without even knowing it, warns Peter Cardon, an associate professor of management communication at the University of Southern California’s Marshall School of Business and the author of “Business Communication: Developing Leaders for a Networked World.”

“I was once coaching a manager with his public speaking. He used ‘at the end of the day’ at the beginning of every tenth sentence or so. In one presentation, he used the phrase nearly twenty times,” Cardon recalled. “When I mentioned it to him, he was shocked. In fact, he didn’t believe me. So, I showed him video of his presentation so he could see for himself. All of us are like this to some degree

— we overuse and abuse certain words and phrases without even knowing it.”

When used sparingly, of course, jargon isn’t inherently evil, according to Janet Moore, the director of full-time MBA communications at the Rice Business.

“Jargon can save time, as long as everyone in the conversation understands it,” she says. “Problems arise when it excludes listeners who don’t get it — and are too afraid to confess their ignorance.”

But a surprising number of people, including seasoned veterans of the corporate world, aren’t familiar with every buzzword — especially the buzziest of them all, which tend to come from Silicon Valley and spread like wildfire, Moore says.

So is it worth trying to stay abreast of the buzz? Or will today’s future proofers soon go the way of yesterday’s paradigm shifters?

“Some buzzwords come and go quickly and never reappear,” Cardon says. “Others come in and out of fashion every few decades like bell-bottom pants. Many, like ‘synergy,’ ‘proactive’ and ‘win-win,’ have stuck around for a long time.”

And some corporate cultures are more infested by buzzwords than others. When Sudakow worked for a management-consulting firm, he says, he felt as though he’d entered an Olympic competition for jargon use — “with the winner based strictly on quantity.” Now, as an independent consultant, he tries his hardest to eliminate buzzwords entirely.

“Not using them is what makes you stand out these days,” he explains. “A client recently told me, ‘That’s why we like you. You talk like a normal person.’ ”

— By Jennie Latson

“Leading-edge leveraging of your plain-English skill set will ensure that your actionable items synergize future-proof assets with your global-knowledge repository.”

“The reality is that corporate jargon is used so frequently, no matter where you work, that it is actually hard for it not to rub off on all of us and become a habit.”

Wining and Dining: Executive Global Forum works with Treasury Wine Estates

After nearly a year of preparation, the inaugural executive global forum debuted for second-year executive MBA students in Shanghai this past spring.

The collaboration with Rice Business, Treasury Wine Estates (TWE) and Robert Foye '90 (president and managing director, Asia, Europe, MEA and Latin America) was exhilarating. Students were challenged to apply what they'd learned over their two-year program to address the meaty problems of a real company, with high-level employees from that company, in an unfamiliar industry, in an emerging market.

This concentrated approach was the goal of Barbara Ostdiek, senior associate dean of degree programs and associate professor of finance. "We wanted to push the students out of their comfort zone, addressing business challenges and identifying opportunities in a completely unfamiliar environment. There is some shock value to the immersive experience. Our students quite admirably rose to the challenges served up by our faculty, Anthea Zhang and Jing Zhou, and our host, led by Robert."

The response was positive, to say the least.

"The motto we used, "Growing Together," accurately describes this global forum experience. TWE, our host company in Shanghai, benefited from our students' analytical skills and thoughtful thinking. Our students, on the other hand, got a great opportunity to apply what they had learned in the EMBA program in a real business context: the fast-growing wine industry in China's emerging market. This experience better prepares our students for taking on greater responsibilities on the global stage."

Yan "Anthea" Zhang, Ph.D.
Fayez Sarofim Vanguard Professor of Strategic Management
Area Coordinator, Strategy and Environment Group

"We worked in teams with the staff of TWE on their marketing strategies. We used innovation and creativity techniques with our understanding of customer preferences and experiences. Our team suggested having wine ceremonies in place of wine tastings as well as associating familiar tastes such as ginseng and jasmine with wine to differentiate TWE from other wineries."

Alice Obuobi '16
Assistant Professor
Department of Pediatrics,
Baylor College of Medicine
Chief of Pediatrics, Medical Director of Newborn Services
CHI St Luke's Health Woodlands Hospital

"The opportunity to bond and live with my Rice classmates was probably the best aspect of the trip. We achieved something more significant in seven days, than two years of projects, classes and team assignments could have ever managed. ... somehow we were changed, individually and as a group, into something more capable, more resilient and more thoughtful."

James Andrews '16
President, Harbor Services

"The Rice students worked intensively on projects directly related to TWE's China business. Alongside them were 16 of our own employees. One of the goals was to get a fresh, independent, outside view on our business challenges. Far from being purely an academic exercise, results from the week will now be fed back to the company — an A+ grade result for everyone involved."

Robert Foye '90
President and Managing Director, Asia, Europe, MEA and Latin America
Treasury Wine Estates



The Crowd Favorites

A Rice MBA and his college teammate launch the first Securities and Exchange Commission-approved nationwide crowdfunding portal after a successful start in the Texas market.

Abe Chu '09 and Youngro Lee, both 32, met years ago on the basketball team at Simons Rock College. "We were the nerdiest, most unathletic basketball team you've ever witnessed," Chu remembers, laughing.

Now, after more than a decade apart — Chu pursued an MBA at Rice, while Lee became an international private equity attorney jetting from New York to Moscow to Shanghai — they've reunited, and last year they launched Texas' first major crowdfunding website, NextSeed.

The portal, which functions like a small stock exchange, allows individuals to invest in private companies. It's already funneled more than \$1 million into local independent businesses, and with new federal legislation passed just last month, it's moving into the national market as well. "We are the first portal to receive nationwide approval by the U.S. Securities and Exchange Commission," Chu says, "and we're now focusing on projects across the country."

To help, they've also brought on fellow college teammate and tech whiz Bob Dunton. "A lot of investors focus on striking gold, getting in on the next Facebook early," Chu says. "That's exciting, but we also want tools to support restaurants, bars and gyms — local businesses that we go to and use daily."

So far, it seems to be catching on. Success stories include South African restaurant Peli Peli in the Galleria, and up next are a luxury flotation spa and an EaDo gastro pub.

"It's a new option — off of Wall Street — that lets people reinvest in Main Street." Mom-and-pops rejoice! nextseed.com



SEED BANK

Youngro Lee and Abe Chu's '09 startup, NextSeed, helps small businesses raise funds from private investors — no stock exchange necessary.

Reprinted with permission from *Modern Luxury Houston*, June 2016. Photo credit: Julie Soefer

Going Global

Janet H. Moore, director of Full-Time MBA Communications, says if you work abroad — or on projects with global aspects — you may enhance your chances of success by building rapport across cultures. When you find yourself heading out of the country for a business trip, consider these quick tips:



Absorb the Culture.

Try getting a feel for the local culture. Your business counterparts will appreciate that you explored their local sites and learned about their culture.

Space Yourself.

Physical space between people may vary dramatically internationally. If you find yourself standing awkwardly close to a foreign colleague, it may be that he or she is following local cultural norms.

Differences present learning opportunities.

Janet H. Moore has worked globally for 25+ years as an international business lawyer and global executive coach. Janet also led the last two study trips to India before joining Rice Business in July as the Director of the Full-Time MBA Communications program. Outside of Rice Business, Janet serves as the Honorary Consul of Georgia in the State of Texas, mentors at Station Houston, and has leadership roles at the Houston Committee on Foreign Relations and the World Energy Cities Partnership. Comments welcome: janet.h.moore@rice.edu

Grasp Local Issues.

Research the country’s current social, political and economic situation.

Understand what topics are current there.

Dress Appropriately.

Many business meetings abroad call for formal business attire. Do your research and match the formality of the locals.

Be Authentic.

Really, be authentic. And if you make a gaffe, simply apologize.

Greet Strategically. Ask for guidance to ensure that you follow expected protocol. Handshake strength varies depending on culture, so adjust your grip strength to match your local counterpart’s.

In some countries, hugs or air kisses on the cheek are the norm, while in others, even a handshake across genders is prohibited.

Practice Pleasantries.

Before your trip, try to learn common greetings and a few basic pleasantries in the local language. If your skills are rusty, brush up in advance by listening to streaming news in the local language. Finally, know that in many countries, such as those in Latin America, it is considered rude to jump right into business discussions without becoming acquainted. Time spent developing these relationships will pay dividends.

Gift like a Pro.

In some cultures, exchanging business gifts is not only a custom, it’s an expected ritual. When visiting such countries, bring plenty of small, easy to carry gifts that represent something about your company or geographic region. Always be mindful of the gift-giving rules under the *Foreign Corrupt Practices Act* when dealing, directly or indirectly, with government officials.

Compliment Carefully. Effusive Americans often lavish compliments: “I love your briefcase!” or “I really love this sea cucumber!”

Casual compliments can lead to your receiving the praised item as a gift or eating a costly (to your hosts) delicacy for several days in a row.



WELCOME TO THE PARTY

Based on Research By Andrea Mattozzi and Antonio Merlo

The public tends to think elected politicians don't represent the best and brightest of all possible candidates.

Without Strong Competition, Political Parties Really Do Gravitate Toward Mediocre Candidates.

Politics has been called “show business for ugly people.” It may also be the natural calling of the mediocre and the indifferently prepared. Italy, for example, has a significant number of legislators who don't even boast a high school degree, while former U.K. Prime Minister John Major was an insurance clerk before beginning his political career. Such examples are plentiful.

Comparing degrees may not accurately capture candidates' merits. But it is one source of widespread suspicion that elected officials are not quite the cream of the crop. Politicians, critics in many countries complain, are instead members of a “mediocracy.” The truth hurts: Research shows that political parties tend to recruit electoral candidates of average ability rather than their higher-caliber peers, measured by signifiers such as educational attainment.

According to a study co-authored by Antonio Merlo, chair of the economics department at Rice University, and Andrea Mattozzi of the European University Institute, two phenomena — a mediocre pool of candidates and mediocre elected officials — may reinforce each other.

Research shows that political parties choose less-qualified candidates in order to spark widespread involvement in party politics. They're trying to avoid what the authors call the “discouragement effect:” when highly qualified members of a competitive organization discourage less competent members from contributing. By seeking a fairly homogeneous group of average politicians, political parties encourage healthy competition within the organization.

But the discouragement effect doesn't act alone. It's part of a trade-off with another dynamic called the “competition effect,” in which recruiting the best-qualified candidates boosts a party's chances of winning an election. When political parties

believe more in the competition effect, they recruit the best candidates. When they worry more about the discouragement effect, they choose candidates who are mediocre.

To show these two effects in the candidate-selection process, the authors designed a theoretical model that mimicked the candidate selection and election process. In the model, two parties selected electoral candidates based on observed effort, distributed across a broad spectrum. Political ability for each candidate was measured by the cost in effort associated with political activity. In other words, the less effort politicians put into their work for the same outcomes, the more ability they possessed. The model highlighted the trade-off between the discouragement and competition effects.

Interestingly, the model also suggested that a mediocracy functions differently in majoritarian election systems. Majoritarian systems, such as Britain's First Past the Post system for House of Commons elections, tend to be competitive due to their winner-take-all natures. In these systems, parties are encouraged to nominate more qualified candidates.

In the United States, most primaries use a proportional electoral model, suggesting that political parties may be incentivized to choose mediocre candidates. At the same time, the presidential election uses a majoritarian, winner-take-all system, and has produced objectively accomplished presidents like George H.W. Bush and Barack Obama. The theory of mediocracy applies to state level and congressional candidates as well. So if American voters are dissatisfied with their choices come November, they can now look beyond their own party honchos. They can blame the system as a whole.

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To learn more, please see: Mattozzi, A., & Merlo, A. (2015). Mediocracy. Journal of Public Economics, 130, 32-44.

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