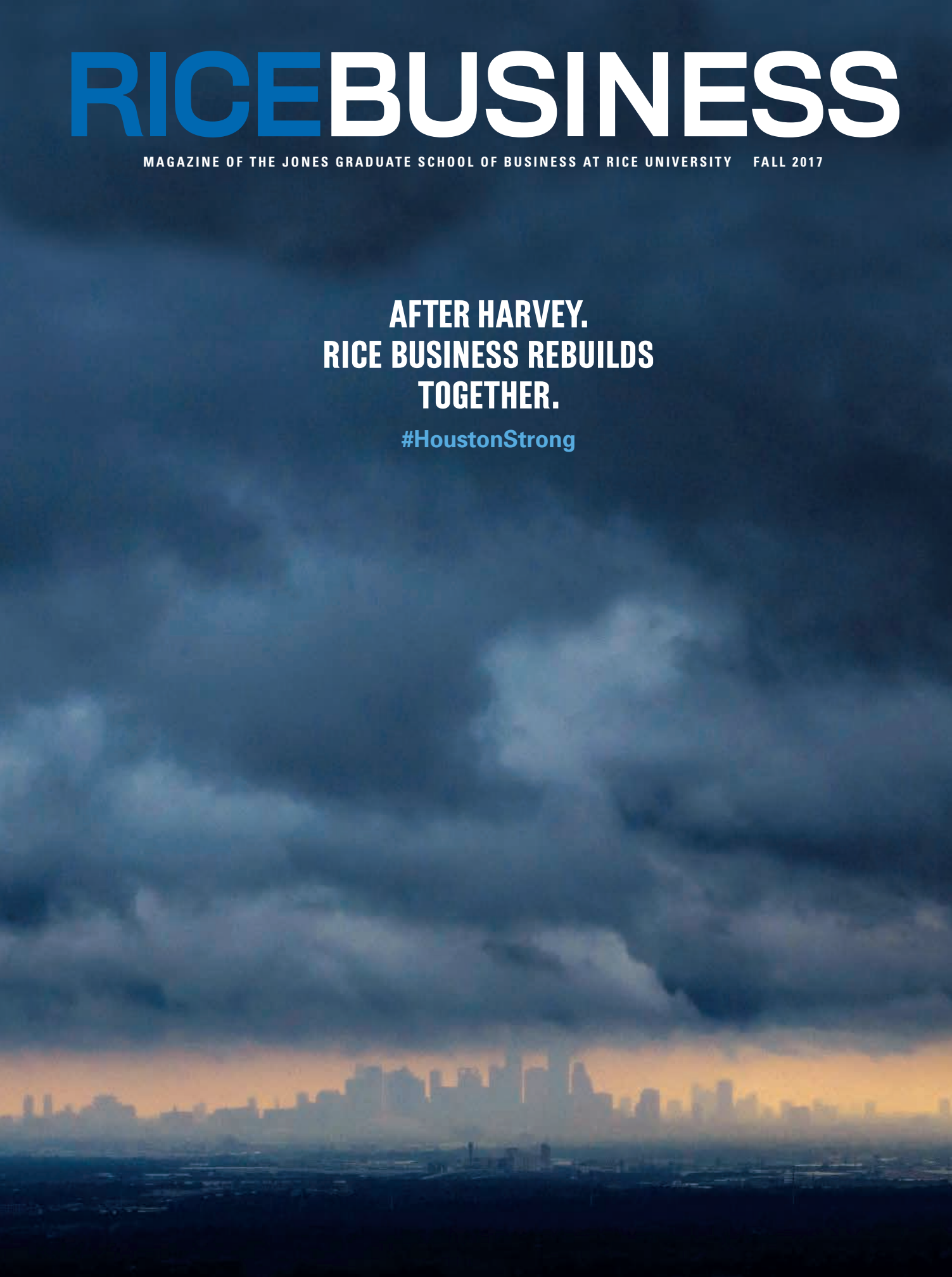


RICE BUSINESS

MAGAZINE OF THE JONES GRADUATE SCHOOL OF BUSINESS AT RICE UNIVERSITY FALL 2017

**AFTER HARVEY.
RICE BUSINESS REBUILDS
TOGETHER.**

#HoustonStrong



RICE HELPING RICE

Classmates came to the aid of Kirby Albright, a first year full-time student, for five days. "It was a very humbling experience to receive so much help from people I'd really just met," he said.

Thanks to Randall Burton (and fiancé Jessica Kirkpatrick), Besart Dibra, Dapo Orimoloye, Aiden Xu, Jake Brown, Clifford Thompson, Guillermo Ontiveros, Stan Piland (cousin), Guillermo Ibarguengoytia, Eduardo Salinas, Rakshith Babu and Laura Jean Stargardt.

Pictured: Besart, Dapo, Jessica, Randall, Kirby, Aiden and Jake.





FALL 2017

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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**.

Photo:

We made it! Andrew Jobe (PMBA – Evening) captures the moment at Investiture.



Beacons in the storm: Tim Pitts, director of financial services; Frank Gonzalez, IT support specialist; and Peter Rodriguez, dean, help clean up after Hurricane Harvey.

The momentum of a fantastic year at Rice Business accelerated through the spring and set us on course for an even better fall. Record-busting cohorts of students arrived in the heat of summer alongside preparations for a hybrid-online MBA program and investments all around the school. With the wind at our backs, I couldn't wait to kick off a new academic year.

The old caution about life and uncertainty played over and over in my mind during the relentless rains that weekend, "Wanna make God laugh? Tell him about your plans." All that we lived and witnessed during the storm and after will likely be the story of the year for our city, our university, our school and our communities. The story, however, isn't that the waters rose, that thousands of lives were upended or that Houston was devastated.

The story is the reaction to the storm from the people in it and all who came to help.

hurricane harvey by the numbers

Across the region, a few hundred yards meant the difference between families that were high and dry or waist-deep in flood waters, stranded on rooftops and upper floors. Within urban and suburban neighborhoods a few inches of elevation made the difference between safety and upheaval. Those hit hardest face a long road to recovery. Everybody else knows, it could have been them.

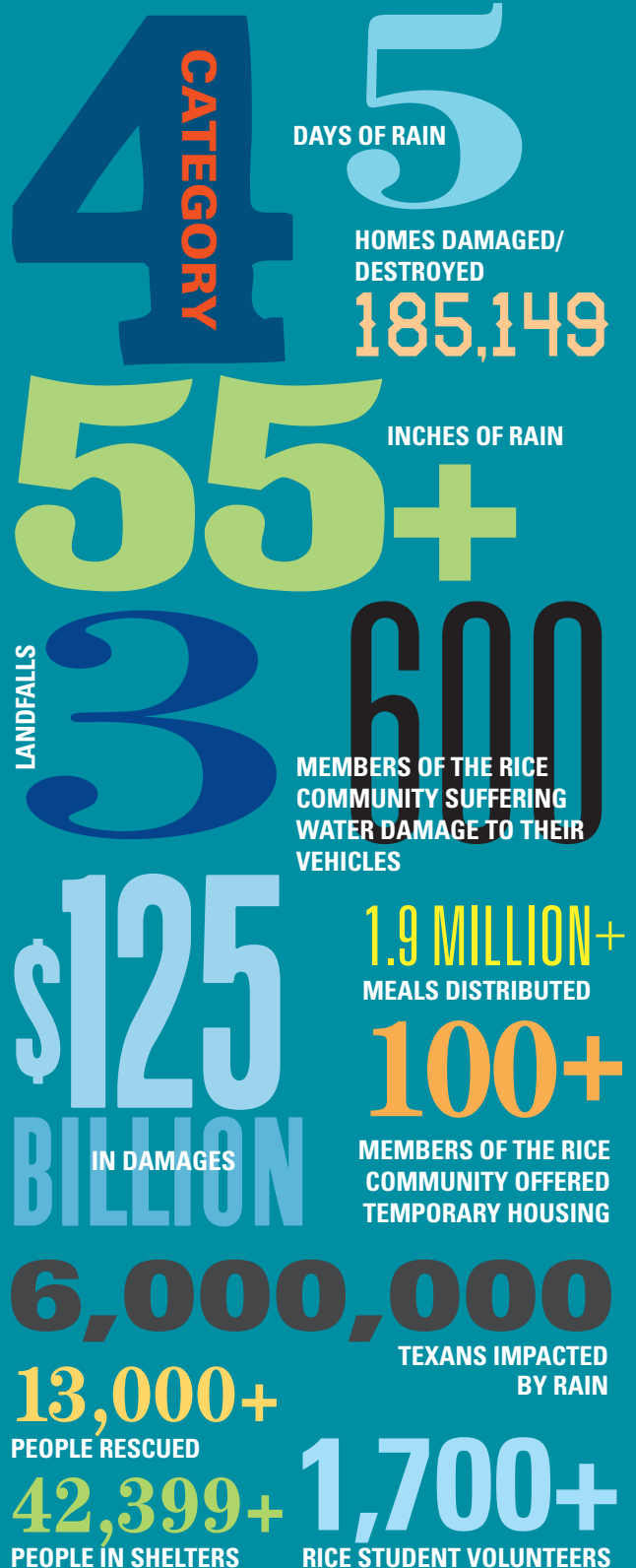
The hurricane brought loss and pain to tens of thousands, if not more, and set back many family's finances for years. There is nothing good at all about Hurricane Harvey. And yet, because of the storm we had the opportunity to recall what matters most to us, and to recall that these are the same things for all of us. Because in a flood aid is inherently local, we have the opportunity to witness what it means to be a good neighbor, friend, colleague, stranger, Houstonian. We have the opportunity to fulfill a noble purpose in service of many we know and more that we don't. We felt the power in knowing our time and energy bring mercy to those in need and that even the small things we do for each other matter greatly. We have the opportunity to live our values, not simply debate them.

If Harvey succeeded in teaching us an unwanted lesson about humility and our vulnerability to the most basic forces, it also allowed us to genuinely connect with our city and replenish our faith in each other. The ache to find a silver lining in the aftermath of destruction should not eclipse our understanding of how much has been lost and the emotional toll still being felt. But let these lessons continue to drive our heightened compassion and endure far longer than the recovery from this awful storm.

Reading about the remarkable generosity of everyone around us I came upon a short post on social media that seemed to capture a truth made plain by the moment. It seemed a touch maudlin, but, if anything, it understated the prevailing sentiments. It started, 'Now more than ever, people need you to give all that you can. Unfortunately, you simply cannot give away what people need most. You can give away food, you can give away clothes, you can give away shelter and you can give away money. But, you can never give love away. It just keeps coming back.'

With sincere thanks to all who gave generously, led selflessly and continue to inspire, I'm pleased to write the final Harvey sign-off.

Stay Safe, Stay Connected. —Peter



Hurricane Harvey Tests Rice's Resolve

BY JEFF SCHMITT, AUGUST 29, 2017



Business students in Houston are dealing with the kind of disruption that is quite different from the kind they study in a classroom. This weekend, disruption tore across the Texas Gulf Coast in the form of Hurricane Harvey. Beach towns were leveled by 130-mile-per-hour winds. Forty inches of rain turned roads into rivers. Helicopters whirled overhead as fatigued firefighters and boaters snapped up the left-behinds. In Houston, people became like the water surrounding them: sup-
planted and stranded — many with nowhere to go.

Peter Rodriguez, dean of Rice University's Jones Graduate School of Business, considers himself one of the lucky ones. He wasn't among those wading through waist-deep sludge, seeking shelter with his belongings slung over his shoulder. Unlike his neighbor's, Rodriguez's Inner Loop home was spared from flooding. Thanks to the storm hitting areas with differing intensities, Rodriguez tells Poets&Quants, the damage in Houston varies.

"There are a lot of streets that are fine," he notes. "As long as you don't go down the wrong street, you should be OK. But yesterday, it was irtually impossible to get around."

Rodriguez knows, however, that many of his students didn't enjoy his good fortune. As proactive as he is protective, Rodriguez has been at the helm of a vigorous emergency response at Rice Business. Before the storm arrived, Rice made a concerted effort to contact every student through calls, texts and emails. The intent was to get everyone to check in, collecting vitals like locations and cell numbers on a shared Google document in the process.

Select students, faculty and staff were also mobilized to stay connected with students. That way, they could identify potentially risky locales and match those students with community members who

could offer them assistance. The website's main page even included a splash to inform students about happenings at the school, such as class cancellations.

“On a day like today, class assignments and all that is mundane,” Rodriguez says. “We’re thinking about safety and addressing what needs to be done.” He adds that the students have been adapting well to the turmoil. “It is really a resilient and passionate community.”

Communication has only been part of Rodriguez's efforts. He too was stunned by images of people swimming out of their homes. It hit home further when nearly a dozen students reported that their homes had been flooded. That inspired Rodriguez to become even more active on the ground.

Guillermo Ibarguengoytia ('19) lives within a few miles of Dean Rodriguez, but they might as well be living in separate states. When Harvey hit, Ibarguengoytia's first floor apartment became quickly engulfed. Luckily, a classmate, Andres Cuadrado ('18), lived a floor above him. Although they barely knew each other at Rice, Cuadrado opened up his home as the flooding began. While they had a few days worth of food and water, their apartment lacked power. They had little juice left in their phones too. Of course, they were surrounded by three feet of water on all sides.

After much of the water had drained away on Monday morning, the group reached out to Rice. They quickly received a message back from Rodriguez urging them to leave because they weren't safe where they were. Knowing that Harvey was gathering strength for a second go-round — and how quickly things can go south when people lack power — Rodriguez rifled through his Rolodex to get a place for them. Eventually, he found an apartment complex housing roughly 20 second year MBA candidates.

“Peter and his wife picked up Andres and his wife and me. They drove us to where the other students were living,” Ibarguengoytia shares. “It was incredible the way he responded. I don’t know if that happens at other business schools, but at least here at Rice, it speaks volumes about the community and the help-each-other type of vibe and culture we have. It’s one of the reasons I chose this business school.”

While the worst may be over, Dean Rodriguez

still has plenty of worries. The biggest is how the school will be able to address the needs of those who suffered the worst. “The cost of the storm has been asymmetric,” he points out. “Some people have kept power and didn't lose anything. Others lost cars, homes, everything! We'll have to figure out how they'll go about the rest of their semester even after the waters recede. **What are they going to do for transportation? Where will they live? What about clothes?”**

That's not to say that Rodriguez and his staff haven't begun to answer those questions. “We're getting there,” he admits. “We've already identified a fair number of rooms and apartments near campus, so we can probably address that for lots of people. Transportation ought to be feasible too, but that's going to be a little tough. I think with the schedule and classes, we'll be able to make up all that and get the normalcy back but it's still about addressing the needs of those who were hardest hit.”

If there has been any silver lining for this tragedy, it has been how the Rice community has truly come together and brought out their best. Rodriguez notes that several staff members have volunteered at the Red Cross downtown. Doug Schuler, an associate professor of business and public policy, took his canoe out on Sunday to help pull out people trapped in their houses. And Lydia Musher, a lecturer in communication, housed 38 people on her second floor before they were eventually evacuated and placed in hotels.

It isn't just the Rice community that has stepped up its game, Rodriguez adds. “I've had a lot of outreach from deans and representatives of other schools. They've been very kind in offering any forms of assistance that they can. That's always comforting. I think there may be a need for their help at some point.”

Disruption aside, the hurricane has been a reminder of how much the school has to be grateful. As the winds die down and waters ebb, Rodriguez has grown increasingly hopeful ... even as he peers out at the many hurdles that lie ahead.

“To be honest, for all the hardships, most everyone has been really lucky,” he admits.

This excerpt from a larger article was reprinted with permission from poetsandquants.com.

DO THE RIGHT THING

Why do some businesses turn their backs on customers in troubled times while others come to their aid?

By Jennifer Latson



Rooms normally rent for about \$120 a night at a Best Western near Corpus Christi — but when Hurricane Harvey's storm surge hit, prices surged, too: to more than \$320, as Austin's KXAN TV crew discovered.

The rain was still coming down when Texas Attorney General Ken Paxton told CNBC he'd received more than 500 complaints of price gouging related to Hurricane Harvey, including quadrupled hotel room rates, \$99 cases of water and gas prices of up to \$10 a gallon.

Meanwhile, other businesses took a more compassionate approach. Houston institution Gallery Furniture turned its massive showrooms into shelters, while Uber offered evacuees free rides. Airbnb, the international short-term rental service, enlisted the aid of close to 1,000 hosts offering free temporary housing. Grocery chain H-E-B distributed supplies to the hardest-hit areas.

Along with food, water and shelter, some companies offered free access to that most precious of commodities in a crisis: information. Media outlets including The New York Times, the Washington Post and the Houston Chronicle dropped their paywalls; Comcast created 53,000 Wi-Fi hotspots in and around Houston;

and AT&T waived data coverage fees for customers in the area.

So why do some businesses turn their backs on customers during disasters while others come to their rescue? And what are the consequences of companies' behavior in times of trouble?

There's no easy answer to the question of why some companies help out while others stand idly by — or worse. But at least some of it likely comes down to the moral views of a company's key decision-makers, according to Isaac Smith, an assistant professor of management in the Samuel Curtis Johnson Graduate School of Management at Cornell University.

"How broadly do they construe the scope of their moral obligations? Are they only morally obligated to have concern for the bottom line? Or do their moral obligations extend beyond shareholders to employees, customers and the communities in which they do business?" Smith asked. "The broader a given decision-maker's scope of moral concern, the more likely they will make a decision to help."

In times of crisis, these decisions make more impact than normal: people see them as indicators of what corporate leaders are truly made of, and justifiably so, said Anastasiya Zavyalova, an

assistant professor of strategic management at Rice University's Jones Graduate School of Business.

"Catastrophes tend to bring out people's true character. And companies' leaders are a case in point," she said. "The decisions a CEO makes during such tragedies as Harvey are likely consistent with the decisions he or she will make as a company executive. What is important for us, the stakeholders, is to pay attention to the choices firms made during Harvey and figure out if the company's actions are consistent with our beliefs and goals."

Many corporate leaders came to the aid of the hurting Houston area. Within a week of the storm, CNN reported, companies had pledged more than \$141 million in Hurricane Harvey relief. In general, more companies want to help than people might expect, Smith said.

"Despite the pervasive perception that businesses are strictly driven by self-interest and profit-maximization,

"The broader a given decision-maker's scope of moral concern, the more likely they will make a decision to help."

"The decisions a CEO makes during such tragedies as Harvey are likely consistent with the decisions he or she will make as a company executive."





there are countless examples of companies stepping up in a big way following natural disasters,” he said. “Several years ago, a team of researchers analyzed the corporate social responsibility reports of 84 of the world’s largest companies. They found that roughly 71 percent had engaged in disaster-relief efforts within the previous year. Although the reasons for doing so are varied, I like to think that many business decision-makers certainly get involved, at least in part, because they think it is the right thing to do — for moral or ethical reasons, if you will.”

For Airbnb, which saw an unprecedented outpouring of help from its rental hosts after Harvey hit, the decision to offer free housing during

disasters didn’t come from executives: it started as a groundswell of interest from the hosts themselves. In 2012, after Hurricane Sandy devastated parts of the Northeast, hosts asked how they could list their properties for free to those affected. At the time, \$0 wasn’t an option in the Airbnb fee scale.

“We were humbled,” said Laura Spanjian, Airbnb’s public policy director for Texas. “Airbnb started building tools to scale these generous acts across our global community.”

Kellie Bentz, head of global disaster response for Airbnb, said the company was also waiving its fees, so neither hosts nor guests would pay anything.

“Many people are benefiting from this

program, and we’re really grateful for the ability for our host community to offer support in this way,” Bentz said. “They’re super gracious and generous for doing this.”

But if helping during a disaster means sacrificing profits in the short term, it can also carry long-term benefits, points out Utpal Dholakia, a marketing professor at Rice Business.

“These types of goodwill gestures are ways to create a halo around the company’s brand by associating it with positive activities,” Dholakia said. “Another benefit to the company is that it is a relatively inexpensive but highly visible way to show that it is connected to the community within which it operates. In academic

terms, we can call it local corporate social responsibility. Most people are going to remember such good deeds long after the disaster is over and see the company in a positive light, as a member of their community.”

You don’t have to be a local mom and pop shop to reap the rewards of community goodwill. Walmart’s outpouring of aid in the 2005 aftermath of Hurricane Katrina has been cited as the gold standard for corporate disaster relief: “a model for logistical efficiency and nimble disaster planning,” as the Washington Post put it.

With immense resources at its disposal — including a mammoth supply chain and distribution network — Walmart

proved that corporations could be a powerful force for good in a disaster, especially compared to the government agencies whose notoriously sluggish, scattered response to Katrina earned the public's ire.

Walmart's donation of \$3 million in supplies and \$17 million in cash to Katrina's victims came at an opportune time for the corporation, eclipsing a rash of bad publicity over lawsuits, labor issues and falling stock prices. The lesson hasn't been lost on other companies looking to divert the public's attention from negative press.

"There are many strategic advantages to getting involved, the most obvious of which is an enhanced reputation in the eyes of the general public, including potential customers. And research has also shown that employees find pride in working for companies that 'give back,' which might reduce rates of employee turnover or even increase their overall productivity," Smith said.

Not all companies can offer Walmart-level assistance, of course, even if they want to. Company size, and the degree to which they themselves are impacted by a natural disaster like Harvey, are limiting factors. But while Walmart's Herculean efforts earned lasting admiration, relatively small acts of insensitivity can evoke swift and brutal blowback.

Take the way one Houston-area Best Buy

store fumbled its Harvey response by charging \$42 for a case of water. A photo of the price tag went viral on social media, and a public outcry ensued.

This wasn't part of a top-down policy to gouge Houston's panicked residents, Best Buy later clarified in a statement. "This was clearly a mistake in a single store," the company's media relations team wrote. "We feel terrible about this because, as a company, we are focused on helping, not hurting people affected by this terrible event. We are all deeply sorry that we gave anyone even the momentary impression that we were trying to take advantage of the situation."

It's worth worrying about, researchers say: even a momentary impression that a company is exploiting customers can have lasting repercussions.

"While price gouging might appear on the surface like the logical capitalist response to tremendous demand and limited supply [like the Best Buy example], companies may do better over the longer term by helping those in need," said Marina Andrea Welker, an anthropology professor at Cornell who studies the relationship between business and society. "The media has a critical role to play here in calling attention to harmful practices."

And as a rule, people tend to remember bad publicity longer than they remember acts of hero-

ism, said Zavyalova. It has a way of sticking in the public consciousness.

"It's much more difficult to shed [unwelcome] attention, because it involves a lot of negative emotions and people are much more locked into those kinds of feelings," she said. "Even with the positive form of fame, when there's admiration and adoration, a couple of missteps will drag you down."

So will Airbnb walk away as Harvey heroes, and Best Buy as villains? It's not that simple, Smith said. While customers tend to remember corporate misdeeds longer than altruism, nothing is permanent. Outrage tends to fade over time, especially after the news media moves on to the next disaster.

"On the whole, despite concentrated sets of boycotts here or there, the general consumer seems to be fairly forgiving [if not often completely ignorant] of companies' indiscretions and exploitations," he said.


"These types of goodwill gestures are ways to create a halo around the company's brand by associating it with positive activities."

"And as a rule, people tend to remember bad publicity longer than they remember acts of heroism, said Zavyalova. It has a way of sticking in the public consciousness."

This article originally appeared in the Houston Chronicle's Gray Matters blog.

Jennifer Latson (@JennieLatson) is an editor at Rice Business Wisdom and the author of "The Boy Who Loved Too Much: A True Story of Pathological Friendliness."





SURVIVAL ESSENTIALS

BY CLAUDIA KOLKER

“Do you think we can get pho?” my daughter asked. Lucky to escape Harvey unscathed, we were venturing out for the first time since the deluge hit Texas. There in our favorite noodle shop, fragrant with fish sauce and basil, it was possible to imagine a Houston untouched by disaster. But even before Hurricane Harvey, that would have been an illusion. Disaster is what brought thousands of Houstonians here in the first place. **This is a city of survivors.**

Houston is by now well known as the country's most diverse city. But it is more than an immigrant hub; it's America's No. 1 magnet for refugees. And for anyone rocked by Harvey's life-upending losses, those refugees and their experiences can be a monumental resource.

Many are facing the flood's ravages alongside their neighbors right now, but they are distinct because every refugee lost everything once before. And then they rebuilt.

After 20 years reporting and living in my adopted city, I've come to feel awe at its once-displaced population. Since the 1970s, more than 70,000 refugees from 78 countries have settled in Houston, all fleeing versions of the chaos unleashed by Harvey. Most lost status, work and community, along with the possessions, snapshots and love letters that tell our life stories.

They may not fit the profile you expect. In recent years, they've been arriving from Bhutan, Burma, Iraq, Afghanistan and Cuba. During the 1980s, they poured into the city to escape death squads and guerrilla war in El Salvador and Guatemala. And in the 1970s, in the biggest influx of displaced persons in its history, Houston became home to tens of thousands of Vietnamese.

What, I wondered over my Vietnamese coffee, might they tell their fellow Houstonians right now? Mechelle Tran, the pho restaurant's 37-year-old owner, had an immediate answer. "I came here when I was five. I have trauma amnesia, but I grew up hearing the stories," she said. After weeks at sea, in nights so dark that waves, sky and rain were one sheet of blackness, her family landed in refugee camps in Malaysia and the Philippines. "There were a lot of parallels to Houston right now," Tran told me. "A bottle of fish sauce was like liquid gold, because all you had were processed packaged foods. Nothing real." Living in chronic uncertainty, sleeping on cots, her parents had zero control of their future, not just for months, but for years, until a church linked them to a host family in Houston.

Damaging as it was, the displacement changed her for the better, Tran believes. For one thing, because Houston's community helped them start over, she and her peers are almost fanatical about community service. In addition to a work phone, she totes a separate cell for constant charity work. Last week, when her restaurant had no more food to give, Tran orchestrated a T-shirt drive for drenched Houston Police Department officers.

Seeing her parents' struggle to protect her also forged an iron resolve to honor their efforts. "You had no choice, no options, no falling back," Tran said. "It's grit. The kids whose parents have lost everything in the flood will see their parents rebuilding. They will have that little bit in them that says, 'I saw Mom and Dad do this.'"

Flood survivors may also find surprising strength in seeing themselves as one, striving community. Benito Juarez, who oversees immigrant affairs for the city, told me that the Latino, South Asian, African and other refugees who settled here make it a point to band together.

"A sense of solidarity is built into their situation," Juarez said. In most cases, the first group to arrive guides later groups through their new way of life and helps newcomers find work and housing.

For Harvey's flood survivors, that could translate to those recovering fastest sharing services and emotional help with the hardest hit.

Taking action, especially on behalf of someone else, is a lifeline, Yani Keo, a week-known Cambodian refugee leader, believes. Keo lost more than 60 family members to the genocidal rule of Pol Pot.

Doing, Keo told me a few years ago, means surviving. So she has pushed even the most dazed newcomers to volunteer, once prodding a reluctant Afghan refugee to the airport so he could welcome an even more recent arrival.

Pitching in for others, Keo said, gives an uprooted life meaning again. Research backs this up. Post-traumatic growth, the subject of a flourishing academic field, suggests that in some circumstances, trauma builds strength. It's not always the case, but taking action, and seeing a model of someone else's resilience, make positive change more likely.

As I sipped the last of my Vietnamese coffee, Mechelle Tran added one more thing. No one chooses to be wrenched from home, she said. But flood survivors now overwhelmed by their future may have more power than they realize.

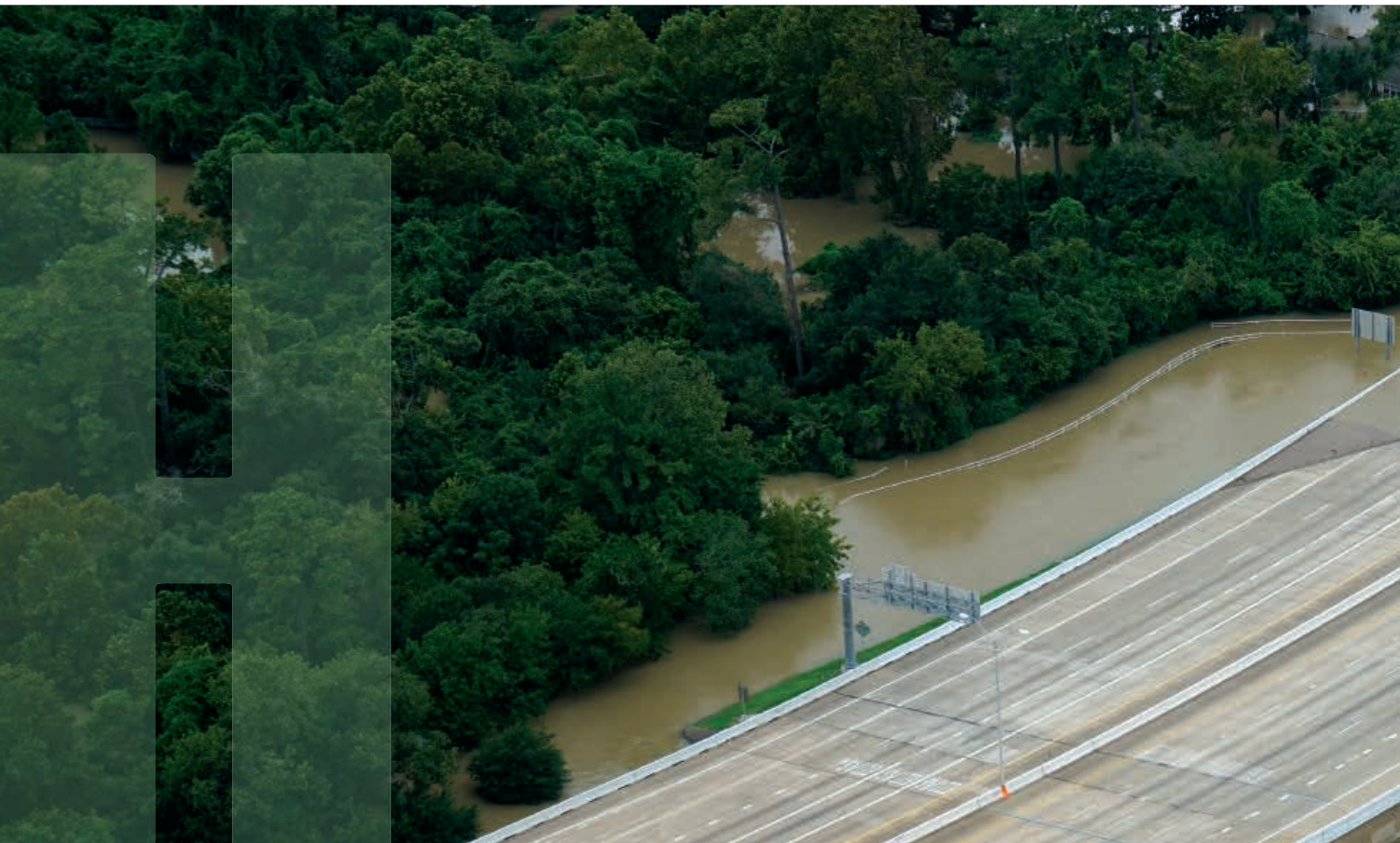
"The minute your foot touched that boat or canoe, you made a decision," Tran said. "You made the decision to fight."

This article is reprinted with permission from the L.A. Times.

Claudia Kolker is the editor of Rice Business Wisdom and author of "The Immigrant Advantage: What We Can Learn from Newcomers to America about Health, Happiness, and Hope."

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Running on Empty. How Hurricane Harvey affected the oil



Harvey, the “500-year storm,” has destroyed homes across coastal Texas as far as 50 miles inland. The loss of life is not fully known, but growing. The nation’s attention has quite rightly been on the human dimension. Harvey has also disrupted energy infrastructure, oil production, refinery processing and supply chains — perhaps more than has been reported.

Just as the nation enters the Labor Day weekend, one of the heaviest travel times of the year, shortages — real and anticipated — are resulting in price spikes for gasoline. Prices at the pump tend to rise quickly, but drop slowly.

Several factors have combined to put pressure on production, refining and distribution.

As Harvey approached, offshore production was shut down as crews were moved to safety and managers took operational measures to avoid environmental damage.

The “glut” of oil in storage was being drawn down well before the storm, normally an indicator of price increases. This was facilitated by Congress when it lifted the ban on oil exports 20 months ago.

The concentration of refineries along the Gulf Coast makes the nation vulnerable to the superstorms we’ve had in recent years — Allison, Katrina, Ike and now Harvey. An estimated 25 percent of refining activity was halted to protect people, facilities and the environment. Some refineries in Texas are returning to operation while others in Louisiana could be at risk.

Add geopolitical risk from the crisis in Venezuela and the volatility grows. Many Gulf Coast refineries are configured to process heavy crude oil, which has low viscosity and high sulfur content. Venezuela is a major supplier of that grade.

American production has grown dramatically in recent years, but much of America’s new production is light, “sweet” oil. Billions of dollars would be required to reconfigure these facilities to handle this oil.

supply chain, from production to distribution. *By Bill Arnold*



Getting crude oil to refineries and product to market requires the availability of tens of thousands of miles of interdependent pipelines, some of which have been impacted.

Oil production increases are a function of the “rig count,” and that may flatten out as a result of the storm and its aftermath.

The supply chain of this industry is complex and increasingly dependent on “just-in-time” availability of resources from crews to sand, water, chemicals, pipes and sophisticated equipment. The flooding of equipment and supply yards, as well as highways along the Gulf Coast, may interrupt the steady growth of oil production from the Permian Basin of West Texas to the Bakken fields of North Dakota.

A friend visiting North Dakota during the storm heard stories of how flooded equipment yards along the Gulf Coast were impacting operations 1,500 miles to the north. North Dakota counts on the summer months to get equipment into place to maintain operations.

The human dimension of the storm includes thousands of people in the oil and gas industry. When the media reports flooding in West Houston, they may be talking about the homes of staff at Shell, ConocoPhillips, BP, Halliburton and the hundreds of companies that support them. It will be challenging for them to get fully into gear after the Labor Day holiday.

The good news is that the energy industry has proved that it’s resilient. Challenges from technological changes to the price collapse have tested the mettle of the industry. The more nimble players have found and implemented solutions that seemed unimaginable a few years ago.

Bill Arnold is a professor in the practice of energy management at Rice Business. Previously, Arnold was Royal Dutch Shell’s Washington director of international government relations and senior counsel for the Middle East, Latin America and North Africa. Reprinted with permission from thehill.com.

A ROUND-UP OF NEWS FROM RICE BUSINESS AND BEYOND




Introducing the new MBA Field Guide, our latest admissions brochure that identifies the particular species of students ideal for the natural habitat of Rice Business.

RICE BUSINESS

(Schola Negotialis apud Universitatem Ricensem)

Description: The Jones Graduate School of Business delivers a top-tier business education to a diverse species of high-performing students. Set in an intimate environment, the school prides itself on being attentive, responsive and kind to its students, alumni, faculty, staff and the greater Houston business community.



CHARLES AND JOSEPH DEWEES, HALL
1901 UNIVERSITY

QUICK FACTS

- **Familial Composition:** Over 6000 alumni
- **Academic Institution of Origin:** Rice University

ESS
S. A.S.

business.rice.edu/about

RISING

#8 Businessweek.
710 Average GMAT.

CHANGE

Change your thinking, your career, your future. No matter which program you're in, we're here to help you advance your career.

INTIMATE

Small class size.
Faculty know your name.
One campus, one building.
Accessible alumni.

ENTREPRENEURIAL

#3 for graduate entrepreneurship.
World's richest and largest business plan competition. OwlSpark Startup Accelerator.

EXECUTIVE MBA
(Magister Negotialis Executives)

Description: The Executive MBAs, nicknamed EMBA, are generally more mature in their years of experience. Despite running in smaller packs, EMBA's tend to focus on developing individual leadership, strategy and decision-making skills.

16.9 Years of Work Experience


Average Age: 41

25% in the C-Suite

54 Companies Represented

42% with Advanced Degrees

business.ri




DEAN PETER RODRIGUEZ

Quick Facts

- Socialization: Tends to interact with other executives.
- Income: Average salary of \$177,759 for class of 2019.
- Adaptation: Adapts well to a variety of environments.
- Class Size: Approximately 65.

Areas of Habitation

Found primarily in Houston Texas and the surrounding areas; with smaller numbers in more remote regions.



DEAN PETER RODRIGUEZ
(Decanus Petrus Rodriguez)

Description: Dean Rodriguez is uniquely energetic and personable, a rare trait among deans. His infectious positivity resonates throughout the school's students, faculty and staff.



business.rice.edu/dean



Quick Facts

- Students: #1 Happiest Students - 2017, The Princeton Review.
- ROI: #1 in Texas "Best Colleges for Your Money" - 2017, Money Magazine.
- History: U.S. President John F. Kennedy delivered the "We choose to go to the moon" speech at Rice Stadium on September 12, 1962.
- Noteworthy: Birthplace of nanotechnology, Nobel Prize in Chemistry for the buckyball, MacArthur Fellowship "genius grant" in bioengineering.



Number of Incoming Students:

118

711

Average GMAT:

Average
Years
of Work
Experience:

5.6

Average
Age:

29

Countries Represented:

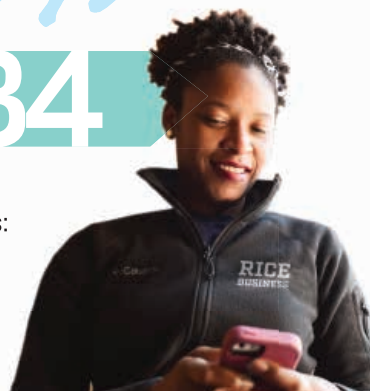
fifteen

% Women:

34

% Foreign Nationals:

31



FULL-TIME MBA CLASS OF 2019

With estimates of as many as 30 babies carried across the stage, full-time graduate **Michael Brock '17** and his daughter Norah were part of a trend this year at Investiture.



Faculty

Faculty Promotions

Yael Hochberg, Ralph S. O'Connor Professor in Entrepreneurship & Finance

Faculty Honorary Titles

Alan Crane, William S. Mackey, Jr. and Verne F. Simons Distinguished Assistant Professor of Finance

New Faculty

Tarik Umar, Assistant Professor of Finance
Andreas Christopoulos, Visiting Assistant Professor of Finance

Faculty Teaching Awards

Hajo Adam, assistant professor of management, received the Full-Time MBA Award for Teaching Excellence.

The Professional MBA (Evening) Award for Teaching Excellence was presented to **Brian Akins**, assistant professor of accounting, and **Alan Crane**, William S. Mackey, Jr. and Verne F. Simons Distinguished Assistant Professor of Finance.

Prashant Kale, associate professor of strategic management, was honored with the Professional MBA (Weekend) Award for Teaching Excellence.

The Executive MBA Award for Teaching Excellence was presented to **Gustavo Grullon**, the Jesse H. Jones Professor of Finance, and **Mikki Hebl**, the Martha and Henry Malcolm Lovett Chair of Psychology, professor of psychology and professor of management.

Vikas Mittal, the J. Hugh Liedtke Professor of Marketing, received the Alumni Award for Teaching Excellence.

Doctorate Selfie



Newly minted Ph.D.s Mac Gaulin (accounting), Jonathan Bonham (accounting), Daniel Zyung (strategic management) and Ioannis Spyridopoulos (finance) record the moment at graduation. Where are they now?

- Gaulin is an assistant professor at the David Eccles School of Business, University of Utah.
- Bonham is an assistant professor of accounting at the University of Chicago, Booth School of Business.
- Zyung is an assistant professor at Southern Methodist University, Cox School of Business.
- Spyridopoulos is an assistant professor of finance at American University, Kogod School of Business.

On August 9, **Stephen Zeff**, the Keith Anderson Professor of Accounting, received the American Accounting Association's Lifetime Service Award, recognizing service contributions to accounting education over a sustained period of time. >



For 51 years, The Consortium for Graduate Study in Management has been the leader in increasing the ranks of underrepresented minorities in business education

and corporate leadership. Rice Business is proud to join The Consortium as its 19th member. "Enrolling more underrepresented minorities and getting diverse talent is one of our key priorities for the school," Dean Peter Rodriguez said. "Membership in the highly impactful consortium will allow us to cultivate relationships with prospective students earlier and build connections with other universities."



This Bud's for You

Last fall, Budweiser began seeking local artists to design limited edition beer cans that represented their hometown baseball teams. When they tapped Eduardo Martinez, Rice Business' graphic designer, to create a can for the Houston Astros, he said, sure.

The Army vet and father of three earned a Bachelor of Fine Arts in Graphic Design from The Art Institute of Houston and has been working at Rice Business two years.

On the Astros opening day, Eddie was interviewed, appeared on TV and signed screen-printed posters of his artwork for fans. He was compensated for his work — which included his art on billboards around town — and received tickets to an Astros game, VIP invitations, gifts as well as free products from Budweiser for six months.

In addition to his work for Budweiser, Eddie also produced an image in collaboration with the Astros for the new Torchy's Tacos at Minute Maid Park.



#RiceBlockchain

A new student-run event with the Blockchain Technology Club explored the revolutionary new technology called blockchain. 2 days + 30 speakers + 300+ attendees + 22 breakout sessions + 27 videos on YouTube + 22,000+ views = Business and the Blockchain. Hope to see you there this year, March 22-23, 2018.



THE WALL STREET JOURNAL

Beware the CEO who doesn't win an award

Based on research by Yan Zhang and Robert E. Hoskisson, both of Rice University's Jones Graduate School of Business.

By Robin Sidel
May 16, 2017

Small businesses are returning to Groupon

Companies can secure deals that allow them to present smaller discounts with less frequency, says Utpal Dholakia, a marketing professor at Rice University.

By Alina Dizik
April 30, 2017

More hugs than most can bear

John Donovan reviews "The Boy Who Loved Too Much: A True Story of Pathological Friendliness" by Jennifer Latson, an editor for Rice Business Wisdom, the online ideas magazine for Rice University's Jones Graduate School of Business in Houston.

By John Donovan
July 20, 2017

The New York Times

To raise better kids, say no

Despite the temptation for parents to say yes to their children's wishes, research shows there's an insidious side to chasing after the newest thing others have.

By Scott Sonenshein
May 17, 2017



Stephen A. Zeff receives the 2017 AAA Lifetime Service Award

Stephen A. Zeff is the Keith Anderson Professor of Accounting at Rice University's Jones Graduate School of Business.

August 9, 2017



Problems of international students in the USA and how to tackle them

Abbey Rice, associate director of MBA global programs at Rice University's Jones Graduate School of Business, was asked to share her views on the topic.

By Sameer Kamat
July 14, 2017



Stretch: The power of doing more with less

Rice University management professor Scott Sonenshein is the author of "Stretch: Unlock the Power of Less — and Achieve More Than You Ever Imagined."

By Abner Fletcher
July 6, 2017

Mobile grocery store brings local food to Houston neighborhoods

Dustin Windham founded Grit Groceries in 2015 while attending the Rice business school.

By Florian Martin
June 9, 2017

Why customers shouldn't insist on being always right

Rice Business professor Jing Zhou studied interactions between service providers and their customers to determine that the customer's not always right.

By Florian Martin
April 21, 2017



Hurricane Harvey tests Rice's resolve

Business students in Houston are dealing with the kind of disruption that is quite different from the kind they study in a classroom.

By Jeff Schmitt
August 29, 2017

The pioneering MBAs in the class of 2019

Rice full-time MBA student Vishruti Jakhar is showcased in this story.

By Jeff Schmitt
August 27, 2017

Where MBA apps are way up — and down

Candidates seeking a seat in this year's incoming class of MBAs at Rice University's Jones Graduate School of Business increased by 6.4%.

By John A. Byrne
September 18, 2017

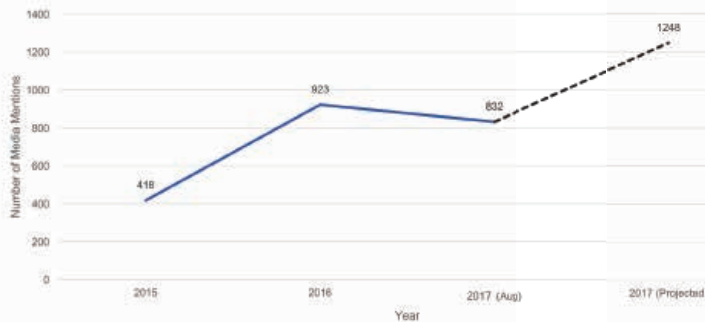


Don't give up on stock buybacks, at least not yet — WSJ

Gustavo Grullon, a finance professor at Rice University's Jones Graduate School of Business is quoted in this feature.

By Mark Hulbert
May 8, 2017

Media Mentions



HOUSTON★CHRONICLE

Whole Foods and Amazon: can their corporate cultures coexist?

Rice Business professor Scott Sonenshein offers his spin on the \$13.7 billion deal that threatens to upend the highly competitive grocery industry.

By Claudia Feldman
June 17, 2017

A cash course for Texans rookies

Alex Butler, a finance professor from Rice Business, gave his annual presentation about managing finances responsibly.

By Jenny Dial Creech
June 5, 2017

How United got in a PR mess. And how it could get out.

We checked in with Anastasiya Zavyalova, an assistant professor of strategic management at the Rice University's Jones Graduate School of Business and an expert on bad PR.

By Claudia Feldman,
Rice Business Wisdom
April 11, 2017

Psychology Today

Why meticulously made decisions motivate us to persist

Decision effort signals worth, raises confidence, increases chances of success.

By Utpal Dholakia
July 23, 2017



Harvard Business Review

When one person's high performance creates resentment in your team

Jing Zhou is the Houston Endowment Professor at Rice University's Jones Graduate School of Business.

By Hui Liao, Elizabeth Campbell, Aichia Chuang, Jing Zhou and Yuntao Dong
April 21, 2017



Rice Business
@Rice_Biz

JJ is hunkering down during #HurricaneHarvey! Stay safe and visit business.rice.edu/harvey to check for updates.



1:09 PM · 26 Aug 2017



Rice Business
@Rice_Biz

Following

#ThrowbackThursday: Thank you to Hanting Wang, C/O 2017, for being our #RiceBusiness ambassador for the QS World MBA Tour in Shanghai.



11:35 AM · 14 Sep 2017



Rice Business
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Following

Starting the #RiceBusiness love young!



Ming Chang @bunjivamp
Showing off with Rice Business swag @Rice_Biz



rice_business

Follow

rice_business Congrats to our Class of 2017 #ricebusiness graduates!! #Repost @megan_claydon . . . Pop. Pop. It's showtime! #ricebusiness #classof2017

campusgroups Love this photo!
oneupzim Weeeeo. Stay Positive.



100 likes
MAY 13

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megan_claydon



Rice Business • @Rice_Biz • Jun 7

Did you know #Ricebiz finance prof, Alex Butler teaches financial skills to @HoustonTexans rookies? Read more: houstonchronicle.com/sports/columni...



Rice Business • @Rice_Biz • Jul 15

The new class of Professional MBA students is jumping right in as Dean @profp_rod talks the Amazon acquisition of Whole Foods.



Rice Business - Jones Graduate School of Business

Published by Jones Graduate School of Business, Rice University [?] • August 2 at 9:21am •

International Immersion 2017 is in full swing. Welcome to Rice Business, Class of 2019!



Rice Business • @Rice_Biz

Congrats, Dean @profp_rod on receiving the TX Diversity Council Multicultural Leadership Award at the TX Diversity and Leadership Conference



3:02 PM - 19 Apr 2017

Introducing MBA@Rice: Rice's first online degree

An exciting development is happening at Rice Business — a way to deliver our MBA to working professionals with extensive experience who may not have the option to study on campus. This new format will reach students we have long sought but who have not been able to join us on campus.

Today's prospective students are digital natives. Many are paying off college debt. They expect a well-defined ROI on their graduate business school education. These changes in the marketplace are driving three important trends: a decline in domestic GMAT test-takers and applications (except for top-20 schools), a rise in one-year master's programs and strong demand for online MBA programs, in particular those that allow full-time professionals to earn a top-tier MBA while continuing to work. The most competitive business schools have responded with innovations in the way they deliver MBAs. Now we will too.

As of June 30, Rice University and Rice Business will partner with 2U (2u.com), an education technology company, to launch MBA@Rice, a hybrid online MBA program.

This partnership creates a rigorous academic experience, matching our on-campus programs by

fusing pre-recorded course content with weekly, live, small-group class sessions. Delivering an online MBA brings new capabilities to our faculty and staff and benefits our on-campus programs by increasing awareness, positioning Rice Business for the future and offering the degree to more students than ever before.

What does this mean for the near future? It is important to know that this partnership involves low upfront investment, shared risks and incentives and is quickly scalable and sustainable. **It allows Rice Business to upgrade our core campus-based MBA programs by expanding our faculty, enhancing our elective course offerings and improving our building.** Specifically, this translates to more full-time faculty and building renovations that allow us to better compete with other top-20 business schools.

Over the past 10 years, the technology that drives online programming has dramatically evolved to create an environment that facilitates a first-rate academic experience. Nearly all top-20 business schools deliver education online and are looking to expand their digital reach. The time has come for Rice Business to be a part of that.

From its launch, we will ensure that the quality

of students admitted to this new MBA format helps raise the admissions standards of our MBA programs. We will have the same admission process and charge the same tuition as we do for our on-campus programs. By extending our reach, we will be able to attract students who can't come to campus but still want to join a top MBA program.

These are people you will want in your network.

This program represents a smart and innovative growth path for the school. We will make deeper investments to improve the quality of our existing programs while we add a delivery format that grows our capacity to deliver a best-in class experience to all our students. The initial cohorts will be relatively small but will expand over time. The new MBA@Rice students will have the opportunity to be a part of campus activities and the rich intellectual life of Rice Business.

With strong support from our faculty, Rice University President Leebron and Provost Miranda, the program is expected to launch in 2018 and is beginning the process for approval from the Rice Faculty Senate.

Meeting Layouts Pods Audio

Attendee List (10)

- Hosts (2)
 - Professor Stevens
 - Technical Support
- Presented (0)
- Participants (8)
 - Ben
 - Kelly
 - Arielle
 - Amanda
 - Jon
 - Greg
 - Lisa

Camera and Voice

Start My Webcam

Chat 3 (Everyone)

The chat history has been cleared

Ben: Morning!

Amanda: Hey everyone!

Professor Stevens: Welcome to the live session.

Amanda: We're presenting our group collaborations next week. Can't wait!

Ben: Agreed! We should have a breakout session after class to discuss.

Professor Stevens: Let's get started with this week's content.

Everyone

BIG DATA.215.pptx

Full Screen

RICE BUSINESS
Jones Graduate School of Business

Sync


impressions



“At Rice, once you apply, you’re already considered for a scholarship. The application process is so arduous. You really put yourself out there. Rice could see my value. It meant a lot to me get the recognition and receive the Crownover Scholarship.”

Fareen Elias '19
Full-Time MBA

When Fareen Elias was in high school she came to Rice with Management Leaders of Tomorrow (MLT). She heard a presentation about how 10 major problems in the world could be solved by energy. “I realized I wanted to help solve those problems.” So she went to Texas A&M, majored in geophysics and minored in math and economics. After five years as a support geophysicist at a subsurface imaging software company and witnessing industry joint ventures, consolidations and software developer acquisitions, Fareen became interested in how companies were bought, sold and valued. “I wondered if I could take my operational experience and move to financial services and help energy companies create value.” Working in a startup environment, much of what she learned was self-taught. “I knew there were gaps.” The MBA was her next step. She was accepted at Rice and UT, but “Rice was the dream from the beginning.” And then she got a call that she was a nominee for the Crownover Scholarship. “It was so amazing. To go from the idea of sacrificing two years of income and paying for school, to hearing that you won the scholarship — I cried tears of joy. And Mr. Crownover is amazing. He really opens himself up and gives back to the students. I’m really excited for my next two years here.”

A photograph of a man and a woman sitting on a dark metal bench outdoors. The man is sitting on the right, wearing a light blue button-down shirt and dark pants, smiling at the camera. The woman is sitting on the left, wearing a light-colored lace top and dark pants, also smiling. Two dogs are sitting in front of them: a golden retriever on the right and a Rhodesian Ridgeback on the left. Both dogs are wearing patterned collars. In the background is a large brick building with arched windows and a black wrought-iron fence. The scene is set in a lush, green environment with trees and bushes.

“The Jones Partners Scholarship is an engaged scholarship. You have to reciprocate by going to events, meeting with and reaching out to partners. Attending quarterly board meetings really gives you a behind-the-scenes perspective of the school. It’s been a unique and humbling experience to have received this scholarship.”

Trey Mattson '18
Full-Time MBA

A native Houstonian, Trey Mattson chose Penn State for undergrad, just like his dad and two older brothers. He studied finance, met his wife, Kelly, and convinced her to move back to Houston with him so he could tap a career in the oil and gas sector. His first job with Tudor, Pickering, Holt & Co. jump-started his career in energy investment banking and eventually private equity. After five years with TPH, Trey started to think about an MBA, like his brothers, who told him it was the best decision they’d ever made. “I wanted a pause to reevaluate.” And though he looked at “fantastic options,” such as Harvard, Wharton, Stanford, Darden and MIT, the offer of the Jones Partners Scholarship sealed the deal at Rice. Jones Partners is a front facing organization that connects the business school and the Houston business community. Many of their members are alumni. Trey’s summer internship with White Deer Energy, a private equity fund, morphed into an offer for a full-time position after graduation. He will rejoin the firm next summer as a senior associate focused solely on oil and gas investments. He’s pictured here with his wife, Kelly; golden retriever, Cooper; and Rhodesian Ridgeback, Riley.

MORAL COMPASS



Ethical Behavior is a Teachable Skill

- Ethical expertise — the wisdom gleaned from making moral decisions — can be an important business tool.
- Past research doesn't show a consistent relationship between ethical decision making and experience.
- Ethical expertise can be “convergent,” meaning that a leader has handled similar situations already, or “divergent,” meaning that the leader is applying past experience to a new problem.

CEO Ray Anderson successfully reinvented his billion-dollar carpet company, Interface, to reconcile two seemingly opposed values: profit and environmentalism. The outcome not only pleased his shareholders. It also made the word “sustainability” common parlance in the carpet business, an industry that depends on petroleum products and disposes of massive quantities of unrecyclable waste.

What possessed Anderson to do this? And what made him think it could work? He learned that it was possible.

According to a recent paper by Erik Dane and Scott Sonenshein, management professors at the business school, Anderson built his eco-friendly empire after reading “The Ecology of Commerce” by Paul Hawken, which argues that only business leaders can keep industry from destroying the planet. The book spurred Anderson to develop new technologies, redesign his products and transform manufacturing to cut waste and harmful emissions.

While a string of corporate scandals has fueled research about why business leaders make unethical decisions, Dane and Sonenshein argue that it's equally important to know what makes leaders like Anderson act ethically. Can ethical skill be learned?

The answer is yes, the researchers say. Just as workers can learn computer and management techniques and then practice them, they can learn how to apply moral values in the workplace.

These conclusions back up arguments made since antiquity, when Aristotle contended that ethics can be honed by practice. Despite several thousand years of anecdotal evidence, though, research has yielded little



consensus on the relationship between ethical decision making and experience.

In making the claim that moral judgment can be cultivated, Dane and Sonenshein divided ethical expertise into two types of skills. The first, called convergent expertise, is the ability to perform tasks reliably and repeatedly. It's rooted in patterns of recognition and categorization. An artist with convergent skills, for instance, might be able to mimic the style of the Old Masters down to the last brush stroke.

The second type of skill, divergent expertise, is the ability to rearrange old patterns into something new, as Anderson did when he redesigned his carpet business. Employees with convergent ethical expertise are able to put the values of their organization into action. Employees with divergent ethical expertise can face new moral challenges and craft imaginative solutions from scratch.

Either way, the researchers write, applying moral values to real life business is no mean feat. While it's easy enough to articulate ethics, it's another thing to apply those values when making choices that will affect productivity, profits and shareholders. The lesson? Companies should resist

the impulse to rattle off institutional standards in a few easy training sessions. Otherwise, they run the risk of trivializing complex conundrums and encouraging reliance on overly simple rules. Universal moral principles tend to be simple and abstract. CEO decisions are complex and have real-life consequences.

The idea that experience creates ethical expertise should be handled with care, Dane and Sonenshein note. The breadth of that experience, including knowledge of different industries, plays a role. So does workplace culture. Thus two employees, with the same age and job tenure, may show very different expertise levels when a moral quandary arises.

And like chess masters, employees who are highly skilled at making ethical decisions can vastly outperform their peers. In fact, research suggests, the same factors linked to excellence in chess, sports and medicine may foster ethical excellence too. The difference is that in business ethics, the feedback critical to mastery comes not from professors or coaches but from a vast range of day-to-day experiences within and outside of work.

After he read Hawken's book, the authors write, Anderson completely rethought his company's structure. Calling his goal "Mission Zero," he vowed to make the firm fully sustainable by 2020 by using recycled materials and renewable energy sources. Employee bonuses were linked to waste reduction. And in speech after speech, Anderson told audiences how running an environmentally ethical company had not lost money, but saved millions. All it took was education, resolve and a highly skilled worker: a founder with ethical expertise.

There will always be some in business who take the unethical path if it looks fast or rewarding. That's also true in sports, medicine, and private and public life. Dane and Sonenshein's study, however, brings encouraging support to what Aristotle argued and Anderson enacted. At least some of the time, people choose unethical options because they don't know better. And ethical skills can be taught.

[See RiceBusinessWisdom.com](http://RiceBusinessWisdom.com) for more.

Erik Dane is associate professor of management and Scott Sonenshein is the Henry Gardiner Symonds Professor of Management at Rice Business.

*To learn more, see: Dane, Erik, and Scott Sonenshein, "On the role of experience in ethical decision making at work: An ethical expertise perspective." *Organizational Psychology Review, Sage Publications*, 2015. Vol. 5, No. 3, p. 74-96.*



RICE | BUSINESS WISDOM



JAMES ZHAO '15
NATIONAL PARKS TOUR
(in his spare time)



jameszha0

Follow

729 posts

687 followers

579 following

James Zhao Happiness is cultivated by gratitude jzha0.exposure.co

Chasing sunrise after a rare snowstorm in Joshua Tree National Park. I've never been a morning person, but I am so glad that I woke up early enough to capture this dramatic display of color.



BY CLAUDIA FELDMAN

Total Eclipse of the Heart

CHRIS HYSINGER '02 LAUNCHES INTO A NEW CAREER

Chris Hysinger was in his early 40s when he sat down to write the letter. He knew that his tone needed to be engaging yet professional, conversational but serious.

The heart of the matter was this: Hysinger wanted to buy Land Sea & Sky, a Montrose store that specializes in optical, scientific and navigational instruments. And the first step was finding out whether the long-time owner, Leslie Swift, would sell.

Hysinger waited anxiously for a response. In a 15-year career span, he'd already held a handful of lucrative jobs. None of them, he thought, fit quite right.

"What's next? What do you want to do with your life?" asked Hysinger's wife, Marcie.

His answer may have surprised them both. He wanted his own small business, a store for astronomy buffs like him. But as he started to investigate, he realized the challenges of starting from the ground up were significant.

Maybe he should buy a store that was already



established, Marcie suggested.

Which brought Hysinger back to Land Sea & Sky, where he was a long-time customer. Even if Swift didn't want to sell, Hysinger had said in his letter, maybe he would go to dinner?

As a kid, Hysinger was so good in math and science that he impressed the adults around him.

He should be an engineer, said his parents' friends in Fort Worth. Great job security. Excellent pay.

Looking back, Hysinger isn't quite sure why he took those early conversa-

tions as gospel.

But he did. At 16, he cut his traditional high school years short and entered an accelerated program called Texas Academy for Math and Science (TAMS) at the University of North Texas. He graduated from TAMS with 60 hours of college credit. After three years at the University of Texas at Austin, he had his mechanical engineering degree. By his 26th birthday, he had earned his master's and had passed his qualifying exams for a Ph.D.

That's when — in 1997 — he skidded to a stop. He didn't even want that

doctorate in mechanical engineering. It was time, he decided, to go to work. Hysinger landed a job in Houston, a city he could appreciate. "I love the diversity and randomness and craziness of it all," he said.

Early on, he also appreciated his job at Schlumberger, an oil field services company. It was satisfying to use what he'd learned at school in real world applications. In just six years he was married to Marcie, who was also working at Schlumberger, and the father of two. He knew, however, that if he wanted to advance he'd have to take a position overseas, and he didn't want to leave his family. He wondered aloud if he wanted to be an engineer at all.

His dad was a banker, and Hysinger was increasingly interested in finance, too.

"It's time for a reboot," he told Marcie.

Hysinger already had the master's degree in engineering when he decided to go for another, this one in business administration from Rice University. It was all

part of his plan to reboot, which was a common theme among the MBA students he met.

Rice Business finance professor James Weston explained that most people attracted to MBA programs want to change their professional trajectories. Whether they're trying to enhance their existing careers or change paths entirely, the classes are designed in part to improve their decision-making processes.

"Business is not a natural science, it's not physics, so you're constantly making decisions without all of the relevant information," Weston said. "It's the difference between saying, 'OK, we really don't know what's going to happen here so we're going to wing it,' as compared to, 'We've studied the best practices, and we know something about costs, benefits and the probability of outcomes.' Hopefully that is a much more thoughtful, more considered approach."

Hysinger graduated in 2002, ready to work as a commodities trader. In some ways it was the opposite of his engineering career in that trading was fast-paced and high stress and making



money was essential.

First at BP, then at Louis Dreyfus Highbridge Energy, Hysinger found the work addictive but exhausting. In 2009, he decided he'd had enough and spent the next seven years working for startup technology companies. He was able to use his engineering and business skills and work with friends, but the dips and dives in the oil industry kept Hysinger feeling at odds with his career choice.

By 2016, Hysinger was ready for more stability in his work life, even though he had evolved from risk-averse to risk-tolerant. "I don't know if it was maturity or business school, but I finally told myself, do not worry where that next paycheck

will come from."

What would become Land Sea & Sky was launched by Frank Barlow, a merchant marine, in the 1940s. But back then the store near downtown was named Texas Nautical Repair Co. — and Barlow made his living by fixing marine and optical instruments and navigational equipment.

In 1964, when Barlow needed some help in the shop, he hired Leslie Swift, who was fresh out of high school and in need of a job.

Swift was an assistant for just six years. Barlow died in 1970, which left Swift in charge of the store and financially responsible for Barlow's widow, too. When she died in the mid-'70s, Swift became the

The retail portion of Chris' business includes historic and consigned pieces.

shop's legal owner.

"One thing just led to another," said Swift, who is 70 now. "We still have sextants and compasses, like we did in the beginning, but the first gentleman I hired suggested that we sell telescopes, and we were already selling and repairing microscopes."

As the business grew, Swift moved it from Milam and Elgin to the Upper Kirby District to the present location, 1925 Richmond Ave. He and his small staff took good care of their customers, a diverse group that ranged from researchers at the Texas Medical Center to amateur astronomers. Swift was happy with the business, so happy that his work anniversaries kept piling up. The same was true of his employees, who came and stayed.

Swift would tell everyone who would listen, "I'm the only guy I know who whistles on his way to work."

That was why he ignored the regular queries he received from people who wanted to buy the store or expand it to other cities in the state.

"I wasn't looking to sell," Swift stressed, "but

there was something about Chris' letter. He was a customer. I thought maybe I should just talk to him and his wife."

The threesome had lunch at Brasil Cafe. Swift was leaning toward making a deal, especially after he realized that he and his whole staff would be able to keep their jobs.

What Swift really liked to do, more than management, was repair work. And, he was almost a septuagenarian. More flexibility in his schedule would be nice.

Done, the Hysingers said.

Swift's current job title is director of optical services.

The Hysingers have been co-owners of Land Sea & Sky for about a year and a half.

Chris Hysinger, 45, said he's never worked so hard for so little, but he's never been happier. He respects his staff — all of them older, with years invested in the business. He quips they agree with nine out of 10 decisions that he and Marcie make. Also, he loves working hand-in-hand with his wife.

"I can trust her like I never trusted anyone,"



Former owner and current director of optical services, Leslie Swift puts the finishing touches on a barometer.

he said, pausing for the punchline. "Not that we do everything the other one says."

Together, seriously, they're working to continue the same high quality customer service for which the store is known. Also, they are expanding their online business, computerizing all records and working to increase sales of their high-end Takahashi telescopes. In the midst of all these improvements, they also spend their weekends getting to know area birders and astronomers, many of them customers or customers-to-be.

The Hysingers live so close to the Richmond Ave. store that they can walk to work or ride their bikes. Their 14-year-old,

Alex, goes to school nearby, and he often visits on his way home.

Chris Hysinger says his younger son is good in science, and he's a talented artist, too.

"I tell him to go to school to be an artist and don't worry about making money, particularly at this stage in his life. Enjoy high school, I tell Alex. If you want to be an artist, fine, and if that career doesn't work, you can always switch."

Hysinger should know. "I do tend to reinvent myself every five years," he said. "But the nice thing is, I can always reinvent the business. From this platform, the world is my oyster."

That was particularly true before and during the recent solar eclipse,

which boosted the store's sales by 15 to 20 percent.

"We were slammed," Hysinger said.

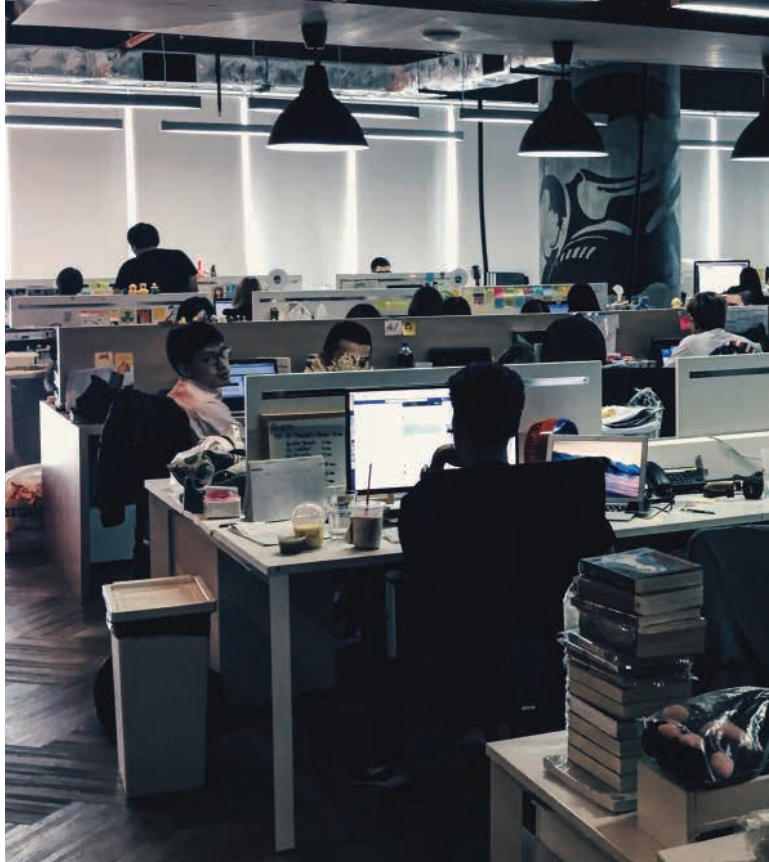
For most of the summer, Hysinger thought he would be working so hard he'd miss the eclipse itself. Then he got invited to serve as an expert on a charter flight to Marion, Illinois, one of the best places in the country to watch the big show.

Customers willing to pay \$10,000 a seat aboard the Houston-based Million Air charter had a near perfect view. They also had Land Sea & Sky glasses, binoculars with solar filters and a special solar telescope that automatically tracked the sun.

When they weren't gazing skyward, the lucky passengers munched on lobster rolls and shrimp in martini glasses and sipped Dom Perignon champagne.

Hysinger got the gig, one of the best of his life, after a Million Air executive came into the store to buy eclipse necessities. Marcie just happened to be ringing up his purchases when he explained he was also in the market for an eclipse guide.

"I know just the person," she said. ★



The Cure for the Common Cubicle

Can Science Help Us Build a Better Office?

BY JENNIFER LATSON

The shine wore off quickly for Apple's \$5 billion new office space. As one Silicon Valley publication reported, the sight of the massive open office plan induced expletive-laced ire in at least one manager, who requested that a satellite office be built for his team: one with walls and doors.

It's been nearly two decades since the 1999 movie "Office Space" lampooned cubicle culture. Since then, open offices have come to replace the beleaguered cubicle warren as the dominant workplace model. But human beings don't seem to have gotten much happier — or more productive.

In a chapter of this year's "Design for Health," Jeremy Myerson and Gail Ramster, both workplace design researchers at London's Royal College of Art, point to a disturbing and puzzling trend: "a loss of productivity and a rise



in incidences of stress, depression and burnout” — a surprising development, given advances in design and technology.

Open offices weren’t a simple antidote to the angst of cubicle life, as it turned out. Numerous studies have backed up the backlash. The BBC reported earlier this year that research demonstrated people working in open offices were 15 percent less productive than their cubicled counterparts (not to mention twice as likely to get sick). Along with the increased social connection — and corresponding collaboration — designers had hoped to foster, open office spaces brought new sources of irritation for workers: higher noise levels, an increase in distractions, and a loss of privacy that left many longing for the office partitions of old.

A 2013 study published in the *Journal of Environmental*

Uncontrollable background noise isn’t just a distraction, other studies have found: it raises epinephrine levels, a marker of stress, and leads to decreased motivation.

Psychology, based on surveys of more than 42,000 workers in 303 office buildings, found that enclosed private offices rated highest and open office plans lowest for worker satisfaction. Open offices got the worst feedback when it came to “sound privacy.” (Uncontrollable background noise isn’t just a distraction, other studies have found: it raises epinephrine levels, a marker of stress, and leads to decreased motivation.)

But even the purported

benefits of working in open offices — the potential for increased brainstorming and innovation that comes from encountering your co-workers literally everywhere you turn — didn’t register as an incentive in the 2013 study. Ratings for “ease of interaction” were the same for open and private offices. The study’s authors, Jungsoo Kim and Richard de Dear, both professors of architecture, design and planning at the University of Sydney in Australia, concluded, “Our results categorically contradict the industry-accepted wisdom that open-plan layout enhances communication between colleagues and improves occupants’ overall work environmental satisfaction.”

So what’s the solution? Should we make a U-turn back to the cubicles we once reviled, or is there another way forward that could boost pro-

ductivity and make employees happier and more creative at work?

Jing Zhou, the Houston Endowment Professor of Management at Rice Business, says the answer needs to include a blend of both private and open spaces.

“The research finds this almost paradoxical combination of needs: the need to be stimulated and the need for incubation, to sit and think,” she explained. “Open offices give you opportunities to interact with people you don’t normally talk to on a daily basis, increasing the chance of hearing something new or unusual.”

“Even if you have lots of new ideas, you still need to think them through carefully. So open workspaces need to still ensure that people can be alone when they need to be, to focus and concentrate.”

That’s a good thing, but it needs to be tempered with alone time to process the new material, she stressed.

“Even if you have lots of new ideas, you still need to think them through carefully. So open workspaces need to still ensure that people can be alone when they need to be, to focus and concentrate.”

When it comes to choosing the ideal office design, decision-makers need to consider the data — not just anecdotes about which office styles seem to have fostered innovation at other companies.

“Most of the time, companies haven’t had a careful study



to compare this new office space, whatever it may be, with alternative styles, to see whether it truly enhances creativity,” Zhou said.

And the office layout itself is just one factor in employee productivity and wellbeing; the design process could be equally important. Myerson and Ramster are proponents of “co-design,” which allows workers to collaborate with designers to build offices with their needs and preferences in mind. Workers benefit not only from the end product itself, the designers argue, but also from their participation in creating it. “A ‘sense of control’ emerges

from the literature as an established driver of wellbeing and happiness at work,” they write.

Even more than control, employees crave choice, according to a 2016 survey by Gensler, the world’s largest architecture and design firm. They asked more than 4,000 workers in 11 different industries about the ideal work conditions, and found that there was no one simple answer: people want different conditions at different times.


Sometimes they wanted to collaborate in open spaces; other times they preferred solitude. And ideal working conditions didn’t just comprise

physical office space. The most creative, productive employees had flexibility in scheduling, to work at the times that best suited them. They also had access to amenities like gyms and child care — and, perhaps most importantly, good coffee. Companies that provided a diversity of spaces, including meeting rooms, private work areas, places to socialize, outdoor space and access to “specialty coffee,” tended to foster more engagement and higher levels of innovation.

The ideal workspace included a significant amount of time away from the office as well. Using metrics designed to gauge innovation, leadership and creativity, Gensler’s survey found that the most innovative employees spent only 74 percent of their workweek in the office, compared to “less innovative employees,” who spent 86 percent of their time at work. Top innovators were also twice as likely to use cafeterias, coffee shops and outdoor spaces. And they reported having twice as much choice in when and where to work, compared to lesser innovators.

The future of officing lies in variety — and the freedom to choose the right space at the right time, according to David Burkus, a professor of leadership and innovation at Oral Roberts University and the author of “Under New Management.”

“The best offices have a palette of spaces,” Burkus said. “They might have an open area but also different sizes of conference rooms. They have these things that look like miniature cubicles that you can just duck



Top innovators were also twice as likely to use cafeterias, coffee shops and outdoor spaces. And they reported having twice as much choice in when and where to work, compared to lesser innovators.

“

At the very least you can create that autonomy on your team by letting workers know that they're free to roam — they can work from home or at the library across the street.

”



into if you need to take a phone call or something.”

In his book, Burkus points to the Gerson Lehrman Group, a New York consulting firm, as a model of the new frontier in office design.

“The entire space is a collection of various furniture types with a large coffee shop in the center of the first floor,” he writes. “In addition to the café stools and living room couches and chairs in the atrium, the office furnishings range from open tables to library-style carrels, to conference rooms big enough for large groups or small enough for just one person seeking solace.”

No one has an assigned desk; employees use lockers to store their stuff for the day. And they’re allowed to work anywhere they want, although Burkus explains that the building is organized into “neighborhoods.” Based on the type of work they do, people tend to cluster near their co-workers.

Studies bear out the efficiency of this model, Burkus said.

“The level of autonomy that people have over their workspace does correlate pretty strongly with productivity and the level of work they do,” he said.

That’s not to say that there’s no data supporting the theory that open offices spark collaboration and serendipitous innovation; there is some, Burkus said, but not enough to outweigh the drawbacks of that model. And it would be disingenuous for companies to claim that they chose the model just for its propensity to spark startup-style innovation.

“It doesn’t have to be in a physical space; it’s still a way to share ideas and brainstorm. And you’re not constrained by who to invite to a brainstorming meeting or where to fit everyone.”

“If you think redesigning your office can make your company culture into that of a startup, you are sadly mistaken,” Burkus said. “The truth is that we have an open office trend because it was cheap. Startups popularized the trend, but they did it because they were bootstrapping. Then other companies suddenly got on board, and they sold it as a promotion of collaboration and innovation. But it’s really because there’s no cheaper model — you can fit a lot of bodies in an open office.”

Creating a variegated workspace like Gerson Lehrman’s, on the other hand, is expensive.

“They have space to seat 250 people, but they only have about 100 employees,” Burkus said. “You can’t just build the same number of seats as employees, because they need to roam around. That’s the downside of this: it’s not cheap.”

With cost as a hurdle, the palette model of workspace design may never be as ubiquitous as the open office. But that doesn’t mean companies can’t give their employees more autonomy, no matter what the

office layout looks like.

Even if you don’t run the company, you can harness the productivity-boosting power of autonomy by simply giving your employees more choice in when and where they work.

“If you’re the CEO and have the power to create your office, great,” Burkus said. “But if you’re a middle manager and you don’t have that say, at the very least you can create that autonomy on your team by letting workers know that they’re free to roam — they can work from home or at the library across the street, say.”

Leaving the office doesn’t necessarily mean sacrificing the brainstorming benefits of face-to-face interactions, Zhou says. These can happen just as easily in the virtual realm, using a company’s IT platform or a messaging application such as Slack.

“It’s an informal way for people to share the problems they have and ways to address those problems,” she said. “It doesn’t have to be in a physical space; it’s still a way to share ideas and brainstorm. And you’re not constrained by who to invite to a brainstorming meeting or where to fit everyone. The whole company can be involved.”

The office of the future could be a mishmash of styles, or it could look identical to the office of today, but with an added layer of employee autonomy. What’s clear is that the open office is no longer trending — more likely than not, it will soon go the way of the cubicle.

“We’ve hit peak open office,” Burkus said. “We’re already on the way down.” ★

excerpt

How to Price Effectively

By Utpal Dholakia

Pricing is the moment of truth — all of marketing comes to focus in the pricing decision.

— E. Raymond Corey

I have taught a graduate-level business school course on pricing strategy for well over a decade at Rice University. During this time, I have also worked with dozens of companies, from single-person startups to some of the largest corporations in the world, on pricing issues. I have helped make pricing decisions for everything, from industrial machinery costing millions of dollars to a line of craft beer, from a medical test to detect sexually transmitted diseases to an upscale nightclub. Throughout, it has surprised me just how much otherwise smart, knowledgeable, and confident managers and entrepreneurs are intimidated when it comes to making pricing decisions, and how often they avoid thinking deeply about pricing issues.

Utpal Dholakia is the George R. Brown Professor of Marketing at Rice Business. "How to Price Effectively: A Guide for Managers and Entrepreneurs" is now available for free as a PDF version on his website, <http://utpaldholakia.com/book>. The Kindle version and the paperback versions are available for purchase on Amazon. The 301-page book's framework weaves together the latest thinking from academic research journals, proven best practices from the leading pricing experts and ideas from other fields such as medical decision-making, consumer behavior and organizational psychology.



The Significance of Pricing Decisions

Pricing decisions are among the most important and impactful business decisions that a manager can make. They are arguably one of the few decisions that affect a company's revenues directly. Paradoxically, setting a price or changing one is also among the easiest things to do today. One push of a computer key, one revised number in a spreadsheet, or a new price label affixed to a product, and the pricing is done.

When made thoughtfully, using a structured process that takes the relevant factors into account, and when executed competently at the company's frontlines, pricing decisions can propel the company on a path of sustained differentiation, rapid growth, healthy profits, satisfied customers, and engaged employees. However, if pricing is done haphazardly, using old traditions without sound reasoning, or with cookie-cutter methods that only pay attention to the company's costs or the prices of one particular competitor, it can lead to lost opportunity. Defective pricing can fritter away a company's competitive advantage, leaving customers irate, employees confused, and sales in a freefall. Simply put, pricing decisions are "make or break" decisions.

What is more, pricing decisions are recurrent. Through both lean and prosperous periods, whether introducing an exciting new product or only trying to sell the same old products, whether it is in the driver's seat or struggling to catch up with its competitors, every company must periodically set prices for new products and change prices for existing products. Each new day brings the opportunity to erase past pricing mistakes and to turn the page over. On the flip side, past pricing performance is not indicative of future success. Every new pricing decision is fraught with risk. This is why using a structured and consistent process is invaluable.

Pricing decisions are almost never discipline-specific, nor are they made and executed in a silo. The marketing, sales, strategy, operations, and accounting functions each play a significant role in the success of a company's pricing strategy. Pricing choices are grounded in the company's culture, and influenced by its historical thinking. For many managers, the philosophy of: "Let's not rock the boat, this is how we priced our products last year, and everything seemed fine. So let's do it the same way again this year" seems like a sensible way to make pricing decisions.

In fact, the most common problem I encounter when working with established companies is how to pull them away from tradition-bound pricing methods to which they have become accustomed. In most cases, this means focusing almost entirely on covering costs. The company ignores other relevant factors such as its overall marketing strategy and the value proposition it wants to deliver to customers, the economic value

customers place on its products, and the reference prices they use for comparison, including the prices of major competitors.

The challenge is different but equally significant for startups. Most startup founders give little thought to pricing questions, and tend to be unduly swayed by industry norms. They imitate the pricing approach of peer companies, or of exciting startups that have gone on to become wildly successful, without carefully thinking about whether such pricing models make sense for their new business.

What is a good pricing decision? What factors should you consider and what methods should you use when making pricing decisions? Is charging revenue-maximizing prices (assuming you can figure out how to do this) the best thing to do? Alternatively, is the price that maximizes the company's profit the best one? Can you do both, maximize revenue and profit simultaneously? Which factors should you consider when setting and changing prices? How can you earn the prices you have set? How will you know that you have made the right pricing decision and that your pricing strategy is working? What performance measures should you track to evaluate your pricing? What are the pricing best practices in business and consumer markets? These questions animate this book. They form the foundation to build an effective pricing strategy for your organization.

Why Write This Book

Over the years, my students, clients, and others have asked me to recommend pricing books on many occasions. There are dozens of pricing books out there, and many of them are excellent and are referenced in this book. However, despite much searching, I could not find a single book that covered every component of the value pricing framework in a structured way. I decided to write this book as a practical guide that includes all relevant information needed to think about pricing issues and make effective pricing decisions.

In writing this book, I wanted to avoid the things I dislike about other pricing books. I have written this book for managers and entrepreneurs who want a structured method to think about pricing issues for their company or startup. The book is organized around the value pricing framework. ... This book is full of practical tools and ideas that you can use right away.

Effective pricing forms the backbone of a successful marketing strategy and holds the key to every organization's long-term financial performance. My hope is that by understanding and using the concepts described in the value pricing framework, you will be able to make effective pricing decisions and realize your asked-for prices every time. ★

Rice Business Welcomes New Innovation Lead



Michael Koenig

As of September 11, Michael Koenig joined the business school as associate dean for innovation initiatives and executive director of Rice Business Executive Education. His innovation position is a new role at Rice Business and will bring technology and transformative business education together, both internally and externally. His role in executive education will drive program and business model innovation with a focus on continuing to build a technology-enhanced portfolio of net revenue generating programs with local, national and global impact and stature.

He was formerly senior assistant dean for degree programs and the first executive director of program innovation at University of Virginia's Darden School of Business.

As an entrepreneur, Michael has business startup experience as employee No. 4 at Logictier Inc., a Silicon Valley-based Internet infrastructure company, leading the planning and implementation of a national staffing effort that took the company from four employees to 220 employees in 20 months. Before joining Logictier, he was senior manager for professional education at the Stanford Center for Professional Development.

Michael received a bachelor's in political science from Miami University of Ohio and a master's in international political affairs from the University of Kentucky. He has a passion for the *beautiful game* (soccer) and after a college career playing division I soccer in the Midwest for Miami University, he focused that passion on coaching youth soccer for the past 30 years. He is commuting from Charlottesville and will be moving permanently with his wife, Jacqui, and children Connor (15) and Elsa (12).



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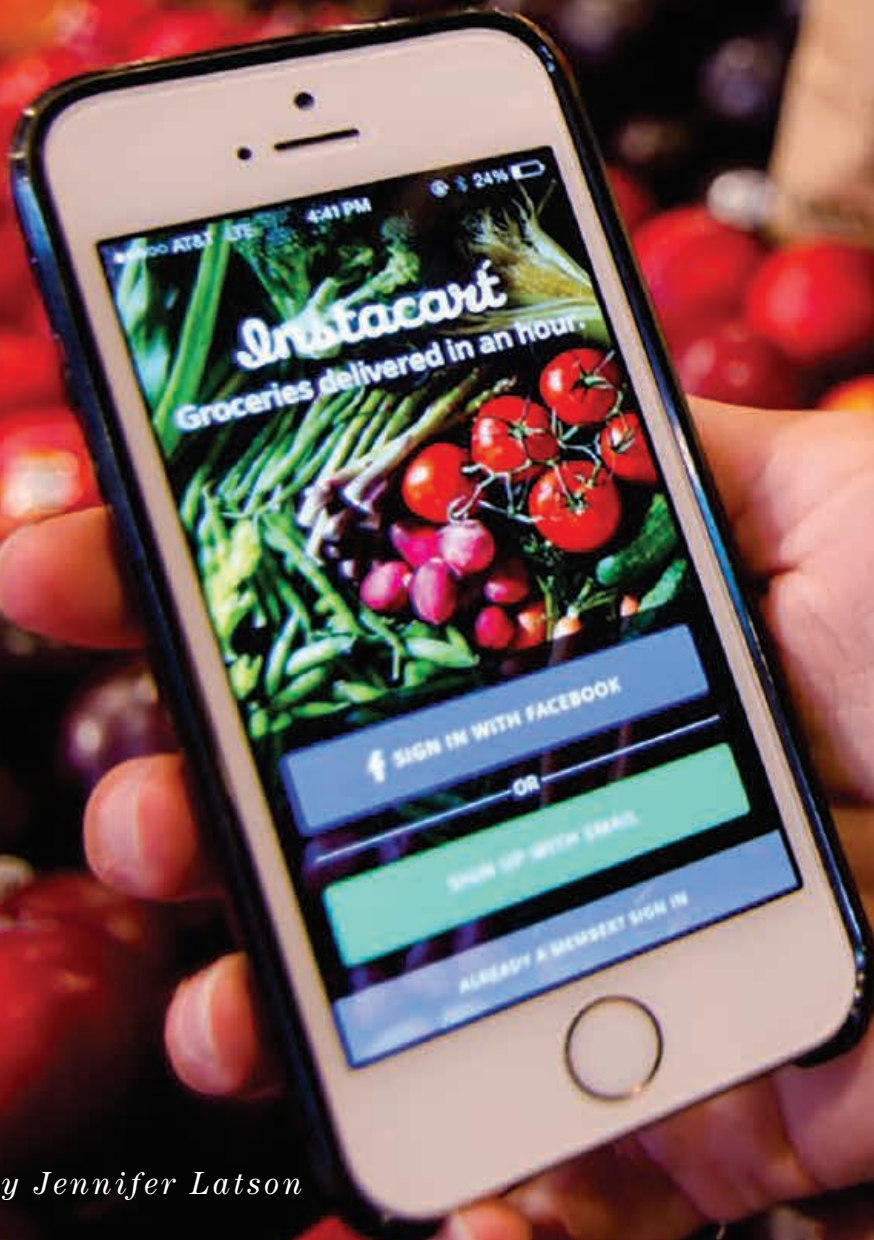
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Groceries a la Cart

How we get our groceries is in flux.
Will home delivery be the future of food
shopping or a flash in the pan?



By Jennifer Latson



The future of grocery shopping could look something like what Cherise Osmon does every day.

On a recent Friday morning, in the produce section of the Montrose Whole Foods Market, Osmon opened the Instacart app on her iPhone and clicked “start shopping.”

A countdown timer started and she was off, leaving amateur shoppers in her dust.

She picked up a pint of raspberries, inspected it and set it in her cart. She weighed two organic apples and set them next to the raspberries. Then she made a beeline for the jam aisle, with a purposeful stride powered by an internal GPS for groceries. She knew this Whole Foods well; she’d already mapped her route in her head.

In the dairy section, she hit a roadblock. The 2 percent organic milk on her list wasn’t in stock. She paused to text the customer a question: Should she substitute 2 percent organic milk fortified with DHA Omega-3?

Her last stop was the freezer aisle, where she grabbed a bag of frozen berries and a loaf of gluten-free bread, and then she zipped to the cash register. This Whole Foods has a lane dedicated to Instacart shoppers,

where a green-shirted “in-store” employee was already bagging groceries. There are enough orders at this Whole Foods alone to warrant a dedicated Instacart employee who does the shopping, the buying and the bagging for contract workers who will simply pick the groceries up and deliver them.

Instacart already employs about 650 shoppers in the Houston area (all but the in-store shoppers work as independent contractors). The online grocery business is good here — and some analysts say it’s likely to get better. Amazon’s recent acquisition of Whole Foods signaled the online retail behemoth’s commitment to a delivery-based model of grocery shopping. And Amazon isn’t the only one banking on this model. A report released earlier this year by Nielsen and the Food Marketing Institute predicts that by 2025, online spending could account for 20 percent of total U.S. grocery sales, representing \$100 billion annually. That’s roughly five times its current share of 4.3 percent.

Younger people, especially, are gravitating toward options like Instacart, Amazon Fresh, Peapod and Shipt, Nielsen found. According to one survey, 30 percent of Millennials said they were already ordering groceries online for home delivery,

compared to 22 percent of Gen X-ers and 17 percent of Baby Boomers. Analysts expect the number of younger shoppers who buy groceries online to increase in coming years.

As Nielsen points out, grocery delivery is not a new invention — the milkman was the Instacart of the 1950s, at least in a limited way. Today, however, the options are broader and the convenience greater. Osmon has lugged massive bags of dog food and buckets of kitty litter up several flights of stairs — not to mention cases of water and other family-size bundles from Costco. Instacart can also bring you beer, wine and liquor.

But some Rice Business professors believe the online future of grocery shopping may be overhyped. The dominant model of online grocery delivery, as it exists now, is far from efficient, says Scott Sonenshein, the Henry Gardiner Symonds Professor of Management at Rice.

Companies like Instacart and Shipt are sending employees into stores owned by other companies and paying full retail price for goods — then adding a service charge and a delivery charge on top of that retail price. It’s a narrow profit margin for the delivery companies themselves and a lot to ask of customers.

“My sense is that the Instacart model is really



“I think it’ll take time to reach a point where more grocery shopping happens online than not,” **Sonenshein said.** “It’s still a rather small portion of the market, and grocery creates a lot more challenges than retail.”

an intermediate step in this process,” Sonenshein said. “One challenge is that Instacart doesn’t know what the price will be in the stores they shop; there could be fluctuation, which could be a cause of concern for customers.”

AmazonFresh, meanwhile, could prove to be a more stable model. “They’re shopping from the Amazon warehouse, where they can control the supply chain, they can control things like the price. They’re not shopping retail in other people’s stores,” he said. “That looks a lot more like the future to me.”

Instacart does have partnerships with some retailers, including Whole Foods. But now that Amazon has acquired Whole Foods, Sonenshein points out, that partnership may be short-lived.

“I think it’ll take time to reach a point where more grocery shopping happens online than not,” Sonenshein said. “It’s still a rather small portion of the market, and grocery creates a lot more challenges than retail. For one thing, you have

perishable goods; you also have a lot more variety of goods. At the grocery store, you like tomatoes to look and feel a certain way, and that’s going to create concerns for some customers. Eventually, as the cost comes down, the convenience can come to outweigh those concerns — it’s just going to have some challenges and take some more time.”

The challenges, for shoppers like Osmon, include balancing careful selection — getting tomatoes that look and feel right — with staggering speed.

Osmon tries to pick fruits and vegetables that are ripe and ready to be used that day, but not so ripe that they won’t last a few more days. If, say, a customer asks for avocados, but all the avocados on display are green and hard, Osmon will text to see whether the customer still wants them. She is especially careful with eggs — she picks up each egg in a carton to be sure none are cracked.

But she can’t dawdle. Instacart tracks employee speed metrics, and

efficiency is at a premium. Osmon averages about 50 seconds per item, which puts her at the fast end of the employee spectrum. She acknowledges that the speed per item index lends itself to a spirit of competition; she doesn’t mind.

“It’s like a scavenger hunt for me,” she says.

There are inevitably speed bumps, especially on the busiest shopping days: Sunday and Monday. Even the best-planned trips can be derailed by an unfamiliar item, like the riced cauliflower she once scoured an entire store for.

Unfamiliar items also pose a challenge when it comes to acting as a customer’s surrogate. How do you pick the perfect jackfruit, for example, when you’ve never had a jackfruit? Instacart shopper Renee Smith solved the problem simply enough: she chatted up a produce associate and tried a sample.

“They taste good — a little like Juicy Fruit, the gum,” Smith said. “And I found out that the brown-er they are on the outside,

the sweeter they are on the inside.”

Instacart shoppers are responsible for the care and safety of groceries from the time they add them to the shopping cart to the moment they’re delivered. This poses its own set of challenges, especially in Houston, where if it’s not the heat, it’s the crater-sized potholes.

“I run into the ice cream issue, especially if I’m doing multiple deliveries with ice cream in each one. In the Houston heat, that can be a problem,” Osmon said. She’s outfitted her trunk with specialized freezer canisters just for ice cream, separate from the larger cooler she uses for meat, dairy and other refrigerated items.

The potholes are another problem. “Eggs and bread always go in the front [passenger] seat, with me,” Osmon said. “And I always double-check my trunk to make sure nothing’s escaped from a bag. Sometimes there’s an onion on the loose.”

While shoppers like Osmon are undoubtedly fastidious, however, even the most efficient grocery delivery model won’t overcome one fundamental hurdle: many people prefer to shop for their own food. In predicting the future of grocery shopping, some analysts fail to factor in consumer psychology, according to

Utpal M. Dholakia, a marketing professor at Rice Business.

“It seems to me that a large number of people — maybe a majority — are not ever going to shop for groceries online,” Dholakia said. “Shopping for groceries is fundamentally different from shopping for shoes or clothes or lightbulbs. There are many differences, but one is that people want to have that sensory connection with the product. This is fresh food, fresh produce; relying on someone to deliver bananas or tomatoes is not the same as getting them yourself.”

The way we shop for groceries is habitually ingrained, much more than buying books or clothes, Dholakia explained. How we buy food isn’t just a matter of cost and efficiency — it’s part of our lifestyle.

“If I enjoy going to the store and looking for deals and think it’s an interesting and fun thing to do, there’s no amount of efficiency that’s going to change that,” he said. “I might try different products because they’re on sale, or see something that looks interesting in the store. And there’s the sampling that’s part of the grocery store experience. You can’t get any of that online.”



What you do get online is the convenience and ease of having someone else do your shopping. And that person is a pro, if Osmon and Smith are a fair representation. Of course, the drawback to being a pro shopper: If you look like you know what you’re doing, people are bound to ask you for help. At Whole Foods, an older man spotted Smith’s green Instacart shirt and mistook her for a store employee.

“Ma’am, you work here?” he asked.

“I don’t, but I might be able to help you,” she offered.

“Y’all moved the butters! I’m looking for the sunflower butter,” he said.

“I know where that is! Aisle 1,” she said, and led him there.

“I want the no-sugar, no-salt kind,” he said, and waited while she crouched to get him the right one from the bottom shelf.

“We get that a lot,” Smith said. One of the rewards of the job, she added, is bringing groceries to people who are elderly or disabled and for whom grocery shopping is either difficult or impossible.

Of course, they don’t mind if you use their services just because you don’t feel like shopping.

“What we offer is time,” Smith explained. “We give you that time back.” ★



around the water cooler

Class of 1985

Carol Der Garry celebrated six years at the Public Company Accounting Oversight Board in Washington, D.C., as an associate director in the Division of Enforcement and Investigations. She also joined the Board of Directors of the Junior League of Washington.

Susan Brown Snook

has recently accepted the position of Canon for Church Growth and Development in the Episcopal Diocese of Oklahoma. Susan has been married to her husband, Tom, since 1983. Their daughter Sarah is working toward a master's degree in Public Policy at the University of California, Berkeley, and their daughter Julia is a student at the University of Arizona.

Class of 1990

Robert Foye just got promoted to chief operating officer at Treasury Wine Estates, the largest global premium wine company and the largest listed pure wine company. In addition, they just hosted the entire Rice Executive MBA Program in Singapore for a one-week international immersion program.

Class of 1991

After 25 years living in New York, Japan and California, **Thor Oxnard** is back in Texas! Last month he made the move to Dallas with Toyota Motor North America, where he designs supply chains and manages parts logistics. His children were born when he was a student at good ol'

Herring Hall, and they are all older now than he was then.

Class of 1993

Richard Shull was named global portfolio manager for Shell LNG Marketing and Trading based in Dubai, United Arab Emirates.

Class of 1997

Mark Williamson, a registered capital placement agent, launched Dittmar Capital. Dittmar Capital seeks private equity firms having investment funding goals and management teams having 'line of site' to an oil and gas acquisition and now in need of funding. He is also a class ambassador.

Class of 1998

Brian Engleman relocated from Silicon Valley, where he's been since graduation, to San Diego earlier this year.

Class of 1999

Amy Anton started Kitchen Underground, a cooking school for local, hands-on cooking classes in homes in Austin, Houston and San Antonio (www.kitchenunderground.com).

Matt Watson is the founder and president of a new international mission organization called Taking New Ground, Inc. (TakingNewGround.org). This organization comes alongside and trains indigenous leaders to catalyze movements of reproducing churches in hard to reach parts of the world.

Class of 2001

Lynn Nazareth recently accepted the CFO position at Resource Environmental Solutions, LLC.

Joe Pukaite recently accepted the CFO position at Templar Energy LLC.

Class of 2002

Nate Ellis recently celebrated one year as director at Khalij Capital LLC, a financial services and advisory firm specializing in oilfield technology in North America and GCC countries in the Middle East.

Class of 2003

Laura Schilling joined Superior Energy Services as president of Pumpco Services. In this role, she will lead the division focused on delivering hydraulic fracturing services in unconventional basins across the U.S.

Class of 2004

Shannon (Gregg) Hillegeist has spent much of the past two years fundraising and campaigning for the Advanced Breast Cancer Program at MD Anderson Cancer Center, where she is a metastatic breast cancer patient. This November, she and thousands of other cancer fighters will put on their boots for the second annual Boot Walk to #EndCancer. Shannon is co-captain of the Stomp Out Stage IV Breast Cancer team and would love to have her fellow Owls join the team.

Dan Tinker was promoted to president and CEO of SRS Distribution, a national building products distributor with 181 locations in 41 states and has annual sales of over \$2 billion.

Tom Vo is currently CEO of Nutex Health, a seven-year-old Houston based micro-hospital development and operating company. They have 18 locations and are expanding to 30 locations nationwide by 2018. Tom also has four kids ranging from 15 to eight. Life is moving very fast...

Class of 2005

Gerhard Golden and his wife, Mareli, announce the birth of their daughter Mia on March 15, 2017. She joins older siblings Lana and Lucas Samuel.

Class of 2006

John Brawley was promoted to senior vice president of Capital Markets and M&A at SandRidge Energy.

Lance Kreul recently celebrated five years working at Amazon in Seattle. Outside of work, his Bengal cat, C-3PO, keeps him busy as does watching the 2016 World Champion Chicago Cubs try to defend their title in 2017!

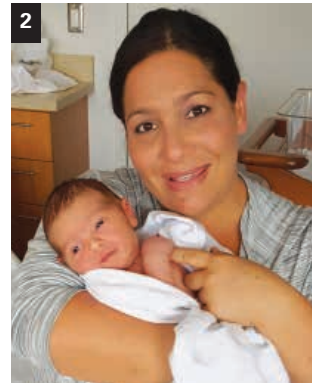
Class of 2007

Rauli Garcia and his family have returned to Houston after a two-year stint just outside Philadelphia. He accepted a new role with the Houston Zoo as chief administrative officer.

Photos: 1. Faheem Inayatali ('15) 2. Lauren Barrash ('08) 3. Gerhard Golden ('05) and his family 4. Tom Divine ('16) and Sarah Trepagnier ('18) 5. Shannon (Gregg) Hillegeist ('04) 6. Katherine Butler ('17) and Justin Mitchell ('17) 7. Toni Henning ('09) and Matthew Moore ('09) welcome son Maverick 8. Karl Suttie-Kadish ('14) welcomes son Declan 9. Becky ('10) and Aneesh Kothari ('10) welcomed daughter Kaia.

Class of 2008

Baby Ethan Joseph Barrash arrived in May to mama **Lauren Barrash**. Many of her classmates joined in celebration of his arrival at her baby shower. Doctor says he has baseball hands and mama says a full-ride baseball scholarship to Rice University sounds good to her.



Class of 2009

Jennifer and Josh Gravenor welcomed their son, Benjamin, in January.

John Jarvis has recently accepted a managing director position with Verisei Consulting, a professor-led strategy consulting firm in Houston. Verisei aims to generate foundational insight for businesses in many different sectors including energy, technology and health care. John joins **Mike Francis** (PMBA '12), Verisei president.



Eric Mueller relocated to Singapore from Geneva to manage Market Risk and Treasury for Lukoil Asia Pacific. He is also expecting his third child in December.



Daniel Wu is excited to announce the birth of his daughter, Sarah Elizabeth, and that he is returning to Houston to join Texas Medical Center's Innovation Institute as a Biodesign Fellow, focusing on identifying unmet needs that can be addressed through digital health technologies.



around the water cooler

Toni Henning and **Matthew Moore** welcome a baby boy, Maverick James.

Class of 2010

John Davies relocated to the Fort Worth-area from Houston.

Class of 2011

Lonna Dickenson was promoted to product line director of a growing technology product at Emerson. She is the proud mom of a beautiful 18-month-old girl and 3-year-old son.

Class of 2012

Scott Vanderpoel and his wife, Anna, welcomed their first child, Tyler, into the world on June 1, 2016.

Class of 2013

Britton Russel moved from San Francisco to Boulder, Colorado, to take a job as senior finance manager with AstraZeneca Pharmaceuticals.

Diwakar Bansal is working at Intel now as the strategic marketing manager for autonomous driving.

Class of 2014

After five years of living in the U.S. (two years as a student and three years as an employee), **Alejandro Vazquez Bettinger** moved back to Mexico City, where he was born and raised, to pursue a job opportunity.

Molly Carter is opening her gym, The Preserve, in early fall of 2017. Located in Kirby/Greenway Plaza area, it is a 15,000 square foot facility with lap pool, classes, yoga,

Pilates, cycling and more.

Karl Suttie-Kadish and his wife, Alejandra, are proud to introduce their first child, Declan, born July 8, and weighing 6lb 9.2oz. They are enjoying the nice weather up in Seattle!

Class of 2015

Kristie (Wilson) de Groot and her family are now based in Amsterdam, the Netherlands. She recently joined an investment firm with significant interests in oil and gas, power, renewables, manufacturing, SAAS and ICT across Brazil and sub-Saharan Africa. Kristie became also an investor and advisor at M-Survey, a mobile-first research platform that uses SMS and mobile messaging technology to simplify access to on-demand data from the emerging world. If you are a Rice student or Rice alum with interests in Brazil, Europe or Africa, then connect with Kristie.

Faheem Inayatoli, O.D., is the founder of the Eye Center of Houston. Last year, he founded the non-profit organization Eye-Give-Sight to bridge the gap in the health care system by providing eye care to individuals who do not have proper coverage.

Class of 2016

After 14 years in different marketing management roles at Shell, **Gerardo Amado** took a job in Shell Global Lubricants Supply Chain, as global business optimization manager.

Tom Divine and **Sarah Trepagnier ('18)** got engaged last November and will be tying the knot in New Braunfels in March 2018.

Jeff Damiani started a new job with Amazon last year. He and his wife are now settled in Seattle and enjoying the beautiful summer. Amazon is growing fast, and they are looking for great talent. Don't hesitate to reach out if you see any opportunities or are planning to be in the Seattle area.

Dan Trapp moved to Calgary in June to join the market fundamentals and corporate strategy team at Enbridge after their acquisition of Spectra Energy. He's enjoying the mountain hikes and cooler summer weather (but skeptical about this "northern winter" thing).

Uniarmour, a startup founded by **Hazem Halim**, has been selected to present at the Rice Alliance for Technology and Entrepreneurship forum to be held on September 14, 2017.

Class of 2017

Katherine Butler and **Justin Mitchell** were married in May at St. Paul's Church, Knightsbridge, in London, England. They currently reside in Houston, where she works in strategic planning for Phillips 66, and he is general counsel for an oil field services company.

Robyn Kenkel relocated to Huntington Beach, California, to become the executive vice

president of sales for Sunfinity Solar, a Dallas-based solar construction firm.

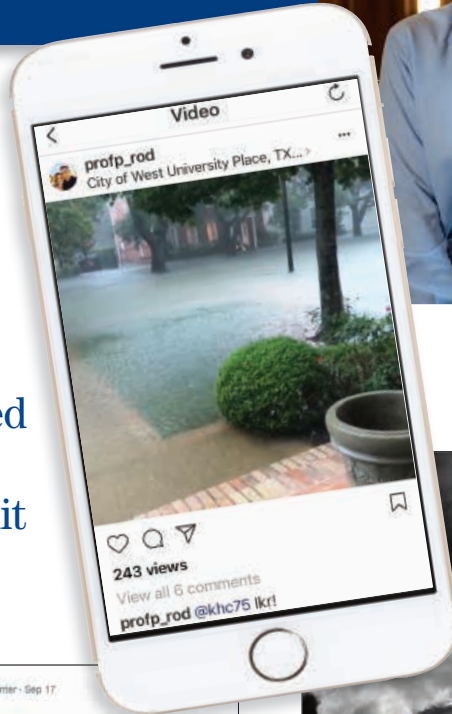
Dr. Gavin Clarkson (B.A. Rice '91, MBA '92), a citizen of The Choctaw Nation of Oklahoma, was appointed by the Secretary of the Interior to be the new Deputy Assistant Secretary for Policy and Economic Development – Indian Affairs within the Office of the Assistant Secretary – Indian Affairs, a supervisory position for the Offices of Indian Energy and Economic Development, Indian Gaming, and Self-Governance. The Financial Times named him the nation's "leading scholar in tribal finance," and pointed out that he has been repeatedly cited by the Wall Street Journal, Bloomberg and USA Today on tribal finance and other Indian law matters.

Gavin earned a doctorate in technology and operations management from Harvard Business School and is a cum laude graduate of the Harvard Law School. He also holds Series 7, Series 24 and Series 66 Securities licenses from the Financial Industry Regulatory Authority. He was previously awarded a grant from the National Science Foundation to study the dynamics of tribal finance, and his research and congressional testimony on tribal access to capital markets helped lead to the inclusion of \$2 billion of Tribal Economic Development Bonds in the American Recovery and Reinvestment Act of 2009. He has also consulted and served as an advisor to tribal organizations and federal agencies on tribal finance and economic development issues.

peter's page

NEWS AND NOTES FROM THE DEAN

“Hurricane Harvey has consumed our attention and our hearts. It has strengthened the bonds in an already tight-knit family.”





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