Dear Friends,

It is such an honor to join the alumni, faculty, students, and staff at Stanford Graduate School of Business. I am humbled by the opportunity to work with the GSB community as we continue to pursue pioneering research and to develop and deliver transformational experiences for our students.

My first few months at the GSB have been inspiring. I am awestruck by the talent and dedication that our alumni bring to the school. As many of you visit the GSB, and as I travel to various cities in the weeks and months ahead, I am excited to meet with you, hear your ideas, and talk about the future of the GSB.

These conversations will deepen my understanding of the school and help uncover opportunities for us to make the school even stronger. Starting in January, the GSB will begin a planning process that dovetails with the university's strategic planning efforts. I am eager to work with President Marc Tessier-Lavigne, his team, and my colleagues across Stanford as we position the university for the future.

Many planning activities will center on investing in faculty and students, and identifying areas where the GSB can expand its research and educational impact. We also want to focus on building a more diverse, tight-knit community and to encourage cross-pollination with Stanford’s schools and institutes.

Celebrating the Student Experience

This past year more than 500 graduates from our MBA, MSx, and PhD programs walked through the archway at Littlefield on their way to Frost Amphitheater to celebrate their achievements with 3,000 family members and friends. Mary Barra, MBA ’90, chairman and CEO of General Motors, served as the keynote speaker for the ceremony, at which she urged graduates to “set the tone, create the vision, and inspire the behaviors that allow our organizations to best serve society.”
ITZIAR DIEZ-CANEDO, MSx Class of 2017, arrived at the GSB after a career at Citi. Most recently she served as senior vice president and head of strategy in the FinTech acceleration group. Itziar led a series of open innovation initiatives to partner with FinTech entrepreneurs around the world that allowed the company to source, incubate, and launch new digital solutions globally. She plans to become an entrepreneur and build solutions to empower startups in emerging markets.

Second-year MBA/MA Education degree candidate DEREK TURNER earned a BA in political science and sociocultural anthropology at Columbia University. Before coming to the GSB, he co-founded Grand Circus, a technical institute in Detroit that trains young people to begin careers in technology. Derek’s LOWkeynotes presentation last fall highlighted the U.S. educational system’s challenges for combating the adverse effects childhood trauma has on learning for K-8 students. After he graduates, Derek plans to relocate to Arizona, where he hopes to identify a small business to acquire and manage.

Supporting Students, Driving Diversity

This past year we were fortunate to provide fellowships to nine individuals selected as Stanford Reliance Dhirubhai Fellows and to 15 Stanford Africa MBA Fellows. These Global Fellows receive full tuition and associated fees and then return to their home countries to work for at least two years after graduation.

Building upon the model for the Global Fellows program, we have launched the Stanford MBA America Fellows program, which encourages geographic diversity beyond the East and West Coasts of the U.S. The program will provide full tuition and associated fees for MBA students who demonstrate financial need and have strong ties to regions that are underrepresented among our student body. The admissions process is now underway for the inaugural class of America Fellows who will start in fall 2017. I deeply appreciate the support of our alumni and friends who are making the program possible.

The Fellows programs are wonderful examples of how we attract a broad spectrum of students who share their varied personal, professional, and cultural experiences with one another. This diversity creates greater awareness and a broader perspective in our educational programs and helps our students become more effective communicators and leaders.

Welcoming New Arrivals

This past July we welcomed 91 MSx students to begin the Master of Science in Management for Experienced Leaders. In 2012, we restructured, rebranded, and lengthened the MSx program from three to four quarters. We have seen a nearly 60% increase in enrollment in subsequent years, from 57 students in the Class of 2011 to 91 in the Class of 2017, an all-time high.

In September, 417 MBA1s, selected from 8,116 applicants, arrived at the GSB, representing our largest MBA class ever and the largest applicant pool in our history. The Class of 2018 is among our most diverse classes, with 41% women, 29% U.S. minorities, and 39% international students from 62 countries. The students have an extraordinary range of experience, coming from 318 different organizations across 70 industry sectors. One in six of these students were the first in their families to earn an undergraduate degree.
Economics faculty member LANIER BENKARD (LEFT) and lecturer ALLISON O’HAIR are completely revising Data and Decisions, which will require students to view the course’s core principles online, outside of class, thereby preserving class time for discussion and hands-on learning with classmates and faculty. In a similar way, finance faculty members Joshua Rauh, Peter DeMarzo, and Jonathan Berk are “flipping” the core Finance course for MBAs. Both of these courses will be piloted this coming winter quarter.

At the spring reunions, marketing faculty member JENNIFER AAKER presented to 50 GSB alumni a condensed version of The Innovation Playbook, her LEAD course. GSBers taking the five-lesson course used data to craft their personal stories and in doing so became stakeholders in their own organizations’ story, with the goal of increasing their impact on their organizations. The GSB delivered similar content at fall reunions, and plans to make LEAD content available to alumni chapters across the world.

The GSB also welcomed 30 incoming PhD students, representing a yield of 66%, one of the highest yields for a single academic year, for a total of 133 PhD students. We are so pleased that 50% of our new PhD students are women, a figure we have worked hard to achieve as we try to increase diversity of business school faculties nationwide. We also welcomed six pre-doctoral Research Fellows, including three women and two members of minority groups, an initiative we started three years ago to expand the pipeline of students considering a PhD degree.

The opening of Highland Hall this quarter marks a new era that allows us to provide on-campus housing to nearly all unmarried first-year MBAs. The residence provides housing for 200 MBA1s and is located next to the Schwab Residential Center. The project was designed and completed within two years at a lower cost than we had projected. I want to thank all of our alumni and friends who provided enormous support for this project.

I am delighted to share an extraordinary example of alumni generosity that will rename Highland Hall for Jack McDonald, the Stanford Investors Professor of Finance. For more than 45 years, Jack has taught Investment Management and Entrepreneurial Finance, a course on fundamental investing in public and private equity markets for MBA2s. Students who built lasting relationships with him during those years rallied to formally recognize the deep impact he has made. Upon Jack’s retirement, Highland Hall will be named in his honor. It is thrilling to see this kind of support for our faculty.

Faculty Research and Teaching

We began the 2016-17 academic year with 125 tenure-line faculty and 157 lecturers, who bring us expertise from organizations across the world. We are pleased to welcome six new tenure-line faculty members this year. Their research spans the fields of operations, information, and technology (OIT), finance, accounting, and economics. These junior- and senior-level faculty members strengthen our ability to pair deep research with real-world experience by leveraging a variety of pedagogies, a model that is a hallmark of the GSB.

One of our new faculty members is economist Yuliy Sannikov, who earned his PhD at the GSB in 2000. A renowned game theorist, Yuliy has pioneered a new set of mathematical models in game theory and finance. His research applies these tools to problems of incentive design and financial contractions, and the intersection of the financial sector and the macro-economy. Remarkably, Yuliy recently won the Fischer Black Prize (2015) as the outstanding finance researcher under the age of 40, and the John Bates Clark Medal (2016) as the outstanding American economist under 40.

Our faculty continue to develop innovative new courses. This fall, Darrell Duffie, the Dean Witter Distinguished Professor of Finance, is teaching China’s Financial System, which examines the banking industry, monetary policy, and financial markets in China. The class meets jointly with a parallel course at Peking University, taught by Professor Li Jin and Dean Hongbin Cai, and brings together 25 students from Stanford and 25 students in Beijing using our Highly Immersive Classrooms at the GSB and at the Stanford Center at Peking University. Another new elective is Inclusive Economic Growth and Poverty Reduction in Developing Countries, co-taught by Kathryn Shaw, the Ernest C. Arbuckle Professor of Economics, and lecturer Giovanna Prennushi, of the World Bank. The course centers on factors that have contributed to inclusive economic growth and discusses macroeconomic policy, targeted government policies, aid, and entrepreneurship in developing countries.

Finally, as many of you know, Chuck Holloway and Irv Grousbeck co-founded the Center for Entrepreneurial Studies (CES) in 1996. They led the CES brilliantly as faculty co-directors for nearly 20 years. Over the past year, a group of alumni representing two decades of students who studied under Chuck and Irv approached the school with an idea to honor them. I am thrilled to announce that CES will be named in honor of its founding directors at a future date when Chuck and Irv are no longer active faculty members. The collective effort will provide programmatic and faculty support within CES, as well as other entrepreneurial priorities for the school.
Dean Emeritus ARJAY MILLER and LAURA ESSERMAN, MD ‘83, MBA ’93, attended the Ernest C. Arbuckle Award Dinner on March 4, 2016, the date of Arjay’s 100th birthday. The GSB presented the Arbuckle Award to Laura for her leadership and lifelong achievement in the field of breast cancer treatment and research. Throughout her career she has worked to accelerate the pace of learning in medicine and to reengineer systems of care for greater efficiency for those living with breast cancer.

Making an Impact Beyond the GSB

From Britain to Brazil, and beyond, the GSB delivered certificate and executive education programs to young professionals, aspiring innovators, government leaders, and prospective students seeking personal growth and career opportunities. This fall we taught Stanford Ignite, our nine-week entrepreneurship and innovation certificate program, in London, São Paulo, Santiago, and Beijing, with 41 faculty teaching on the ground and through the use of real-time, high-definition video. More than 1,500 participants have completed the program since its launch at the GSB in 2006.

Last spring, 55 of the 85 participants from the first cohort of our online LEAD Certificate: Corporate Innovation program traveled to the GSB from 20 countries to “reunite” with their virtual classmates at an event they dubbed “From Me to We.” The self-organized event also attracted more than 45 people from LEAD’s second and third cohorts. We are amazed to have created an online experience in which classmates bonded so closely via technology—and interest is growing. This fall, we welcomed 143 students to the eight-course, one-year program, which we see as a model for integrating education technology to improve our degree and certificate program curricula.

Last year we set a goal to increase women’s enrollment in the Stanford Executive Program (SEP), our flagship annual six-week program. Last summer 29% of the 161 participants were women, nearly double the record of 15% who participated in 2015. I want to thank SEP faculty director Bill Barnett, the Thomas M. Siebel Professor of Business Leadership, Strategy, and Organizations, and other faculty who transformed the program. The 2016 program incorporated many new elements, including housing for family members, more female faculty instructors, and an opportunity for participants to network with GSB alumnae.

We also delivered executive education programs in collaboration with several Stanford schools. We partnered with the School of Medicine to offer The Innovative Healthcare Leader, a one-week program that focused on developing personal leadership skills that help executives create innovative solutions to challenges in their industry—from improving patient care and prioritizing physician wellness to developing negotiation skills and anticipating healthcare reform.

Connecting with Alumni

In the past few months, I have had the opportunity to meet many of you at the “Dean Welcome” events in San Francisco, Chicago, Washington, D.C., Boston, New York, and Seattle. I also participated in my first 25th reunion and my first fall reunions at the GSB, attended by 2,000 alumni, their families, and friends. My wife, Amy, joined me at many of these events, and I would like to thank those of you who attended for the warm welcome you extended to us. We look forward to meeting many more of you throughout the school year.

Our plans for renaming Highland Hall and the Center for Entrepreneurial Studies for faculty underscore that the heart of the GSB is the intersection of faculty research and education—where our faculty deliver life-changing experiences for our students. The faculty-student bonds that form over a period of two years, one year, one quarter, or six weeks have an impact that often lasts a lifetime. These are the experiences that empower our students and alumni to change lives, organizations, and the world.

As GSB alumni, you are the foundation of our community. Whether you mentor students, support a fellowship or a professorship, interview prospective students, volunteer for your class or chapter, or provide guidance to me in person or via email, your efforts strengthen the GSB and keep this remarkable institution moving forward each day.

Thank you for making it possible for our students to experience the same life-changing conversations, courses, and camaraderie that you enjoyed—and that changed your lives.

Jonathan Levin
Philip H. Knight Professor and Dean

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