

The Million Dollar 'D'

Got a "D" in your class? Treasure it. It might be worth millions.

By NATHANEL MORI
Class of 2014

Every year at orientation, Academic Services does a "Booth Myth-Busting" presentation, where some of business school's most popular rumors are denied. One of them is the myth that at Booth it's "impossible to get a D." Upon reaching that slide, Director of Academic Services Christine Gramhofer says with a smile that "You CAN get a D at Booth, but you would really have to deserve it." Ironically though, Erwin Villaorduna '13 leveraged his hard-earned D grade in *Strategy and Structure* to squeeze out a million dollars, and showed the business world that regardless of whether his D grade was "fair," he most certainly deserved the big bucks that followed.

Erwin's tale is not just that of a sweet turnaround, but also a testament to Booth's flexible curriculum as a means to success. "In spring break of my first year at Booth, I was just hanging out with my friends, until one of them suggested we start a business exporting seafood from Peru to North America." What followed was a series of improvisatory attempts to start a business without a strategy.

"We were desperately looking for any kind of customer, while simultaneously working on getting FDA approval. Because of this lack of strategy, I took a *Marketing of Services* class in the spring quarter of my first year." Erwin was juggling school, running his company "Seven Seas Products" (SSP), and searching for an internship. In May, he finally got one, doing Airport Operations for United Airlines. Little did Erwin expect that one of the perks of work-



Erwin Villaorduna (on right) at a recent industry trade show.

ing for United Airlines would allow him to start up his business in a big way. "As a United Airlines employee, I could fly anywhere for free, so I spent every weekend of my internship flying from one place to another, negotiating deals with potential customers. By the end of the summer, we shipped two containers to Thailand. Flying for free was a fantastically convenient coincidence, but at the time I was still running my business on the fly" [so to speak, N.M].

When the second year of business school kicked in, Erwin still had no idea how to sell to the American market, so he enrolled in the *Going to Market* and *Entrepreneurial Selling* classes, hoping to amend that gap. "I was analyzing the American market in search of the right channel to enter it. The classes were useful in framing the problem, and we used *Entrepreneurial Selling* to write our pitch for a roadshow in Boston during March 2013." SSP had a professional advantage in the Hispanic market, as Erwin was from Peru and had experience running two restaurants, one of which he owned. The classes he took were useful for selling to Latin America, but for the United States, Erwin was still missing something.

Enter Professor Elizabeth Pontikes'

class, *Strategy and Structure*. The class is designed to solve a firm's "identity crisis," and that's exactly what SSP was going through. In his final paper, Erwin decided on a strategy shift—switching from a brand-based strategy to a strategy that competes on services. Professor Pontikes approved of the decision, but graded the execution with meticulous notes, resulting in Erwin's "mythical" grading.

According to her feedback on Erwin's paper, SSP did not "comprehensively analyze the market," missing out on understanding the "market need for a high service provider" and determining whether the market is saturated. SSP also did not properly "map out the competition as well as the dynamics and power within the supply chain." Pontikes' notes are filled with more opportunities to explore, most notably relating to SSP having to learn how to translate their failed brand-making experience into the new strategy. Erwin was stunned by his rock-bottom grade: "At first I wanted to appeal, but then I realized I didn't just get a D on my paper, I got a D on my real life company! I was graduating and did not care about the grade anymore, so instead of appealing in school, I appealed in real life." Erwin was now determined to turn the proverbial lemons into a juicy cash cow.

SSP positioned itself as a strong commodity supplier in Peru, but after reading Pontikes' notes, Erwin understood he should position his advantage relative to other countries, not Peru. The first thing to establish in order to appeal to American companies is high-level certification (overfishing standards, labor conditions, fair trade, etc.). Merely being in the process of getting certified was enough to open a stream of orders from U.S. markets. Large importers in LA, Florida and Texas were calling SSP to provide for supermarkets. Beaverfish, a seafood industry leader, made several large orders from SSP, some of which were placed on behalf of Walmart. This opened a new opportunity for SSP, which is now working on a private label manufacture for Walmart (in fact, Walmart even helped Erwin get in touch with reliable certification consultants).

Now, in October, clients are no lon-

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Chicago Business asked:

What has surprised you most about your first month at Booth?



"I've been really impressed by the background of the people I've met so far at Booth. I knew everyone would be diverse at a top school like Booth, but I've been blown away by the people I've met."

— Alex Brand, Class of 2015

"How quickly the other first years networked and how much people got to know about each other before orientation even started."

— Anna Mori, Class of 2015



"It's great to see people coming from so many different backgrounds and going into so many different fields."

— Tasha Beydoun, Class of 2015

Choices, choices, choices...



By LINNEA N. MEYER
Class of 2014

Whether you're a first-year or second-year, as you came onto campus this fall, you were bombarded with choices. Which classes to take and student groups to join? Who to study with and who to hang out with at TNDC? Which companies to network with, recruit at, and sign your life to?

Chances are, across all of these choices, you'd prefer to have as many options as possible and keep those options open as long as possible, maximizing your freedom of choice. But chances are...you'd be happier doing the opposite.

What? That can't be right! This is

America, the land where buffets of unlimited meal varieties and return policies that never expire are fundamental to our pursuit of happiness.

Except that...they're not. Evidence from behavioral science suggests that our instinct to increase our options and delay our commitments may be a bit off. We may, in fact, be better off simplifying, narrowing and committing earlier to our choices.

Simplify choices: People tend to agonize over and make errors with complex choices. Consider a study on Medicare Part D, conducted by a team of academics and ideas42, a non-profit behavioral science consultancy (Disclosure: I interned there this summer). In the study, seniors presented with clear comparisons between a limited set of plan options better grasped potential cost savings, switched more often and ultimately saved more money.

The lesson for Boothies? Figure out ways to reduce complexity in your choices. Talk to Career Advisors and past interns to compare the pros and

cons of career paths. Similarly, evaluate the student groups that interest you by metrics such as time commitment, fees, total members, career applicability and, of course, plain good fun.

Narrow choices: Those of you who were lucky enough to take Professor Richard Thaler's class last spring already know this one: people feel frustrated over and even freeze up when they face too many choices. In a much-cited study led by Professor Sheena Iyengar, grocery shoppers more often stopped to examine a display of twenty-four flavors of jam rather than a display of ten flavors, but far more actually bought a jar (by a factor of ten!) when faced with the smaller display.

The lesson for Boothies? Taking some options off the table—whether it be the option to study on Thursday night (because you know that won't actually happen) or a career option you realize you're just pursuing because it's popular—can help you more easily and smartly make a final choice.

Commit earlier to choices: While

most predict otherwise, people tend to be happier once having committed to their choices. A classic study by Professor Daniel Gilbert illustrates this: photography students given the option to switch which prints they took home were less happy with their chosen prints than those who had no such option, even though most forecasted the opposite. (Gilbert attributes this to our "psychological immune system"—our ability to subjectively optimize outcomes—an oft-overlooked ability that can't kick in if we delay our choice of outcomes.)

The lesson for Boothies? You may not want to wait so long to choose which courses to bid on, which of your (hopefully many) internship offers to accept or which cute Boothie to ask out on a date. You might just find happiness in committing sooner.

As you dive into autumn quarter, full of academic, career and social options, you can keep your options open, or simplify, narrow, and commit. The choice is yours. So choose away!

Navigating Coffee Chats



By CHRISTINA HILDRETH ANDERSON
Class of 2014

Corporate Conversations and Meet-n-Greets begin for first-years on Oct. 21, around the same time that you may want to begin scheduling coffee chats with people in your network. Before then, utilize this information when talking with your classmates and second-years!

Set Up

Most recruiters who visit campus for events will make themselves available for "coffee chats" (which may or may not actually include coffee), but

remember, some have incredibly busy schedules. Here are a few tips for securing that meeting time:

- **Follow up promptly.** Recruiters are more likely to remember your name (and open your email!) if you contact them within 24 to 48 hours after you meet—whether through an event or a mutual connection.
- **Go to them.** If the recruiter can meet you in person, go to their office, or somewhere that is easy for them. If the recruiter is not able to meet in person, ask what medium they prefer (phone, Skype, etc).
- **Offer several scheduling options.** Give the recruiter two or three time slots that work for you and let them pick the option that best fits their schedule.
- **Confirm the meeting the day before.** Sometimes things come up. A quick confirmation email the day before reminds the recruiters of your appointment and brings it to

the top of their minds.

Prepare

Coffee chats are invaluable tools to learn more about a company. Yes, you'll do a little bit of selling yourself too, but more than anything, use this time to find out what makes the company tick. Here are a few tips to help prepare:

- **Know the person.** Use LinkedIn to research the recruiter's background. Do a Google search to find any articles he may have written or interviews she's given. Use this information to frame your questions.
- **Know the company.** Have familiarity with recent company (or competitor) news. Ask the recruiter if it has affected her role, and how it could impact the company's strategy.
- **Know yourself.** Coffee chats are a good way to get a preliminary sense of fit. Know your own deal breakers, and don't be afraid to discreetly

ask about them during the chat. If a company is not a good fit for you, it's better to find that out now.

Conduct

Meeting with a recruiter individually can be nerve-wracking. Here are a few ideas to make a good impression:

- **Dress as you would for a Corporate Conversation.** Depending on your industry, this may be close to interview attire, or it may be business casual.
- **Get there early.** If you are visiting a recruiter at her office, give yourself an extra 15 to 20 minutes. Arriving sweaty, rushed and stressed out doesn't help you keep your cool during the meeting.

Conclude

Send a thank you email within 24 hours, and ask if there is anyone else at the firm the recruiter thinks you should meet. Recruiters are often happy to refer students to a colleague for a different perspective on the company.

Turning a 'D' into a cash cow

Continued from page 3

ger afraid to make orders of large magnitude, like containers of recently available Mahi Mahi fish (typically an order of approximately \$300,000). SSP is now en route to break the million dollars barrier before year end, and all because Erwin heeded Dr. Pontikes' advice of adjusting to the market. When asked about this story, Pontikes said "I often wonder if it's worth it to give detailed

feedback on final projects, whether people actually read feedback after class is over and grades are in. I'm glad that this helped."

With a successful business in the making, as well as job security with his other full-time job as the financial operations director at a private school in Brooklyn (securing an anchor was an important lesson he learned at Professor Deutsch's *Building The New Venture*),

Erwin can declare his MBA experience a worthy one. Upon hearing this story, Professor Pontikes said, "Erwin is a role model for anyone interested in starting a business. Successful leaders seek out critical feedback and use it to improve themselves and their companies. Rather than dwell on his grade, Erwin used the feedback to strengthen his company. This is a testament to his character. It bodes well for Seven Seas and his suc-

cess as an executive."

On Sept. 23, Erwin finally reflected upon the tremendous boost his business just went through. He then sat down at his computer, and began to type a unique opening to a rare type of thank-you email. It began with the following words: "Dear Professor Pontikes, I am writing to you to thank you for destroying my final paper this last Spring 2013 and giving me a D in my final grade."