



Jaime Chico Pardo, '74
Distinguished
Corporate
Alumni Award



Kathryn Gould, '78
Distinguished
Entrepreneurial
Alumni Award



Thomas Ricketts, '93
Young Alumni
Award



Kateryna Yushchenko, '86
Distinguished Public Service/
Public Sector Alumni Award

Excellence Around the Globe

They live in three countries and represent diverse corners of the business world. What they share is a vision for the future and a successful approach that has become a hallmark of Chicago GSB.

By Patricia Houlihan Photos by Matthew Gilson

The Long View

by Patricia Houlihan

As a young Mexican banker in London, **Jaime Chico Pardo's** job was to get others to take a long-term look at his country. More than two decades later as the head of Telmex, Latin America's telecommunications giant, Chico Pardo is still promoting the long view. "The telecom business can transform the way people live today," he said.

Chico Pardo, '74, was part of the group that put together the winning bid to buy Teléfonos de México, S.A. de C.V.—also known as Telmex—in 1990. What had been a state-owned monopoly was expected to compete in the newly deregulated telecom market in Mexico. In 1995, Chico Pardo was named CEO. He not only succeeded in bringing the company up to speed, he reinvented Telmex as a global high-tech multimedia company, earning him the 2005 Distinguished Corporate Alumni Award. The ability to see beyond the short term is a skill Chico

Pardo has used throughout his career, right from the beginning. "I tried to set short-term goals for myself to focus on, and then have as a long-term goal the idea I want to fulfill," he said.

Chico Pardo studied engineering at Universidad Iberoamericana in his native Mexico to give himself a technical background, knowing he would earn an MBA later. "I always wanted to go into industry. But at the beginning of my career, I became more interested in the financial part of the business," he said. After graduating from Chicago GSB's Full-Time

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Five Minutes with Jaime Chico Pardo, '74

What do you consider your greatest achievement?

I have to mention at least two: one is related to love, and the other to work. Love first. My wife and I have been married for 33 years, raising and integrating a happy family—five children, a son-in-law, and two grandchildren. Regarding work, I have been a key player in the development and growth of one of the important private organizations in Latin America. Leading the change of a government-owned monopoly into a world-class telecom operator has been one of my greatest professional satisfactions.

What has been your most humbling experience?

After finishing my undergraduate studies in engineering with honors, I was shocked to find that my GMAT score (ATGSB at the time) was barely

on the world's average. This made me realize the need to constantly raise my bar of minimum achievement and to seek excellence as a lifetime objective.

What do you wish you had known at the start of your career?

First, understanding the importance of having a balanced life (family, work, friendship, etc.) would have helped me enjoy my initial accomplishments more. Also, having a better understanding of the needs of the society in which I live would have given me a broader view to make more of an impact. We are just temporary passengers in life, and what remains is those actions for which we can be remembered by others.

When did you use your GSB education?

It was particularly important at the beginning of my career, providing me with a basic structure and a capacity for analysis and learning that have been the tools of my trade for my entire professional life. It gave me confidence during my initial professional challenges and became equally important when I was required to interact with individuals and organizations outside Mexico.

If you had to pick another line of work, what would it be?

I would not change my life for any other. The experiences and opportunities I have had throughout my career have been very gratifying. I consider myself very lucky.

MBA Program, Chico Pardo took a job at Banamex, one of Mexico's biggest banks. He spent six years doing M&A work in the international division, ultimately managing the operations of companies the bank acquired.

He then moved to London to become deputy managing director of the International Mexican Bank (INTERMEX), a consortium of foreign banks that funded development in Latin America. "The challenge was not just financing the projects, but having a detailed understanding of the businesses to which we were lending money," he said. "Also, we were a Mexican-controlled financial institution competing in an international market, where heavyweights had been doing business for some time. We competed by offering distinguished Latin American products and services. And knowing the people and the market in Latin America became essential for our credibility in the financial market."

"We had to transform a company that had been run by the government for years."

—Jaime Chico Pardo

Although Chico Pardo loved the quality of life he found in London, he and his wife wanted to raise their children in Mexico, so when Banamex asked him to return to a senior position, he agreed. A month after he came back, the banks were nationalized by the Mexican government. "It was a major shock," he admitted with a laugh. "I was ready to go back." Instead, he spent the next two years as senior vice president in charge of the international division, which presented particular challenges. "Mexico was in turmoil financially. My job was to travel a lot and convince people that as a bank, we were still a good credit, and that Mexico had a long-term future," Chico Pardo said. "At the same time, we had to deal with the fact that the new owner of the bank was the Mexican government. I was lucky to have very good colleagues at the time, but I decided I didn't want to work for the government."

Chico Pardo left Banamex and launched International Financial Engineering, one of the first investment banks in Mexico, with two partners who had been CEOs at private Mexican banks. Their timing was good. "There was a change

in government, and assets were being sold back to the private sector," he said. But after two years, Chico Pardo left to partner with Carlos Slim, the wildly successful Latin American business mogul, at Fimbursa, an investment bank. The relationship has lasted for the past 20 years.

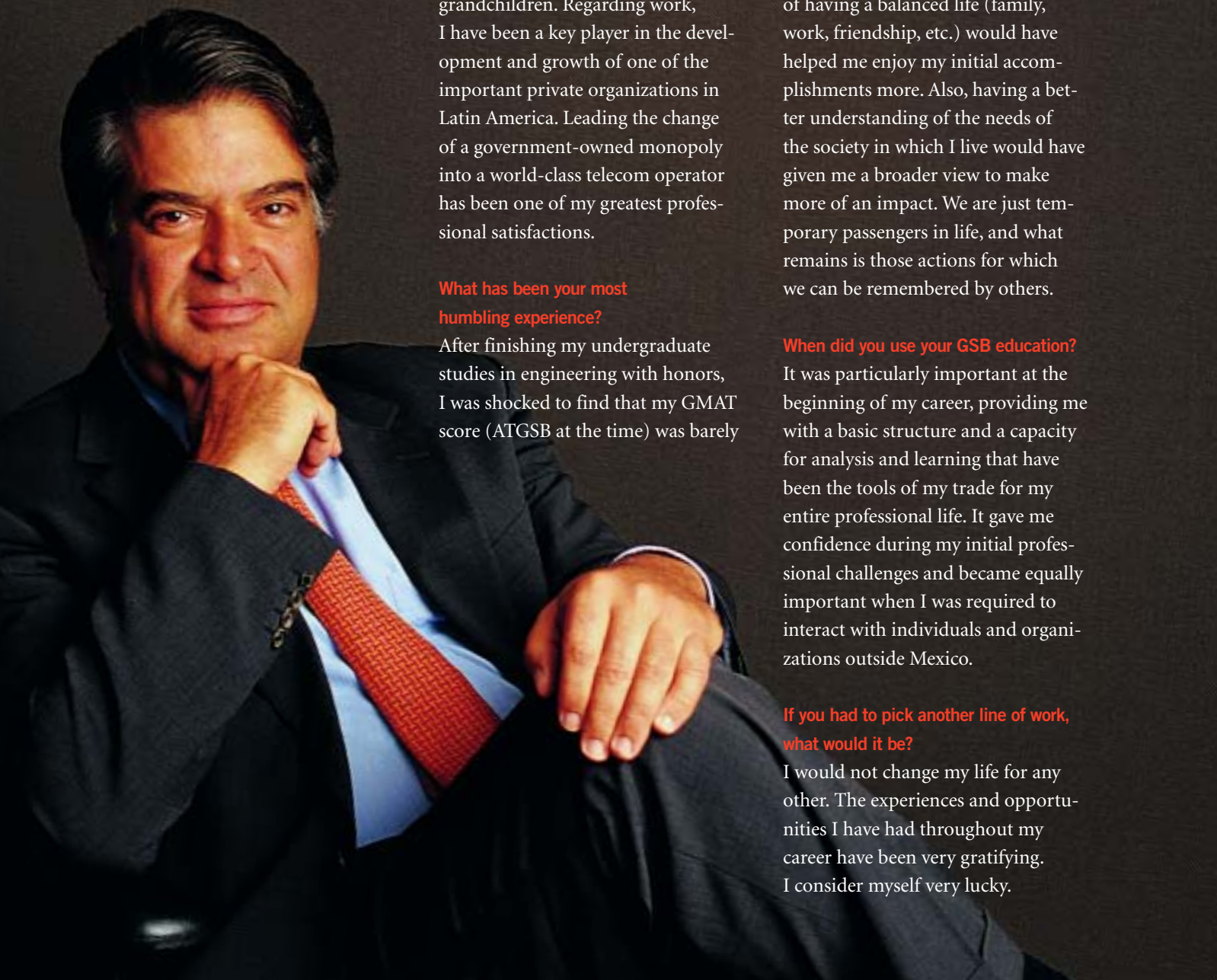
"After we started, we went through another crisis in Mexico. Many people were leaving the country and selling their assets," Chico Pardo said. "We started investing in companies that either were in private Mexican hands or private foreign hands and acquiring a series of assets, and that became what today is Grupo Carso."

One of their first acquisitions was the Mexican subsidiary of Hershey, and Chico Pardo wound up running the chocolate candy factory in Mexico. Later, he would head Nacobre, Euzkadi-General Tire de Mexico, and Condumex, among other firms. "My stay in those companies was two or three years. Then I'd let a new management team continue to run the restructured company while I went on to another company," he said.

In 1990, Grupo Carso won a bid to acquire Telmex just after it became privatized, partnering with Southwestern Bell and France Telecom in what was recognized by media and business leaders as one of the most successful telecom privatizations in the world. "We had to transform a company that had been run by the government for years. The assets we acquired were obsolete. We had to provide service to people whose expectations were that with privatization, the service could improve dramatically. We didn't even have a commercial area; it had been run by engineers who were concerned primarily with the technical aspects and not on services and customer support."

Chico Pardo sat on the executive committee and board of directors for four years before being named CEO. The company grew fast. After a few years, the new wireless division, América Móvil, was spun off and became a huge financial success despite analysts' misgivings. And despite economic crises in Central and Latin America, the firm has expanded globally. "During these crises, we have done what we continued doing. In fact, we invest more in those times. We believe the region's long-term future is great." ■

The 2005 Distinguished Corporate Alumni Award
Jaime Chico Pardo





Rational Exuberance

by Patricia Houlihan

“Fun” is a key word in **Kathryn Gould’s** vocabulary. She uses it to describe her early years in marketing, her foray into Silicon Valley in the 1980s, and her experience starting her first company as a headhunter. Now an accomplished venture capitalist, Gould has an exuberance that permeates every area of her life, from hiking the High Sierra to launching more tech firms than she can count. “Burning the candle at both ends is sort of my life story,” she said.

Trained as an engineer, Gould, ’78, developed a taste for business at Bell & Howell by watching the marketing department. “Product managers ran the lines like little P&Ls. I thought, ‘That’s what I want to do!’” She switched jobs and enrolled in Chicago GSB’s Evening MBA Program. “The neat thing was, I used the stuff the next day,” she said. The path she’s taken from product manager to

cofounder and partner of Foundation Capital in Menlo Park, California, has earned her the 2005 Distinguished Entrepreneurial Alumni Award. Gould is glad for the firm’s financial success and proud to have launched companies that have changed their industries for the better. But what’s most satisfying, she said, is turning a vision into a reality. “I’d always wanted to have a venture firm where all

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Five Minutes with Kathryn Gould, '78

What do you consider your greatest achievement?

Raising my son. Also, having Foundation Capital come out the way I imagined it was pretty cool. But last year, I hiked over three 12,000-foot passes in the Sierras, with a 50-pound backpack. In terms of momentary exhilaration, getting to the top of Muir Pass was probably my best single moment in the last couple years.

What has been your most humbling experience?

Probably getting fired that day at Oracle, even though I got rehired later in the afternoon. That was not nice. And I would say raising my son, there have been some very humbling experiences.

What do you wish you had known at the start of your career?

How much fun it is to start your own business. What would have been the most fun for me would have been to

get right down to business 10 years earlier. My dad worked for a large aerospace company. All our family friends worked for large companies. It never occurred to me that people could start their own companies.

When have you used your Chicago GSB education?

There was one entrepreneurship course when I was there, taught by a visiting lecturer, **Lee Hecht, SM '65, MBA '69**. He used to fly in for classes. He talked about what it took to be an entrepreneur and the line that stuck with me was “the ability to live with ambiguity.” Every time things were totally chaotic at Oracle, or since then, I’ve thought, “I’m living with ambiguity; it’s OK!”

If you had to pick another line of work, what would it be?

You mean, for money? The choices are large! I’m probably going to open an art gallery. I may start a fashion business. I think I might want to buy a different piece of land and get seriously into organic cattle ranching, but don’t tell my husband. And it would be fun to be a wilderness guide, but I don’t think I’ll do that.



The 2005 Distinguished Entrepreneurial Alumni Award
Kathryn Gould

the partners were operating guys, an egalitarian place without junior or senior partners,” she said. “Lo and behold, we went and created it.”

Gould comes from a family of engineers in California; her father had worked in the aerospace industry. After she earned a bachelor’s degree in physics at the University of Toronto, she worked as a physicist at Argonne National Laboratory. She switched to Bell & Howell and earned her MBA. “During the process, I came out the other end as a marketing person with a really solid technology background,” she said. At both Bell & Howell and Gould Electronics, an early conglomerate where she worked after graduating, she came across the first personal computers. “I thought, ‘These are not toys; they could change the world. I’ve got to get to Silicon Valley.’”

But Gould had had enough of big companies. “I started networking and took a job with the smallest company that made me an offer.” It was Data System Design, which made

She spent nearly four years at Oracle, often tangling with Ellison. “I got fired, and then I got rehired the same afternoon,” she said. Eventually Gould tired of the atmosphere. “I decided at that point I wasn’t going to work for somebody else anymore,” she said. It was 1984, and Gould found herself a hot commodity in Silicon Valley. “People were after me to become their VP of marketing, but I couldn’t find any company as interesting as Oracle to work for. I ended up saying, ‘No, but I’ll help you find somebody.’ I decided I should get paid for that, so I became an executive recruiter.”

The work brought her in contact with many venture capitalists, all of whom had turned down Oracle, to Gould’s chagrin. Several firms wanted to hire her. She was hesitant but agreed to join Merrill, Pickard, Anderson & Eyre—half time, while she kept her headhunting business on the side. Gould also wanted to see if she would be good at the venture capital

business. “Being a great venture capitalist is great fun. Being a third-rate venture capitalist has to be one of the awfulest jobs on earth,” she said.

Within two years, she realized she’d found her niche. Within the next four years, Merrill, Pickard, and Eyre retired, and Gould and Jim Anderson decided to start Foundation Capital. “Over the time at Merrill Pickard, I had developed this vision of what would be the ideal venture capital

partnership,” she said. Having created it “is very satisfying. Of course, the numbers have been there, too. It’s been marvelously successful.”

Gould also body boards, flies small planes, has a cattle ranch, and launched Magnum Opus, a project in which Gould invested \$375,000 of her own money to commission nine new orchestral works in three years, among other pursuits. “I do things I really love doing, which makes working hard easy, and persuading others to do likewise a natural thing,” Gould said. “It’s been fun. And it doesn’t seem like it’s been that hard.” ■

“Being a great venture capitalist is great fun. Being a third-rate venture capitalist has to be one of the awfulest jobs on earth.”
—Kathryn Gould

disc systems for data storage. “It was fun. I was selling computing tools to engineers, and since I had been an engineer, I knew how to do that,” she said. One of her customers was Larry Ellison, the founder of Oracle, makers of software for managing data. “I went to see what they were doing with all these systems, and I thought, ‘Now *this* is a really interesting business.’ Because of my big-company background, I could see that a relational database system would be at the core of how we ran businesses in the future.”

She became vice president of marketing at Oracle. “I knew we were going to be successful. It was just a question of how and where and what kind of target customers,” Gould said. She also watched as Ellison was turned down by every venture capital firm he approached. “That lesson stuck with me: we were too different, and we had an inexperienced but very talented team. The lack of experience turned people off. But when you’re in a brand new market, how important is experience?”

Simple Bonds

by Patricia Houlihan

Working in the bond market had never crossed **Thomas Ricketts's** mind when he went looking for a job after he earned his MBA. Neither had starting his own company. But more than a decade after graduation, he is president and CEO of Incapital Holdings LLC, an investment bank he founded that has revolutionized the way corporations sell bonds to retail investors.

Growing up in Omaha, Nebraska, Ricketts watched his father start a local investment firm that eventually became Ameritrade Holding Corporation. After the brokerage industry was deregulated in 1975, J. Joe Ricketts launched one of the first discount brokerage firms. In 2004, Ameritrade reported sales of more than \$900 million.

"The success of Ameritrade has helped me set higher goals for what we're trying to accomplish

with Incapital and raised the bar for what I can get done personally as a manager," said Ricketts, AB '87, MBA '93. "And I could see how a small company can be a great place to be." His success with Incapital has earned Ricketts the 2005 Young Alumni Award.

Ricketts worked at Ameritrade one summer during college, giving stock quotes to customers over the phone; he now sits on the board of directors. After Ricketts earned his undergraduate

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Five Minutes with Tom Ricketts, AB '87, MBA '93

What do you consider your greatest accomplishment?

Starting Incapital from scratch, and being back in the market as a major underwriter of bonds in a very short period of time. What Incapital's done on a relatively small budget is unprecedented. Small investment banks don't underwrite \$40 billion in debt and open European offices. It's unique, and I'm proud of what we've accomplished.

What's been your most humbling experience?

Trading. You develop a sense of humility about your guesses on the market, and humility is a very important thing when it comes to trading in financial markets. You pay your price up front. You have good days and bad days, and the bad days remind you that you're not smarter than the market. You need to stick to what you know, from a trading standpoint.

What do you wish you had known at the start of your career?

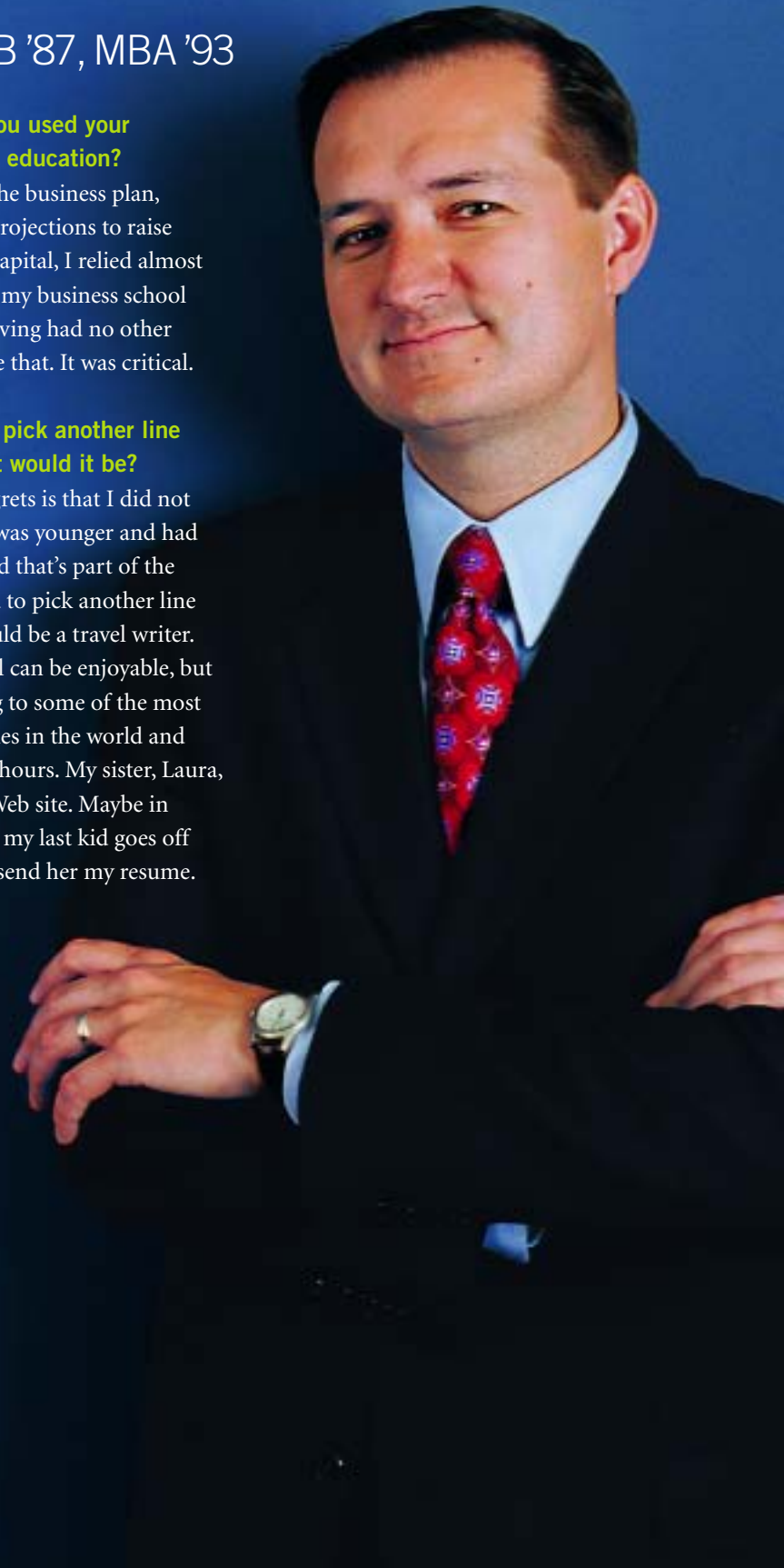
I wish I would have had a better understanding of how quickly and dramatically markets can change. At Incapital, we were so focused on the growth of our core product, we were not in a great position when the market became more difficult in 2004 and even more so in 2005. We're now on the right track, but I spent too much time managing the present and not preparing for the future.

When have you used your Chicago GSB education?

In preparing the business plan, the financial projections to raise money for Incapital, I relied almost exclusively on my business school experience, having had no other experience like that. It was critical.

If you had to pick another line of work, what would it be?

One of my regrets is that I did not travel when I was younger and had more time, and that's part of the reason if I had to pick another line of work, I would be a travel writer. Business travel can be enjoyable, but I end up going to some of the most interesting cities in the world and staying for 18 hours. My sister, Laura, runs a travel Web site. Maybe in 17 years when my last kid goes off to college, I'll send her my resume.



The 2005
Young Alumni
Award
Thomas Ricketts

degree, he got a job at the Chicago Board Options Exchange. He worked as a trader in the pits for several years, but when he realized those skills wouldn't transfer easily to another line of work, he enrolled in Chicago GSB's Evening MBA Program. He also became a CFA to broaden his skills.

With his MBA, he moved with his fiancée to Detroit, where she was accepted into a medical residency program. He landed a position at a small investment bank that specialized in the distribution of high-yield corporate bonds. Ricketts and a partner left that firm to work on a way individual investors could buy investment-grade corporate bonds without going through a mutual fund or the complicated secondary bond market.

Rather than selling \$500 million in bonds to an institutional investor in a day or two, what if a company sold bonds on an ongoing basis to investment firms that dealt with indi-

Bank of America launched a retail bond program with Incapital in January 2001; Household Finance (now HSBC), Daimler-Chrysler, GE Capital, and others followed.

The new product—dubbed InterNotes because Ricketts was already looking forward to getting into international markets—was sold to brokerage firms including Merrill Lynch, Paine Webber, and Edward Jones, which offered them to mom-and-pop investors. Ricketts's timing was good. "In 2001–02, the equity markets were volatile and people were looking for fixed-income investments, so we got off to a very fast start and did an incredible number of bonds in those years," he said.

Well ahead of the competition, Incapital branched out to Europe in 2003. The London office now sells InterNotes in more than a dozen countries and Hong Kong for a handful of European issuers. Ricketts is focused firmly on the global

market. "New financial centers are springing up, like Singapore and Dubai, and if that's where the wealth of the future is going to pool, we have to have a product that works there, too," he said. "I think our greatest value-add is being able to look at the fragmentation across markets and get a handle on that for our issuing customers." Incapital expects to launch its first global issuance program

this fall for the Mexican government, the first sovereign issuer to tap this market.

InterNotes appeal to individual investors because, unlike bond funds, they don't carry high management fees, he said. To serve retail customers who wanted to diversify their bond holdings, Incapital created BASICS, a bucket of 11 different bonds. The company also was first in the industry to provide bonds whose coupon adjusts to the consumer price index.

Ricketts is pleased with Incapital. To date, 37 billion InterNotes have been sold. The company has only 45 employees, but it's growing. The aging American population is a great market for someone selling fixed-income investments. And Ricketts is proud that the original team is still intact. But, he points out, "We're just starting. It's a small company, and markets are hard and people are competitive. I'm not like my dad, looking back over 30 years with a publicly traded company. We're still a work in progress." ■

"We made buying a corporate bond as easy as buying a local bank's certificate of deposit."
—Thomas Ricketts

vidual investors, who could then buy a bond for \$1,000? "We made buying a corporate bond as easy as buying a local bank's certificate of deposit," Ricketts said. "They would always be available through any company and always cost \$1,000."

He and his partner eventually joined the Chicago Corporation (a small investment bank that was soon purchased by ABN AMRO) and persuaded General Motors Acceptance Corporation (GMAC) to sell retail debt using their product, which they called GMAC SmartNotes. "It was the first truly successful investment-grade corporate bond offering designed for individual investors," Ricketts said. It was 1996.

After about three years, Ricketts and five coworkers quit and started Incapital. GMAC continued to do business at ABN AMRO, and Ricketts, looking for a partner, approached Bank of America with a proposal. "I offered Bank of America an arrangement where they would put up some capital to own a minority stake in the new firm, and they would be our first issuing customer—the first corporation to sell bonds through the process we developed, and we also would partner with them to get new issuers."

A Humanitarian First

by Patricia Houlihan

With her new MBA in hand, **Kateryna Yushchenko** was ready to begin her career in banking and finance. But a position opened in the State Department, and it would be seven years before she entered her chosen field. Now, as the wife of Ukrainian president Viktor Yushchenko and head of the charitable foundation Ukraine 3000, she finds her past experiences coming together in a way she could never have imagined.

Yushchenko, '86, splits her time between promoting Ukraine internationally and traveling throughout the country to develop the tradition of charitable giving. Part of a new guard that emerged after a highly contentious election last fall, she is at the forefront of a movement to replace Soviet-era thinking with a European approach. Her efforts have earned Yushchenko the 2005 Distinguished Public Service/Public Sector

Alumni Award. "I feel a tremendous responsibility because there is so much that needs to be done in my country," she said.

Raised in Chicago by immigrant parents, she was always fascinated by their native Ukraine. At Georgetown University, she earned a bachelor of science in foreign service and took a job in Washington DC representing the Ukrainian diaspora on such issues as human rights abuses and famine.

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Five Minutes with Kateryna Yushchenko, '86

What do you consider your greatest accomplishment?

Everyone thinks of accomplishments differently at different times in their lives. Now, without a doubt, it's my three children. Sophia is 6, Chrystyna is 4, and Taras is 17 months old. I'm very proud of them. They're growing up with very interesting lives that are quite different from my own childhood. I had them late in life, and I'm very happy.

What has been your most humbling experience?

I was truly humbled by the events of the campaign—the biased way in which we were treated by the media; the physical, political, and economic attacks against us; the listening in on our telephones and then the poisoning of my husband. But I was even more humbled by the way the Ukrainian people rose up in November. Until the second election, I hadn't realized how strong and courageous they were, how they were ready to put their lives on the line for justice and freedom.

What do you wish you had known at the start of your career?

I wish I had known how important languages would be to my future. I had known Ukrainian, and I studied Russian and Spanish. But now I wish I also knew German and French because I find using an interpreter so awkward. I wish I had taken more time to study languages during my education.

At what key moment have you used your GSB education?

I use it constantly. First, it helped me meet my husband. Also, I moved to a country whose economy has a tremendous amount of regulation, and it's because of my educational background that I really understand the negative effects of government on the economy. At Chicago, my concentration included public non-profit management, and now I use what I learned daily in my new job with my foundation.

If you had to choose another line of work, what would it be?

I'd never want another because I now have the opportunity to do what I want in humanitarian affairs, culture, management, and finance. But if I had to choose another line of work, I'd be an architect. I love architecture and design.

The 2005 Distinguished Public Service/ Public Sector Alumni Award
Kateryna Yushchenko

After interning with U.S. Customs, Yushchenko headed to Chicago for her MBA. "I was a great admirer of **George Stigler** because of the work he had done on the role of regulation in the economy," she said. She took two courses with him.

Yushchenko had planned to take a job in banking, but after graduation she was offered a position as special assistant to the assistant secretary of state for human rights and human affairs. "It was a very difficult decision between what my heart said, which was to work on issues related to human rights and the Soviet Union, and what my mind said, which was to take my MBA and go into finance," she said. "I had a wonderful opportunity to work at an interesting job with high-level people, so I chose the State Department."

"I feel a tremendous responsibility because there is so much that needs to be done in my country." —Kateryna Yushchenko

After nearly two years, Yushchenko was named associate director for public liaison at the White House, where she helped arrange meetings between President Ronald Reagan and ethnic groups in the United States on foreign policy issues. "It was very exciting to work with the White House and people who were so important politically, especially in the international field, even though I did not really utilize my MBA," she said. Yushchenko's next post was with the U.S. Department of the Treasury, then as an economist with the Joint Economic Committee of Congress, where she worked on international issues.

When Ukraine gained its independence from the Soviet Union in 1991, Yushchenko was among young professionals who flocked to the country to help rebuild it. "It's not often you can be there when a nation is writing its first laws, drafting its first constitution, and forming its first government," she said. "It was a time of great enthusiasm. Materially, it was a little bit difficult because many things were rationed at the time. It was a very different type of existence."

Two years after moving there, she finally had the chance to work in banking and economics. She became country manager for the consulting arm of KPMG and provided training and technical advice for Ukraine's financial managers. One of them was Viktor Yushchenko, then governor of Ukraine's central bank. She began working on a separate project to help Ukrainian orphans, and he was among bankers she sought

out for support. "He was very helpful," she recalled. "I found out he had been supporting orphanages, cultural programs, and hospitals—and doing it very quietly. That greatly impressed me." They married in 1998.

His bid for the presidency against Viktor Yanukovych last fall was marked with violence and even an attempt on his life. "My husband's car was almost run down by a truck. We were followed everywhere, and our phone conversations were tapped," Yushchenko said. In September, when her husband became ill, she tasted something metallic on his lips; doctors later said he had been poisoned with dioxin. "There was a great deal of fear, but we were always resolute that we

had to go forward, that it was a mission," she said. The original election was annulled; authorities cited voting fraud. In a second contest, Viktor Yushchenko was elected.

"The economy, political system, and legal system need a great deal of

reform, so my first and foremost job is to help my husband and provide moral support," Kateryna Yushchenko said. "With him, I represent the country on the international level. We travel, and we also host foreign presidents who come to Ukraine with their spouses. We entertain them and also set up cooperative projects."

Yushchenko also is busy heading Ukraine 3000, a non-governmental charitable organization whose programs call attention to key social and cultural issues; one program, Hospital to Hospital, is an effort to create a partnership between 25 children's hospitals in Ukraine and foreign medical institutions. "Our medical system is outdated and disorganized, and many children die needlessly," she said. "With a little effort and some of the contacts I now have because of my position, I can save the lives of children. Even if it were only one child, that would to me be a legacy."

Yushchenko knows she will battle bureaucracy and the entrenched corruption of previous regimes, but she looks forward to looking back. "I look forward to the future when people realize, 'A lot *has* changed; my life *is* better.'" ■

ON THE WEB For information on Ukraine 3000, visit president.gov.ua/en/content/601_e.html.

With Melissa M. Bernardoni