

# BUSINESS

SUNDAY, AUGUST 14, 2011

AX FN FS LF PW DC BD PG AA FD HO MN MS SM

**ON CARS**

**An able hauler**

Chevrolet's Avalanche — which transforms from SUV to pickup — holds big surprises. **The Car Pages**

**SLATE**

**Just the menu, please**

Why so many restaurant Web sites are flat-out awful. (And swank spots serve up the worst fare.) **G4**

**ON LEADERSHIP**

**Try back later**

The most-pressing business of the nation doesn't take 11 weeks off a year. But Congress sure does. **G2**

**IN OUTLOOK**

**The market's signal**

There was a message in that white-knuckled ride. Did Washington hear it? **B1**  
5 myths about the Dow. **B2**

**ON INVESTING**

**Boxed in**

The Fed will leave interest rates at zero into 2013. Here's how it could pan out for long-term investors. **G6**



**THE WEEK**

AS OF FRIDAY AT 5 P.M.



**DOW 11,269.02**  
175.59, 1.5%



**NASDAQ 2507.98**  
24.43, 1.0%



**S&P 500 1178.81**  
20.57, 1.7%



**GOLD \$1,740.20**  
91.40, 5.5%



**CRUDE OIL \$85.38**  
1.50, 1.7%



**10-YEAR TREASURY**  
Null per \$1,000, 2.2%

**CURRENCIES**

\$1=76.79 YEN; EURO=\$1.4245

Would you climb Mount Everest to land a coveted spot in a top MBA program? The guy who did is your competition.



CHRIS MORRIS FOR THE WASHINGTON POST

# A golden ticket

BY CEZARY PODKUL

*(If you could just get in)*

What would you do to improve your shot at the MBA program of your dreams? Start a small business? Or a nonprofit group, perhaps? Travel the world to bulk up your personal narrative? Maybe even drop \$10,000 on a prep course?

If you're aiming for the Stanford Graduate School of Business, you may well be tempted to do all of the above.

"From the classmate who climbed Mount Everest to the one who started a microfinance organization for individual entrepreneurs, these are the people who are your classmates and will ultimately become your friends — for life," says a prerecorded message from Stefan, a Stanford MBA student from Belgium who keeps you company while you're on hold with the admissions office.

If you're not like Stefan and didn't grow up in Hong Kong, study in Britain and work on four continents before applying for an MBA,

you might feel, well, ordinary. And out of luck.

Which is why a growing number of prospective MBAs map out a win-at-all-costs strategy one, two or three years before applying. They are, after all, trying to stand out among nearly 200,000 MBA applicants across the nation.

"I wanted to show I could bring more to the school," said Radha Rai, who started a company that develops smartphone apps for the GMAT, a bear of a test that's the first hurdle for MBA hopefuls. "I show it from my start-up because in my regular job you don't get opportunity for taking risk."

The bet paid off: The 28-year old Indian IT professional was accepted to the University of Chicago's Booth School of Business, despite scoring below the school's average on the GMAT. Of 4,299 applicants to Booth's full-time

MBA program in 2010, 22 percent were accepted, according to the school. The full cost is about \$85,000 a year, not including foregone wages. A full-time MBA program typically takes two years.

Experts say the sacrifice is well worth it. Attending a top-ranked MBA program, such as one in the top 15 of Bloomberg Businessweek's survey, can pay off handsomely over a career.

"It's the promise of the golden ticket," says Shawn Berry, president of PerfectGMAT, a test-prep company.

To help candidates get into those top schools, which include Stanford, Booth, the University of Pennsylvania's Wharton School,

MBA CONTINUED ON G5

*Planning for retirement? Brace for a mountain of choices — and research.*



**MICHELLE SINGLETARY**  
*The Color of Money*

At the beginning of the summer, at age 65, a friend was laid off from her job at a major corporation. She wisely sought the advice of a financial planner, but she's still worried about making the wrong choices.

She wanted help in reviewing her options. If she makes the wrong decision — or panics, as many investors have done since the debt-ceiling deal was announced — she could run out of money.

As we talked, she was struggling to answer my questions, shuffling papers and getting increasingly frustrated. She's better off than many people forced into retirement. At least she has a pension.

And yet, near the end of our conversation, she was in tears.

"I should have done more," she said, her voice quivering. "I just didn't know. I just didn't know."

She shouldn't feel guilty. She did the best she could with the information she had. If you're in the pre-retirement phase of your life or you've been pushed into retirement because of a job loss, you're going to face a blizzard of choices. And what a time to have to face them.

Here are just a few of the issues my friend, who asked that her name not be used, was weighing as the stock market was diving up and down last week.

- Should she take a lump sum from her pension or opt for monthly annuity payments that continue until she dies. She's not married, so she doesn't have to worry about options that would affect a spouse. (AARP has a calculator that is useful for spouses to evaluate pension options. Go to [aarp.org](http://aarp.org) and search for "Pension Plan Retirement Options.") If she takes the lump sum, she controls the

COLOR CONTINUED ON G6



**On top of the world**  
**Apple takes a bite out of Exxon** **Page 2**

*Who's to blame for this mess? Let's start with the corporate lobby.*



**STEVEN PEARLSTEIN**

Another great week for Corporate America!

The economy is flat-lining. Global financial markets are in turmoil. Your stock price is down about 15 percent in three weeks. Your customers have lost all confidence in the economy. Your employees, at least the American ones, are cynical and demoralized. Your government is paralyzed.

Want to know who is to blame, Mr. Big Shot Chief Executive? Just look in the mirror, because the culprit is staring you in the face.

J'accuse, dude. J'accuse. You helped create the monsters that are rampaging through the political and economic countryside, wreaking havoc

and sucking the lifeblood out of the global economy.

Did you see this week's cartoon cover of the New Yorker? That's you in top hat and tails sipping champagne in the lifeboat as the Titanic is sinking. Problem is, nobody thinks it's a joke anymore.

Did you presume we wouldn't notice that you've been missing in action? I can't say I was surprised. If you'd insisted on trotting out those old canards again, blaming everything on high taxes, unions, regulatory uncertainty and the lack of free-trade treaties, you would have lost whatever shred of credibility you have left.

My own bill of particulars begins right here in Washington, where during the past decade you financed and supported the growth of a radical right-wing cabal that has now taken over the Republican Party and repeatedly made a hostage of the U.S. government.

When it started out, all you really wanted was to push back against a few meddlesome regulators or shave a point

PEARLSTEIN CONTINUED ON G6

“The fundamentals are so much better in our country and in our company and in our industry than they were four years ago, when the financial crisis hit.” — Brian T. Moynihan, CEO of Bank of America, the biggest U.S. lender. It has lost 49 percent in its share price under his leadership.

## MBA tips from the pros

MBA applicants must successfully navigate five major hurdles to gain admission into the school of their choice: application essays, letters of recommendation, academic credentials, work experience and an entrance interview. Here are tips that admissions officers from five top-ranked MBA programs shared on each of these application components at a recent admissions panel sponsored by Kaplan Test Prep and Admissions. (Kaplan is owned by The Washington Post Co., publisher of The Washington Post.)



### ESSAYS

**Pauline Jennett**  
Harvard Business School

- Applicants: 9,524
- Acceptance rate: 12 percent
- Cost of attendance: \$84,000

Jennett, who serves as associate director of MBA admissions, advised candidates to use their essays to paint a “mosaic” of what makes them who they are. The essay is the one part of the application process, she said, that can really distinguish candidates from one another: “It’s a way for us to see beyond the pieces of paper that we read in your application and see what are your drives, what are your goals, what are your motivations?” Jennett said. But she also advised candidates to stand out for the right reasons. One essay she read this year began, “As I lay in my own vomit after I had been arrested for drunk driving. . . .” The essay, she said, was memorable. “But you sometimes don’t want to be that person.”

Source: Number of applicants and annual cost of attendance per latest figures published on each school’s Web site. Acceptance rate as published in “Top MBA Programs” by David Petersam. Cost of attendance reflects total annual student budget for single attendee.



### LETTERS OF RECOMMENDATION

**Lisa Giannangeli**  
Stanford Graduate School of Business

- Applicants: 7,204
- Acceptance rate: 8 percent
- Annual cost of attendance: \$87,081

Whereas your essays are stories about you written by you, the letters of reference are stories about you written by others, said Giannangeli, Stanford’s director of MBA admissions. That means it’s important to find someone who knows you well and can give the admissions committee “vivid and specific” examples of what you have accomplished and why you excelled at it. A recent direct supervisor or manager is preferable, but “we also care a lot more about the quality and content of your letters of reference versus necessarily who you chose.” So you shouldn’t stress out over picking the CEO of your firm if he or she won’t have anything insightful to say about you. And never, ever write your own letter — even if your recommender suggests it.



### ACADEMIC CREDENTIALS

**Tiffany Gooden**  
Wharton School of the University of Pennsylvania

- Applicants: 6,442
- Acceptance rate: 16 percent
- Annual cost of attendance: \$89,200

Academic credentials are “ways for us to get a better sense of how prepared you are for our program,” said Gooden, a senior associate director on the Wharton School’s admissions committee. And because 80 percent of candidates to top MBA programs generally are prepared to handle them, she advised students not to stress out too much. A transcript, for example, is not just about the GPA, she said: “We’re looking to see that you’ve challenged yourself, shown some intellectual curiosity” and taken some quantitative course work.

As for admissions exams such as the GMAT, don’t be afraid to re-take them if you didn’t do well the first time. And definitely tell the school if you’ve earned professional designations such as the Chartered Financial Analyst — that counts as well.



### WORK EXPERIENCE

**Angel Navedo**  
MIT Sloan School of Management

- Applicants: 4,490
- Acceptance rate: 10 percent
- Annual cost of attendance: \$82,632

Work experience is a relative metric. “When we are doing our evaluation, we are going to be looking at where you stand in comparison to folks who are at your level in your industries and in your job functions,” said Navedo, Sloan’s associate director of admissions.

So what matters is not how much work experience you have — the average tends to be four to five years — but recognizing the right time for you to apply for an MBA. And that depends on where you stand in your career. The same applies to the kind of work experience you apply with. “Really what we’re looking for is not so much what you did. What we want to see is that you did it with excellence,” Navedo said. And, as always, people who demonstrate passion tend to stand out.



### INTERVIEWS

**Jessica Seymour**  
Kellogg School of Management, Northwestern

- Applicants: 5,826
- Acceptance rate: 19 percent
- Annual cost of attendance: \$81,229

The foundations of a good interview rest on knowing your story extremely well and knowing the school and why you’re applying to it, said Jessica Seymour, associate director of admissions. But beyond that, there are several things candidates can do to make a good impression.

First, check your agenda at the door. “Don’t go in with specific examples for specific questions that you have read on some blog online,” Seymour said. Instead, go in with an open mind because “the person on the other side of the interview is going to have their own agenda.” So listen closely and answer their questions. But don’t sound too scripted, because the interviewers want to get a sense of who you are as a person — not your memorization skills. A mock interview with a friend might be good practice.

— Cezary Podkul

# Admission to top schools can be tough climb

## MBA FROM GI

Harvard, Northwestern’s Kellogg School and Duke, Berry promises to maximize their GMAT scores — for a modest fee.

“My GMAT service costs \$10,000, and it long has,” he says, “and it’s well worth it.”

### ‘Opportunity for access’

Indeed, a study commissioned by Bloomberg Businessweek found that graduates from the top MBA programs make about \$1 million more over the course of their careers than those from lesser-ranked programs.

Berry’s pitch has a very basic appeal. An MBA, he says, is an “opportunity for access” to top-paying jobs. It’s a degree, he says, that largely caters to “people who want to succeed and go to Wall Street and make a lot of money.”

So why not spend \$10,000, or 1 percent of that additional \$1 million in expected lifetime earnings, to secure a spot at a school where you’ll maximize that access?

Mark Ein, for example, finished the Wharton undergraduate program in 1986 and landed jobs at Goldman Sachs, the prestigious investment bank, and Brentwood Associates, a private equity firm. In 1990, he left Brentwood to get his MBA at Harvard Business School. That opened the door to the Carlyle Group, an even more prestigious and well-paying private equity firm.

Ein, who today manages his own District-based investment firm, says it wasn’t all about the money. “I wanted to spend two years immersing myself and thinking about business,” he says.

But he quickly realized he was in the minority. “My first week at Harvard Business School, I got a call from one of the second-year students who said he wanted to work at Brentwood Associates and was asking me if I could help him,” he recalls. Five minutes into the conversation, the student asked him: “Why . . . did you leave, anyway? Everyone here wants to leave and go to work there.”

Small wonder, then, that GMAT tutors such as Berry can charge \$10,000 a pop to help applicants land at a school like Wharton or Harvard, schools that regularly attract 7,000 or more applicants and admit fewer than 20 percent.

With dozens of clients each year, Berry said, “I’m as busy as I can be.”

So are the at least 25 MBA graduate admissions consultancies around the world that coach students on other parts

of their applications, such as essays, interviews and letters of recommendation. With names like Clear Admit, AdmissionsConsultants and Stacy Blackman Consulting, many of them help applicants rethink how they market themselves to business schools. Their guidance can often make the difference between an admission slip and a rejection letter.

Graham Richmond, founder of Clear Admit, helped one client get into Wharton by persuading her to scrap her essay about an energy deal she worked on and focus on something else: shooting guns. The Texas-based private-equity firm she worked at was a male-dominated environment where the senior executives liked to talk business at the shooting range. So the Asian American learned to fit in by joining them for target shooting.

“I was all about getting her to understand who’s reading the file,” Richmond said. “The people reading the file are more like your high school English teacher than the colleague sitting next to you at an investment bank,” he said; they’re more interested in getting a good sense of who you are than your business experience.

Kathryn Bezella, senior associate director of admissions at the Wharton School in Philadelphia, declines to pass judgment on whether hiring a consultant or a \$10,000 test prep tutor is a worthwhile investment.

“Students are grown-ups,” she says. “We rely on them to make a whole host of decisions on their own.”

### The intangibles

An excellent GMAT score, usually in the 700 to 800 range, is not enough to get into a top program. Applicants must also demonstrate “intangible” qualities, such as managerial, entrepreneurial or social skills that make them stand out from the crowd.

“The intangibles are incredibly important,” says George Andrews, associate dean at University of Chicago’s Booth School, because they help separate the high-scoring GMAT candidates from each other and build a diverse class.

This is the real chance to shine. Rai’s GMAT prep app company gave her plenty to talk about during her interview at Booth.

“I told them I was in the process of filing a patent,” she said.

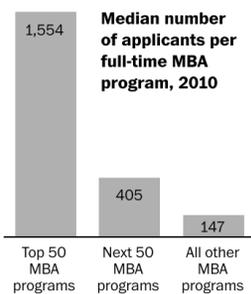
What matters most, Andrews said, is that applicants are genuine about their pursuits. “You’ll find that people like her who are passionate about it can talk all

*“I’m not Mother Teresa, and I haven’t cured cancer. . . . What am I going to write about to differentiate myself from every other person in this room?”*

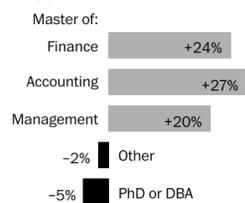
**Lisa Giannangeli**, Stanford admissions official, recounting a prospective MBA student’s lament

### The stampede toward top schools

Wall Street is as inviting as ever: Finance, accounting and management programs saw a surge in applicants last year. Top-tier schools are the biggest draw.



### Percentage change in number of applicants, 2009 to 2010



Source: Graduate Management Admission Council 2010 Application Trends Survey

THE WASHINGTON POST

day,” he said.

Next month, Rai will start Booth’s program part time so she can devote more time to launching her app, GMAT FatPig.

Eric Bell took a slightly different approach. Like Rai, whose IT background put her in a well-represented segment of the MBA applicant pool, Bell was applying to business school as a financial analyst at Citi Private Bank. In the year before he applied to Georgetown, he started a D.C. branch of a nonprofit group devoted to teaching children financial literacy. The experience helped show the admissions committee his seriousness about his goal of starting a business in the field.

“It gave me a story to talk about,” said Bell, who is still involved with the nonprofit group, Greater Washington Jump\$art Coalition, and is launching a personal finance advisory firm, YoBucko.com.

Elaine Romanelli, associate dean at Georgetown, said she looks for students such as Bell who can “make connections between what experiences they’ve had and what they want to get out of the MBA.”

Others applicants look to the world. Carrie Perdue spent three years working as a consultant with Deloitte in McLean, Va., before she quit in February 2010 to move to Honduras. From her base in the country’s westernmost province, she teaches business skills residents as part of “Mi Vida Empresarial,” an entrepreneurship program she developed for the Peace Corps.

“At Deloitte, I was never the boss,” she says. “I really wanted an experience that would make me a better leader and a better business person.”

The 26-year-old Virginia native will feature that Peace Corps experience in her applications to Harvard, Stanford, Wharton, Booth and Kellogg. “I hope I will be a more attractive business school applicant,” she says.

But that wasn’t her top reason for joining the Peace Corps. “I wanted to have international experience,” she says. “I wanted to learn a foreign language. And I wanted to challenge myself.”

Volunteering is another route, but here sincerity and commitment are especially important. Richmond, the consultant, shares the story of a prospect who jumped into tutoring inner-city kids and volunteering at a soup kitchen two months before a key application deadline. He was rejected by Chicago, Kellogg

and Wharton. Now he’s regrouping to apply again.

“The candidate who starts doing something right before application can look fishy,” Richmond said.

### ‘Not Mother Teresa’

But do you really need to go to extremes to get into a top school?

Lisa Giannangeli was wondering about that when she attended an information session for top MBA programs in the mid-1990s when she was a consultant at Deloitte. She didn’t have the guts to ask the question of Stanford’s director of admissions that day.

But a colleague did.

He stood up and said, “I’m not Mother Teresa, and I haven’t cured cancer, nor have I recovered from it. . . . and on top of it all, I had a really happy childhood and I love my parents,” Giannangeli recalls. He finished by asking, “Help! What am I going to write about to differentiate myself from every other person in this room?”

Today, Giannangeli heads up Stanford’s business school admissions, and a ballroom filled with about 400 prospective MBAs at Washington’s Capitol Hilton burst into laughter last month when she shared the anecdote. At least one person felt some relief.

“That was the moment where I felt like she was speaking to me, because I feel very ordinary,” said Schinria Islam, a 21-year-old from the University of Nevada who is swinging for Stanford.

Giannangeli gave the same advice she heard from the Stanford admissions director some years ago: “The majority of people who go to our institution have done ordinary things extraordinarily well.”

So what about that prerecorded phone message where a Belgian who grew up in Asia tells you about his classmate who climbed Mount Everest?

“Think about the hard work and the determination and the initiative that are found in that person,” Giannangeli says when she picks up the line. “It’s more those qualities that we’re looking for than an actual crazy story.”

Stacy Blackman, who works with MBA candidates, concurs. One of her clients wrote an application essay about revamping a spreadsheet that everybody used at the investment bank where she worked.

A spreadsheet. Sort of ordinary, no? “She got into Harvard,” Blackman said.

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