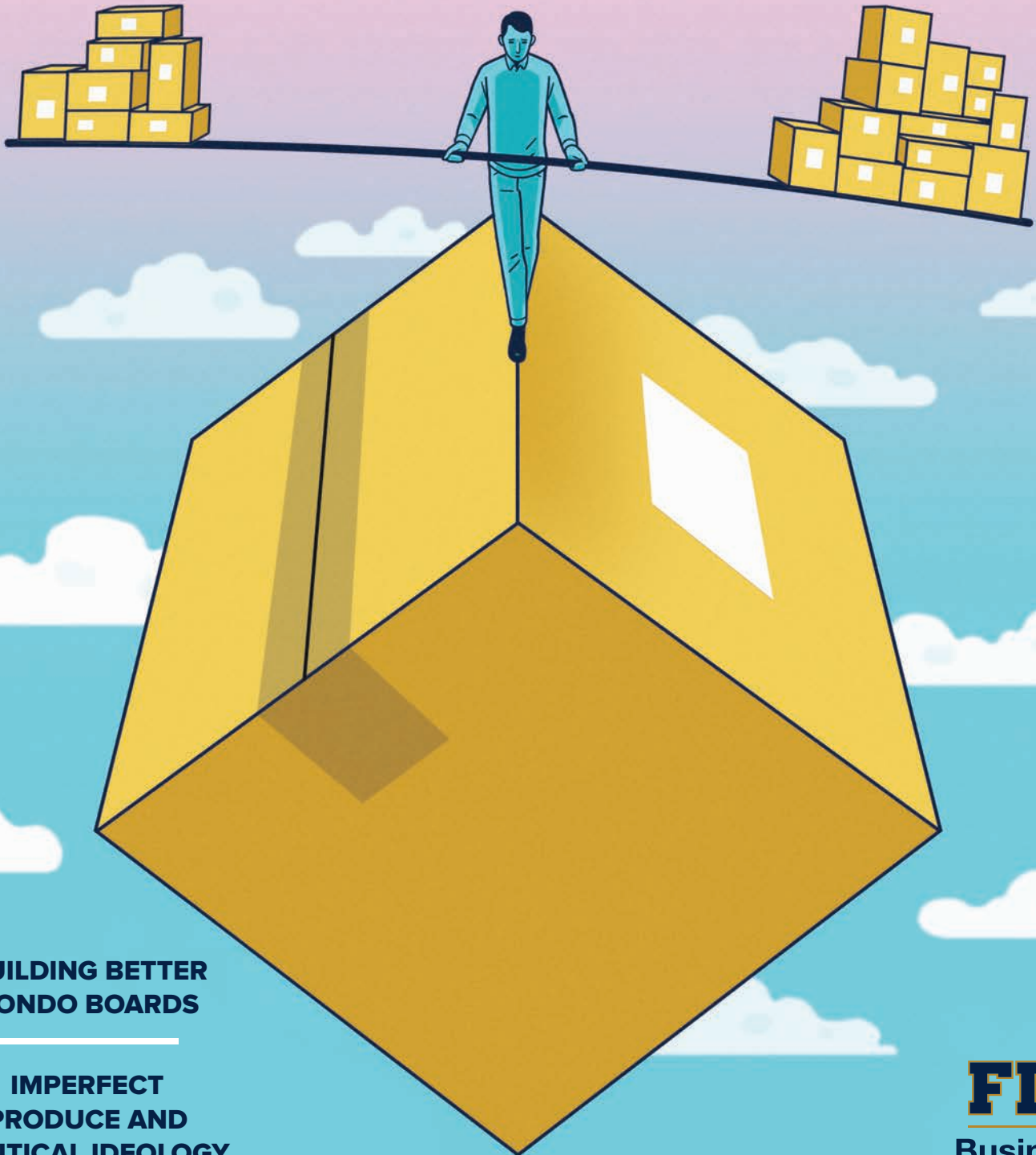


How Retailers Balance Consumer Demand with Costly Returns



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CONDO BOARDS**

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PRODUCE AND
POLITICAL IDEOLOGY**

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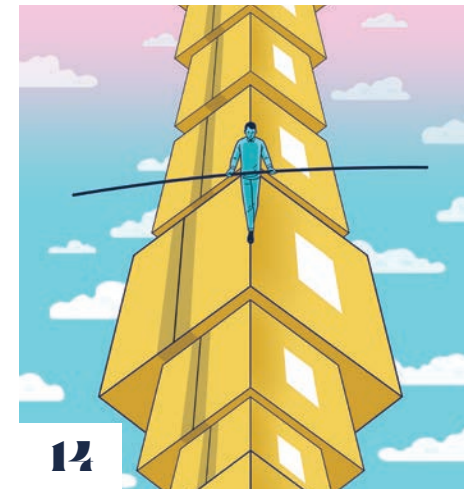
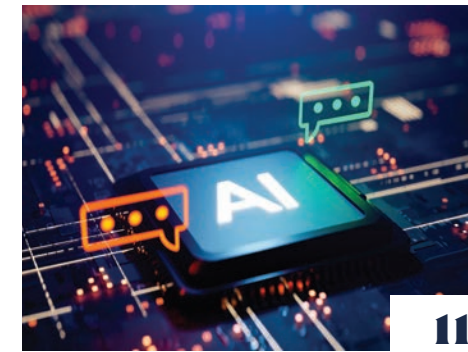
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Helping Students Cross the Finish Line

From THE DEAN

In each issue of FIU Business Now, we strive to share information that you and our other readers can use to help meet the opportunities and challenges that arise in the ever-evolving business world. Our cover story in this issue focuses on the many retailers that are rethinking their product-return policies because of the high costs associated with those returns. Our faculty and alumni experts share insight about how businesses can balance their need to cut costs with customer demands for convenience (page 14).

In another feature, we look at how businesses can connect with millions of customers by using emerging conversational AI technology (page 11). Our other feature also touches on innovation – insights shared during the annual FIU Business real estate conference, which drew more than 200 industry professionals to campus in the fall of 2023. Learn how developers are preserving South Florida communities through revitalization and multi-use, workforce and affordable housing projects (page 18).

Condominiums are a key part of the region's housing market, but many are not run well. That's why this spring, FIU Business launched a Condominium Board Member Training Certificate Program (page 4). We believe this program, the only such university program in Florida, answers the urgent call for empowered and informed condo board members.

Our research section features a study that revealed some firms issue lowball earnings guidance and how that affects stock returns along with another study that found political ideology influences consumers' willingness to purchase imperfect produce (pages 21 - 22).

In our alumni section, you will meet the woman at the top spot at Miami Tunnel, which links mainland Miami to PortMiami; the founders of one of the largest independent accounting firms in the U.S.; and three sisters who work together at a firm their family started 40 years ago (pages 25 - 27).

Finally, we will introduce you to a program that helps to ensure our undergraduate students stay in school and graduate on time (page 32). This program would not be possible without the support of our alumni and other donors – so thank you! I hope you enjoy the spring 2024 issue of *FIU Business Now*.



William Hardin
Dean, FIU College of Business



FIU Business Now
Spring 2024
Volume 5, Issue 1

Dean
William Hardin

Associate Deans
Sumit Kundu
George Marakas
Suchismita Mishra
Arijit Sengupta

Senior Director, Marketing and Communications
Jeff Heebner

Director, Marketing and New Media
Luisa Perez (MS '18)

Editorial Director
Cynthia Corzo

Graphic Designer
Ivan Rodriguez-Tellaheche

Contributing Writers
Karen-Janine Cohen
Lauren Comander
Nancy Dahlberg
Michelle Lopez

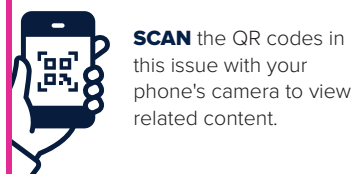
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ONLINE MASTER'S PROGRAM

Ranked in Nation's **TOP 10** and **NO. 1** in Florida

The online business programs at FIU Business have been ranked among the best in the U.S. by U.S. News & World Report in its 2024 rankings released February 7. FIU's online specialized business master's program is ranked No. 9, up from No. 21 in 2023, and is the top-ranked program in Florida.

FIU joins top programs in the top 10 including those at Carnegie Mellon University, the University of Southern California, Arizona State University and Boston University. The FIU Business online MBA program is ranked No. 29, up from No. 44 in 2023. The online undergraduate business program is ranked No. 23, up from No. 24.

"FIU Business was a pioneer in online business education, having launched online programs more than 20 years ago," said William Hardin, dean of FIU Business. "Our reputation for offering first-rate online programs at an affordable cost has grown significantly since then, resulting in top national rankings, as we see with this latest U.S. News report."

FIU Business launched a pilot project with 10 online courses in 1999 and has continued to expand those offerings while introducing the latest technology.

Today, FIU Business offers eight online specialized master's programs, including those in **accounting, finance, international business, health informatics and analytics, human resource management, international real estate, marketing, and logistics and supply chain management**. It also offers a fully **online MBA program** and a fully **online Healthcare MBA program**. Six Bachelor in Business Administration majors are offered online, including **finance, human resource management, international business, logistics and supply chain management, management and marketing**.



NEW CERTIFICATE PROGRAM FOR CONDO BOARD MEMBERS AND OWNERS

As condominium associations face increasing pressures, FIU Business has launched a training certificate program designed for newly elected condominium board members and condo owners.

The fully online Condominium Board Member Training Certificate Program focuses on leadership and governance. Areas of coverage include reserve studies, leading major repairs and renovations, as well as managing attorneys, finance and insurance professionals.

This certificate program comes at a time when many of Florida's condominium associations are facing condominium-safety reform laws resulting from the 2021 Surfside, Florida building collapse. By January 2025, most will have to complete a Structural Integrity Reserve Study to determine how much money must be set aside to complete structural repairs.

"Owners, condominium board members and condominium managers all play roles to effectively oversee and manage a condominium project," said William Hardin, dean of FIU Business. "The

professional education provided by FIU Business allows each party to know their duties, understand the operations of the properties for which they have fiduciary and legal responsibilities and create the quality of life expected by all."

FIU is the first major university in Florida to provide comprehensive education related to the ownership and management of condominiums, he said. The State of Florida approved the program as part of its training requirements for condominium board members.

The self-paced program is taught by veteran condominium board president and professional condominium association manager Patrick Hohman, who authored "Condos, Townhomes and Homeowner Associations: How to Make Your Investment Safer."

"All condominium associations and homeowner associations are nonprofit corporations. In my experience, as corporations, condominium associations, especially over 30 years old, are often financially stressed, under-reserved, and with heavy board turnover," said

Hohman, who noted that there are 9,000 condominium associations in Miami-Dade, Broward and Palm Beach counties and many are poorly regulated. "The best way to correct these deficiencies is through the educational process."

THE PROGRAM IS DIVIDED INTO THREE SECTIONS:

- Proactive, Hands-On and Well-Organized Management
- Financial Strength: Now and Into the Future
- Leading People and Understanding Property Owners



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VISIT THE PROGRAM WEBSITE FOR MORE INFORMATION AND TO REGISTER.

LATINA BUSINESS LEADERS

Showcase Expertise

Showing the collective expertise of a network of Latina business leaders and corporate players, the LATINA Style Business Series celebrated its 25th anniversary, arriving at FIU Business in fall 2023 for its final stop of the year.

The seminar, held in partnership with the Pino Global Entrepreneurship Center and Blackstone LanchPad at FIU Business, featured panels and experts from fields including insurance, taxes and community resources. Throughout the day, participants shared their stories, from their greatest challenges to their biggest victories and everything in between.

"My first tip to success is to learn to break barriers," said Sabaa Tovar (MBA '22), a seminar panelist and entrepreneur.

"As a Latina, you maybe grew up with a young mother who was not a business owner, a stay-at-home mom. I had to learn to break the limitations of my cultural background."

The LATINA Style Business Series, with assistance from the U.S. Small Business Administration, supports Latina entrepreneurs by providing leads that can be converted into collaborative opportunities. Since its launch in 1998, the conference has been held in 154 cities, with over 40,000 participants.

"I think in a vibrant community like Miami, naturally, we want to support entrepreneurship. It is the backbone of growth in the U.S.," said Francis Hondal (MBA '94, BBA '88), a board member of Bath & Body Works and Equitable Holdings. "We have such a commitment to help advance the dreams of everyone, whether you're an entrepreneur or someone in corporate, in business, out of business, and that's the exciting mandate of FIU."



Francis Hondal (MBA '94, BBA '88), a board member of Bath & Body Works and Equitable Holdings, spoke at the seminar.

Honoring some of the local women who laid the groundwork, LATINA Style presented several awards. The Lifetime Achievement Award was presented to Elaine Miceli Vasquez, president of El Heraldo de Broward, and the Community Award to Myrna Vaca, director of community relations at the University of Miami Health System. Arminda Figueroa, CEO of Latin2Latin Marketing + Communications, received the Latina Entrepreneur of the Year award.



FIU Business alumna Rebecca Olavarrieta (BBA '09) was a nominee for Entrepreneur of the Year. Seventeen years ago, she took over her brother's business, Rocco 4x4, an automotive customization shop specializing in off-road vehicles.

"I try to showcase that if you're doing what you are passionate about, you're always going to be having fun," said Olavarrieta. "And if you can make a little bit of money, it's even better. I think it's the American dream."



(L to R) Panelists Myrna Sonora, regional vice president, South Florida, Prospera; Isabel Halliday, senior business consultant, Chase for Business, JP Morgan Chase; and Marcia North, senior stakeholder liaison, IRS Communications and Liaison Division.

New Program to Improve ENTERPRISE OPPORTUNITIES

Leaders of the Florida Small Business Development Center (FSBDC) at FIU Business and U.S. Rep. Maria Elvira Salazar (FL-27) in fall 2023 launched the Business Growth and Acceleration Program (BizGap) for small businesses located in Florida's 27th Congressional District.

Funded by a \$650,000 Community Project grant from the U.S. Small Business Administration to the FSBDC, BizGap will assist over 1,000 small businesses in FL-27 through Dec. 2024, explained Brian Van Hook, regional director of FSBDC. District 27 includes areas of downtown Miami, Little Havana, Coral Gables, Westchester, Palmetto Bay and Cutler Bay.

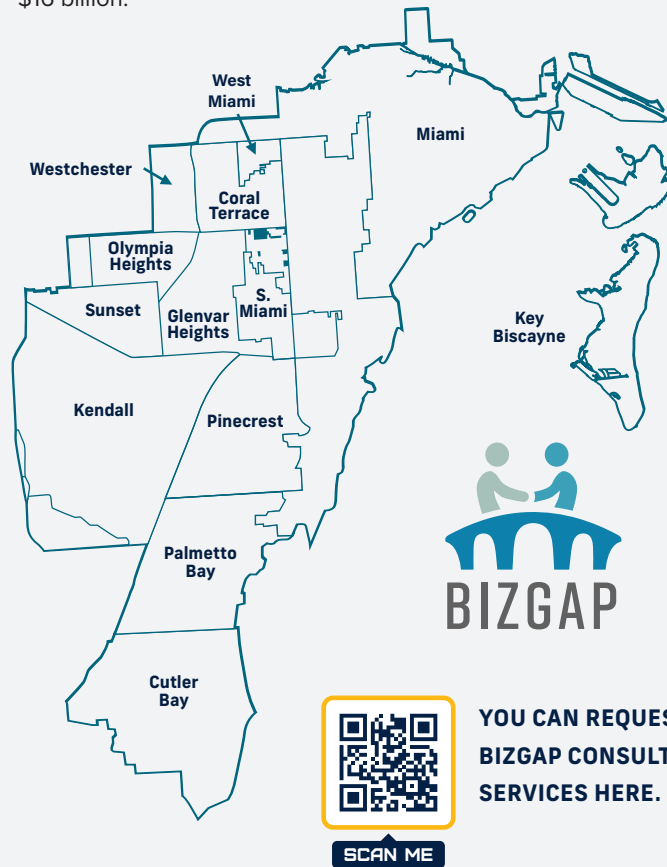
"BizGap is focused on meeting small business owners where they are in the community and providing them with the guidance, resources and partnerships needed to start and grow their businesses," Van Hook said. "It's another tool in our toolkit to assist local businesses."

The program includes training, workshops and webinars on topics such as marketing, access to capital, business strategy and startup assistance. FSBDC consultants also conduct door-to-door canvassing to reach business owners in key commercial corridors.

"As a proud member of the Small Business Committee, I know that entrepreneurs and mom-and-pop shops are the backbone of Miami," said Salazar, adding that with BizGap more people can feel confident when starting and expanding their business in Miami.

At BizGap's launch, FIU President Kenneth A. Jessell highlighted the importance of small businesses.

"They contribute almost 50% of the economic activity in this country," he said. "They create jobs and ignite innovation every step of the way and here [in] Congressional District 27, we have almost 65,000 small businesses and they have revenues of over \$16 billion."



2022 - 2023 FSBDC ASSISTANCE TO DISTRICT 27:

46 businesses launched	\$15.8 million in increased sales
\$29 million in capital secured	\$35.85 million in government contracts secured
840 small businesses consulted	6,838 consulting hours provided



(L to R) Brian Van Hook, regional director, Florida SBDC at FIU; Sergio Catalina Bellmont, owner, Belmont Spanish Restaurant; Claudia Romero, owner, Pega Grill; U.S. Rep. Maria Elvira Salazar; Kenneth A. Jessell, president, FIU; and Mari Rubio, owner, Casa Gioia, at the BizGap program launch in Little Havana on December 18, 2023.

HOSTING MBA STUDENTS FROM LATIN AMERICA

A group of 18 MBA students from the Universidad Catolica de Uruguay (UCU) gathered at FIU Business in fall 2023 for a weeklong executive education certificate program in leadership, international business, innovation, technology and digital transformation.

"What I valued most was networking and how each individual's experience was unique," said Andres Diaz, one of the UCU students. The courses explored the latest trends on developing human capital, data analytics, the Internet of Things and the nuances of politics in international business.

"The objective of this course is to gain new knowledge," said Ignacio Bartesagni, director of the Instituto de Negocios Internacionales at UCU. "Of course, the experience is also about spending a week at a university of FIU's caliber, with this campus that is not common in our country."

Aside from learning and exploring FIU's campus, the students took tours of companies including Sony Music Latin's Miami headquarters, led by president Bruno Duarte (MIB '19); WTDC Worldwide Logistics, accompanied by its president, Sean Gazitua; and PortMiami.

"It was interesting, the parts on digital innovation, digital transformation, data analysis in international business," said UCU student Eugenia Grande.



The MBA students visited PortMiami and businesses as part of the program.

"The great challenge is to see how they apply the technology available internationally to the specific cases of the companies in which they have some type of role."

— Ignacio Bartesagni

"We talked about the topic of data strategy, and I think the professor was very meticulous when it came to explaining the theory, how to put together a digital transformation strategy, what is coming and what is going to evolve."

The innovation and technology panel included two FIU Business alumnae - Maria Florencia Sciaroni (MBA '22), CEO of Sur Supply, which specializes in the import and distribution of animal protein in the U.S., and Maria Romano (MBA '22), vice president of health equity and medical informatics at Premise Health.

"The great challenge is to see how they apply the technology available internationally to the specific cases of the companies in which they have some type of role," said Bartesagni.

This was the second UCU student group to participate in the program and plans are in development to host a third group in 2024.

"I found the whole topic of the internationality of business very interesting and it kind of makes me want to get into that world a little," said Grande. "I work a lot in the local market and opening up to the world seems to me to be the biggest challenge, but the most important takeaway for me."

Students Focus on DEFORESTATION

in Global Competition

Undergraduate and master's degree students worldwide showcased their classroom knowledge at the AIS Software Innovation Challenge in fall 2023, and three FIU Business undergraduate business analytics majors won first place.

The virtual event tasked students with developing and presenting their software-based information systems solutions to focus on any of the United Nations Sustainable Development Goals, which include ending poverty, clean energy, responsible consumption and production, and climate action.

"Our topic is about deforestation," said Thi Thuy Nga Pham, a double major in information systems. "The reason why we came up with the solution for the smart forest is because [in 2023], we have had several incidents of forest fires in the Amazon, and other forests in the U.S."

Caring for the planet is something all the students felt passionately about, and they were motivated by the challenge's call to action.



"I came here about two years ago from Peru, and ever since I was very little, I've had this weight of social responsibility in the back of my head that just determines every decision that I make," said another student, Vania Arredondo Vera. "For me just being able to tackle those goals was amazing."

The students developed Sireen, an app that will work with Internet of Things devices connected within the forests to deliver updates on conditions like visibility, temperature and carbon dioxide levels. If levels rise to unsafe amounts, alarms will trigger. The data is displayed in a user-friendly dashboard and the app is gamified to incentivize users to participate.

Developing and coding the app took the students out of their comfort zone.

"We're all business students and that part of technology is something we were very new to," said Ishel Zain, also a double major in information systems. "But Professor Edward Duran was the one who mentored us and opened the doors to JavaScript, and we figured out that all of us are actually good at it."

While the students all share a passion for sustainability and other U.N. goals, they also understand that for many companies, the decision to be proactive can also be a financial one.

"As a business, your reputation really matters," said Zain. "Companies are willing to pay millions of dollars just to get that good reputation and I've seen businesses crumbling just because they don't support certain goals."



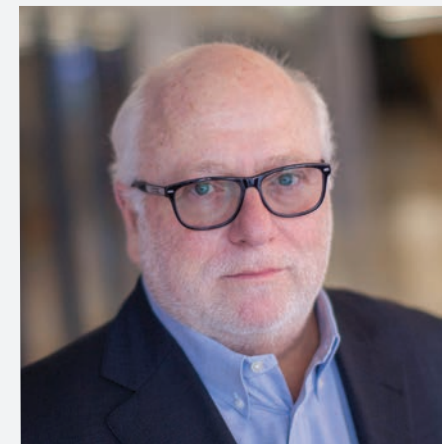
VIEW VIDEO ABOUT
THE SIREEN APP.

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RAISING CAPITAL?

What you need to know, from
an award-winning consultant
who has been there, done that

By Nancy Dahlberg



*Ricardo Weisz, Consultant,
Florida SBDC at FIU Business;
Founder and President,
Northvest; and Founder
and Administrator, Interim
HealthCare*

"Just having a great idea is not sufficient. People have to be able to discover your idea, know where to find it."

— Ricardo Weisz

When it comes to raising capital, Florida Small Business Development Center (FSBDC) at FIU Business consultant Ricardo Weisz has experience in the trenches on both sides of this entrepreneurial challenge.

As an executive at The Walt Disney Company, he launched operations in multiple countries, and over the years he has headed and/or invested in various ventures with successful exits. He currently owns and runs Interim HealthCare, a healthcare franchise company that provides services for those aging in place. He was also an active early-stage investor who has held a number of board positions and has served as an adviser and judge in many business competitions.

"I think I am unique among the [FSBDC at FIU Business] consultants in that I run a small business myself, and so it gives me insight from both sides, being the consultant but also empathizing with the pains of running a business and understanding what the clients go through in their processes," explained Weisz.

All this experience and expertise has served well the clients of FSBDC, which provides no-cost consulting to small businesses in Miami-Dade and Monroe counties. Weisz has helped entrepreneurs secure \$25.88 million in capital. Of that, 38.1%, or \$9.87 million, came in during the last three years.

Raising capital is a challenge

"When there's a lot of unemployment, there's a lot of entrepreneurship going on because people see it as an alternative to getting another job, and the risk associated with being an employee.

But, when the economy shifts, and the returns on the capital market and real estate market are high, investors focus on those areas rather than high-risk venture capital," Weisz said.

Advice to founders

So, what does Weisz advise founders seeking funding?

"A lot of founders come into it thinking that just by having a great idea, they're going to get immediately funded, but that's not the case. It takes a major effort in trying to get funding. It means being ready to pitch your idea maybe 60, 70, 100 times before you get any traction," he said.

Weisz said too many founding teams are so enamored with and focused on their idea that they're not paying attention to anything else. "To the investor, the team is as important as the idea itself," he said.

That means having members on your team with proven track records and deep expertise in the subject matter, Weisz said. "This not only brings credibility, but also validation."

Many founders also lack go-to-market strategy. "Just having a great idea is not sufficient," Weisz noted. "People have to be able to discover your idea, know where to find it."



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ADVICE ON HOW
TO GROW YOUR
BUSINESS HERE.

What FIU Alumni Need to Know About Changes to FIU Alumni Email Accounts

FIU has decided to end lifetime alumni email accounts and transition to time-limited account access. Alumni will now have access to their FIU email, OneDrive, and other services linked to their accounts for two years. Please be advised that accounts may be closed before the two-year mark for inactivity.

The two-year period begins when an email account holder has graduated and is classified as an alumnus/alumna.

When will my email account be closed?

			
Spring 2022 and Before	Summer 2022	Fall 2022	Future Graduates
Students who graduated on or before spring 2022 will have their accounts closed on June 1, 2024.	Students who graduated in summer 2022 will have their accounts closed on September 10, 2024.	Students who graduated in fall 2022 will have their accounts closed on January 20, 2025.	Alumni will keep their accounts for two years. The two-year period will begin when students graduate.

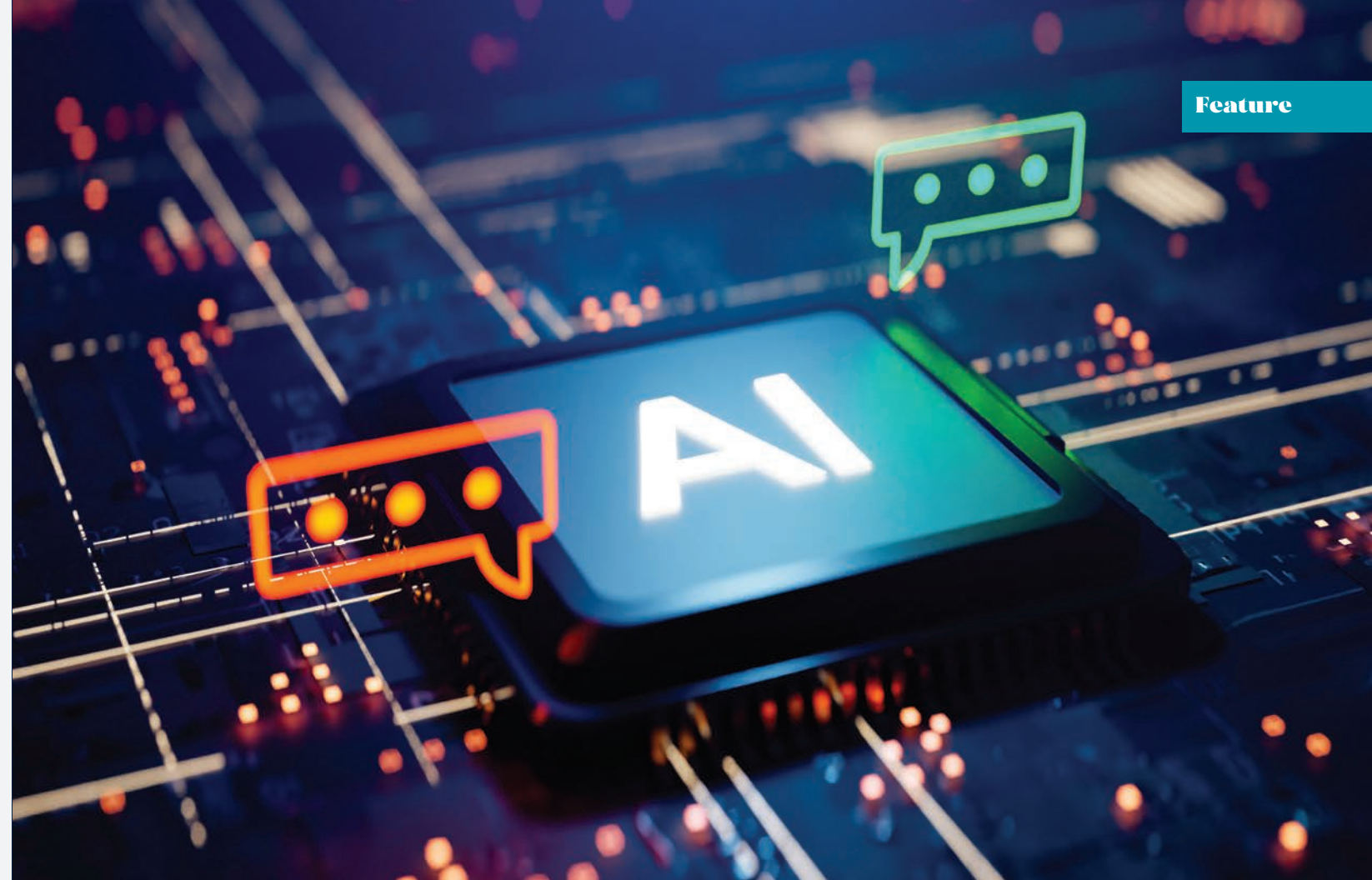
How to Prepare

- Find an alternate email and cloud storage service if you do not already have one.
- Update all accounts that use the @fiu.edu email address with your alternate email address.
- Inform others of your new email address.
- Set up an out-of-office message that includes your alternate email address in your FIU email account.
- Save your data and documents to avoid losing any valuable information.

Stay connected with FIU and update your email address with the FIU Alumni Association by scanning this QR code. If you have questions about your email, please contact the Office of Alumni Relations at alumni@fiu.edu.



SCAN ME



BUSINESSES UNLOCK CONVERSATIONAL AI

With its growth, productivity explodes and some concerns arise

By Lauren Commander

Walk into Edward Duran's Information Systems Management classroom and you might find not just the professor but also digital avatars doing the talking. In these scenario-based learning lessons, Duran, assistant teaching professor of information systems and business analytics at FIU Business, and his students are witness to the rapidly evolving world of conversational artificial

intelligence (AI) in education. "I have a fake executive – a talking avatar – explain a business problem, and my students engage with that talking avatar to discuss what we are covering in class in a new and unique way," Duran said. "The students find it entertaining and engaging. They pay attention."

Duran creates and animates avatars with a generative AI platform by uploading a

script depicting the scenario; he writes the script with the help of ChatGPT. It is one of many ways conversational AI technologies are influencing Duran's job as an educator. "I've been using ChatGPT to create better examples in my lessons, AI to make better captions for my videos, and AI to crop 'um' and 'uh' out of my videos. I've expanded my skillset via augmentation with AI, and I feel a little superhuman."

If it seems as if there is something superhuman going on as workers across industries operate with conversational AI as their co-pilot, there is. Businesses particularly benefitting from this technology are those that rely on customer service. Not only can conversational AI tailor chats to individual users based on context, but it can also talk to millions of customers simultaneously, allowing for scalability and decimating dreaded wait times. Look no further than Bank of America's Erica, touted as a virtual financial assistant that can check your balance and offer financial advice, or Expedia's virtual assistant that responds to requests and makes travel plans.



The technology also is changing the ways businesses operate, facilitating globalization by eliminating language barriers and saving on labor costs, said Pouyan Esmaeil Zadeh, associate professor of information systems and business analytics at FIU Business.

Let's Chat About... GROWTH

In November, OpenAI released ChatGPT, which now has more than 100 million weekly active users. As people increasingly turn to conversational AI tools like chatbots and virtual assistants for help with tasks and recommendations, big tech companies continue to develop AI models like Google's Bard, Microsoft's Bing and Amazon's Q. "We've been getting into [an] exponential rate of improvement, with improved models coming out every few weeks," said Andres Arias (DBA '26, MSIS '21), chief product officer for Digital Communications Technologies

(DCT), a developer of Internet of Things devices and accessories, and former senior product manager at Google.

In a nutshell, conversational AI enables computers to understand, process, analyze and respond to human language in a very natural, meaningful and engaging way. A decade ago, conversational AI centered on simple conversation. Today, large language models give chatbots and virtual assistants the ability to process complex tasks and, even more significantly, learn along the way through interactions and context.



"They collect data, analyze it and learn," Zadeh said. "They can self-train and understand, the next time someone asks it a question, how it can answer better."

"They collect data, analyze it and learn. They can self-train and understand, the next time someone asks it a question, how it can answer better."

— Pouyan Esmaeil Zadeh

At first, companies used tools like ChatGPT, but those systems rely on data available to anyone on the internet. Enter companies like Amazon Web Service (AWS), offering open-source models that can be fine-tuned with company-specific data sets that can be kept private. "AWS has democratized generative AI tools for \$20 a month, with Amazon Q, [a] purpose-built GPT suite for business, with the data that runs Amazon.com," said Jon Sastre (MSIS '08, BBA '01), senior partner sales manager and certified solutions architect for AWS. "Customers rent an account, and we can't see their data but can give them the software tools and put that to work for them."

Let's Chat About... CHALLENGES

It's imperative for businesses to understand how these systems work and consider the privacy implications, experts agree.

"Every day, people enter personal information and sometimes sensitive health information into ChatGPT in hopes of getting answers," Zadeh said. "People don't realize how much data conversational AI is collecting from them, how it's stored and shared with other companies, and how it's analyzed."

Companies should be transparent with customers about how their data is being used, Duran said. "All those terms and conditions no one reads? It worries me that people might not understand that many AI systems rely heavily on your data to work, and companies don't want to be in a situation where their trust is lost because they didn't manage or communicate how they use customer data properly."

It's important for users to understand that the outputs of ChatGPT and related technologies are not always correct, and considerations should be made for human validation processes with the outputs of some of these technologies. Risk management departments need to consider what could go wrong and what to do when AI does not get it right, Duran noted.



"The systems are trained and given rules and guardrails to do and not do certain things, but the internet is filled with people trying to break these rules for fun."

— Jon Sastre



The models also can be prone to bias because of bias in the training data, leading to discrimination or unfair treatment that needs to be addressed. Type "nurse" into Google and click on images, and you will see virtually all female nurses. A search for "technology professional" will populate images of men. "It's hard to overcome that," Sastre said.

People also can be easily defrauded. "The output you get from these tools is convincing, and I can see them being used to initiate phishing attacks," Zadeh said.

Cybersecurity threats have emerged as people put malicious prompts into a chatbot to make it spill data or say things it shouldn't. "The systems are trained and given rules and guardrails to do and not do certain things, but the internet is filled with people trying to break these rules for fun," Sastre said.

Let's Chat About... THE FUTURE

The future with this technology holds countless possibilities, from increased efficiency and scalability to new and quicker ways to use data. We will finally get personal assistants like

Siri, Alexa and the like to answer queries with higher complexity as they keep getting smarter and smarter, with chatbots and voice systems replacing dashboards and reports, Arias said.

"The biggest impact for the enterprise is that you can do more with less," he added. "One potential use case for generative AI is to have an assistant for business intelligence. We aim to create a digital experience that gives business leaders answers and insights using natural language as they need it."

Or even before they ask.

"You can put a voice to a chatbot, using tools like Amazon Lex," Sastre said. "It's something you can talk to that's almost like it's alive. It feels like magic. But in reality, it's not able to think — yet."

After a pause, he added, "It's not even close."

RETURN POLICIES BECOME A BALANCING ACT FOR RETAILERS

By Michelle Lopez



A popular online shopping hack referred to as “bracketing,” where shoppers order multiples of a clothing item in different colors and sizes, so they can select only one item and return the rest is just one of the reasons returns are creating logistical nightmares.

In 2022, U.S. shoppers purchased \$4.9 trillion and returned \$743 billion in merchandise, with more than an estimated \$100 billion worth of those items having been returned fraudulently, according to the National Retail Federation. The cost of handling a return is approximately 17% of the purchase cost, and this accounts for product handling, shipping and transportation costs. Other studies suggest it can go as high as 30% of the purchase cost.

Whether legitimate or fraudulent, processing the returned merchandise through the supply chain has become a pricey endeavor for businesses.

“The cost structure with the whole reverse logistics of shipping the product back to the company, having it reinspected to resell, or restocking it, or disposing of the product, there's just a ton of labor that's involved with all of that,” said Jaclyn Tanenbaum, associate teaching professor of marketing and logistics at FIU Business.

Miami-based reverse logistics company goTRG handles returns for some of the top retailers and manufacturers in the country. It's also tasked with finding new buyers for the merchandise via business-to-business or business-to-consumer models.

“The process of maintaining the large influx of inventory is challenging at times,” said Arturo Muino (BBA '19), senior recommerce manager for goTRG. “A higher rate of customer returns can increase storage costs, create overstocked warehouses and reduce employee efficiency. Making sure you have a proper way to manage these returns is crucial for a retailer to succeed and maximize its potential.”

Creating Hurdles Without Losing Customers

To hedge their losses on returns, some retailers can test out changes to their return policy to recuperate the costs for returns or dissuade customers from sending items back, while still trying to offer a frictionless experience for their customers.

Buyer's remorse may be setting in as shoppers learn that the process of returning their unwanted purchases has been transforming over the last two years, with the end of free online returns emerging.

Amazon customers who once relied on free returns dropped off at any UPS store can now expect a \$1 fee to send items back. And sellers on the platform will start seeing changes as well. Starting on June 1, 2024, Amazon will introduce a returns processing fee for high-return rate products in all categories, with fees ranging from \$1.79 to up to \$150 for extra-large items.

Helping sellers track their returns and the reasons why is a new tool that launched in 2023 called “Return Insights.” Aside from the new fees, if items are frequently returned as defective, Amazon may even shut down the store. The aim is to ensure high-quality items are sold and item listings are optimized to include as much information as possible. On the buying side, customers are informed of “frequently returned items.”

“The return policies for online shopping are central to letting the customers try out the products and if they don't like it, they can return it,” said Sebastian Garcia-Dastugue, assistant teaching professor of marketing and logistics at FIU Business. “So basically, they're completely removing the risk away from the hands of the customer.”



“On the one hand, I want to make it easier for you to return the items so that you choose me as your preferred retailer,” said Garcia-Dastugue. “The other column is, ‘if I don’t put some barrier to the customer to return the product, then returns are going to be higher.’ A little bit of a hurdle probably is not a bad idea.”

A recent survey from goTRG shows that 60% of merchants have changed their return policies for online returns, with many eliminating free returns and 67% now charging additional shipping or restocking fees.

Aside from fees, others have turned to third-party drop-off locations, such as UPS stores, Whole Foods or Kohls, as used by Amazon.



Retailers should be aware that some recent studies have shown that some customers will not be deterred from buying online by a flat-rate restocking or returns fee. Other studies indicate that shoppers are bristling at the idea of more added fees.

“A higher rate of customer returns can increase storage costs, create overstocked warehouses and reduce employee efficiency. Making sure you have a proper way to manage these returns is crucial for a retailer to succeed and maximize its potential.”

— Arturo Muino

“Whoever is able to produce a process for returning the products and for having the chance to refurbish them or salvage value from the return products, whoever does that the best will be able to offer more to the customer,” said Garcia-Dastugue. “I think it’s also an area of competition for retailers.”

Returned and overstocked items with salvage value have seen a second chance at life at “bin stores.” Independent and small chain bin stores purchase the returned goods from big-box retailers or liquidators at deep discounts and then resell for a small profit margin. The stores have been cropping up in the U.S. as the business model has taken off in the last three years. Consumers hunting for deals can search websites that track the store openings by state.

“With algorithms and built-in historical data to calculate fees and various costs, we can determine whether a product is to be sold wholesale directly to B2B clients or through B2C e-commerce sites,” said Muino. “Once we determine the proper allocation for a product, we analyze market trends and follow pricing strategies to determine a good selling price for the item while making sure we have a healthy recovery versus the original MSRP.”

Getting the Message Across

Wendy Llorente (BBA '09), co-founder of Almara Beauty, an online retailer of natural skincare products, explained that the company hasn’t processed any returns since its 2022 start. But its policy is displayed on its website.

“If you purchase any of our items, and either it doesn’t sit well with your skin, or you just simply don’t like it, we 100% give you back your money,” said Llorente. “Obviously we don’t want clients to use the entire face cream and say ‘Hey, I wasn’t too happy with it.’ You don’t want to feel like you’re being taken advantage of.”

In terms of informing customers about return policies, or recent changes to the policies, it’s best to let customers know, whether by displaying the policy on the website or printing it on the receipt.

“I think honesty is the best policy because in the end, you are trying to build a relationship with your customer base,” said Tanenbaum. “Transparency is extremely important. No one wants to feel like they’re being tricked. Make your policy based on whatever your rationality is but communicate it.”

And when it comes to item descriptions, the more information the better. It’s also a good opportunity for retailers to be

upfront about some of the products that are frequently making their way back to them.

“They want the consumer to be more informed,” said Tanenbaum. “Communicate — the more information you can provide to the customer, the better off they are.”

Good Return Policy Can Lead to Good Reviews

New research conducted by Garcia-Dastugue found that having a lenient return policy can lead to good product reviews. Published in the *Journal of Business Logistics*, the research tracked the sales of an online toy retailer over a yearlong period. Certain sales were made during a period when the store offered a more lenient return policy.

Transactions were examined to see if buyers left reviews, how long the reviews were and the general tone. Results indicated that a lax return policy led to positive and detailed reviews, both of which are vital for businesses.

“Some reviews are increasingly important at the time of purchase because they become an element to help make the final decision to buy or not,” Garcia-Dastugue said. “That shows they’ve become super important.”

Are the Hurdles Here to Stay?

It may be a while before we see an end to merchandise return hurdles, so customers may want to focus more on retailers’ policies before they commit to purchases.

For businesses, the key to avoiding returns might be a multi-faceted approach but providing clear item descriptions and customer reviews is an important start.

“Returns are here to stay,” said Muino. “It’s crucial to minimize these returns and use proper KPIs and metrics to monitor them in order to reduce costs and fees to a company’s supply chain.”

Developing and communicating a return policy that is efficient and easy for customers will ultimately keep them coming back.

“Retailers are trying to figure out how to level set,” said Tanenbaum. “What’s the best balance that the retailer can strike between being competitive and being accessible and being a good partner with their customer, but also to the point where the customer is not able to abuse it and go overboard?”

WORKING WITH COMMUNITIES

Offers New Opportunities for Miami's Real Estate Growth *By Cynthia Corzo*

Exploding growth and increased challenges have become a mixed blessing for Miami's real estate landscape, driving industry leaders to diversify their ventures. Preserving communities through revitalization plus multi-use, workforce and affordable housing projects can lead to positive sources of income.

Those were some of the insights shared when the Hollo School of Real Estate at FIU Business brought together 200-plus attendees at REact 2023, themed "Miami on the Rise: Managing Growth and Preserving Community." Held in November 2023, the annual conference is now in its third year.

Affordable Housing: Filling The Void

At The Related Group, three divisions launched in 2008. One, Related Urban Development Group, is dedicated to affordable and workforce housing as well as mixed-income projects, president Jon Paul Perez, explained in a fireside chat.

"Miami is becoming a city of more neighborhoods that have been developed over the last 10 years," he said. "Edgewater, Midtown, Coconut Grove all came out of resurgence. Transportation and zoning increases will propel growth."



The Related Group's senior center at Robert King High Towers



The Related Group's Liberty Square project

Can a luxury developer play a productive role in affordable housing?

"Yes. You have to think creatively," said Perez. "It all sits within the urban core. You can't just replace public housing with public housing because it will fail again."

One of Related Urban's current projects is Liberty Square. Originally built in 1931, it was one of the first public housing projects in the U.S. and had 700 apartments. When Related's project is completed

in 2026, it will cover 16 city blocks and include 2,500 residential units, a supermarket and a charter school.

So far, Related Urban has completed 25 affordable, workforce, and senior housing partnerships with Miami-Dade and more are in the works. In Little Havana, the 14-story Robert King High Towers offers 315 apartments for seniors and the seven-story Paseo del Rio at River Parc has 182 affordable and workforce residences.

"Miami is becoming a city of more neighborhoods that have been developed over the last 10 years."

— Jon Paul Perez

"It would be great if more people did it," Perez said. "You have more pride, you're more emotional because you're giving back to the community and people are so thankful for what you're doing."

Perez explained that there's an unlimited demand for affordable and workforce housing, and the only way to make it feasible is for the government to work with the private sector. Related Urban has responded to this increased housing demand by fast-tracking multiple condominium projects and accelerating work on market-rate rentals and affordable housing projects.

He cautioned that it's a complicated business, especially the financing side, and one that's difficult to jump into. However, it requires very little equity because it's highly subsidized and it can be a good income stream.

Bringing Wynwood Back To Life

Another fireside chat at the conference showcased Goldman Properties' strategy of revitalizing historic, often forgotten, neighborhoods by marrying real estate and public art, without losing the area's DNA.

Goldman's star in South Florida is Wynwood.

In Miami's defunct garment district, which became a land of abandoned warehouses taken over by artists and squatters, the Goldmans purchased a total of 18 properties — often for as little as \$100 a square foot — determined to develop a center for the creative class. Located in the heart of Miami, Goldman felt the narrow walkable streets and buildings lined up at street level would make it a great pedestrian neighborhood.

Photo credit: Moris Moreno



Photo credit: Lloyd's Studio Photography

Feature

HONORING SUPPORT AND GUIDANCE

Hollo School advisory board member and donor Malcolm Butters (MSIRE '83), president of Butters Construction & Development, received the Hollo School of Real Estate Lifetime Achievement Award at the REact conference.

"His unwavering dedication to real estate education, paired with his commitment to giving back to our students and faculty, exemplifies the true spirit of community," said William Hardin, dean of FIU Business, in presenting the award.

In 2020, Butters and his wife Catherine established the Butters Endowed Professorship, a \$500,000 endowment to support high-level teaching and research for one real estate professor. In 2019, they established a scholarship at the Hollo School to ease loan debt for two master's in real estate program graduates each year, and they fund scholarships dedicated to undergraduates.

“It was purely gut instinct, purely fascinating,” said Jessica Goldman-Srebnick, co-chair of Goldman Properties and CEO of Goldman Global Arts.

Unlike traditional developers who might buy properties, clean up the neighborhood and get rid of the graffiti, the Goldmans chose to create a unique neighborhood that would become an international destination.

“Our goal is to effect change, bring in pride, passion and businesses that love the neighborhood,” Goldman-Srebnick said.

In 2007 and 2008, coming out of the great recession, Wynwood had to become more unique, recalled Scott Srebnick, CEO of Goldman Properties.



The Wynwood Garage developed by Goldman Properties / Photo credit: Moris Moreno

“Our goal is to effect change, bring in pride, passion and businesses that love the neighborhood.”

— Jessica Goldman-Srebnick

The company invited celebrated street artists, gave them spray cans, and asked them to showcase their work on the buildings’ walls. It gave birth to outdoor street art museum Wynwood Walls, which opened in December 2009 and became the heartbeat of the neighborhood.

“Art became a forethought, not an afterthought,” Srebnick said. “It created something iconic for the neighborhood.”

Art collectors visiting Miami Beach that year for Art Basel, a prestigious international art fair, heard the buzz about Wynwood and walked the streets, taking photos and posting them on social media.

“We became one of the most Instagrammable museums in the country,” said Srebnick. “Almost overnight we captured the attention of the art world.”

What’s next?

“Now is different,” said Goldman-Srebnick. “These days it’s difficult to acquire property in a neighborhood quietly, in a stealth way, because information about an area is so readily available and many eyes are on our next move.”



Aerial view of Wynwood / Photo credit: Nika Kramer

OVERLY CAUTIOUS EARNINGS GUIDANCE DELIVERS SHORT-LIVED BENEFITS FOR BUSINESSES

By Cynthia Corzo

Stock performance for companies engaging in lowball guidance — forecasting earnings that are substantially lower than actual numbers — improves only in the first four quarters after the initiation of these episodes, a new study from FIU Business shows.

Researchers found that the likelihood of meeting and beating analyst consensus also dissipates after four quarters and that while episodes of lowball guidance likely appeal to certain types of market participants in the short term, they aren’t sustainable.

“Companies may want to give a slightly conservative forecast, to under-promise and over-deliver in order to keep stock prices higher,” said Michael (Minye) Tang, associate professor of accounting at FIU Business and one of the researchers. “Sometimes these forecasts turn out to be too conservative if the exceptionally high growth of the firm even surprises the CEO.”

Forthcoming in the *British Accounting Review*, the research provides two explanations for lowball guidance episodes: firms’ earnings uncertainty, and to a lesser extent, their attempts to appease sell-side analysts and institutional investors.

“When facing an uncertain path of growth, managers tend to be conservative in their forecasts because the costs of missing their own guidance outweigh the benefits of over-promising,” said Tang.

He pointed out that the sample in their study includes a considerable number of high-profile S&P 500 companies known for this practice. Among them are Apple, Netflix, LinkedIn, Qualcomm, Target, Marriott, Procter & Gamble and General Motors, which as a group represent a significant portion of the overall U.S. stock market valuation and the economy.

The researchers put together a sample of 2,953 companies and examined a total of 118,132 firm-quarters of earnings guidance from 2001 - 2017. Of those companies, 329 were identified as lowball firms at some point during the sample period.

The study also found that lowball guidance is a recurring behavior — of the 293 firms that stopped lowball guidance, 94 restarted at least one more episode, 57 firms had two episodes, 24 had three, 11 firms had four, and two firms had five episodes.

“Our study is the first to systematically document the prevalence of the well-known phenomenon of lowball guidance,” said Tang, “and to assess economic explanations and market consequences of this practice that distinguish it from the general notion of simply meeting or beating market earnings expectations.”

Tang conducted the research with Jing Chen of the Stevens Institute of Technology, and Michael J. Jung of the University of Delaware.

Political Ideology Impacts Consumers' Purchase of IMPERFECT PRODUCE

By Cynthia Corzo



Politically conservative consumers are less likely to purchase imperfect fruits and vegetables – non-uniform in shape, color or texture – versus their liberal counterparts, new research from FIU Business shows.

The researchers zeroed in on how political ideology might influence consumers' purchases after observing a connection between the increasing levels of global food insecurity and political divisions. They found that the effect is also driven by conservatives' lower openness to new experiences compared to liberals.

The paper was published in the December 2023 issue of scientific journal *Appetite*, which specializes in normal and disordered eating and drinking in animals and humans.

By uncovering the effect of political ideology on preference for imperfect produce, the researchers wrote, their study can nudge food producers and marketers to reduce food waste, as one likely cause of food waste is consumers' rejection of ugly or imperfect produce.

Jayati Sinha, associate professor of marketing and logistics at FIU Business, was one of the researchers. She and her colleagues noted the study's findings are also relevant for retailers and food marketers, as sellers of imperfect foods may use the information to identify relevant customer segments.

Across four online studies with nearly 1,400 U.S. respondents and, using different designs for each study, participants were shown various boxes of fruits and vegetables and indicated their preference along with measures of political ideology. Researchers identified political ideology as a moderating factor of consumers' aversion to buy imperfect fruits and vegetables, and consumers openness to experience drives this effect.

A third study examined whether conservatives had a weaker preference for imperfect fruits and vegetables versus perfect fruits and vegetables because they are less open to new experiences. Participants were asked to indicate how each of 10 characteristics, including "inventive" and "curious about many different things" could apply to them.

The researchers recommend marketers target their products to the right customers and avoid spending marketing dollars on shoppers who are less likely to purchase imperfect produce. Additionally, both marketers and NGOs can minimize food waste by enhancing consumers' openness to experience via knowledge sharing.

Sinha conducted the research with Aylin Aydinli of Vrije Universiteit Amsterdam, Fang-Chi Lu of The University of Melbourne, Ernest Baskin of Saint Joseph's University, and Shailendra Pratap Jain of the University of Washington.

Customers Value Price and Reliability of Crowdsourced Delivery

By Cynthia Corzo



Aided by technology-enabled solutions, retailers have progressively added crowdsourcing to their delivery portfolios, enhancing customers' last-mile delivery experience. In return, customers who have come to expect their products at lightning speed are offering higher appraisal levels, FIU Business research found.

Rather than a trade-off, customer satisfaction increased in terms of on-time delivery, reliability and price perception, indicating they feel that the cost paid for the service is worth it to receive their purchases the same day or the next day. Crowdsourced delivery uses networks of local, contracted couriers like Instacart, DoorDash, Uber and Postmates to deliver packages to customers' homes in short order. These compete with traditional services like UPS, FedEx and the U.S. Postal Service, which often take days to deliver.

Published in the July 2023 issue of the *Journal of Business Logistics*, the research underscored the power of crowdsourced delivery as a tool to enhance customer experience and unveiled potential opportunities for its effective use in customer segmentation strategies.

"Using this delivery method, satisfaction increases when customers shop for convenience goods such as groceries or office supplies, compared to more expensive specialty or shopping goods," said Ha Ta, assistant professor of marketing and logistics at FIU Business and one of the researchers. "It also suggests that it's more plausible to charge a higher price."

Results also indicated that positive appraisals are more pronounced for timeliness and price of deliveries of high-turnover products that require minimal time and effort to purchase.

"We provide a business case for investing in that type of delivery model," said Ta.

The researchers analyzed 98,134 reviews, submitted between January 2016 and August 2021 via Bizrate.com. They covered six retailers — Aveda, Brookstone, Foot Locker, Lamps Plus, Nordstrom and Things Remembered — that had incorporated crowdsourced

delivery in their portfolios exclusively for same-day services, which otherwise would not have been provided. Each retailer only relied on carriers, such as FedEx, the U.S. Postal Service and UPS, for non-same-day delivery services.

While demand for crowdsourced delivery boomed during the COVID-19 pandemic, driven by shelter-in-place orders and in-store shopping limitations, Ta noted that demand began when Amazon set same-day and two-hour delivery options and has been increasing generally since then. Much of the data examined by the researchers looked at purchases that took place four years before the pandemic.

"Customers are changing. They have new expectations that are only economically feasible with crowdsourcing," said Ta. "Traditional services have fixed route delivery of packages for the full day and set the schedule in the morning. You can't expect to place an order and get it an hour or two hours later for free or cheap."

Ta conducted the research with Terry L. Esper and Annibal Sodero of The Ohio State University, and Adriana Rossiter Hofer of the University of Arkansas.



The Hill – January 4, 2024

In an op-ed, Jerry Haar, professor of international business, wrote that in the aftermath of the global pandemic and in light of increasing tensions between the U.S. and China, “nearshoring” has emerged as a major issue in global production and distribution. “Still another factor leading to shortages was production disruptions due to China’s strict lockdowns, which were hastily implemented, and the shutdown of Chinese manufacturing facilities with little notice,” he wrote.

Voice of America – November 21, 2023

A story about the increased flexibility of working from home in certain areas of the U.S., quoted Ravi Gajendran, professor of global leadership and management, who explained that places with the most knowledge-based jobs are more likely to have large numbers of people working remotely. “States that are more well known for IT, finance, analytics, those kinds of occupations, we’re likely to see a higher proportion of remote work,” he said.

“States that are more well known for IT, finance, analytics, those kinds of occupations, we’re likely to see a higher proportion of remote work.”

— Ravi Gajendran, Professor, Global Leadership and Management

Information Week – November 20, 2023

A story about a massive cybersecurity incident in Australia that temporarily closed major seaports, quoted Craig Austin, associate teaching professor of logistics and supply chain management, who explained that the ransomware attack was a reminder that intentional targeting by bad actors can put the supply chain in a chokehold and each successful attack represents millions of dollars in costs. “Prior to the pandemic, a number of companies never realized how important a well-functioning supply chain is,” he said.

Fortune – November 14, 2023

A story about the Asia-Pacific Economic Cooperation meeting quoted Dan Prud’homme, assistant professor of international business, who explained that many of the companies attending the event would try to convince China that they are in industries that should not be targeted by the current political tensions. “If Xi is going to meet these business leaders at this summit, they’ll be looking for signals that the U.S.-China relationship is thawing,” he said.

“If Xi is going to meet these business leaders at this summit, they’ll be looking for signals that the U.S.-China relationship is thawing.”

— Dan Prud’homme, Assistant Professor, International Business

Crain’s New York Business – November 7, 2023

In a story about Donald Trump’s wealth, Eli Beracha, director of the Hollo School of Real Estate, explained that Trump’s Mar-a-Lago club in Palm Beach, Florida could be converted into a full-time private residence. Also, Trump’s penthouse at Trump Tower in New York would likely command a higher sales price, he said. “There would be a Trump premium because the person that would want that property is likely to be a Trump supporter.”

CBS Evening News – October 8, 2023

In a story about Powerball lottery jackpots getting larger, with the 10 largest occurring over the last two years, Deanne Butchey, teaching professor of finance, noted that contributing factors include the expansion of the Powerball lottery to more states and a new formula for the game. “Because there are fewer Powerballs there’s a lesser chance that you’re going to be able to hit that big one,” she said.

New York Post – October 7, 2023

A story about the Florida property market’s outperforming nearly all of the rest of the U.S. due to the mass migration of money and people quoted Eli Beracha, director of the Hollo School of Real Estate. He explained why it has remained strong versus corrections in several Texas markets. “Florida is viewed as a tropical vacation place — where you can also live. People just don’t go on vacation to Dallas,” he said.

“Florida is viewed as a tropical vacation place — where you can also live. People just don’t go on vacation to Dallas.”

— Eli Beracha, Director, Hollo School of Real Estate

Worth – October 5, 2023

In a story about using software to suggest investment advice and some consumers’ reluctance to do so, Suchismita Mishra, professor of finance, explained that research in this area is still nascent and indicated she’s unsure about whether AI-routed investing can beat the market. “AI is capable of deep-learning algorithms, whereas robo-advising was based on machine learning and algorithms,” she said.

Keeping All Elements in Harmony Makes the Tunnel Hum

Wendy Conforme (MBA ’19)
CEO, Miami Tunnel, Miami

By Karen-Janine Cohen



The first thing to know is that a tunnel is more than a covered thoroughfare. With many moving parts, it’s more like a symphony: elements working in harmony. At Miami Tunnel, which links mainland Miami to the PortMiami seaport complex, keeping that equilibrium is the job of Wendy Conforme (MBA ’19), its CEO.

“Everyone thinks the tunnel is a road,” she said. But it’s not. “It is a confined space, and we take you 120 feet below sea level.” Electrical, mechanical and a host of other monitoring systems constantly read traffic, temperature and oxygen. The double tunnel underneath Government Cut was completed in 2014. Up to 16,000 vehicles use each 4,200-foot tunnel each weekday.

Conforme, who took the top spot at Miami Tunnel in June of 2023, has been involved in the \$1.2 billion project since 2009. In the early 2000’s, she was roadway design lead for the nascent enterprise at the Jacobs Engineering Group. In 2015, she joined Meridian Infrastructure, the private part of the public-private partnership that runs the project, together with the state of Florida.

“It was amazing,” she said of her experience helping to shepherd the project from blueprint to inauguration. The effort brought together global experts, from New York-based construction professionals to French tunnel specialists. She is also the first woman leading a major infrastructure asset for Meridian Infrastructure.

The tunnel project was, and continues to be, a career highlight for Conforme, who was born in Ecuador and later immigrated to the U.S. with her family. She considered a medical career but changed plans when an engineering class revealed the profession’s many opportunities. Civil engineering’s bridge, road and infrastructure construction captured her imagination.

Soon after her 1999 graduation from New York University with her engineering degree, she settled in Miami, joining Parsons Brinckerhoff as a project engineer. There she worked on the Panama Canal expansion and PortMiami capital improvement and cargo area improvement

projects. Meanwhile, Conforme enrolled in the FIU Business Executive MBA program, graduating in 2019, the same year she was named COO of Miami Tunnel.

As CEO, her role includes strategic planning, capital improvements and customer relations. The FIU Business program’s leadership seminars, teambuilding and networking proved their value as she rose in the C-suite. Now, when she talks to engineering students, she underlines the importance of connections and professional relationships. When not at her job, she can be found at home with her two young children or persuading her husband to go dancing, a favorite leisure-time activity.

Conforme is committed to opening doors for more women in engineering, where they are underrepresented. “Overall, it has always been a male-dominated field,” she said. “I know there are so many women qualified in our field, true gems and heroes of the profession.”



(L to R) Guillermo Andrade and Armando Hernandez

After Meeting at FIU Business, They Created a Blockbuster Firm

Guillermo Andrade
(MSF '95, BACC '89)
Board Chairman, H&CO, Miami

Armando Hernandez
(MST '96, BACC '89)
CEO, H&CO, Miami

By Karen-Janine Cohen

Armando Hernandez (MST '96, BACC '89) and Guillermo Andrade (MSF '95, BACC '89) first met at honor society Beta Alpha Psi, whose dynamic FIU Business chapter has a reputation for networking and showcasing opportunities. The students soon became friends and eventually business partners who founded H&CO accounting and global services, a multinational firm that fills a niche few mined until Hernandez and Andrade made it their firm's nexus.

Started in 1992, H&CO helps families and companies invest in, and often relocate to, the U.S.

Andrade and Hernandez credit FIU Business with powering their success. After earning undergraduate degrees, Hernandez, H&CO's CEO, and Andrade, the firm's board chair, worked at separate firms, yet had similar experiences. "They used me as a translator," said Hernandez.

Andrade's Spanish-language skills were in demand as well. "Miami was fast becoming an international hub for foreign companies and investors and Hispanic clients were being assigned to me," he said, adding that Spanish speakers were more relaxed in their own language.

"I saw the need, and how hard it is to adjust," said Hernandez. The partners knew those emotions firsthand. Both immigrated to the U.S. from Cuba as teens.

Latin American clients fueled the business early on, but soon high-net-worth individuals, business owners, real estate investors and families with children studying or living in the U.S. followed. H&CO is now one of the largest independent accounting firms in the U.S., with more than 800 employees operating in more than 28 countries and overseeing investment both here and abroad.

Technology has created profound accounting changes, with routine tasks now mostly automated, while professionals focus on analysis and advising, noted

Andrade. "Our business is going more and more into the consulting aspect of the profession and less into the bookkeeping role," he said.

Now, finding skilled workers is H&CO's biggest challenge. The company often hires graduates of FIU, whose educational approach maintains the excellence that so inspired Andrade and Hernandez. And FIU professors foster a transformative vision of success, especially for young immigrants, hungry for opportunity, Hernandez said. What's more, he added, FIU alumni tend to stay in the area and help build the community.

Hernandez, who sits on the FIU Business MBA Board of Advisors, hopes others find his and Andrade's experience inspiring. "Everyone has the power to achieve success through education, hard work, dedication and perseverance," he said.

When not working, Hernandez spends time boating and fishing, while Andrade has a passion for ancient and medieval history.



(L to R) Edleen de Paz, Evelyn de Paz and Elizabeth de Paz

It's a Family Affair

Edleen de Paz (BBA '03)
Evelyn de Paz (BBA '98)
Elizabeth de Paz (BBA '03)
All Uniform Wear, Hialeah, Fla.

By Karen-Janine Cohen

Family enterprises are familiar in South Florida. Yet All Uniform Wear, now in its 40th year, is unusual.

Three of four de Paz sisters, all FIU Business alumni – Evelyn (BBA '98), Elizabeth (BBA '03) and Edleen (BBA '03) – joined their parents' firm and, eventually, brought in their husbands. The couples, plus founders Moises and Nelly de Paz, shepherd a firm with 26 retail locations, a 50,000 square foot distribution center and an embroidery factory.

The saga began when Moises, Nelly – pregnant with Elizabeth – and young Evelyn left Cuba for South Florida. Edleen was born 11 months after Elizabeth. Nelly, hands full with two tiny ones, suggested Evelyn go with her dad "to the office," the original retail clothing store at the flea market in Miami.

"When I was little, I was very rambunctious," said Evelyn, who remembers those days as magical. "In order to be with my dad, we had to work. It became normal." Once grown, Evelyn worked in the computer industry until she

realized the importance of using her capabilities in the family business.

During that time, with the company pivoting to the uniform industry, Elizabeth and Moises knocked on the doors of local businesses to showcase their garments. Edleen worked alongside her mom in accounting.

A fledgling charter school asked Moises to supply student uniforms. Other schools followed, and All Uniform Wear stores were soon proliferating. "We opened one after another, after another," Evelyn said. While she mainly deals with operations, marketing and purchases, no one has a formal title, or strictly defined duties. However, each couple owns its own stores, with combined ownership in the distribution business. Uniforms range from those for medical and hospitality workers to those for first responders.

Elizabeth worked side-by-side with her father all along and never left. "He was the best professor I could ever have," she said, adding that her business education began with him. Her portfolio, managed

jointly with her husband Allan Baltodano (BBA '03), includes private label, corporate sales, software development and technology.

The sisters' FIU Business education contributed to the company's growth. "For me, FIU was a pivotal moment, where I could see where I wanted to be," Evelyn said.

Edleen took the traditional college route while still working full time. The family's faith-centered focus unites them and overcomes any professional disagreements, she said. Edleen specializes with her mom on the financial and accounting end of the business plus the school sector.

Edleen said her folks were enthusiastic about welcoming their husbands, and to incorporating what their children learned in business school. "When we started proving ourselves, he was very open to it," she said, referring to her dad. "He had to have trust in us in order to grow the business."

Class Notes

1980s

Joseph Catti (BBA '83), chairman and CEO of FineMark National Bank and Trust, is the chairperson of the board of trustees at Lee Health Foundation.

Wanda Pistella (BBA '88), a member of the real estate practice group at Leech Tishman, has been elected to serve a two-year term on the firm's management committee.

1990s

Yareny Valdes (BBA '90) has been promoted to vice president of S&R operations in the Federal Reserve Bank of Atlanta's Supervision and Regulation (S&R) Division.

Tami Clemenza (MST '92) has joined EisnerAmper as a partner in its forensic, litigation and valuation services group.

Michael Delgado (BBA '94) has joined Unique Vacations as chief information officer.

Guy Paré (PhD '95), a professor of information systems at HEC Montreal, has been inducted as a fellow of the International Academy of Health Sciences Informatics.

Beatriz Alvarez (BBA '97) has been promoted to client management specialist at ARK Solvers.

Lori-Ann Cox (MBA '02, BBA '97) is CEO of Breakthrough Miami.

Martín Santana Ormeño (PhD '97) was named president of Universidad Privada del Norte in Peru.

Lorena Bravo (BBA '99) has joined Bryant Miller Olive in the firm's labor and employment practice.

2000s

Berta De Leon (BAcc '03) was selected as the new director of financial aid services at Miami Dade College's North Campus.

Evaggelia Hatzimanolis (BBA '04) has joined Lido Advisors as a senior vice president, senior wealth advisor serving South Florida.

Juan Burgos (BBA '04) is an investigator at Bci.

Victoria Garcia (MBA '11, BBA '06) was named CFO at Dental Care Alliance.

Mike Ferrara (BBA '07) has been appointed managing director in FTI Consulting's technology segment.

Yvett Anderson (MBA '07) has been appointed vice president, customer experience at Scotia Group Jamaica.

Darrell Campbell (MAcc '08) has joined Schneider National as executive vice president and CFO.

Mike Fernandez (MBA '21, BBA '08) has joined Waste Pro as vice president of post collections.

Yaneli Hernandez (MBA '10, BBA '09) co-founded RockNStroll.

2010s

Kristina D'Amico (BBA '10) has been promoted to managing director, leader – Caribbean region at HVS.

Paola Sanchez (BBA '11) has joined Berkshire Hathaway HomeServices Florida Network Realty.

Thomas Schroeder, III (BBA '11) is managing director – North American practice leader – workday financials at Accenture.

Mitzi Castiglione (MBA '12) is accounting director at Operation PAR.

Jorge Ravelo (BBA '13) is a business system analyst at FHI 360.

Nicole Hagopian (MBA '14) is head of marketing partnerships at TONOMUS.

Wesley Ulloa (MSIRE '17, BBA '14), founder of LUX Properties, has been selected to join Haute Residence's invite-only network.

Cesar Toirac (MSM '17, BBA '16), director of marketing services for Latin America at Warner Music Group, landed on the 2024 *Forbes* "30 Under 30" list in the music category.

Giselle Soto (MBA '18) has been promoted to assistant controller at Trivest Partners.

Jorge Raad (MBA '20, BBA '18) is chief marketing officer at Las Mercedes Medical Centers.

2020s

Hugo Hurtado (MBA '21) is director of finance at Visa.

Russell Kaufman (DBA '23, MSIS '14) is chief information officer at Palm Beach State College.

Have you recently started a new job, received a promotion or achieved another significant professional accomplishment?

If so, please tell us about it at business.fiu.edu/careerupdates or scan this QR code for potential inclusion in Class Notes.



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- (L to R)** Rafael Soltero, associate teaching professor, marketing, FIU Business and undergraduate business graduate Angel Otero at the fall commencement ceremony on December 10, 2023.
- An FIU Business master's program graduate at a fall commencement ceremony on December 10, 2023.
- (L to R)** Gabriela Crespo, a reception guest; Suchimita Mishra, associate dean, faculty affairs, FIU Business; a reception guest; and Betty Alvarez (BBA '97), client management specialist, Ark Solvers Cybersecurity, at the networking reception co-hosted by FIU Business and FIU Law on August 30, 2023.
- (L to R)** Katherine Navas; Luisa Moreno; Kalli Stephens; and Guadalupe Velazquez, all FIU Business students, at the FIU Business Global Bilingual Sales Competition on April 7, 2023.
- Accounting major Travis Lindor (center), who received the GEMRT Lissette Velasquez Allegue Memorial First Generation Scholar scholarship, with partners from the Garcia, Espinosa, Miyares, Rodriguez, Trueba & Co. accounting firm, which gifted \$60,000 to FIU Business, at a check presentation on November 16, 2023.
- Carmen Ackerman (MSM '19), vice president of membership services and community engagement at the Orange Bowl Committee, at the Master of Science in Marketing speaker series at FIU Business on February 20, 2024.
- (L to R)** William Hardin, dean, FIU Business; Lifetime Achievement Award recipient Malcolm Butters (MSIRE '83), president, Butters Construction & Development; and Eli Beracha, director, Hollo School of Real Estate, at the REact 2023 real estate conference hosted by the Hollo School of Real Estate at FIU Business on November 3, 2023.
- (L to R)** Isabel Lopez Miranda, director, specialized master's programs, FIU Business; Gianni Sanchez (MSIRE '18), senior store development manager: Latin America and the Caribbean, Starbucks; Alexandra Goeseke Cervera (MSIRE '14, BBA '09), director, general real estate, Cervera Real Estate; and Francis Beracha (MSIRE '18), broker, The Beracha Team, at the REact 2023 real estate conference VIP dinner, held November 2, 2023, the night before the conference.
- (L to R)** Lorenzo Perez Jr., president, Premier International Properties; Enrique Lopez (BBA '02), vice president, Natural Resources & Real Estate, Private Wealth Management, Regions Bank; Michelle Gonzalez (MSIRE '16, BBA '01), broker, Floridian First Realty; William Hardin, dean, FIU Business; and Fernando Arencibia Jr., Co-CEO, Avanti Way Commercial, at the REact 2023 real estate conference hosted by the Hollo School of Real Estate at FIU Business on November 3, 2023.

Meeting the Needs of Students to Cross the Finish Line

By Cynthia Corzo



A graduation ceremony and a job in New York were on the horizon. Nicola Liotto, an FIU Business finance and international business major, would be the first generation in his Italian family to obtain a university degree.

But classes were increasingly expensive, especially for an international student. If Liotto's parents — still in Italy, where his dad is a bus driver — couldn't pay tuition, he would have to delay graduation, drop classes or even take the semester off.

Liotto turned to his advisor for guidance and found assistance in the Dean's Destination Fund. He received financial help for the fall 2023 semester and used the funds to cover tuition.

"For me it was everything. I wouldn't have been able to find an internship or a job," said Liotto, who will graduate in December 2024. "Going back home without finishing would have been an unsuccessful journey."

The fund was originally created to assist students who needed a little extra financial help to graduate in four years instead of being forced to drop out of school or fall behind. Today the fund can assist students with an increasing number of unprecedented financial challenges.

In the 2022 - 2023 academic year, the fund awarded \$181,472 to students facing unexpected financial challenges.

"Sometimes students have taken on an extra job or an extra shift at a part-time job to make money," said William Hardin, dean of FIU Business. "Our students are not taking these jobs simply to have something to do. They're working because they need the resources. So, if we can diminish that through aid, it helps because they can better focus on achievement."

“For me it was everything. I wouldn't have been able to find an internship or a job. Going back home without finishing would have been an unsuccessful journey.”

— Nicola Liotto

Liotto's early dream was to be a soccer star. He came the U.S. to play soccer at a community college in California, but decided not to pursue the sport and to focus on academics. He selected FIU Business for his BBA and transferred.

Angela Bullard-Thomas, associate director of the Office of Academic Advising at FIU Business, explained that the mission of the Dean's Destination Fund is to anticipate students' needs and situations that may arise. She added it's not just a competitive scholarship based on GPA. Other factors considered are the student's academic progress and credit enrollment toward degree completion. The support provided moves the needle to help students finish their undergraduate studies within four years.

"We're not putting a band-aid on the situation; some students come across unforeseen circumstances that temporarily disrupt their ability to finance their education," said Bullard-Thomas. "For some, if they miss a payment their enrollment is on hold. If any student is close to the end and needs a little bit of help, we can help them finish it up."

As the fund helps students reach their goal, it makes more of an impact on the graduation rate.

Among FIU Business students who graduated by summer 2023, the four-year graduation rate reached 67.5%, up from 32.8% in 2016 — a 34.7% increase. The six-year rate was 79.4%, up from 62.2% in 2016 — a 17.4% increase.

“There's no reason that if we admit those students and provide the resources, they cannot graduate in four years,” said Hardin. “We want to make sure those undergraduate students are prepared and complete their degree on a timely basis, no matter what their income level is or their socio-economic standing.”

For Liotto, who's proud to say he maintains a 4.0 GPA, the Dean's Destination Fund made an internship and possibly a full-time job after graduation a reality. "To me it would have been a failure not to be able to get them," he said.

In May, he begins an internship at bond credit rating and financial research firm Moody's Investors Service in New York.

"I was looking for opportunities and interviews for a full year," Liotto said. "Now I realize that it took a lot of effort to be able to finish and now I will be able to enjoy the results."

“For some, if they miss a payment their enrollment is on hold. If any student is close to the end and needs a little bit of help, we can help them finish it up.”

— Angela Bullard-Thomas



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