



The Jerome Fisher Program in  
Management & Technology

## Fisher Program in Management and Technology Alumni Spotlights



### **M&T Alumnus, Penn Professor, encourages careers in technology-based firms**

*Academic high-flier soars through consulting and corporate circles to nest in academia*

M&T alumni are no strangers to the world of academia, as Assistant Management Professor Saikat Chaudhuri (M&T '97) proves.

Currently researching high-technology acquisitions in leading telecommunications and software companies, with a focus on understanding operational drivers of performance in these deals, Saikat has already discovered some fascinating results.

"My most recent study produced some ... counterintuitive and, for acquirers, chilling, lessons from the recent high-tech bubble of the 1990s," Saikat begins, describing the time period as one characterized by record-breaking high-tech M&A amidst continuously shifting environments.

Explaining that unrealistic expectations and lofty valuations were only part of the story as to why many such acquisitions failed to create the intended value, Saikat adds that his research indicates that acquirers have learnt to manage integrative complexity, but underestimate product and environmental uncertainty.

"Contrary to conventional wisdom during the boom that it was advisable to embrace uncertainty in technology acquisitions since this provided real options, it turns out that purchasing companies with early-stage products and entering untested markets both had substantially adverse effects on time-to-market and financial performance," he said. Buying older companies, by contrast, scored positively on both counts, and even obtaining firms with different technical platforms slowed down time-to-market but did not negatively affect financial returns, despite the fact that both these factors increased complexity in integration.

"The results suggest that complexity can be handled with sufficient resources and comprehensive project management, while managing the uncertainty requires not just accurate bets but also continuous, flexible responses to evolving conditions that may be difficult to provide during the amalgamation of the merging firms." "Delaying making an acquisition until the uncertainty is reduced is preferable to jumping in early," he concludes.

Saikat's passion for research in this field is reflected in the way he speaks about the M&T program.

"M&T had a profound impact on my life," he says. "I've never left the intersection of technology and business."

Stumbling into the program at the suggestion of his late father, Saikat initially believed that management would serve as a good "supplement" to his interests in engineering.

"My dad suggested that it would be useful given the way the world was evolving," he says, admitting that his father significantly influenced his choice of Penn over MIT. "He had the foresight to see it as something that was important."

Describing himself as more of an engineer when he first matriculated at Penn - "I'd never heard of Goldman Sachs or McKinsey back then," Saikat recounts with a laugh - he soon discovered his passion for business. He eventually graduated *summa cum laude* in Mechanical Engineering and Multinational Management, where he ranked first in his engineering class and in the top five in his Wharton class.

With internships at McKinsey and Citibank under his belt, Saikat could certainly have embarked

on a career path in the corporate sector upon graduation from Penn. Instead, he chose to pursue his interests, and graduated from Stanford with a Master's in Manufacturing Systems Engineering a year later. Like M&T, the Stanford program incorporated classes from both the engineering and business schools, and Saikat subsequently joined the German engineering and telecom multinational Mannesmann in a corporate development position to apply his learnings and gain practical experience.

"Personally, I felt that the corporate sector, while exciting in its own right, didn't offer enough intellectual stimulation for me" Saikat says, describing the "routine" work employees were expected to complete. "At Mannesmann or even at McKinsey, I found myself unsatisfied at taking existing frameworks from various academics and using them in my work -- I wanted to create frameworks of my own!"

Having earned a doctorate in business administration from Harvard Business School, he is well qualified to do so. But as a professor researching acquisition-based technological innovation and teaching courses on M&A, Saikat also dedicates time to the other side of academia - his students.

Noting that M&T students, in particular, are often pulled into banking or consulting careers, he cites rotational management programs in various technology-based firms as an alternative. "Look beyond careers in consulting and banking," he says, mentioning that some of his friends had negative experiences and subsequently attended business school to facilitate a career change. "It's not for everybody."

Saikat believes M&T graduates have a distinct advantage within industries that are focused on engineering.

"You're really valued as unique at firms like Cisco, BMW, and GE," he says, comparing this situation with associates in consulting companies who are often recruited solely for their analytical abilities. "At technology-based firms, you're a step above the competition who may not have either the technical background or the management acumen." To find these opportunities, he encourages leveraging the alumni networks as a means of becoming more pro-active in the recruitment process.

Emphasizing the benefits of having a good balance of quantitative and qualitative skills, Saikat believes in the importance of taking courses not just in the Engineering and Wharton schools, but also in the College.

He notes, however, that students should remain focused on their interests without limiting themselves by thinking about their career. "It's good to specialize if you have a particular interest," he says, noting the generalists are in demand only when there is a lack of professionals in any given industry.

"Be yourself," he advises. "If you made it here, there's a reason for that success. You'll learn new things and they'll shape you, but stick to whatever works for you."

And Saikat is certainly following his own advice. With a marriage date set for January, the Indian citizen who was born and brought up in Germany is all set to begin a new phase of life at his alma mater.