

“A Time to Choose”  
*Boldly Acting at the Intersection of Intellect and Intuition*

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Thank you, Dean Delaney, Associate Dean Palascak, members of the administration, distinguished faculty, parents, family, friends, and of course, our graduates.

It truly is an honor to have been asked to share some thoughts with you on this wonderful day and in this wonderful auditorium. When I was younger, while coaxing tunes out of my trumpet, I had always hoped to play Heinz Hall. Now that I'm here you'll be happy....and relieved....to know that I did not bring my trumpet, and in fact was strongly advised to give it away.

Dean Delaney has asked me to draw from my business career and my life experiences to offer some perspective into the complex world you are about to enter. But as the story I'm about to tell demonstrates, it's a world where success rewards those with wisdom and courage.

My story begins one evening, as I sat alone in my office. The phones had stopped ringing, the meetings for the day had concluded, most everyone in the building had gone home to dinner and evening activities. And in that quiet... the enormity of the moment came rushing to me.

At 52 years of age – young enough to have great reserves of energy, yet old enough to manage large and complex opportunities – I knew...it was time to choose. The most important business choice of my professional career loomed before me. After several months and the investment of dollars -time- and travel, it finally had come to this. Let me set the stage.

For three-plus decades, consumer spend was the engine that drove and sustained economic growth in this country. Yet, about five years ago, we began to anticipate dark clouds forming. Clouds that would begin to erode consumer spending and ultimately restrict our corporation's domestic growth.

We were fortunate enough to have assembled a collection of shopping malls that we believed would survive these head-winds, but with somewhat marginalized returns.

Were we content to settle for that? So the question for us became clear. Would the Gumberg corporation, my family's legacy, handed down through two generations and now under my stewardship as the third-generation leader, walk down a path of safety, familiarity, comfort, and a fairly contained level of risk? Would we be

content to simply serve as custodians of our properties and ride out the coming wave of economic hardship?

Or would we forge a new path of challenge and excitement, potential volatility, elevated risk, breakthrough daring and the chance for explosive growth? At 52 years of age, it was time for me to choose. So the question became, how would I choose?

I thought about my father and grandfather and how they had encouraged me to broaden my mind. To never stop learning, observing, asking questions, piecing together trends and events and opportunities.

I also knew to follow my predecessors' example to sharpen my vision. To find that innate ability and nurture it, to know who I am, what I can do, and where I wanted to take the organization.

And, third, my father and grandfather taught me to trust my gut. To know that the best time to act is when intellect and intuition intersect. Because in the end, someone has to be in charge. Someone has to make the final call. And someone has to take responsibility.

This great university has prepared you to learn. The experience you acquire in the working world will help you discover your true passion. In time, I promise that you will gain the confidence to blend intellect and intuition as the platform from which to act, to move forward with boldness.

Allow me to briefly expand on and highlight three principles – the secret ingredients behind any successful business person, no matter what type of business you're in, whether publicly traded or privately held, established or startup, large or small.

First, broaden your mind. Second, sharpen your vision. And third, and trust your gut. All three must be ever-present, ever-honored, ever-ready to be implemented.

To Broaden Your Mind means refining and extending the great start you've received over the past four years here at Pitt. It means learning the competitive signals by reading newspapers differently, becoming a prolific interpreter of trends and developments, looking for the deeper meaning, the bigger picture. It's realizing that everything ties together, provided that you never stop probing, thinking, and learning.

You have finished with textbooks, now the world is your curriculum, your interaction with others in business is your syllabus, and you will never graduate from this coursework because the learning never stops.

The second principle, to Sharpen Your Vision, means finding your innate ability, that special gift that each of you carries inside. I cannot urge you strongly enough to cultivate that entrepreneurial spirit, that sense of adventure. You- will- stay- stuck! If you don't train yourself to discover your passion, use it as your springboard, and follow it wherever it may lead.

At this moment in your lives, you have some subtle inner cues....a general sense of self, and deeply held beliefs. As you move on with careers or additional degrees, you can further develop those beliefs into more mature and refined instinctual foundations that will serve you well the rest of your lives.

The third principle, to Trust Your Gut, puts the first two principles into tangible action. Some people get to edge of the cliff and freeze. They ask themselves:

“Where’s the committee to build the wings?”

“Where’s the committee to predict the weather?”

“Where’s the committee to measure the velocity of the fall?”

Let me tell you what really happens in a successful business. When you can blend intellect and intuition, you act decisively. You don’t stop for a debate over such things. You build the wings on the way down to achieve a soft landing.

All of these principles came alive for me as the moment of decision arrived. Amid the quiet of my office, I knew it was time to stop debating and start acting, one way or the other. For the past few minutes, I’ve been describing a thought process behind making important business and personal life decisions. It was put into play as we found ourselves facing a critical juncture for our corporation’s future. And now, let me tell you the rest of the story.

We had the opportunity to become a major mall developer within the emerging market of India, a retail venue where no other American-based developer had ever dared to try. Allow me to share with you the science that helped drive the final decision. Since we never stop behaving as students of business, we knew we needed to find another place in the world, the “next America,” for retail development.

India has a 1.3 billion population today, roughly one-third of which represents a rising and strong middle class, with a reservoir of spending power backed by sustainable income. It functions as an English-speaking democracy operating under British Common Law, with a self-sustaining economy. Yet India had only 1 square foot of retail space per middle class capita, versus 45 square feet of total retail space in the U.S. There was – and still is – an unbelievable shortage of retail space in India versus an unbelievable over-development of retail space in this country.

We saw how underserved they were, and how an aggressive program to increase retail space would begin to address this enormous level of pent-up demand. Clearly, the opportunities for an accomplished mall developer to build a high-growth business were ripe. With this baseline research in hand, we placed a team in India to conduct a deeper due diligence. We tested everything. The appetite for foreign direct investment; the potential for success at a number of sites; and the cultural and economic factors that had led India to suffer from a lack of organized retail. In the end, the characteristics of the Indian subcontinent presented an almost perfect mix of market conditions for our success.

With that intelligence gathered – having broadened our minds, as it were – we moved on to the second principle and sharpened our vision. We are accomplished retail mall developers. It is in our DNA, it's in our minds, and in our blood. Once we committed to entering the Indian marketplace, we let our fervor drive our activity. Today the India initiative is on plan, on budget, and is in the process of experiencing explosive growth.

When we began, we knew there were no guarantees. But we also knew the odds were in our favor. We had come to the intersection of intellect and intuition, so we knew the time to act had arrived. We have today made a major investment toward our strategic initiative in developing institutional-quality, Western-style shopping malls throughout the subcontinent.

Our bold and pre-emptive move has allowed us to be the only U.S.-based developer who has actually broken ground and is well along in the process of launching our platform. The overwhelmingly positive response to our product has validated our strategy and secured a “First-Mover Advantage” for us.

Intellect converged with intuition, and the choice became clear. We're beginning to reap the long-term benefits of that decision now. As graduates of this incredible program, you can and will do the same.

Pitt has started you on the path to lifelong learning, and you are starting your own journey of self-discovery. Your individual career and business choices will come as you acquire more experience and seasoning. The great news is, you're well on your way.

With that in mind, I've tried today to impart to you some hard-won, first-hand wisdom and maybe even some inspiration. But the fact is, I'm a mall developer, not a poet nor a wordsmith. Ralph Waldo Emerson, on the other hand, was both, and he eloquently summarized my thoughts as follows:

*“Whatever you do, you need courage. Whatever course you decide upon, there is always someone to tell you that you are wrong. There are always difficulties arising which tempt you to believe that your critics are right. To map out a course of action....and follow it to the end....requires some of the same courage which a soldier needs. Peace has its victories, but it takes brave men...(and women, I would add!)...to win them.”*

Knowledge yields confidence. Confidence enables action. Action fosters success.

So broaden your mind, sharpen your vision, trust your gut. It all fits together. Lose any one, and the other two collapse. Practice all three, and you open the door to success. And looking out into this group of impressive young business graduates, I see nothing but success for each and every one of you.

Thank you for the honor of sharing these thoughts with you on this happy and proud day.

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