



Richard Mahoney

EDITORS' NOTE *Richard Mahoney has been the Distinguished Executive in Residence at the Olin Business School at Washington University in St. Louis since 2004. He founded the Olin Award in 2007. He is also the Distinguished Executive in Residence at Washington University's Weidenbaum Center on the Economy, Government, and Public Policy. During his 33-year career at Monsanto Co., including 13 as CEO, he transformed the enterprise from a largely commodity chemical and agricultural specialties company into a broad-based life sciences and specialty chemical company with major programs in pharmaceuticals, food, and nutritional ingredients, and world leadership in agricultural biotechnology and related activities.*

You just announced the winner of the 2017 Olin Award at Washington University in St. Louis' Olin Business School. What is this award?

It's a \$10,000 prize, decided by a jury of business executives, for the best piece of research from Olin Business School faculty that actually addresses real business problems, not just academic concepts.

Why start such an award?

During my 33 years at the Monsanto Company, the last 13 as CEO, I read hundreds of articles and books about business, but seldom read anything from academic journals nor, seemingly, did any of my contemporaries.

When I was asked to be Executive in Residence at the Olin School, to lecture, write, and counsel, I started reading the research reports from the faculty. I had been told that Olin faculty, while fewer in number than several of the household name business schools, were well known in academic circles for the quality of their research, so I started reading their works. Once you get past the "tribal language" of business journal articles, lots of "exogenous and endogenous" and "ex-post" and "regression analysis," you see some pretty terrific research into business subjects published in the academic journals.

Encouraging Research that Matters

**An Interview with Richard Mahoney,
Retired Chief Executive Officer and Chairman, Monsanto**

It occurred to me that this information should become more accessible to executives. At the same time, the faculty should be encouraged to work even further on real business problems adding "relevance" to "novelty" for journal publication submissions.

The Olin Award was born as a prize to recognize research that has the greatest chance to influence business results, either directly in their work or as starting point basic research around which others could develop applications.

A substantial financial award is included in the process, along with a handsome crystal trophy and a recognition event. Importantly, a breakfast or luncheon meeting is held with 40 or 50 business executives related to the particular field to present the study and participate in a question and answer session. Incidentally, this helps the researchers develop relationships for collaboration, with "live data," the lifeblood of academic research. This lets the business executives suggest areas of research they would find useful to help solve their problems.

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How can one apply?

To win the award, the authors submit their journal article and a 500-word essay describing why the work is important and relevant. A panel of 10 business executives names the winners. We just gave our 10th award, and I don't know of any competition quite like it. It has been transformative. Faculty are constantly asking, "Do you think my project I'm undertaking will be important to the business community? Will anybody care?"

The judges try to answer that question. We're looking for understandable, relevant research that's going to help business of all sizes do their work better. Over time, the entries have converged on all three of these factors.

Would you give some examples of recent Olin Award entries?

One winner, Ann Marie Knott, developed a widely cited rating system that numerically scores those companies whose research and development pays off in future sales versus that which just spends R&D money with little outcome on the bottom line – a useful metric for companies large and small for evaluating the effectiveness of corporate research.

Lamar Pierce, another winner, evaluated the effectiveness of corporate employee health programs using data from an industrial laundry that could be extrapolated to many other situations.

Radhakrishnan Gopalan and Todd Milbourn examined the often negative outcomes from incentive programs – how pressure to achieve sales-targeted results can backfire. This research is applicable to any size company trying to figure out the right mix of sales compensation, which they almost always get wrong.

This year's winner, Arun Gopalakrishnan, developed a model for predicting the value of new customers for online marketers. In his example, he used a public radio station seeking listener contributions, a hot topic for those trying to decide how to allocate effort in cultivating new customers who have little purchase performance history.

How have you noticed the entries developing over the years?

So far, we have judged more than 200 submissions, and I'd have to say that every year, the judges report that the papers get more relevant to real problems they see in their businesses. That's exactly what we hoped for when we started this in 2007.

What is the history of the Olin School.

It's named for John M. Olin, who ran one of the country's biggest chemical companies. The Olin School has recently been ranked 21st in *U.S. News'* graduate MBA list and first in the nation for undergraduate business education by Poets and Quants. Every business school is trying to develop a unique profile. I'm happy to say that the Olin Award, encouraging "research that matters," is helping to do just that for the Olin Business School at Washington University in St. Louis. ●