



RAGS TO RICHES: The heroes of Horatio Alger's popular 19th-century novels overcame humble origins to achieve success, often with the help of generous benefactors. **Overset:** The medallion awarded to inductees of the Horatio Alger Association.

WORKING CLASS Heroes

What's a uniquely American model for success?
To work hard, rise, and give back.
Bob Goergen '60 and Ed Hajim '58
receive national honors for doing just that.

By Karen McCally '02 (PhD)

Bob Goergen '60 and Ed Hajim '58 were just boys when an obscure school counselor named Kenneth Beebe decided young people needed more encouragement to grasp at the American dream. It was just after World War II, and Beebe, an admirer of the works of Horatio Alger, decided as an incentive to young Americans to present awards to two young men whom he believed embodied the rags-to-riches success stories that the 19th-century children's writer had celebrated in his popular novels.

Beebe's program grew, and each year since 1947, the Horatio Alger Association of Distinguished Americans inducts a select few business and civic leaders. All come from humble circumstances, and all are eager to reward hard work and character in those who begin their lives with few other advantages.

In the past two years, Goergen and Hajim—both University trustees (past and current chair of the board, respectively) and among the most generous supporters of the University since George Eastman and Joe Wilson '31—have been winners of the Horatio Alger Award.

The award isn't merely a medal to hang on a wall and be admired. It comes with a duty. Though the heroes of Alger's books are often recalled as scrappy and self-reliant individualists, in fact, the original Horatio Alger success stories required another kind of hero: the educated gentleman of means, who saw virtues in the young boy and decided to assist him on a path to the middle class.

Goergen and Hajim are modern exemplars of both heroes in this social contract. And their induction comes with the obligation to continue to offer financial support for young Americans vying for a higher education against great odds.

For Hajim, this makes his induction especially poignant. "My emphasis over the last 25 or 30 years has been scholarships. And the main thrust of Horatio Alger is taking people with austerity in their background and giving them scholarships," he says. "This changed my life, and in many respects, our interests are totally aligned."

When Hajim was three, his parents divorced. His father took custody of him, and his mother disappeared from his life. But his father was in the Merchant Marine, away at sea except for short intervals at home. Hajim spent most of his childhood in foster homes and orphanages. "I was a one-man team," he says.

Goergen was born in Buffalo to a young mother. The two were abandoned by Goergen's father. His mother remarried, but the relationship was not a stable one. For a time, Goergen and his younger half-brother lived in foster care, and then with an aunt in Virginia. They returned to the Buffalo area, after which Goergen's mother divorced and remarried again. Despite her difficulties, Goergen's mother was a stalwart source of emotional support for her sons and had high aspirations for them. "She always had in her mind that I would go to college," says Goergen.

In business, Goergen has shown an aptitude for knowing how to create conditions in which employees can thrive. "I feel that most people don't start out as superstars," he once told *Wharton Magazine*. "So if you can channel them with a strategy and help them focus on certain goals, the chances of their becoming a superstar are much higher."

With the public sector shrinking, and the reliance on philanthropy growing, the social compact Alger mythologized remains relevant. Both men are routinely asked to share their stories, and how their ability to overcome obstacles shapes their approach to their professional and personal lives today. 🍷



UPWARD BOUND: As college students, Goergen (top) and Hajim were recognized campus leaders. In business, both would continue to distinguish themselves through leadership.

Bob Goergen '60

FOUNDER AND EXECUTIVE CHAIRMAN, BLYTH INC.

> It's good to work for an organization, but even better to create one.

Many young college graduates seek careers with big companies, thinking that size and stability go hand-in-hand—and not minding the prestige of a well-recognized organization, either.

Goergen believes these assumptions are often misguided.

“Large corporations don’t create jobs,” he says. “Large corporations eliminate jobs.”

Early in his career, Goergen left the consulting firm McKinsey & Company. It was a prestigious firm to work for, and its clients were major corporations. But he preferred small companies, and preferably ones in which he could hold a financial stake. He took a job with a venture capital firm Donaldson, Lufkin & Jenrette instead, and found his calling in identifying promising, but poorly run, small enterprises, which he could reorganize and build.

Goergen was among the first people to suggest that academic institutions could play a strategic role in fostering business creation. In 1997, he went to his graduate alma mater, the University of Pennsylvania’s Wharton School of Business, and offered to endow a program in entrepreneurialism. For a school renowned for training generations of Fortune 500 leadership, the proposal was an unusual one. But Goergen’s offer was accepted, and since then, the Goergen Entrepreneurial Management Program has grown to offer more than 20 courses to about 2,000 students at any given time.

At Rochester, Goergen’s desire to foster business creation inspired him to contribute a lead gift for the creation of the Robert B. Goergen Hall for Biomedical Engineering and Optics. The building was designed as shared space for the Department of Biomedical Engineering and the Institute for Optics to foster collaborations. It significantly increased available lab space and added demonstration rooms as well as a Center for Institute Ventures that puts faculty in contact with sources of venture capital.

> The STEM fields—science, technology, engineering, and math—are essential for the country’s success. But these careers aren’t for everybody, and that’s OK.

Goergen studied physics at Rochester, graduating with honors. And to this day, he credits his study of physics with giving him “skills and discipline” that he’s applied to his business career.

Yet he acknowledges that STEM isn’t for everybody, and his investment decisions demonstrate that there are plenty of opportunities for individuals outside those fields.

For example, his greatest business success is not in any high-tech enterprise, but in one of the oldest and lowest-tech industries around: candles. In the late 1970s, Goergen put \$25,000 into a small, regional candle manufacturer based in Brooklyn. It was what’s called a “hobby investment”—one he pursued on his own, because it was too small to interest his private equity group. Through acquisitions and the development of new products, such as fragrance candles and an array of home décor products, he built the company, which he renamed Blyth Inc., into an international firm that surpassed \$1 billion in annual sales in 2000. It took innovation, to be sure, but innovation in management and organization more than in science and technology. And because Blyth’s products are distributed through direct sales, it’s given thousands of individuals a chance to earn extra cash and test their mettle running their own small enterprises.

> Live by the words *meliora*, *kaizen*, and *omphaloskepsis*.

Goergen says he has encountered three words—one in Latin, another in Japanese, and a third in Greek—that sum up his approach to work and life.

Goergen and those closest to him say he can’t sit still. So it’s not surprising that the University’s motto *Meliora*—the Latin word that translates as “ever better”—would resonate with him. As much a concept as a word, it implies resistance to self-satisfaction. “*Meliora* means never being satisfied,” he says. “Whatever you’re doing, there’s always an opportunity to improve.”

Many entrepreneurs have big plans, but some can stumble when it comes to carrying them out. Entrepreneurs see themselves as bold, but caution is part of the mix as well. That’s where *kaizen* comes in. A concept Goergen encountered when he was reading about Japanese approaches to management, it means thoughtful, gradual change—or, says Goergen, when it comes to expansion, “Do it in steps you can manage. Don’t jump so far that you have to fall back.”

And there’s a time for reevaluation, too. *Omphaloskepsis*, Goergen says, “basically means, looking inward, seeing where your navel is taking you. And saying, is my navel taking me in the direction I want to go, or do I have to do something to improve my position in life?”

CALCULATED RISK-TAKER: As an investor, Goergen has excelled by identifying the diamonds in the rough passed up by firms looking for greater polish.

**BOB GOERGEN '60
HORATIO ALGER CLASS
OF 2014**

*BS, physics, cum laude
MBA, finance, University of
Pennsylvania’s Wharton School
of Business*

**University of Rochester
trustee, 1982-present; chair,
1991-2003**

Current Job: Founder and executive chairman, Blyth Inc. Past: principal partner, McKinsey & Company; managing general partner, Sprout Group (venture capital division) at Donaldson, Lufkin & Jenrette; senior account executive, McCann-Erickson.

Philanthropic Highlights: University support totaling more than \$30 million for undergraduate programs, the Institute for Data Science, the Goergen Awards for Excellence in Undergraduate Teaching, renovation of the renamed Robert B. Goergen Athletic Center, and the creation of the Robert B. Goergen Hall for Biomedical Engineering and Optics. Goergen also endowed the Goergen Entrepreneurial Management Program at the University of Pennsylvania’s Wharton School of Business and is a donor to numerous organizations that support educational opportunities for underprivileged young people.





Ed Hajim '58

PRESIDENT, DIKER MANAGEMENT LLC

> Disadvantages can become advantages.

Looking back at his own life, Hajim likes to cite Malcolm Gladwell's book *David and Goliath: Underdogs, Misfits, and the Art of Battling Giants*. In it, Gladwell demonstrates the ways in which disadvantages can become advantages.

"If you have nobody, what do you develop? Self-reliance," says Hajim. "If you have no means, you try to get means. All of a sudden these disadvantages as a child become advantages."

Hajim says, candidly, that he's really not sure how he overcame his circumstances. Part of it, he insists, was luck. "I look back at the places where I could have fallen off the cliff and never gotten back. Little things just turned in the right direction." A big part of it was work and determination. "I was very driven," he says, describing his work ethic when he was a youth. When Hajim reached high school, he was lucky to be part of a community that allowed him to see greater possibilities ahead. At Roosevelt High School in Yonkers, New York, he recalls girlfriends and friends on the basketball court who were college bound. And the director of the orphanage he called home at the time was also a source of encouragement. "He had the mentality that everybody should go to college," Hajim recalls.

By the time Hajim got to Rochester on a Naval ROTC scholarship, he had, by many measures "made it." But being at a private college was a strange and unfamiliar experience for him, as it can be for many students from poor and working class backgrounds today.

"My first year was a very difficult social adjustment," he says. "I was excited about what I was doing. But it was very hard because I was very different from everybody else." But he'd developed a special skill from all the instability in his youth. He was used to figuring out how to adjust to new environments. "I had survived so much," he says. "I wasn't going to fail in this next adventure."

> The best way to build an organization is to help people exceed their own goals.

Although he never lost his love for science and engineering, Hajim says that at Rochester, and later in the Navy, he found a new passion having to do more with people. "I found that I became fascinated with how to make organizations work, and how to assist people to accomplish more than they believed they could," he says. He enrolled in Harvard Business School, where he had the chance to study organizations in a formal way. The goals of people who work in investment management are often

assumed to be purely financial. But for Hajim, the fun is in the process—in creating the conditions to reach those goals. It's an attitude he believes contributed significantly to his early success in investment management and later, to his ability to create winning teams at both E. F. Hutton and Lehman Brothers.

"After getting my dream job as the chairman and CEO of a small investment bank, I really got a chance to put my strategy to work," he says. "Over 14 years, I helped the firm to grow 10-fold in people and more in revenues and profits, at the same time that the industry lost half of the companies of similar size."

Hajim used a similar approach in the nonprofit sector. He became chair of the board of trustees at a local day school and president of the Harvard Business School alumni association. In the latter position, Hajim helped found the "Entrepreneurs Tool Kit," which was used to develop several new initiatives for alumni. "My job as the chairman of the Board of Trustees at our University has been so rewarding," he says, "since *Meliora*, 'ever better,' is what I've always believed in."

> Define your "Four P's"—passions, principles, partners, and plans.

When Hajim meets with his scholarship students, he says, "I give them a methodology that I hope will help them better plan their lives." He calls it "the Four P's." "I tell them, 'Find your passion(s), find your principles, find your partners, and finally, find your plans and your dreams.'"

"The University gives them a chance to test their passions and principles, and to understand how they will evolve. I push them to seek what really excites them, what makes them leap out of bed in the morning." He believes in the saying, "If you love your work, you will never work." He wants them to have as many experiences as they can, so they can test all or as many of the Four P's as possible.

"It takes time and plenty of trials and errors to find your calling and to find out who you really are," he says. Hajim encourages his scholarship students to change their majors if their interests are taking them in another direction. "I continue to use the Four P's myself, and my involvement at the University has fulfilled one of my major plans, which was to find a way to give underprivileged students the same chance that I was given," he says. He adds that one of his own principles is gratitude. "I feel I owe a great deal to so many people. I've long ceased to be a 'one-man team.'"

TEAM LEADER: Hajim, who began life as a "one-man team," discovered his interest in working with people while a student at Rochester. He has led Rochester's Board of Trustees since 2008.

ED HAJIM '58 HORATIO ALGER CLASS OF 2015

BS, chemical engineering
MBA, Harvard Business School

University of Rochester trustee, 1988-present; chair, 2008-present

Current Job: President, Diker Management LLC. Past: chairman and CEO, MLH Capital; chairman and CEO, ING Aeltus Group and ING Furman Selz Asset Management; cochairman for the Americas, ING Barings; senior manager at Lehman Brothers and E. F. Hutton.

Philanthropic Highlights:

More than \$30 million in University support for scholarships and the endowment of the Edmund A. Hajim School of Engineering & Applied Sciences. Hajim has also granted scholarships to students at Harvard Business School, the University of Vermont, the University of Denver, Westchester Community College, the Brunswick School, and Middlesex School; and supported health services, arts, culture, conservation, preservation, and recreation on Nantucket Island.