

# Chicago Booth Magazine



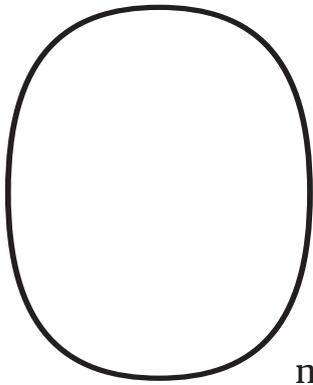
“Data is critical to what we do,” said Cindy Zollinger, cofounder of the economic and financial consulting firm Cornerstone Research. The firm’s clients engage them to dig deep into financial and regulatory details related to mergers, antitrust, finance, intellectual property, corporate governance, bankruptcy, and securities. Three decades after the firm opened its doors, it now has 700 staffers across nine offices. “It’s so rewarding,” she said. “I’m so proud of our people.” Meet Zollinger in one of this issue’s features, “Making Data the Cornerstone.”

# Making Data the Cornerstone

**At Booth, Cindy Zollinger, '79, found an enthusiasm for analytical thinking that was 'contagious.' It laid the foundation for the leading economic and financial consulting firm she cofounded 30 years ago.**

**BY BRIAN WALLHEIMER / PHOTOGRAPHY BY MARGO MORITZ**





On an auspicious day in 1975, Cindy Zollinger sat down in a classroom in Hyde Park. She had begun her Booth experience as a student in the downtown MBA program and was just starting her first semester in the PhD Program. She couldn't have known at the time that her professor would go on to win the Nobel Prize in Economic Sciences for the ideas he was teaching that day. Nor did she know that this course at Chicago Booth would set the trajectory of her life—imparting a lifelong love of data and analytical rigor that she has since transformed into Cornerstone Research, the thriving economic and financial consulting firm she cofounded.

What she did know, however, was that she couldn't get enough. "I was inspired by the energy and excitement that Professor Fama brought to the study of finance," noted Zollinger, '79. "Taking that course changed my path; it became a catalyst for my future studies and ultimate career."

Fama, of course, being **Eugene F. Fama**, the Robert R. McCormick Distinguished Service Professor of Finance, and the father of the efficient-market hypothesis. Zollinger had a front-row seat in his Foundations of Finance course as he honed his arguments, excitedly developing new and creative ways to test this theory.

Ever since, Zollinger has carried with her that sense of excitement about economic research and the rich promise of rigorous, empirical analysis. "The study of the efficiency of markets and its implications ended up being an important foundation for the work I would later do at Cornerstone Research," Zollinger said.

After graduating with her MBA and with doctoral courses and exams completed, she then moved to California to join the Palo Alto office of the MAC Group, a Cambridge, Massachusetts-based general management consulting company. The general management consulting projects were rewarding, but Zollinger found herself especially drawn to the clients and projects that needed economic and financial consultation for litigation purposes.

That focus on economic and financial analysis in litigation and regulatory matters combined several elements of her educational background, from her political science work as an undergraduate at Wellesley College to the finance, economics, and accounting issues she had studied at Booth. She and two colleagues over the MAC Group, Jim Malernee and Christine Nelson, discovered so much professional and personal satisfaction in this work that they decided to start their own firm. And so Cornerstone Research was born in 1989.

"It was such a great application of what I had been doing at Chicago, in terms of taking economic thinking and applying it, developing hypotheses to be tested, getting data, analyzing that data, and using it to address important problems," Zollinger said.

Cornerstone Research works with experts—both leaders in academia and industry and experienced in-house experts—who best match clients' needs. The firm's clients engage them to perform in-depth independent and objective research on financial and economic issues that arise in legal and regulatory matters, in areas such as securities, antitrust and competition, mergers, and intellectual property. Some cases are front-page news; others are less high-profile. Regardless, Cornerstone Research applies the same level of analytic rigor to all cases and for all clients. Zollinger knows that the efforts of Cornerstone Research experts and staff have important economic consequences, and can affect the outcome of a matter. That's why the firm's commitment to quality is so important, she said.

"Bringing the best methods and the most rigorous analysis and economic thinking to these problems is essential," Zollinger said. "Our work has a real impact on these important issues."

What started as a small firm with offices only in Menlo Park, California, and Cambridge, Massachusetts, has grown to 700 staff with offices in Boston; Chicago; London; Los Angeles; New York; San Francisco; Silicon Valley, California; and Washington, DC.

With two women among the firm's cofounders—a rarity today, and even more so in 1989—collaborative teamwork and diversity have been a part of the company's DNA since the beginning. "Then and now, we focused on performance, impact, and great teamwork, and having the best person for the role," Zollinger said. "But in retrospect, it was incredibly valuable to have another woman as a cofounder."

In the firm's early days, she and cofounder Christine Nelson were both raising 2-year-old sons, Zollinger said, and they would swap stories about the joys of motherhood and strategies for childcare, all the while working hard to deliver outstanding work. "At the time, I didn't realize how fortunate I was," she recalled.

Today Cornerstone Research strives to provide a similarly supportive working environment: the firm's mindful efforts to develop its employees and build pathways to leadership have led to its inclusion in *Inc.* magazine's "List of Best Workplaces" in 2018. The company was also a winner of the 2018 Gender Equity Challenge, part of the San Francisco-based Gender Equality Principles Initiative. Nearly 40 percent of the firm's employees identify as nonwhite, and more than 40 percent of the company's management is made up of women.

Zollinger has also stayed involved at Booth, participating on the Alumnae Advisory Committee, hiring Booth graduates as interns and full-time employees, and encouraging her own staff to pursue their MBAs here. "I feel such gratitude for my Booth experience and I really hope to give back to Booth in ways that leverage some of my experiences."

*Chicago Booth Magazine* talked to Zollinger about the challenges she's faced while building Cornerstone Research and the commitment the company brings to inclusion.

**CBM:** What has it been like to see something that started from a niche at the MAC Group grow into an international business with hundreds of employees?

**Zollinger:** It's so rewarding. I am so proud of our people. I feel that I've gotten so much more from the experience than I ever could have imagined. When we started the firm, it was never about growth. We wanted to create a firm where we worked with the top experts in finance, economics, accounting, marketing, and statistics on interesting, challenging, important issues. And we still do that today. We continue to deliver the highest quality work, to support an outstanding experience for experts and clients, and to hire the very best people. We foster a collaborative environment and a wonderful culture, where people can develop, grow, thrive, and have fun.

In our early years, we hardly grew at all. We had two offices and we were really focused on delivering the highest level of quality for our experts and clients while we adjusted to the challenges of being an independent firm. At some point we looked at the fact that we were turning away business on interesting cases that we would have wanted to work on if we had had the staff to produce quality work. We believed there was an opportunity to take on additional challenging and important work, but still grow in a thoughtful way.

**CBM:** The regulatory landscape is always in flux. What types of challenges does that create for a company such as Cornerstone Research?

**Zollinger:** Cornerstone Research turns 30 this year, and things are always evolving. We follow regulatory changes closely, making sure that we are educated about the issues, working with those who have the best expertise. Changes in regulatory matters and economic conditions give rise to potential challenges for our clients and our work. For example, changes resulting from developments such as Sarbanes-Oxley, the antimanipulation authority under Dodd-Frank, and the creation of the Consumer Financial Protection Bureau impact our work, and we need to be on top of the issues. A recent example is the work we're doing in understanding blockchain and cryptocurrency, and the relevant regulatory environment in which such matters are addressed.

There have also been tremendous regulatory changes in health care, and we have been involved in analyzing the likely effects of significant proposed mergers in that arena.

From time to time, we have been retained to look at some of the rules that the US Securities and Exchange Commission evaluates. This means that we are not only focusing on the existing types of issues; we are analyzing how issues are evolving given the changing regulatory landscape.

**CBM:** Your company espouses a data-driven approach. Can you talk about how that has factored into Cornerstone Research's success?

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**Zollinger:** Data is critical to what we do. We take an economic problem that comes up in the litigation context and apply the insights from academic research to generate insights into and hypotheses about what's going on. Then we use data to test that hypothesis, in order to develop an opinion that is firmly grounded in academic research and fully supported by the data, which can in turn be persuasive to a jury or judge. We need not only a well-founded economic theory, but also empirical data that forms the basis of the ultimate opinion.

I remember back when I first started doing this work, it was incredibly interesting being exposed to new types of data, and to data that wasn't publicly available. And if you're interested in data analysis, it is tremendously exciting to have access to an almost unlimited reservoir of data underlying financial, economic, or market forces.

**CBM:** What challenges does the vast amount of data you have access to pose for Cornerstone Research?

**Zollinger:** Today we regularly work with datasets containing billions of records, that are many terabytes in size. Our work requires us to compile large datasets from disparate sources and incompatible formats. And we are dealing with an evolving universe of data types and analytical techniques. What is required is tremendously challenging and constantly changing.

My husband, **Mike Minor, AM '73, PhD '77 (Psychology)**, and I have recently provided some seed funding to support new initiatives in data science and artificial intelligence at Booth, which **Sendhil Mullainathan** [the Roman Family University Professor of Computation and Behavioral Science] is leading. Providing a gift in this area is such a great fit: it reflects both the data-driven work I do at Cornerstone Research and also Mike's interests in behavioral science.

**CBM:** Cornerstone Research has championed women in leadership positions and diversity across the company. How have these dual focuses affected business success and the company culture?

**Zollinger:** Our championship of women and diversity, which has a foundation in our values, has had an important impact on our culture, and has helped us recruit and retain some

extraordinary people. One value is a dedication to quality. Quality is critical to all that we do. Another is commitment to our clients and to our experts. We're committed to providing them with the outstanding support they need on complex matters, and they've learned to trust us with their most challenging problems.

A third value is commitment to our talented, dedicated people. This permeates everything that we do. And our fourth value is being a "one-firm firm," which means that always, across all levels, we are on the same team, we are part of this collaborative work environment, and we are diverse. We have different roles in the firm and we come with different backgrounds, but each of us is important to making Cornerstone Research the very best we can be.

It has always been fundamental to have an environment that recognizes our differences and celebrates those differences and respects them. We are proud to have built a business that supports diversity on all fronts.

**CBM:** Can you give an example of how Cornerstone Research has shown that commitment to inclusion with your employees?

**Zollinger:** Absolutely. We understand that our staff have a commitment to Cornerstone Research, and they also have personal priorities outside the firm. We believe that we can make the firm a place that allows balance in the different areas of one's life, despite the fact that it's a really challenging and stressful job.

Take women—we have women who are successful in having developed their careers in an environment where they also have the opportunity to achieve their goals outside the workplace, such as having a family and raising children and contributing to their community.

One of the things that we have done at the firm is develop a part-time program that works and is used quite extensively. Initially, that program was created to support women who had young kids; we were trying to make sure that they had more time to spend at home. Over time it evolved into a program that is used by men and women who want to make more time for priorities outside work. There's no negative connotation.

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**Zollinger and her cofounders started Cornerstone Research 30 years ago with an interest in applying financial, economic, and accounting research to litigation and regulatory matters. Today the firm has grown to 700 employees and has been recognized for its commitment to diversity and inclusion.**

To make it work, we need to do more than just say that employees are working part time. We need to support their development throughout their career. I think that's one of the special things we do. There are people here who have worked their way up at 60 percent time through their career to become officers of the firm while raising four kids. They have the benefit of a really rewarding and challenging career and, at the same time, they support their families.

**CBM:** Cornerstone Research donates to charities that serve diverse populations. What are the priorities for the choice of organizations and missions the company supports?

**Zollinger:** We have a socially conscious group of employees, and we support a collective spirit of generosity. What Cornerstone Research wants to do is provide opportunities to contribute to areas that we're passionate about and to people who are less fortunate. We have committees focused on community outreach in every office. We offer a paid "volunteer day" to all employees. We have a significant pro bono program that provides us the opportunity to work on cases involving important social issues.

Each year we identify organizations to support on a firmwide basis. In 2017 and 2018 we selected Girls Who Code and Junior Achievement. These choices reflected a focus on developing a diverse future workforce by increasing financial literacy and technology skills among underserved students.

In addition to the firmwide charitable giving and pro bono work, we support numerous local organizations that focus on women and minorities. Last year, for example, employees

identified a network of homeless shelters that assists at-risk minorities, women, and youth. In the cities where we work, we felt that the best way to support our communities was through some of these homeless shelters. They are places doing important work in our communities, and our employees have recognized that. Importantly, these giving programs are employee directed. Our staff determine which local charities make sense to support as part of our desire to be good corporate citizens.

But more generally, it's really about helping people, giving back, and paying forward.

**CBM:** How did Booth prepare you for all the things you've accomplished in your career?

**Zollinger:** I love solving complex problems. Booth emphasized the value and excitement of economic thinking and analysis, the power of data, and the importance of analytical rigor and hard work.

I have always had a love for learning and an incredible admiration, respect, and gratitude for the teachers in my life. They have encouraged me and provided opportunities for me, and I am so thankful. The foundation of learning was incredible. The professors that I had were tremendously supportive.

An example: I was able to teach an MBA course in financial accounting while I worked on my PhD. It was a great opportunity. Later, when I was in California, because I had that experience, I had the chance to teach a similar course at Stanford that connected me with faculty whom I would come to work with throughout my career. ♦

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*Chicago Booth Magazine*, Spring 2019.

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