



University of Navarra

# Newsletter Research Division

No 115

September - October 2003

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## Journals

### Brian Subirana

**"Towards legal programming: A legal analysis of e-commerce and personal assistant agents using a process/IT view of the firm", *The Computer Law and Security Report*, Volume 19, Issue No 3, May 2003, pages 201-211. Co-author Malcolm Bain.**

*Abstract:* Agent-based technologies and processing may answer some of the legal difficulties raised by traditional online commerce, introducing elements of compliance, control, flexibility and personalisation. However, as they mediate commercial relationships with third parties, software agents in turn raise new legal difficulties, while potentially heightening user fears and mistrust. The autonomy, adaptivity and interactivity of agents, combined with the advent of ubiquitous computing, introduce a new set of legal dimensions, including the liability of agent users, the automation of notification and consent, and the attribution of responsibility, as well as new fears for users. This article presents a process-oriented analysis of agent activities, within the context of augmented reality: the application of Internet technologies to the real world, specifically in this case to supermarket shopping. Specific areas of difficulty are contract and consumer protection law, and privacy. These topics are discussed, together with trust issues raised in Multi-Agent Systems.

**"E-commerce oriented software agents: Some legal challenges of advertising and semi-autonomous contracting agents", *The Computer Law and Security Report*, Volume 19,**

**Issue No 4, July 2003, pages 282-288. Co-author Malcolm Bain.**

*Abstract:* This article on the legal issues raised by electronic agents presents a process-oriented legal analysis of two agents involved in advertising and contracting activities, within the context of augmented reality: the application of Internet technologies to a real-world shopping experience. We analyse the different processes to the agents to establish the legal requirements and limitations in relation to contract processes, consumer protection law, and privacy.

**"Legalizing shopping agent processes", *The Computer Law and Security Report*, Vol. 19, Issue No 5, September 2003, pages 375-387. Co-author Malcolm Bain.**

*Abstract:* This article investigates some specific legal issues of autonomous software agents. The authors argue that while agent-based technologies and processing may answer some of the legal difficulties raised by traditional online commerce, software agents in turn raise new legal difficulties. This article presents a process oriented analysis of a shopping agent within the context of augmented reality: the application of Internet technologies to the real world, specifically in this case to supermarket shopping. Specific areas of difficulty are contract and consumer protection law as well as digital signatures. A process modelling approach to the legal issues of e-commerce is briefly outlined as a method to provide useful insights into this subject.

**"Architecting and managing virtual learning networks: A business process-orientated approach to legal compliance", *European***



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*Management Journal*, special edition on "Learning Networks", Vol. 21, Issue 5, October 2003, pages 598-613. Co-author Malcolm Bain.

*Abstract:* Virtual Learning Network regulation –including privacy and IPR issues– is a highly relevant issue for management. Legal breaches raise liability issues for VLN organisers, while affecting the design of the VLN, and raise questions of business and academic reputation and value. These legal issues highlight the need for careful consideration when using Agent Technologies and the need for a legal architecture supporting system design. A novel process view of organisations enhances the possibilities for creating legally compliant VLNs, as models can be developed that embed legal processes at design time, enhancing the value proposition of VLNs.

## Books

**Jordi Gual**

"Building a dynamic Europe. The key policy debates", *Cambridge University Press*, 2003, 140 pages.

*Abstract:* A succinct survey of the most important economic policy issues facing European governments and business as they strive to restore the region's economy. Written in a non-technical style, the book contains some of the sharpest analyses of the economic problems facing Europe's policy makers, providing essential reading on European integration.

**Pedro Nueno**

"La competitividad del sector del automóvil. Bases para un Libro Blanco", *Fundación Instituto Tecnológico para la Seguridad del Automóvil*, FITSA, Madrid, 2003, 383 pages.

*Abstract:* Es un estudio de las oportunidades y amenazas a las que se enfrentan las empresas del sector de automoción española, las principales preocupaciones de las mismas, la magnitud de la ventaja o desventaja competitiva de la industria de automoción española. Asimismo, se han estudiado y analizado las áreas con más potencial para la mejora de la competitividad del sector y las posibles acciones para alcanzar ese objetivo.

El estudio cubre la totalidad de la cadena de valor del automóvil, analizándola desde el punto de vista de sus participantes directos: proveedores de componentes, fabricantes de automóviles y distribuidores de automóviles.

**Josep Riverola - Beatriz Cuadrado**

"Arte y oficio de la simulación", *EUNSA*, 2003, 647 pages.

*Abstract:* El objetivo del libro es acercar al lector a las posibilidades de la simulación introduciendo el lenguaje de simulación PSPS IV

(Programa Simulador de Pequeños Sistemas) como herramienta de trabajo. El libro comienza con una introducción al entorno de desarrollo PSPS, mediante la preparación de modelos realistas de tamaño pequeño, principalmente de fenómenos de servicio. La segunda parte del libro trata problemas que proporcionan al lector aprendizaje sobre las operaciones de la empresa. El libro entra, más adelante, en temas más avanzados, como la simulación estratégica y las aplicaciones de la inteligencia artificial a la simulación. Finalmente, el libro presenta un número de casos reales complejos, a los que se aplica una metodología estructurada para obtener modelos sencillos que hagan más fácil su análisis empresarial.

*(El libro incluye un CD que contiene el instalador del lenguaje PSPS IV, los manuales y los modelos utilizados en el mismo.)*

**Joan E. Ricart - Brian Subirana - Josep Valor**

"Sources of information value", *Palgrave Macmillan*, 2003, 200 pages.

*Abstract:* This book provides a conceptual framework to understand and analyse the decline of the telecommunications industry and the rise of information industries. It looks at information distribution, banking, advertising, computing, and uses a value-based perspective to show the industry shaping dynamics. The integrative framework covers issues relevant to all information industries, including network externalities, lock-in and switching costs, cost structure analysis, transactions costs and infomediaries.

## Contributions to books

**Antonio Argandoña**

"Political party funding and business corruption", in the book "Standards and audits for ethics management systems. The European perspective", edited by Josef Wieland, *Springer*, Berlin, 2003, pages 163-190.

*Abstract:* The funding of political parties raises interesting economic, political, social and ethical problems. This paper seeks to address these problems with the intention of contributing to the general debate, but, above all, of understanding the issue from the company's viewpoint, since companies are directly implicated in political party finance either as donors, or as supposed beneficiaries of political activity, or as the sufferers of the consequences of illegal party funding. The analysis is framed in economic, political and, above all, ethical terms, first on a general level and then from the company's viewpoint.

**Joan Fontrodona**

"Ética del producto", in the book "Globalización, Internet y marketing: Una respuesta ética", edited by Francisco J. Roa,

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Colección Cátedra de Ciencias Sociales, Morales y Políticas,  
*Universidad Católica de San Antonio, Murcia, pages 303-373.*

*Abstract:* El capítulo empieza enunciando y analizando tres pilares básicos para el desarrollo de la globalización: el valor inalienable de la persona humana, el principio de solidaridad y el principio de subsidiariedad. A partir de ese momento se abre una reflexión sobre los principios orientadores de la actividad empresarial, entre los que aparece destacado, como eje central, el desarrollo integral del hombre. Finalmente, se describe y estudia la parte del marketing relativa al producto (calidad, diseño, envasado, etc.), teniendo siempre en cuenta las reflexiones anteriores.

## Lluís G. Renart

"Smith & Nephew - Innovex" (IESE, M-1092-E), in the book "Sales management: A global perspective", edited by Earl D. Honeycutt, John B. Ford and Antonis C. Simintaris, Routledge, Taylor & Francis Books, Ltd, 2003, pages 421-428.

*Abstract:* Smith & Nephew sells health care products in Spain. In September 1999 it decided to conduct a trial that involved hiring from Innovex a team of two sales representatives to support the promotional work being done by the company's own full-time sales force. This promotional effort was aimed at doctors and, above all, nurses. In March 2000, Smith & Nephew's managers had to assess the results achieved to date and decide what to do next.

## Carlos Sánchez-Runde - Richard M. Steers

"Cultural influences on work motivation and performance", in the book "Motivation and work behavior", edited by Lyman W. Porter, Gregory A. Bigley, and Richard M. Steers, McGraw-Hill, New York, 2003, pages 357-374.

*Abstract:* This work presents a review of the research literature on the relationship between cultural differences and work motivation and performance. Included are discussions about how culture affects employee behavior using need theories, reinforcement theories, and cognitive theories. In addition, the role of culture in determining social loafing and the formulation and consequences of work-related attitudes is discussed. Based on the review of available research, a process model of how cultural differences influence work motivation and job performance is presented and discussed.

## Domènec Melé

Wrote the prologue to the book "Globalización, Internet y marketing: Una respuesta ética", edited by Francisco J. Roa, Colección: Cátedra de Ciencias Sociales, Morales y Políticas, Universidad Católica de San Antonio, Murcia, pages 11-21.

## IESE - Working Papers

**NOTE: Working papers may be consulted on the Internet at <http://wwwfm.iese.edu/research/rp.html>**

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**Jordi Gual**

**MARKET DEFINITION IN THE TELECOMS INDUSTRY**

*Abstract:* Market definition for antitrust purposes is by now firmly rooted in economic analysis both in the US and the EU, even if the approaches are slightly different. This paper examines the theoretical basis for the legal definitions and assesses whether the general principles need to be adapted when dealing with the telecommunications services industry. The paper finds that the conventional antitrust methodology for market definition can be, to a large extent, readily applied to the telecoms industry but points out some key adjustments that have to be made to this methodology to ensure that the antitrust and regulatory authorities end up defining markets which capture adequately the nature of the competitive interaction in this industry. The definition of markets should be based on a detailed analysis of demand (both complementarities and substitutabilities) and the consideration of all companies which have the assets and capabilities to satisfy these consumer needs. Such an exercise should be done first, and distinguished from the subsequent analysis of the competitive conditions in the markets defined as relevant.

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**José R. Pin - Esperanza Suárez - Angela M<sup>a</sup> Gallifa**

**LA GESTION DE LA TEMPORALIDAD EN 2003: RESULTADO DEL CUESTIONARIO ENVIADO A LAS GRANDES EMPRESAS UBICADAS EN ESPAÑA**

*Abstract:* Partiendo de la base de que el trabajo temporal seguirá siendo una parte significativa del mercado laboral español, se ha realizado el presente estudio de investigación con el objetivo de profundizar en las razones, políticas de contratación y opinión de las grandes empresas españolas, en facturación, número de empleados y sectores de actividad. La cifra óptima de trabajadores temporales en el total del mercado laboral español, siempre que se reduzcan las tasas de paro por debajo del 6 al 8%, se debe situar en el 20/25%, para asegurar la movilidad adecuada en una economía, estacional en algunos sectores importantes, dinámica y acelerada en todos, y sujeta a cambios imprevisibles, como lo es la española. Muchas empresas españolas consideran como parte de su política de recursos humanos la utilización del trabajo temporal como un arma competitiva que permite aumentar su productividad, eficiencia y flexibilidad ante un mercado dinámico. La ley de convergencia salarial, junto con el coste del servicio (que son conceptos acumulables), son los factores que los empresarios consideran que más han influido en la actual desaceleración de la contratación temporal a través de las empresas de trabajo



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temporal (ETT). Estas gestionan una parte acotada de este mercado. Pero en términos generales, sus clientes están satisfechos tanto con el servicio actual como con la calidad del trabajador cedido. Para aumentar su cuota de mercado deben hacer hincapié en el servicio global que aportan a sus clientes, añadiendo a la flexibilidad otros componentes, como la formación, la agilidad, la eficiencia administrativa, la preocupación por la seguridad e higiene en el trabajo, la especialización, etc. Y, sobre todo, la consideración de que no son un proveedor más, sino un socio estratégico que proporciona, aunque de forma temporal, el componente más importante de la estrategia: las personas.

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**Ramón Casadesus-Masanell - Pankaj Ghemawat**  
**DYNAMIC MIXED DUOPOLY: A MODEL MOTIVATED BY LINUX VS. WINDOWS**

*Abstract:* This paper analyzes a dynamic mixed duopoly in which a profit-maximizing competitor interacts with a competitor that prices at zero (or marginal cost), with the cumulation of output affecting their relative positions over time. The modeling effort is motivated by interactions between Linux, an open-source operating system, and Microsoft's Windows in the computer server segment, and consequently emphasizes demand-side learning effects that generate dynamic scale economies (or network externalities). Analytical characterizations of the equilibrium under such conditions are offered, and some comparative static and welfare effects are examined.

**No 520 - September, 2003**

**Beatriz Muñoz-Seca - Cássia Silva**  
**FOUR DIMENSIONS TO INDUCE LEARNING: THE CHALLENGE PROFILE**

*Abstract:* Knowledge generation is critical for company survival and managers need to face a new role: becoming educators. This requires an understanding of how knowledge is generated and what triggers individual learning. We propose that each individual has a personal predisposition to use a particular learning profile. Our findings show the Educational Dimensions Portfolio (EDP) as a gallery of profiles that match each individual's problem-solving challenge. A manager-educator can use the EDP model for triggering individual learning. We have verified, using statistical methods, that there are four EDP dimensions. They are related to both David Kolb's and Peter Honey's learning styles. We have verified that each individual has a personal predisposition to use a particular profile. We call it the challenge profile. That specific combination provides the individual's gateway not only to his own learning but also to inducing learning in others.

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**Johanna Mair - Ernesto Noboa**  
**SOCIAL ENTREPRENEURSHIP: HOW INTENTIONS TO CREATE A SOCIAL ENTERPRISE GET FORMED**

*Abstract:* Social entrepreneurship has raised increasing interest among scholars, yet we still know relatively little about the particular dynamics and processes involved. This paper aims at contributing to the field of social entrepreneurship by clarifying key elements, providing working definitions, and illuminating the social entrepreneurship process. In the first part of the paper we review the existing literature. In the second part we develop a model on how intentions to create a social venture –the tangible outcome of social entrepreneurship– get formed. Combining insights from traditional entrepreneurship literature and anecdotal evidence in the field of social entrepreneurship, we propose that behavioral intentions to create a social venture are influenced, first, by perceived social venture desirability, which is affected by attitudes such as empathy and moral judgment, and second, by perceived social venture feasibility, which is facilitated by social support and self-efficacy beliefs.

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**Sandalio Gómez - Carlos Martí**  
**LAS PREJUBILACIONES Y SU IMPACTO EN LA PERSONA, EN LA EMPRESA Y EN EL SISTEMA DE PENSIONES**

*Abstract:* En los últimos quince años, la realidad socioeconómica ha sufrido un importante proceso de cambio que ha tenido un reflejo especial en el mundo de la empresa y en la sociedad en general. El estancamiento de la población española y su progresivo envejecimiento, debido al aumento de la esperanza de vida, a las bajas tasas de natalidad y de fertilidad de la mujer, y a una política sostenida de prejubilaciones y jubilaciones anticipadas que han desarrollado las empresas en la última década, plantean una serie de problemas nuevos a los que hay que hacer frente con realismo. En este estudio se analiza una de estas variables, en concreto la política de prejubilaciones, y el impacto que está produciendo, tanto en las empresas que las llevan a cabo como en las personas que las "sufren", así como las consecuencias que produce en el sistema de pensiones. Para lograr este propósito se ha dividido el trabajo en estos tres grandes apartados, utilizando para cada uno de ellos la metodología más adecuada. En primer lugar, se realiza un análisis del sistema actual de pensiones en España y de los cambios que se contemplan en los Pactos de Toledo, firmados en 1995 por los partidos políticos y los sindicatos, y que se van introduciendo en función de un calendario previsto de antemano. La principal amenaza que sufre nuestro sistema de pensiones proviene de las previsiones estadísticas sobre el envejecimiento de la población y la evolución de la población activa, datos fundamentales para un sistema de reparto. En segundo lugar, se ha elaborado un cuestionario, apoyado en entrevistas personales, para conocer el planteamiento de las empresas sobre las prejubilaciones y el coste económico y social que les ha supuesto. Se ha elegido una muestra de ocho empresas españolas de tamaño

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grande, incluyendo multinacionales, que son las que han aplicado, y de manera repetida, la mayoría de los planes de prejubilación o jubilación anticipada durante los últimos diez años. Se han recabado datos cuantitativos (número de empleados afectados, años que han durado estas medidas, coste/ahorro, etc.) y cualitativos (satisfacción de la empresa por los resultados obtenidos, la respuesta de la organización, etc.), para tener una visión, lo más amplia posible, sobre las razones reales que impulsaron a estas empresas a adoptar esta medida, y los resultados que se han obtenido en cada caso. Los cuestionarios se han cumplimentado mediante entrevistas personales con los máximos responsables del área de recursos humanos. En tercer lugar, para estudiar el efecto que produce la prejubilación en las personas se analizan los factores cuantitativos (la cantidad y los conceptos de la retribución que va a percibir, la actividad profesional que realiza a partir de ese momento, etc.) y otros factores cualitativos (como su autoestima, su sensación de seguir sintiéndose útil, las nuevas relaciones que haya establecido con su familia, su motivación por realizar alguna otra actividad, etc.). En esta fase, el método ha consistido en elaborar un cuestionario que se ha contestado mediante entrevistas personales, con un total de ochenta personas que han pasado por las situaciones objeto de este estudio.

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**Johanna Mair - Ernesto Noboa**

**THE EMERGENCE OF SOCIAL ENTERPRISES AND THEIR PLACE IN THE NEW ORGANIZATIONAL LANDSCAPE**

*Abstract:* Recent dynamics in the social and economic environment have facilitated the emergence of new –hybrid– organizational forms, a phenomenon that has been frequently associated with the blurring of boundaries among the for-profit, public and nonprofit sectors. Focusing on social enterprises, a particular type of hybrid organizations emerging in the nonprofit sector, this paper suggests that the appearance of hybrid organizational forms triggers behavioral changes at the micro –the organizational– level, but hardly affects sector boundaries. The paper offers a fresh conceptualization of social enterprises, and furthermore presents an original way to classify traditional and new organizational forms according to economic, public and social authority. The new organizational landscape is illustrated.

## Other publications

**Víctor Pou**

**"Relaciones Unión Europea-China", CIDOB d'Afers Internacionals, Barcelona, special issue devoted to China, No 63, September-October 2003, pages 101-141.**

*Abstract:* El artículo sitúa, en primer lugar, las relaciones UE-China en el doble marco general de las relaciones UE-Asia y del proceso

ASEM (Asia-Europe Meeting), en cuya preparación y lanzamiento a mediados de la década de los noventa intervino muy activamente el autor desde su puesto de Consejero de Relaciones Exteriores en Bruselas. A continuación, trata específicamente de las relaciones UE-China y explica que han ido creciendo progresivamente en intensidad durante los últimos años, basadas en tres pilares: diálogo político y derechos humanos, cuestiones comerciales y económicas, y cooperación. La UE apoya el gigantesco proceso modernizador de China iniciado en 1978 bajo el liderazgo de Deng Xiaping, así como sus esfuerzos por alcanzar una integración rápida y total en la comunidad internacional, tanto política como económicamente. La Escuela de Negocios que dirige el profesor **Alfredo Pastor** en Shanghai constituye un excelente ejemplo de cooperación entre la UE y China, que contribuye de manera notable a este proceso modernizador. Las políticas de los diferentes Estados miembros de la UE con relación a China son asimismo consideradas. La UE presenta un déficit comercial creciente con China y contempla con preocupación una disminución del ritmo de la inversión directa europea en relación con otros competidores mundiales. La UE observa cómo China se va convirtiendo en la fábrica del mundo. También ha apoyado la incorporación reciente de China a la Organización Mundial del Comercio ( OMC ) y espera que ésta haga honor a todos los compromisos contraídos. La UE desea una China estable, próspera, abierta, que abrace sin reservas el sistema democrático, los principios del libre mercado y el imperio de la ley.

**Lluís G. Renart**

**"Abordar con éxito la ampliación europea", AMEC Export, No 6, October 2003.**

*Abstract:* El artículo empieza subrayando la importancia de la próxima ampliación de la UE con otros diez Estados miembros de pleno derecho, prevista para el 1 de mayo de 2004. Ante este hecho, las empresas españolas deben diseñar y poner en práctica sus respuestas estratégicas, las cuales pueden ser de cuatro tipos: 1) considerar a los países de nueva incorporación como mercados a los que ir a vender; 2) considerarles como posibles proveedores, es decir, como mercados a los que ir a comprar; 3) considerarles como posibles aliados, es decir, empresas con las que desarrollar estrategias de colaboración, y 4) considerarles como posibles competidores, es decir, como una posible amenaza competitiva.

**Carlos Sánchez-Runde**

**"Reflexiones sobre los conflictos entre las culturas de los pueblos", Empresa y Humanismo, Vol. 6, No 2, 2003, pages 387-402.**

*Abstract:* Este artículo propone unas reflexiones para enmarcar la discusión sobre las culturas de los pueblos, en sí mismas consideradas y en relación con otras, derivando unas conclusiones sobre la viabilidad del entendimiento ("comunicabilidad") y valoración ("conmensurabilidad") transculturales. A partir de aquí se pretende que resulte más clara la dirección a seguir en la búsqueda, todavía tentativa, de vías de solución a los conflictos interculturales.



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**Pablo Sánchez - Miguel A. Rodríguez - Joan E. Ricart**  
"Claves del éxito de la ISR", *Harvard Deusto Contabilidad & Finanzas*, No 55, September-October 2003, pages 56-64.

*Abstract:* Este artículo pretende responder a tres preguntas básicas: qué es la inversión socialmente responsable (ISR), qué propósito tiene y cómo puede influir en la actividad empresarial. Para responder a estas preguntas se repasa la evolución de la ISR en los últimos 30 años en los países donde tiene mayor presencia. Asimismo, se analiza su estado actual y se reflexiona sobre cuáles son las claves del éxito que hacen de la ISR una alternativa de inversión atractiva. Por último, se examina qué consecuencias puede tener la adopción generalizada de la ISR para la gestión empresarial. En este sentido, se expresa el convencimiento de que la ISR puede contribuir notablemente a reforzar la responsabilidad social de la empresa.

## Conferences and seminars

### **Antonio Argandoña**

On October 22-25, attended, in Salamanca, the International Conference "León XIII y su tiempo", organized by Universidad Pontificia de Salamanca, where he presented the paper "Doctrina social de la Iglesia y economía".

*Abstract:* La ciencia económica trata de explicar la conducta humana, individual y social, en las decisiones que se refieren a la elección de medios escasos para la realización de fines dados. Como tal, es una formidable "caja de herramientas", muy útil tanto en el terreno de la descripción y predicción de los hechos como en el de la elaboración de políticas. Pero tiene también limitaciones importantes, que se derivan de la concepción del hombre y de la sociedad en que se basa, de la no discusión de los fines del hombre y de una concepción limitada de la eficiencia, que se erige así como objetivo implícito de todas sus actuaciones.

La doctrina social de la Iglesia respeta la autonomía de la economía. Pero al basarse en una concepción del hombre más completa, está en condiciones de hacer aportaciones importantes, quizá no tanto para elaborar una "nueva" ciencia económica como para señalar sus limitaciones y definir su papel dentro de esa concepción más amplia de la acción humana.

En este trabajo se presentan algunos de los principios de la doctrina social de la Iglesia que pueden cumplir esa función respecto de la economía, alrededor de temas básicos como la concepción del hombre, el papel de la cultura, el trabajo, la empresa y el mercado.

### **Manel Baucells**

On October 19-22, attended, in Atlanta, the *INFORMS Annual Meeting*, where he presented the paper "Stochastic dominance and cumulative prospect theory: Theory and experiments", co-authored by **Franz H. Heukamp**.

*Abstract:* Based on recent theoretical and empirical results about the significance of Cumulative Prospect Theory (CPT), we define  $RWc-SD$ , an extended notion of stochastic dominance that captures both the reflection effect (R) and an empirically relevant class of probability weighting functions. A second definition of stochastic dominance ( $R^*Wd-SD$ ) for preferences with reverse reflection effect ( $R^*$ ) [Markowitz (1952)] is presented. Using these definitions, we empirically discriminate between two competing explanations of behavior under risk, namely, CPT and Markowitz. Our experiments reject the reverse reflection effect recently advocated by Levy and Levy (2002a) and offer insight into the relevance of the weighting function in empirical research on choice under risk. We present and test two additional definitions of stochastic dominance that embody loss aversion, an important feature of CPT.

### **Bruno Cassiman**

On September 18-19, attended, in Castellón, the *Jornadas de Economía Industrial*, organized by the Universitat Jaume I, where he presented the paper "Innovation and exports: Evidence from Spanish Manufacturing", co-authored by E. Martínez.

*Abstract:* This paper explores the relation between innovation and export performance. We use information on Spanish manufacturing industry for the period 1990-1999 to compare the effect of different measures of innovation input and output on export behavior and to distinguish between the decision to export, export propensity and growth in exports. Our results suggest that innovation is a very important driver of exports. However, we find that while innovation activities positively affect the decision to export, product innovations are a more important determinant of export growth, while process innovations are a more important driver of export propensity. Although previous results suggested the existence of complementarity between innovation activities such as doing own R&D and contracting R&D, we are unable to confirm this result. We do find a strong non-linear relation between firm size and export behavior, suggesting an optimal size for export performance. Foreign owned firms, however, are more likely export and have better export performance. The capital intensity of the firm relates positively to export propensity, without directly affecting the decision to export. The opposite is true for the average wage paid by the firm, which correlates negatively with the decision to become an exporter, but leaves the propensity to export –conditional on being an exporter– unaffected. Firms in less competitive industries and with a better relative positioning within the industry have a higher likelihood of exporting.

### **Javier Estrada**

On October 8-11, attended, in Denver, the *2003 Annual Conference*, organized by Financial Management Association, where he presented the paper "Adjusting P/E ratios by growth and risk: The PERG ratio".

*Abstract:* P/E ratios are one of the tools most widely used by analysts and the key variable in many value strategies. PEG ratios,

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an increasingly-popular valuation tool among analysts, improve upon P/E ratios by adjusting the latter by growth. This article proposes a new tool, the PERG ratio, that adjusts P/E ratios by both growth and risk, or, similarly, PEG ratios by risk. The evidence reported shows that PERG-based value strategies outperform, on a risk-adjusted basis, value strategies based on P/E ratios and PEG ratios.

He also chaired a session on "Intertemporal asset pricing" and acted as discussant of the paper "An intertemporal capital asset pricing model and the size anomaly".

## Jordi Gual

On October 9-10, attended, in Brussels, the 7th Annual Meeting of the IBC, on the theme "Communications and EC Competition Law", where he presented the paper "Market definition in the Telecom Industry".

*Abstract:* Market definition for antitrust purposes is by now firmly rooted in economic analysis both in the US and the EU, even if the approaches are slightly different. This paper examines the theoretical basis for the legal definitions and assesses whether the general principles need to be adapted when dealing with the telecommunications services industry.

The paper finds that the conventional antitrust methodology for market definition can be, to a large extent, readily applied to the telecoms industry but points out some key adjustments that have to be made to this methodology to ensure that the antitrust and regulatory authorities end up defining markets which capture adequately the nature of the competitive interaction in this industry.

Three adjustments are needed. First, careful consideration should be given not only to demand substitutabilities, but also to the competitive interaction with all potential suppliers. Second, demand complementarities and the economies of joint production should be properly recognized since they imply that in this industry bundles or systems of services may become a significant unit of antitrust and regulatory analysis. Third, market definition should take into account that the telecoms service industry is characterized by fixed and continuous sunk costs of service provision, and that this will often imply the need to revise the conventional concepts of market power and substitutability based on price elasticities.

## Domènec Melé

On October 20-21, attended, in Pamplona, the 5th International Symposium of Christian Faith and Contemporary Culture, on the theme "Christianity in a postsecularistic culture", where he presented the paper "Christian humanism in organizational cultures".

*Abstract:* This paper tries to explain in what way organizational cultures can be imbued with Christian Humanism, converting them into human and humanizing cultures. Firstly, it reviews the

organizational and management literature on the concept and contents of "organizational culture", emphasizing the main factors that shape an organizational culture. Secondly, it considers what appear to be the most significant aspects of Christian Humanism for business organizations. Thirdly, it analyzes how Christian Humanism can influence the factors that shape an organizational culture. Finally, it gives some practical proposals to this end.

On October 23-25, attended, in Tarragona, the 39ª Semanas Sociales de España, where he presented the paper "Principio de subsidiariedad y espíritu emprendedor en la Europa del siglo XXI".

*Abstract:* El principio de subsidiariedad establece que una estructura social de orden superior no debe interferir en la vida interna de un grupo social de orden inferior privándola de sus competencias, sino que más bien debe sostenerla en caso de necesidad y ayudarla a coordinar su acción con la de los demás componentes sociales, con miras al bien común. Este principio, de eminente carácter ético, está fundamentado en la libertad, racionalidad y diversidad del ser humano, y es necesario para facilitar el desarrollo humano en la vida social. Es el marco necesario para la iniciativa emprendedora. Una razonable construcción de Europa exige potenciar tanto el principio de subsidiariedad como la iniciativa emprendedora en diversos ámbitos. Entre otros, familia y escuela, iniciativas educativas y asistenciales, empresas, desarrollo y cooperación internacional.

## José R. Pin

On October 23-25, attended, in Lima, the XVIII Asamblea de CLADEA (Consejo Latino Americano de Escuelas de Administración), where he presented the following papers:

"¿Qué cosa es eso que llamamos la ciencia de la motivación humana en el trabajo?".

*Abstract:* Esta ponencia compara las teorías de la ciencia de Poper, Lakatos, Kuhn, Fayerebent y Chalmers, entre otros, para analizar el tipo de ciencia que se realiza en el proyecto de investigación sobre la motivación humana en el trabajo a través del siglo XX.

"La motivación del directivo en el sector financiero español: análisis comparativo de la banca privada y la banca pública. Un estudio empírico", co-authored by Lourdes Susaeta.

*Abstract:* Determinar los factores que motivan al directivo es un tema ampliamente estudiado por la bibliografía. El planteamiento de este proyecto se basa en la teoría sobre las expectativas de Vroom (desarrollado por Porter y Lawyer, y el desarrollo de la teoría sobre la motivación humana de Juan A. Pérez López, a partir de las cuales hemos elaborado un nuevo modelo específico. La muestra tomada para contrastar el modelo en el estudio empírico es de 156 directivos españoles, 100 de la banca privada y 56 de la banca pública. Para cada uno de estos colectivos se han analizado las



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siete variables que figuran en nuestro modelo motivacional: instrumentalidad y valencia correspondientes a la motivación extrínseca, intrínseca y trascendente, así como el nivel de expectativas, realizándose por último un análisis comparativo. Los resultados muestran las fortalezas y debilidades de ambos sistemas bancarios, destacando como datos más significativos la importancia de la motivación intrínseca sobre la trascendente y la extrínseca en el sector financiero en general, y una clara superioridad en la motivación del directivo de la banca privada sobre la pública.

(This paper was also presented by Lourdes Susaeta, on September 21-23, in Salamanca, at the *XIII Congreso* of ACEDE.)

**He also moderated a track on Human Resources and, at the Deans' Meeting, was voted a member of the Study Group for the reform of CLADEA's by-laws.**

**In addition, he presented the case "La globalización del conflicto sindical: BSCH-Banespa" (DP-146) at the *Case Forum* organized by the Monterrey Technological Institute.**

*Abstract:* El 20 de noviembre de 2000, el grupo Santander Central Hispano (BSCH) se adjudicó mediante subasta el Banco del Estado de Sao Paulo (Banespa), la tercera entidad financiera del estado de Sao Paulo, designándose como nuevo presidente del consejo de administración de Banespa a Gabriel Jaramillo. La oferta que realizó el banco español alcanzó los 3.550 millones de dólares. Con esta adquisición, el BSCH refuerza su presencia en Brasil, convirtiéndose en la tercera entidad financiera del país, con más de 3 millones de clientes. A su vez, el BSCH presentó un programa de jubilación anticipada para 18.000 de los 22.300 empleados de Banespa, con el fin de modernizar el banco y reducir costes; finalmente, se adhirieron al plan 8.500 empleados (47% de los 18.000 iniciales).

## **Javier Quintanilla**

**On September 8-12th, attended, in Berlin, the *13th World Congress of the International Industrial Relations Association (IIRA)*, on the theme "Beyond Traditional Employment: Industrial Relations in the Network Economy", where he presented the paper "Unraveling home and host country effects: An investigation of HR policies of and American multinational in four European countries", co-authored by Phil Almond, Tony Edwards, Anthony Ferner, Patrick Gunnigle, Michael Müller-Camen and Hartmut Wächter.**

*Abstract:* This paper reports on a three-year period of in-depth case study research into a large US-based multinational in the IT hardware and services sectors (referred to as ITco) across four host countries (UK, Ireland, Germany and Spain). It examines questions around the US provenance of ITco, including the extent to which the "global" policies of a firm with operations and sales in a wide range of countries can be seen to be embedded in the US business system. Equally, the paper considers the relationship between

changes in the home country business system and the evolution of product and capital markets.

## **Josep M. Rosanas - Manuel Velilla**

**On September 9-12, attended, in Venice, the *Conference on "The Role of Humanities in the Formation of the New European Elites"*, organized by *Fondazione Giorgio Cini*, where they presented the paper "Towards a humanistic model of understanding and teaching management".**

*Abstract:* First, the authors examine a range of views on management and the cultural differences between the two sides of the Atlantic. Second, they argue that management has become depersonalized over the last couple of decades and attempt to trace the different approaches back to the earliest writings on the subject, in order to show how a broader, more humanistic concept of management, taking individual interests into account, has existed from the beginning in management theory. They then demonstrate the need for a humanistic concept of management through a dynamic approach to decision-making, and in this context examine AT&T's experience of teaching humanities to executives. Finally, the authors consider the implications for management education, concluding with suggestions about a possible new culture of management and the contribution Europe could make to such a culture.

## **Josep Valor**

**On September 12-13, attended, in Los Angeles, the *CIME/CIBER Conference 2003*, organized by *UCLA*, where he presented the paper "Sources of information value".**

*Abstract:* The paper provides a conceptual framework to understand and analyse the decline of the telecommunications industry and the rise of information industries. It looks at information distribution, banking, advertising, computing, and uses a value-based perspective to show the industry shaping dynamics. The integrative framework covers issues relevant to all information industries, including network externalities, lock-in and switching costs, cost structure analysis, transactions costs and infomediaries.

## **Rama Velamuri**

**On September 10-12, attended, in Milan, the *33th EISB Conference*, organized by the *European Foundation for Management Development (EFMD)*, where he presented the paper "The role of the entrepreneur's ethical values in the stakeholder network emergence of new ventures".**

*Abstract:* This paper is based on in-depth case studies of two firms operating in environments where corruption is widespread. The entrepreneurs of these firms took strong positions against corruption, based on their ethical values, and still managed to survive and achieve success. The specific research question that we

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sought to answer was: Why did stakeholders make resource commitments to these ventures, and what role, if any, did the entrepreneurs' ethical values play in these resource commitments? We propose a model in which the salience to stakeholders of the entrepreneur's ethical values mediates the relationship between the independent and dependent variables. This salience to stakeholders, in turn, is influenced by a) the entrepreneur's attributes and behaviors, b) industry characteristics, and c) the broader socio-political and economic context.

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On September 19-20, IESE will host a *Workshop* on "The Impact of Institutions on Innovation: The Case of Biotechnology", organized by the Centre for Economic Policy Research (CEPR), the European Science Foundation, and IESE. The local organizer is **Bruno Cassiman**.

## Awards

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The Executive Board of the Family Business Network, meeting recently on the occasion of its *14th Annual Conference*, has decided, as a homage to the work of Professor **Miguel Angel Gallo**, that its annual research award should from now on be called "The Family Business Network Miguel Angel Gallo Research Award".

On October 19-22, **Franz Heukamp** attended, in Atlanta, the *INFORMS Annual Meeting*, where he received the prize for best paper by a recent doctoral program graduate for the paper "Stochastic dominance and cumulative prospect theory: Theory and experiments", co-authored by **Manel Baucells**.

**Pedro Nueno** has been awarded the Creu de Sant Jordi ("Saint George's Cross"), a mark of distinction that the Catalan government confers upon individuals and institutions in recognition of their outstanding services to Catalonia.

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The IESE Alumni Association has granted the Second Research Excellence Awards. This year, awards have been granted to the following professors:

**Javier Estrada**, for his research on emerging markets. Since his arrival at IESE, his research has centered on three fundamental themes: 1) the cost of capital in emerging markets, 2) a redefinition of the concept of risk, emphasizing measures of "downside risk", and 3) valuation of Internet companies. Over the last four years, he has published more than 10 articles in international journals on these topics. He is also editor of *Emerging Markets Review*.

**Domènec Melé**, for his research in the field of business ethics. His research focuses on five fundamental areas: the integration of ethics in the company, the social responsibilities of businesses, the development of ethical organizational cultures, Christian humanism in business management, and the philosophical bases of management and organizations. In addition to his many publications in leading international journals, he has spearheaded the International Ethics Symposium at IESE, of which 12 editions have been held.

**Javier Quintanilla**, for his research on human resource management in multinationals. Over the last few years, he has examined in depth the processes of configuring human resource policies in the subsidiaries of multinational companies. This empirical work has, up to now, focused primarily on German, British and French companies operating in Spain. His most recent projects focus on US multinationals operating in different European countries. In addition to this central line of research, he has studied new organizational forms and their implications for human resources, and the impact of the new economy on people management and management competencies.

## Doctoral theses

**Christian Knief**

**THE DEVELOPMENT OF INTER-ORGANIZATIONAL COLLABORATIVE VENTURES OF SPANISH FAMILY BUSINESSES. ANTECEDENTS TO THE EVOLUTION OF INTER-ORGANIZATIONAL COLLABORATIVE VENTURES. DO FAMILY BUSINESS CHARACTERISTICS MATTER? (IESE)**

*Abstract:* The subject of inter-organizational collaboration (IOC) receives academic attention and is important to managerial practice. Yet few studies have been carried out on inter-organizational collaborative ventures (IOCVs) in the context of family business, and few that investigate the development of IOCVs. The purpose of this dissertation is to explore the development of IOCVs in the context of Spanish family businesses. The first part of the dissertation focuses on extant research on family business and IOCVs, establishing the managerial relevance of the area. This leads to a formulation of the research question. The methodology chosen for the dissertation is also discussed.

The author then reports on the results and findings of fieldwork in three Spanish family businesses. He finds that antecedent factors are critical to the formation of IOCVs and have an imprinting effect that is critical for IOCV development.

The data suggest that family business ventures that develop via frequent, small, incremental changes (process) change more dynamically and are more successful than those that develop via a small number of significant changes (outcome). Change process and change outcome are associated with the management approach adopted by the parent organization towards the venture. Ventures that are managed in a formal way rely on exogenous



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safeguards, and contracts develop through a small number of big changes. Ventures that are managed less exclusively through formal mechanisms and contracts develop incrementally. Whether a formal management approach relying on exogenous/contractual safeguards or an informal management approach relying on endogenous/non-contractual management mechanisms is adopted is associated with several antecedents to the formation and development of the IOCV. Where 1) no endogenous safeguards were developed between the partners prior to venture formation, 2) the investments are specific and risky, 3) operational set-up of the IOCV is complex and creates a need for coordination, and 4) the family business is governed through formal systems and structure, (A) formal mechanisms are adopted in the management of the IOCV. Where the family business has developed 1) endogenous safeguards with the partner prior to the formation of the IOCV, 2) the investments are neither specific nor risky, 3) the operation of the venture is not complex and requires little coordination due to partner interdependence in the operation, and 4) the corporate context is characterized by a small number of formal coordination mechanisms but direct supervision, (B) an informal IOCV management approach relying on non-contractual/endogenous safeguards is applied. In this context the corporate management structure adopted by the family business is associated with family business characteristics: family businesses that have complex ownership and management structures and frequent conflicts are highly reliant on formal management systems and structures; family businesses that have less complex ownership and management structures and little conflict among family members are less reliant on formalized management structures and systems.

In the final chapter we discuss the propositions deduced from the data and their contribution to academic inquiry. The purpose of this study was to explore the development of IOCVs in the context of family businesses. The study provides initial empirical evidence of how family businesses engage and manage IOCVs. It suggests a link between the characteristics of family firms and the mechanisms they adopt to manage their ventures. Extant studies link antecedent factors with inter-organizational outcomes. In this study we argue that reliance on formalized as opposed to unformalized (informal) management systems and structures appears to be critical to the development of IOCVs, and we connect antecedent factors, management approach, venture change process, and outcome/change in the IOCV's strategic position. Antecedent factors may explain the reliance on formalization of mechanisms to manage IOCVs, thus connecting antecedents and venture development.

Researchers in the field of family business argue that personalization of family businesses around family members explains the adoption of less formal structures and the importance of informal mechanisms. We suggest that it may be this reliance on informal mechanisms and informal personal relationships that allows family firms to develop embedded relationships. The organizational characteristics of family businesses may help their IOCVs to develop. This suggests that family business-related advantages are to be found in the ownership/management structure and are directly related to the characteristics of family business.

The purpose of this research is to offer an initial approach to the phenomenon; not to achieve statistical significant results, but to generate propositions that may be investigated further by increasing the base of cases, or by looking at cases in other organizational or IOC contexts.

## IESE - Research Seminars

### General Management

*October 16*

**Keynote speaker: Daniel Beunza, Universitat Pompeu Fabra**  
**"Tools of the trade"**

*Abstract:* Despite the widespread availability of technologies for trading stocks on-line, Wall Street banks still cluster their traders, salespeople and analysts on large open-plan spaces – so-called trading rooms. How come? This paper presents the results of a three-year on-site research project on the organization of quantitative trading in a Wall Street investment bank. Quantitative finance (and in particular its most lucrative variety, arbitrage) provides a fascinating case study of innovation and sustained high profitability despite intense competition and technological change. Drawing from current theories of organization theory, knowledge management and economic geography, this paper presents the existing spatial organization of trading (i.e., trading rooms) as the solution to organizational challenges that are relevant beyond the financial industry, including: 1) finding profit opportunities despite the tendency of markets towards equilibrium and informational efficiency; 2) organizing on-line and off-line activities so that they are complementary; and 3) balancing exploitation and exploration in the organization.

*October 24*

**Keynote speaker: Philippe Haspeslagh, INSEAD**  
**"Managing for value - Report from research"**

*Abstract:* The concept of implementing a value-based management (VBM) program into companies has received mixed reviews. Almost half the companies that adopted a VBM program experienced mediocre results, while other companies reported a sustained increase in profits and stock prices. The secret to VBM success, studies show, is understanding that VBM is about cultural change rather than financial change. After researching the practice of VBM for two years, results indicated that most VBM failures were accompanied by a cultural resistance to change. Successes, on the other hand, shared a similar approach to achieving a desired cultural transformation, consisting of five main elements: an explicit commitment to value, intensive training, building ownership, empowering business units, and broad process reforms. The study also indicated that implementing VBM programs in such a manner creates a virtuous circle, ultimately reinforcing the program itself. Research shows that a properly

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applied VBM program can benefit a company by putting its profitability on track and providing a platform for sustained growth.

## Marketing

October 30

**Keynote speaker: Marnik G. Dekimpe, Catholic University Leuven (Belgium)**

**"Weathering tight economic times: The sales evolution of consumer durables over the business cycle"**

*Abstract:* Despite its obvious importance, not much marketing research focuses on how business-cycle fluctuations affect individual companies and/or industries. Often, one has only aggregate information on the state of the national economy, even though cyclical contractions and expansions do not necessarily have the same impact on every industry, nor on all firms in any given industry. Using recent time-series developments, we introduce various measures to quantify the extent and nature of business-cycle fluctuations in sales. Specifically, we discuss the notions of cyclical volatility and cyclical co-movement, and consider two types of cyclical asymmetry related, respectively, to the relative size of the peaks and troughs and the rate of change in upward versus downward parts of the cycle. In so doing, we examine how consumers adjust their purchasing behavior across different phases of the business cycle. We apply these concepts to a broad set (24) of consumer durables, for which we analyze the cyclical sensitivity of sales. We (i) derive a novel set of empirical generalizations, and (ii) test different marketing theory-based hypotheses on the underlying drivers of cyclical sensitivity.

Consumer durables are found to be more sensitive to business-cycle fluctuations than general economic activity, as expressed in an average cyclical volatility more than four times that of GNP, and an average co-movement elasticity in excess of 2. This observation calls for an explicit consideration of cyclical variation in sales of durables. Moreover, even though no evidence is found for depth asymmetry, the combined evidence across all durables suggests that asymmetry is present in the speed of upward and downward movements, as sales of durables fall much quicker during contractions than they recover during economic expansions. Finally, key variables related to the industry's pricing activities, the kind of durable concerned (convenience vs. leisure), and the stage of the product's life cycle tend to moderate the extent of cyclical sensitivity in durable sales patterns.

## Production, Technology and Operations Management

September 18

**Keynote speaker: Arnd Huchzermeier, Otto-Beisheim Graduate School of Management (Germany)**

**"Optimizing Rhenania's mail-order business through dynamic multilevel modeling"**

*Abstract:* Rhenania, a German direct mail-order company, turned its catalog mailing practices around within one year and

consequently moved up in market position from number 5 to number 2. A dynamic multilevel modeling (DMLM) approach uses elasticities to determine the optimal frequency of catalog mailings; a customer-segmentation approach allows for optimization of mailings; and a "recency-frequency-monetary value" (RFM) segmentation in combination with a "chi-square automatic interaction detection" (CHAID) algorithm determines when customers should receive a reactivation package –as opposed to a catalog– to optimize mailing efficiency further. The DMLM approach was so effective that Rhenania acquired two competitors (one a subdivision of Springer Verlag).

## Miscellaneous

### Ramón Casadesus-Masanell - Pankaj Ghemawat

On September 24, gave the Research Seminar "Dynamic mixed duopoly: A model motivated by Linux vs. Windows", at INSEAD (France).

### Bruno Cassiman

On October 8, gave the Research Seminar "Cooperative R&D agreements with universities: Some empirical evidence from Belgium", at Universidad de Navarra.

On October 24-25, attended, in Boston, the *HBS Strategy Conference*.

### Joan Fontrodona

On October 10, attended, in Barcelona, a *Conference* organized by the Asociación de Directivos de Comunicación, where he took part in the panel discussion on "Ética y responsabilidad social corporativa" ("Ethics and Corporate Social Responsibility").

### Domènec Melé

Has been appointed to the Editorial Board of the *Journal of Business Ethics*.

### Joan Enric Ricart

On October 2, attended, in Bilbao, the *International Meeting 2003* of the *Cluster Conocimiento*, on the theme "Crecimiento e innovación como clave de competitividad de las empresas", where he chaired the panel discussion on "Factores de éxito para articular la estrategia en acción innovadora en las empresas vascas".

### Carlos Sánchez-Runde

On August 13-14, attended, in Montevideo, the *Primer Encuentro Nacional de Dirección y Administración*, on the theme "Administración: crisis y desarrollo", organized by the Colegio de Contadores y Economistas del Uruguay, where he gave the lecture "Dificultades estructurales en la dirección de personas".



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## Josep Tàpies

On September 24-27, attended, in Lausanne, the *14th Annual World Conference*, organized by the *Family Business Network*, where, in the IFERA Research Forum, he acted as chairman of the workshop on "Finance in family business".

## Teaching materials

**NOTE: The updated bibliography can be consulted on the Internet at <http://www.iese.com>**

## Accounting and Control

**Pinocchio SpA  
(C-725-E - 0.103.023)**

The case describes the situation of a medium-sized family-owned toy manufacturer based in Italy. Pinocchio, SpA has to cope with the difficulties arising from having highly seasonal sales and a policy of level production throughout the year. This policy is maintained because the company requires specialized personnel that could not be hired on a casual basis. During the period 1998-2000 the company has invested heavily in plant and equipment to modernize its facilities.  
(Also available in Spanish).

Gramajo E.; Peñalva F.; 7 pages.

**El cuadro de mando integral  
(CN-209 - 0.103.026)**

Esta nota técnica presenta una nueva herramienta de gestión para medir uno de los aspectos más complejos de una empresa, su estrategia. El cuadro de mando integral es un sistema de indicadores que recoge los aspectos más relevantes de la empresa y su entorno para evaluar su presente y futuro. Como todo sistema de medidas, además de proporcionar información para el diagnóstico, es un poderoso vehículo de cambio gracias a su influencia sobre la atención y el esfuerzo de las personas de la empresa.

Ballarín E.; Dávila A.; 15 pages.

## Financial Management

**Endemol Entertainment  
(F-736-E - 0.203.005)**

This case deals with financial analysis of a fast-growing company. It highlights the relationships between the firm's growth rate and its short-term financial needs.

Lupo D.; Méndez M.; Rahnema A.; 16 pages.

**Texcolsa  
(F-737-E - 0.203.006)**

The CFO of a group of companies is considering centralizing certain administrative activities, including treasury management. The geographic dispersal of the group's production and sales activities and the different types of legal relationships within the group make this a complex challenge.  
(Also available in Spanish).

Pie I.; Santomá J.; 7 pages.

**Texcolsa International  
(F-738-E - 0.203.008)**

Texcolsa's international operations require the financial coordination of the various subsidiaries, which operate in three different currencies. The case describes a proposal to improve and coordinate the subsidiaries' cash decisions.  
(Also available in Spanish).

Santomá J.; 7 pages.

**Texcolsa Netting  
(F-739-E - 0.203.009)**

The case poses the question of whether or not to implement a netting system in a company that operates internationally. The focus is on evaluating the financial advantages and organizational implications.  
(Also available in Spanish).

Santomá J.; 5 pages.

**Creación de valor por reestructuración: Sealed Air Co.  
(F-747 - 0.203.027)**

Sealed Air Co. pagó a sus accionistas un dividendo especial de 40 dólares por acción en 1989. En el mes anterior al anuncio del dividendo especial, el precio de la acción había oscilado entre 44 y 46 dólares. El dividendo especial suponía un pago

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de 329,8 millones de dólares, que la empresa tomó prestados en su mayor parte. Después de pagar el dividendo, la empresa tuvo un valor contable de los recursos propios negativo de 160 millones de dólares.

Fernández P.; 7 pages.

## **Clínica Santa Teresa (F-751 - 0.203.032)**

Decisión de inversión en maquinaria en el sector hospitalario en un entorno sencillo.

Santomá J.; 1 page.

## **Cash pooling and centralized cash management (FN-485-E - 0.202.015)**

This note introduces the basic concepts of centralized cash management, cash pooling, netting, and centralized foreign exchange flow management.  
(Also available in Spanish).

Pie I.; Santomá J.; 9 pages.

## **Netting: Offsetting cash flows (FN-507-E - 0.203.010)**

This note defines the concept of netting, including bilateral, multilateral and multi-currency netting. It describes how netting works and discusses its advantages and limitations.  
(Also available in Spanish).

Pie I.; Santomá J.; 8 pages.

## **General Management**

### **eDreams: Real People, Great Vacations (DG-1386-E - 0.303.001)**

The case analyses the positioning of an online travel agency headquartered in Spain and with presence in four major European travel markets (Italy, Spain, France and the United Kingdom). It describes the role played by each agent involved in the travel industry value system and discusses how they all are currently trying to create and appropriate value. The firm has to decide how to combine offline and online spaces to carry out transactions and serve customers more efficiently. This gives students an opportunity to analyze whether the firm has the necessary resources and capabilities to succeed and change the "rules of the game"/"industry in which it competes".

Cassiman B.; Noboa F.; 18 pages.

## **¿Cuándo establecer una alianza estratégica? (DGN-633 - 0.303.033)**

La aparición de alianzas estratégicas responde a los cambios en el entorno económico. Las empresas se ven en la necesidad de compartir sus recursos y habilidades para ser más competitivas y mantener su presencia en el mercado. Uno de los criterios que trata de explicar por qué una alianza es la mejor alternativa para crear valor es el de los costes transaccionales. Este afirma que el objetivo de una alianza es la minimización de los costes de producción y de transacción. Otros criterios a considerar son: el valor transaccional, el comportamiento estratégico y el aprendizaje organizacional.

Ariño A.; Becerra T.; Otegui M.; 7 pages.

## **Managing People in Organizations**

### **De consejero delegado a presidente (DPO-11 - 0.403.028)**

El caso completa la secuencia iniciada con FH-551, «Reflexiones de un consejero delegado», y FH-681, «La persona y el directivo en la nueva economía». En éste se analizan las responsabilidades de Juan Arena como presidente del banco, la densidad ética de su nueva función institucional, sus relaciones con el nuevo consejero delegado, los retos de la nueva gestión del talento, el difícil proceso de aprendizaje humano, etc. También recoge cómo afecta su reciente posición a su tiempo de ocio, horarios de trabajo y situación familiar y social.

Alvarez de Mon S.; 11 pages.

### **Coaching directivo (FHN-338 - 0.402.028)**

*Coaching* es un término que se está haciendo popular entre nosotros y que no es de obvia traducción conceptual aplicado al desarrollo de las personas en las organizaciones. Con esta nota técnica se pretende dar respuesta a cuestiones como éstas: ¿qué es el *coaching*?, ¿para qué, cómo y dónde tiene aplicación?, ¿*coaching* para los directivos?, ¿los directivos como *coaches*?, ¿cuáles son las opciones y cuáles los problemas más frecuentes?... clarificando la interpretación conceptual del término y desarrollando ejemplos de aplicación a la cuestión del desarrollo de competencias, en general, y las directivas, en particular.

Gay F.; 10 pages.



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## Production, Technology and Operations Management

### **Strategic Purchasing in Haiti to Improve Health: Why pay for inputs when you can pay for results? (P-1043-E - 0.602.043)**

Holding health institutions accountable for achieving explicitly defined results by linking payment to results can be a powerful strategy to improve health system performance. The Director of a USAID-supported project that funds nongovernmental organizations in Haiti to provide basic health services decided to use strategic purchasing to improve the effectiveness of primary health care by paying providers for results. These providers had been operating under a payment system that reimbursed their expenses up to a ceiling. The new system set performance targets and withheld a portion of their historical budget, allowing them to earn back the withheld amount plus a bonus if they met the targets. As a result, immunization coverage increased from an average of only 46% to over 70% in just one year. This case presents the process of design and implementation of performance-based payment from the point of view of the strategic purchaser. The ability to link payments to performance is one of the schemes that can be used by Ministries to guide the health system. The case presents a simple but successful approach in this line.

(Also available in Spanish).

Eichler R.; Ribera J.; Savedoff B.; 11 pages.

### **Strategic Purchasing in Haiti to Improve Health: Why pay for inputs when you can pay for results? - Teaching Note (PT-35-E - 5.602.055)**

(See case P-1043-E).

**Use is restricted to Academic Institutions.**

(Also available in Spanish).

Ribera J.; 6 pages.

### **The Mexican Social Security Institute - Towards deconcentration of health service providers (P-1044-E - 0.602.044)**

Three years ago, the Mexican Social Security Institute (IMSS), a highly centralized and hierarchical organization, started to devolve powers to its service units, grouped in Decentrally Managed Medical Areas (AMGD). It was a slow process until a project was set up to create the necessary tools to administer the system in the new circumstances. Dr. Martín is the head of one of these medical areas. He and his bosses have made the necessary changes to

make the AMGD work. The case discusses the management and strategic roles, linking the roles required of the Health Ministry in any devolution process.

(Also available in Spanish).

Jané E.; Ribera J.; 25 pages.

### **The Mexican Social Security Institute - Towards deconcentration of health service providers - Teaching Note (PT-36-E - 5.602.056)**

(See case P-1044-E).

**Use is restricted to Academic Institutions.**

(Also available in Spanish).

Ribera J.; 6 pages.

### **Improving Health Care Access for the Poor: A Case Study of the Washington DC Public Health Care System Reforms (A) (P-1046-E - 0.602.046)**

The Mayor of Washington must decide how to restructure health care in the District of Columbia, which has suffered from severe financial crisis. There is a stark contrast between availability of resources and poor health outcomes. The main provider of health care to the uninsured, the Health and Hospitals Public Benefit Corporation, is forecasted to exhaust its FY2001 subsidy by the middle of March. A commission has submitted its recommendations, which include the improvement of the health care delivery system –from institution-centered to community care–, the broadening of health insurance coverage, and a strengthening of the public health infrastructure. The Mayor is considering how to proceed. One contested proposal calls for the closure of the main hospital, the District of Columbia General Hospital. Attempts to reform health systems by moving from hospital-centered care to community primary care often face the problem of hospital overcapacity with outdated facilities. Dealing effectively with these issues is an important factor in the success of such reforms.

(Also available in Spanish).

Abramson W.; Pate M.A.; Ribera J.; 32 pages.

### **Improving Health Care Access for the Poor: A case Study of the Washington DC Public Health Care Systems Reforms (B) (P-1047-E - 0.602.047)**

(See case A).

(Also available in Spanish).

Abramson W.; Pate M.A.; Ribera J.; 5 pages.

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## **Introducing DRGs as an Instrument for Clinical Management (P-1048-E - 0.602.048)**

The case focuses on the use of DRGs in Costa Rica, from the original motivation to use DRGs to the implementation steps, the difficulties encountered, and how they were addressed. It describes the changes that came about as a result of DRG introduction, and how the "perverse incentives" were managed. The emphasis is on the lessons learned in order to define the following implementation steps. The DRG system can be a useful tool to better organize medical resources and plan and set up standardized protocols, all of which are important stewardship functions of the Ministry of Health. The case discusses how to go about implementing it, so that it really serves these purposes. (Also available in Spanish).

Cercone J.; García Prat A.; Márquez G.; 19 pages.

## **Introducing DRGs as an Instrument for Clinical Management - Teaching Note (PT-40-E - 5.602.060)**

(See case P-1048-E).

**Use is restricted to Academic Institutions.**

(Also available in Spanish).

García Prat A.; 6 pages.

## **Hospital financing: A key element in hospital policy (P-1049-E - 0.602.049)**

The case describes the use of hospital productivity measures to achieve a fairer level of funding through DRGs. It presents the antecedents of the system currently in place in Spain and the problems that arise when the payment system is related to hospital structure. It raises the question of how to introduce case mix measures and what organizational changes need to be made before case mix based methods such as payment units can be introduced. Building a strong link between hospital budget and production is an effective way to increase overall system fairness and encourage efficiency improvements in hospitals. These are important objectives within the Ministry's supervisory role in any reform and modernization process.

(Also available in Spanish).

Barrachina J.I.; Casas M.; García Prat A.; 13 pages.

## **Hospital financing: A key element in hospital policy - Teaching Note**

**(PT-41-E - 5.602.061)**

(See case P-1049-E).

**Use is restricted to Academic Institutions.**

(Also available in Spanish).

García Prat A.; 5 pages.

## **Business Custom Games (BCG)**

**(P-1055-E - 0.603.022)**

Business Custom Games (BCG) is a company manufacturing customized board games. The case discusses how to define the purchasing order batch size and allows a discussion of the traditional EOQ formula, the determination of safety stock, the decision to accept or not a special offer and the possibility of establishing longer-term agreements with the supplier.

(Also available in Spanish).

Ribera J.; 6 pages.

## **IZAR**

**(P-1056-E - 0.603.023)**

The case describes the development of a project to build an FPSO (Floating Production, Storage, Offloading) unit in the Fene shipyard, one of the business units of the Spanish military and civil shipbuilding company Izar. The project is a novelty for the company in that for the first time it has decided to use the critical chain method, an application of the Theory of Constraints (TOC) to project management.

(Also available in Spanish).

Grasas A.; Ribera J.; 21 pages.

## **Queueing**

**(PN-427-E - 0.603.007)**

This note discuss interference times (and stocks or queues) in situations where there is in fact sufficient capacity to cover the process demands and yet interferences occur due to variations in the arrival rate or in service times. It contains two calculation sheets for the M/M/s and G/G/s models.

(Also available in Spanish).

Grasas A.; Ribera J.; 16 pages.



University of Navarra

## Newsletter Research Division

### **Health Reform in Bolivia: Generating evidence and sustainability with performance-based management - Teaching Note (PT-30-E - 5.602.050)**

(See case P-1026-E).

**Use is restricted to Academic Institutions.**

(Also available in Spanish).

Pancorvo J.; 4 pages.

### **Hospital management and labor dispute: The case of the San Juan de Dios Hospital - Teaching Note (PT-31-E - 5.602.051)**

(See case P-1027-E).

**Use is restricted to Academic Institutions.**

(Also available in Spanish).

García Prat A.; 6 pages.

### **The learning process in the Health Care Reform in Estonia - Teaching Note (PT-34-E - 5.602.054)**

(See case P-1042-E).

**Use is restricted to Academic Institutions.**

(Also available in Spanish).

Ribera J.; 6 pages.

#### **Research Newsletter**

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