

# IESE

● 122  
ALUMNI  
MAGAZINE

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**Jordi Canals**

Development of  
Leadership Capabilities

**Nuria Chinchilla**

Transcendental  
Ties That Bind

**Josep Tàpies, Lucía Ceja  
and Remei Agulles**

When Values Are A Family Affair

**50<sup>TH</sup> IESE** GLOBAL ALUMNI REUNION  
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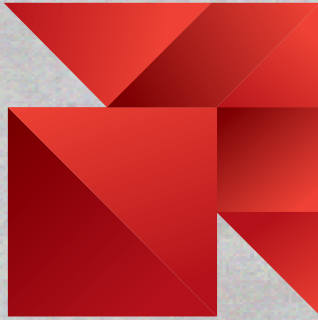


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**Agenda:**

**Thursday 17 evening**

Cocktail Reception, Thyssen Museum.

**Friday 18 all day**

Academic Sessions, Palacio Municipal de Congresos de Madrid.

**Saturday 19 various**

Cultural Activities

**Confirmed Speakers:**

**Luis Abril**

General Technical Secretary, Telefónica

**Ferran Adrià**

Fundación El Bulli

**Antonio Brufau**

Chairman & CEO, Repsol YPF

**Ángel Cano**

CEO, BBVA

**Carlos Cordón-Cardó**

Vice-Chair and Professor of Pathology, Mount Sinai Medical School

**Patricia Francis**

Executive Director, International Trade Center

**Pankaj Ghemawat**

Professor, IESE Business School

**José Manuel González-Páramo**

Member of the Executive Board, European Central Bank

**Jay Ireland**

Chairman & CEO, GE Africa

**Bruno di Leo**

General Manager, IBM Growth Markets

**Hans Ulrich Maerki**

Vice-Chairman, ABB

**Jesús M. Prieto Valtueña**

Director, Division of Hepatology and Gene Therapy, University of Navarra

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**URSULA M. BURNS**

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# CELEBRATING OUR DIFFERENCES



**ANTONIO  
ARGANDOÑA**

Editor of  
the *Alumni Magazine*  
argandoña@iese.edu

**B**ack to basics. It always pays to get down to the fundamentals. What does IESE do differently? Many things, many of which appear in this issue of the Alumni Magazine. Firstly, IESE is part of a powerful social network, and not just on the Internet, but because we like to engage with people whom, as the philosopher said, always offer something new. We can always learn from each other. This is the essence of the forthcoming Global Alumni Reunion, which brings people together in order to learn and share.

Another difference is our understanding of how to develop the essential qualities of leadership. This is explained clearly in the article by **Jordi Canals** and even those of us who have worked for IESE for many years enjoy reading articles of this nature. Something else that distinguishes us is our sense that we have a responsibility as a business school to inculcate in managers the idea that they are people who can change the world. This is reflected in the Harvard-IESE Committee meeting. Another is our view of companies as humane institutions, a topic on which we held an international conference on humanizing the firm and the management profession.

IESE also has an international dimension, as manifest in the establishment of an EMBA in Brazil and the AMP in Ivory Coast in the midst of a civil war. And don't miss what MBA graduates have to say about their experience as IESE students, not to mention the many other small items of news that a reader might miss were they not seeking out the human, social and professional aspect of various activities, all carried out in the pursuit of excellence.

We hope you enjoy reading this edition of the Alumni Magazine. Please continue sending your suggestions and comments because we need them. And I hope to see you at the Global Alumni Reunion in Madrid on November 18.



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## THE 50TH GLOBAL ALUMNI REUNION MEETS IN MADRID

# SHARE THE EXPERIENCE

CRISTINA ACED  
STEPHEN BURGÉN

Hundreds of hours of work, dozens of people involved and a common goal – the Global Alumni Reunion. Little more than a month remains before the 50th annual alumni reunion, which this year is being staged at the Palacio de Congresos in Madrid on November 18th. More than 2,500 alumni and their guests are expected to attend.





**M**ireia Rius, director of IESE's alumni association, says that everything is now underway, topics are being firmed up and everyone's getting more nervous by the day. Every assembly is a business project in itself; it requires a mission, outreach, stakeholders, goals, risk evaluation, a team, time, costs, resources and communication.

The assemblies are "the members association's most important activity" says Prof. **Carlos Cavallé**, quoting **Antonio Valero**. With 36,500 alumni in 100 countries it is vital to organize activities to keep them together. "This is what the GAR does," says **Cavallé**. The assembly has two functions: professional and academic, as well as social. It is "a meeting point and a place for reunions," he says.

"As well as establishing a team, you have to find out what the needs and expectations of all the interest groups are," professors **Jaume Ribera** and **Philip Moscoso** wrote in *IESE Insight* N°7. In this regard, the academic content is provided and supervised by the academic directors. This year, professors **Javier Quintanilla** and **Julián Villanueva** have been charged with designing an attractive program with top-flight speakers under the title "Leading the Innovative Firm, Building Stronger Companies for Society."

The Global Alumni Reunion always takes up topics that are of interest to businesses and executives. "We are aware of what's going on in the business world and what its needs are," says Prof. **Quintanilla**. They chose the theme for this conference because "business and society in general needs to innovate and to do different things in difficult times," he said.

"It's a case of making a contribution to what IESE has done over the previous 49 meetings," the professor said.



“It’s a reflection of IESE’s commitment to create a better society, more solid and stronger.” And this is achieved thanks to alumni who lead “a special type of company, one that is economically sound but which plays a role in society. These companies are the real engines of change and agents of social transformation.”

Finding topics that are always relevant and contemporary is not easy. “The academic quality has improved,” says **María Fernanda Rodríguez** (G-EMBA ’03). “It’s difficult to find a topic that will interest alumni but IESE manages to do it.” **Cavallé** says that the meetings have always anticipated trends because “everyone in IESE has the same philosophy, that we must anticipate events, because running a business consists in looking towards the future,” which is why the assembly is always looking ahead. “We’re not interested in best practices, but in next practices,” he says.

#### WORLD LEADERS

● This year’s academic program includes speakers of the caliber of **Luis Abril**, technical secretary of Telefónica, **Ferran Adrià**, chef and co-owner of El Bulli, **Susan Segal**, president and CEO of Council of Americas, **Bruno di Leo**, director-general of IBM Growth Markets, **Carlos Cerdón-Cardó**, vice president and professor of pathology at Mount Sinai Medical School, **José Manuel González-Páramo**, member of the executive committee of the European Central Bank, **Hans Ulrich Maerki**, member of the board of directors of ABB and **Kees Storm**, member of the board of Aegon. **Quintanilla** says they seek out “the best brains involved in new business ideas so that alumni can learn at first hand how to turn challenges into opportunities.”

Many speakers have taken part in the 49 meetings that have been held so far. Quotes from them could fill a whole magazine. So it is difficult to say which speeches have made

THE REUNION IS VERY INTELLECTUALLY STIMULATING AND FURTHERMORE IS AN OPPORTUNITY TO RENEW ACQUAINTANCES AND MAKE NEW CONTACTS, WHICH IS VERY USEFUL FOR ANY EXECUTIVE'S CAREER.

Dogan Gündogdu  
(MBA '00)



the biggest impression, although many people have mentioned the sessions organized by **Rafael Termes** about the financial sector, in which prominent bankers such as **Alfredo Sáez** took part.

There was also much interest in the conferences about the economy organized by **Antonio Argandoña**, **Cavallé** recalls, in which important figures discussed the future of the economy. Among those who took part in the sessions were **Michel Camdessus**, then director of the International Monetary Fund, **Bernardo Villegas**, who was dean of the economics faculty at the University of Asia and the Pacific in the Philippines and **Larry Summers** who later became **Barack Obama's** economic adviser, among many others.

**Ángela Martín**, who worked in the alumni department from 1996 until 2010, recalls that Prof. **Jürgen B. Donges**, from the Institute of Political Economy at the University of Cologne, who was also an adviser to the German government, took part in more than 10 assemblies. "Alumni always look forward to hearing from him because of his global and very focused vision," she says.

**Luis M. Roger** (PADE '69) recalls the speech by **Julián Marías** of the Royal Spanish Academy at the meeting held in Madrid in 1989. "He anticipated the influence the Islamic world would have in the future," he says. At this time everyone was worried about the Cold War and the confrontation between communism and capitalism which appeared to be the only threat, said **Lorenzo Dionís**, professor emeritus at IESE. **Alfredo Manuel Costoyas** (PDD '76) also tells how Prof. **Pedro Nueno**, at a meeting held in Valencia, foresaw the role that China would play in the world economy.

On the other hand, **Juan Antonio Pérez López**, the former dean of IESE, told one meeting that in future the world would be divided up between economists and business people and politicians would be at the mercy of socio-economic forces, **Dionís** recalls. "And that's exactly what's happening now," he says.

The event is "an opportunity to attend conferences with important world leaders," says **Paulo Feferbaum** (G-EMBA '04). He particularly recalls "the atmosphere in the hall and the faces of those taking part" after the talk on the financial crisis by Prof. **Nouriel Roubini**, from the University of New York, at the assembly held in Madrid in 2007. He also recalls a talk given by Dr. **Valentí Fuster** in 2009 as "a lesson in humility, values and social economy." The cardiologist's words also moved **Jaime Ferrer-Dalmau** (G-EMBA '04) who spent the rest of the day walking around Manhattan thinking to himself "what could be better than to take exercise in the Big Apple?"

Prof. **Miguel A. Ariño** says in a post on his blog that "success consists of doing things differently and doing them well." This could serve as the recipe for the assembly as it combines purely economic topics with other fields that apparently have no direct relationship with finance or the economy. For example, at the next meeting, **Quintanilla** says there will be a panel comprised of the chef **Ferran Adrià** and **Luis Abril** from Telefónica who will hold a discussion under the title "Unleashing Creativity in the

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THE 1999 ASSEMBLY WAS HELD IN AMSTERDAM. SINCE THEN IT HAS ROTATED BETWEEN BARCELONA, MADRID AND A LOCATION OUTSIDE SPAIN. IT HAS BEEN STAGED IN LONDON, MUNICH AND, MOST RECENTLY, NEW YORK.



2005>



World of Business.” “The idea isn’t that **Adrià** will discuss the creativity of his cuisine but rather how creativity can be applied to business in relation to a company such as Telefónica, with whom he is working.”

**NEW IDEAS EVERY YEAR**

- Every year the alumni have had a date for their diaries.
- In the early years, the management committee of the alumni association met before the assembly. On Friday they dealt with matters to do with the association and then there was an academic program the following day. What hasn’t changed is that the meetings are always held in October or November, during the first academic term. The only exception was the reunion in 2004, which was held in May in order to coincide with the International Forum of Cultures in Barcelona.

**Gerardo Salvador** (MBA ’66) was president of the alumni association from 1985 to 1992. He says that, for the management committee, the annual meetings are rather different than for everyone else. “It’s nerve-racking and stressful,” he says. “Fortunately I was able to count on the help of **Luis M. Roger** who was a member of the management committee for many years and who was very hard-working and always had a smile on his face.” He says that, together with **Dionís** and **Martín**, that they were the heart and soul of the meetings. This triumvirate functioned for years “with extreme efficiency, much excitement and with much affection for IESE,” added Prof. **Felix Huerta**.

One of the biggest changes has been the meeting’s internationalization, not just in terms of where it is held or the nationality of the alumni, but also the invited speakers. In 1999 it was held in Amsterdam. **Martín** says organizing it was a challenge. **Jan Oosterveld** (MBA’ 72), who was very involved in the organization of the meeting, said: “We were expecting 500 people and more than 1,000 came.”

Since then, the assembly has rotated, with one held in Barcelona, another in Madrid, with the following one held outside of Spain. They have been held in London, Munich and, three years ago, New York, coinciding with the opening of the new IESE headquarters there. That assembly coincided with the beginning of the economic recession. “For this reason we wondered whether it was the ideal moment to hold it there, and we thought of postponing it,” says **Rius**. In the end it was decided to go ahead and it turned out well and was attended by more than 1,100 alumni and friends.

**NETWORKING**

- Since he graduated, **Alfredo Manuel Costoyas** (PDD ’76) has attended all of the assemblies held in Spain, and many of the others as well. He refers to these meetings as “a refreshing and stimulating cultural experience.” He says it also helps him in his work as a teacher. **Axel Lambert** (MBA ’01) prefers the assemblies that are held in Barcelona because they bring back memories of when he was enrolled in the full-time program. He says that “it creates an emotional bond with the city.” For **Dogan Gündogdu**



(MBA '00) the reunions are as intellectually stimulating as studying for an MBA. They are also an opportunity to meet up with old friends and to expand the network of contacts, something that is professionally extremely useful, he says.

The academic program and the prestigious invited speakers are the main attraction but the alumni are the real protagonists, and recently they have become much more involved in organizing the event. They have been able to choose cultural activities using an online voting system and through a wide range of possibilities via the assembly webpage (<http://www.iese.edu/GlobalAlumniReunion/2011>). On Thursday, November 17, there will also be a cocktail reception at the Museo Thyssen in Madrid. Plans for Saturday include visits to the Alcázares Reales and Palacio Real, as well as the chance to take part in a golf tournament.

#### INVESTMENT

● Like any other business venture, the event needs ● investors. This year Ricoh, Booz&Co., BancoSabadell, Emenegildo Zegna, Deloitte, AMEX Barcelò, LG, Mònico, MPG, Nespresso and “la Caixa” are supporting the project. The assemblies are an excellent opportunity for the sponsoring companies to increase their visibility. In order to get support from business “you have to offer them something of value” that fits their needs, says **Rius**. In this manner the sponsoring companies are linked to IESE’s values. “The collaboration usually arises when people who have enjoyed an assembly in some special way manage to persuade their companies to offer their support,” says **María Puig**, who led the alumni division for 10 years.

#### COMMUNICATION

● As well as the academic and social aspect, the ● assemblies are a shop window, says **Rius**, and an important communication platform. “They allow us to communicate IESE’s desire to have a greater presence in the United States,” she says.

Journalists have also taken an interest in the meetings, knowing that keynote speakers use the assembly platform to express their ideas. It is now possible to communicate globally and in real time as was done in Madrid in 2008 and last year via Twitter. A communication campaign for the forthcoming event is being developed using the social networks Facebook and LinkedIn and if you are a Twitter user you can follow events at #ieseagar.

**Cavallé** says technology will not change the social aspect of the meetings. “We will continue looking for personal contact. Alumni want to relive the IESE experience.” He says that neither a Tweet nor a Facebook message “could ever be a substitute for an embrace and the excitement of meeting someone again.” The social aspect is the part that is most valued by those taking part, such as **Gustavo Melgarejo** (MBA’ 01) and **Axel Lambert** (MBA’ 01). They both agree that the worst thing that could happen would be for there not to be enough time to chat with all their friends.

## THE ASSEMBLY PRESENTS SPONSORING COMPANIES WITH AN EXCELLENT OPPORTUNITY TO INCREASE THEIR VISIBILITY BECAUSE THE REUNION ATTRACTS SO MANY PEOPLE.

**Mireia Rius**

Director, IESE Alumni Association

### ACTIVITIES ON THE WEB

#### Photo Competition: Chance to win a free camera!

The Alumni Association began a new initiative in September when it encouraged all alumni to send in a photo of IESE to share on social networks. The Association launched a challenge to all alumni: “what is the IESE experience to you?” A spectacular view from the Barcelona north campus rooftop? A reunion with peers in the IESE Madrid gardens? Making a new friend in the New York campus lounge? The winners are to be announced at the 2011 Global Alumni Reunion in Madrid! Don’t miss the chance to catch the reunion on camera!

#### #IESEGAR, Live tweets

Live tweets will be posted throughout the day on IESE’s Twitter profile using the hashtag #IESEGAR. Share your response to the opinions shared by conference panelists - join the conversation on Twitter @iesealumni.

#### Live Stream Panels

Can’t make it to the assembly this year? No need to feel like you are missing out on all the fun - watch the live stream of all academic sessions on Webex. Details on how to register for conference streaming will be provided nearer the time. Watch this space!

#### The Global Check-in

You might think we’re suggesting arriving en masse at Madrid Barajas check-in desks, but you’d be wrong. Use the social network Foursquare to help you to locate your friends and former classmates more easily during the Global Alumni Reunion. Check in at the networking area or at the coffee stand using your mobile!



On November 17th and 18th, the 50th Global Alumni Reunion is being held at the Palacio de Congresos in Madrid. This is an unmissable event that each autumn brings together IESE alumni from all over the world with key figures from the world of business, politics and finance.

**Pamplona.**  
The 14th assembly is attended by 300 IESE members.

**Eduard Punset, then Minister of Relations for the European Communities, gives the closing address at the 20th assembly.**

The president of the Generalitat, **Jordi Pujol**, is an unexpected guest at the final dinner.



The **Prince of Asturias** speaks at the 41st IESE alumni assembly.

The assembly is held in **London** and is attended by 900 alumni.

## THE ANNUAL ALUMNI REUNION CELEBRATES ITS 50TH BIRTHDAY

### KEY DATES IN THE REUNION'S HISTORY

**1961**

The first members' meeting is held in Pamplona. It is attended by 50 alumni.

1962  
1963  
1964  
1965  
1966  
1967  
1968  
1969  
1970

**Pamplona.**  
Attended by almost 150 business people.

**1971**

The 14th assembly is held in **Pamplona**, attended by 300 IESE members.

1972  
1973

**1974**

**1975**

At the 15th assembly the slogan already calls for "a new business for a new society".

1976  
1977  
1978  
1979

**1980**



The alumni assembly celebrates its silver wedding anniversary in Barcelona. A chocolate replica of the IESE building is made to commemorate the first 25 years of alumni reunions.

1981  
1982  
1983  
1984

**1985**

**1986**

**1987**

The assembly is held in **Zaragoza** and the members' association decides to donate a manta with the IESE coat of arms to the Virgin of Pilar.

1988  
1989

**1989**

The assembly is held in **Madrid** and is attended by more than 600 alumni. Julián Marías, of the Real Academia Española, predicts that Islam will become more influential in future.

1990  
1991  
1992

**1993**

The 33rd assembly brings together 1,000 business people.

1994  
1995  
1996  
1997

**1998**

**1999**

**2000**

For the first time, the Global Alumni Reunion is held outside Spain, in **Amsterdam**. More than 1,000 alumni attend. From that year on, the reunion has rotated between **Barcelona**, **Madrid** and a location outside Spain.

2001  
2002  
2003

**2003**



The first meeting outside Europe is held in **New York**, attended by 1,100 people.

2004  
2005  
2006  
2007  
2008

**2009**

**2010**

**2011**

**THE GLOBAL ALUMNI REUNION HOLDS ITS 50TH MEETING.**

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# DEVELOPMENT OF LEADERSHIP CAPABILITIES



**JORDI CANALS**  
Dean of IESE

People at the top of organizations need to develop the abilities and attitudes necessary to develop and grow the business over the long term. How can we develop these attributes? The dean of IESE reflects on the various approaches taken to this crucial question.

For many years, executive education was based on passing on knowledge about the principal functions of the company: operations, sales, people, technology and logistics. It is only quite recently that interest has grown in studying the leadership of companies as a set of skills distinct from mere management. But up to what point are these distinct abilities? Should they be developed in activities separate from the development of management skills or, on the other hand, should they be developed within such programs? There is no single answer to these questions, but let's reflect on what they mean.

## AN INTEGRATED PERSPECTIVE ON LEADERSHIP

- Leadership at the different levels of managing a business brings dimensions to the organization that go beyond mere knowledge or basic but essential management skills. Leadership, according to the traditional definition by such classical authors as **C. Barnard** and **A. Selznick**, brings something significant to a business: it helps to define the company's direction over the long-term, and gives sense and coherence to the combination of strategy, policies and action plans, both inside and outside the organization.

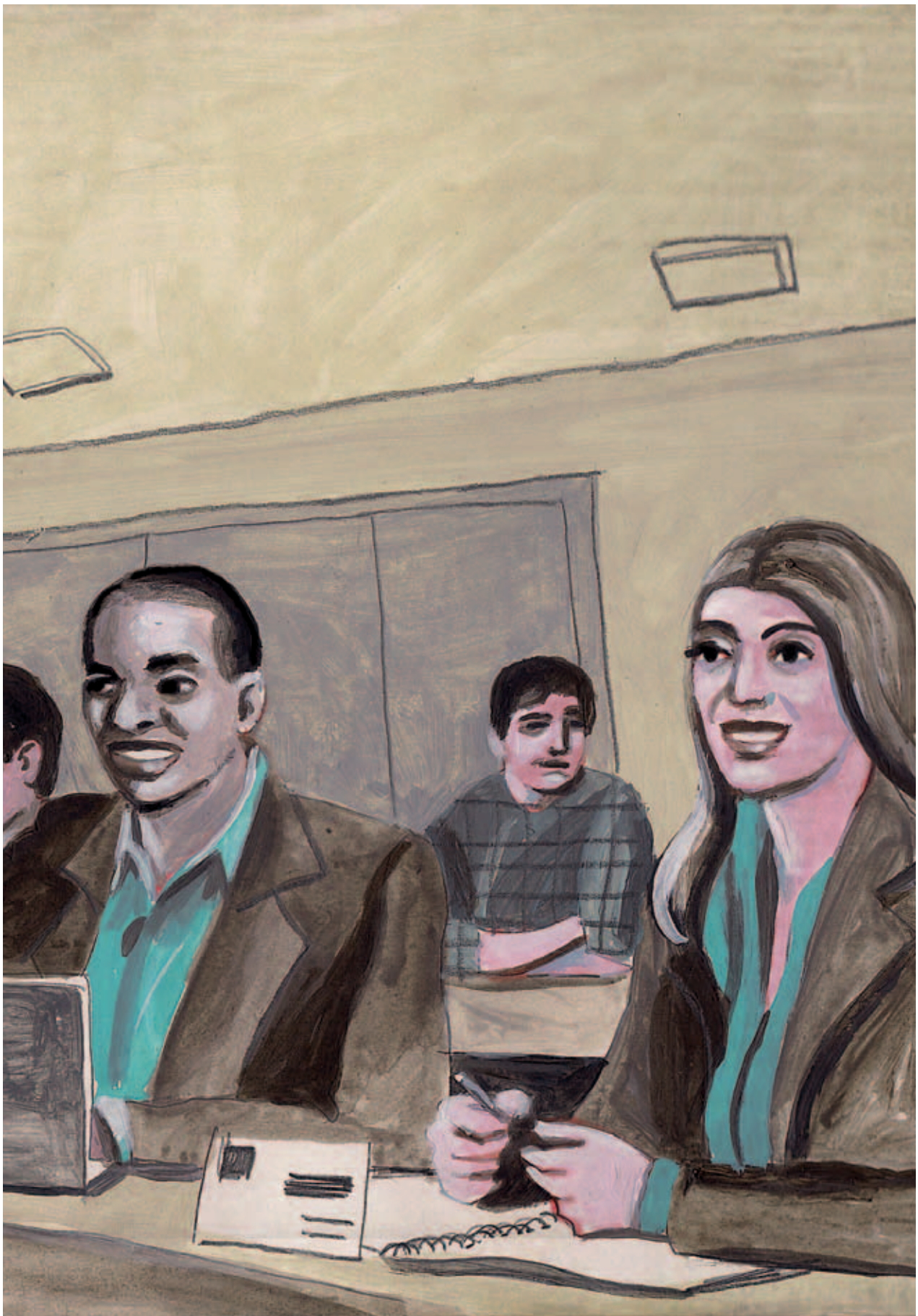
However, these qualities are not independent of understanding the

company and its functions, needs and challenges, nor independent of certain basic management skills, such as analysis, synthesis, communication and negotiation, among others. It follows, therefore, beyond any conceptual distinctions that experts care to make between leadership and management, or between leaders and executives, that it makes sense that executive education programs – such as the general management programs at IESE – address in a coherent and coordinated manner the various dimensions of management, including those that relate to leadership.

## KEY ASPECTS IN THE DEVELOPMENT OF LEADERSHIP CAPABILITIES

- There are three main models for developing leadership capabilities. Developing leadership capabilities on the job through selling, managing, setting up teams and managing new projects is a method that underlines the potential for learning that exists in any management position. Each one of these tasks is especially designed and meticulously supervised by other executives.

Leadership capabilities can be developed through special initiatives, either as a part of or separate from the executive's normal work, and which are designed specifically to make just this sort of impact. These initiatives can come in many forms: taking over new projects, setting up multifunction teams to



## A GOOD LEADER IS SOMEONE WHO CAN HELP OTHERS AND BRING OUT THE BEST IN THEM.

enter new markets or simply special activities beyond the normal activity of the company, such as developing initiatives with social impact in the community where the company is based.

The third model is based on devising formal, structured programs to develop and expand leadership capabilities which may complement directly or indirectly the projects and content related to management.

Learning on the job or through special projects have two significant advantages when they are carried out well. The first is the personalization of the process of learning and improvement.

The second is that the capabilities developed are adapted to the company's needs. However, these approaches also suffer from basic limitations. The first is that they're basically in-company programs and there is no exchange of experiences with people from other companies and sectors. As a result they miss out on important learning potential. The second limitation is that companies carry out good work when it comes to expressing values and culture as well as building on recent successes. However, they have less impact when it comes to thinking about new models and future practices.

### COORDINATION OF EDUCATIONAL INITIATIVE

- These two approaches are
- complementary and are most successful when they are integrated into a project that also includes a specific teaching element, through an educational initiative designed with this in mind, whether it's a made-to-measure program designed around the company's needs or a program open to companies from various sectors. For these initiatives to be successful and have any impact there has to be:

- Clear coordination between the strategy and objectives of the company and the program's goals
- Clarity about how the program can help to develop the skills that the company needs

- Commitment on the part of top management to the project

- A conceptual model of developing leadership capabilities on the part of the school that corresponds to the program the business wants to develop.

At IESE, the model that we use in programs for senior management (AMP) and for management development (PLD) are founded on two principles. First, they are based on the conceptualization of ideas, models and knowledge developed from real experience and research.

In these programs, the teaching and development of this knowledge takes place within a general session and is developed by individuals or in small groups before being later discussed in a larger group in the context of a real problem, typically using the case study method.

Secondly, it is based on the real experience acquired by the faculty regarding business problems and possible solutions in a particular area. The context of the class discussion, which involves participants from various companies and businesses discussing real problems and possible conceptual models for dealing with them and finding solutions, is similar to a laboratory. The participants, using their professional experience and basic concepts and ideas, discuss and diagnose the problem, look for possible solutions and devise an action plan. The result is that knowledge, skills and attitudes are all brought together to solve problems. The participants work in these three key dimensions of their professional development. These three dimensions comprise between them the basic architecture of leadership skills.

### WORKING IN THREE DIMENSIONS

- Educational programs that
- focus only on knowledge and skills bear the stamp of management development. Programs that focus on interaction with other professionals, attitudes, personal knowledge and the knowledge of others and character development are more directly related to developing leadership capabilities.

However, integrated development of leadership capabilities means working in three dimensions – knowledge, skills and attitudes – which determine the three modes of being, both personally and professionally: knowing, doing and being. This is a complex adventure but in order to undertake it, none of these dimensions can be left out or the result will be incomplete.

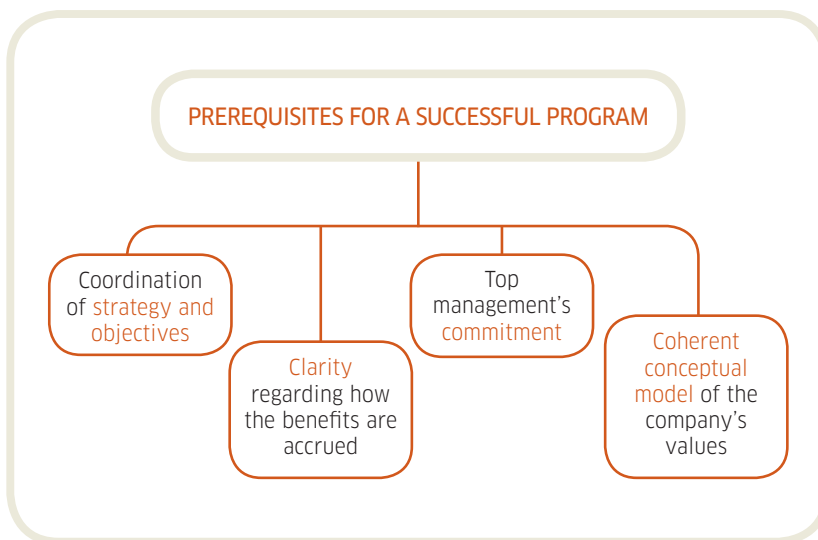
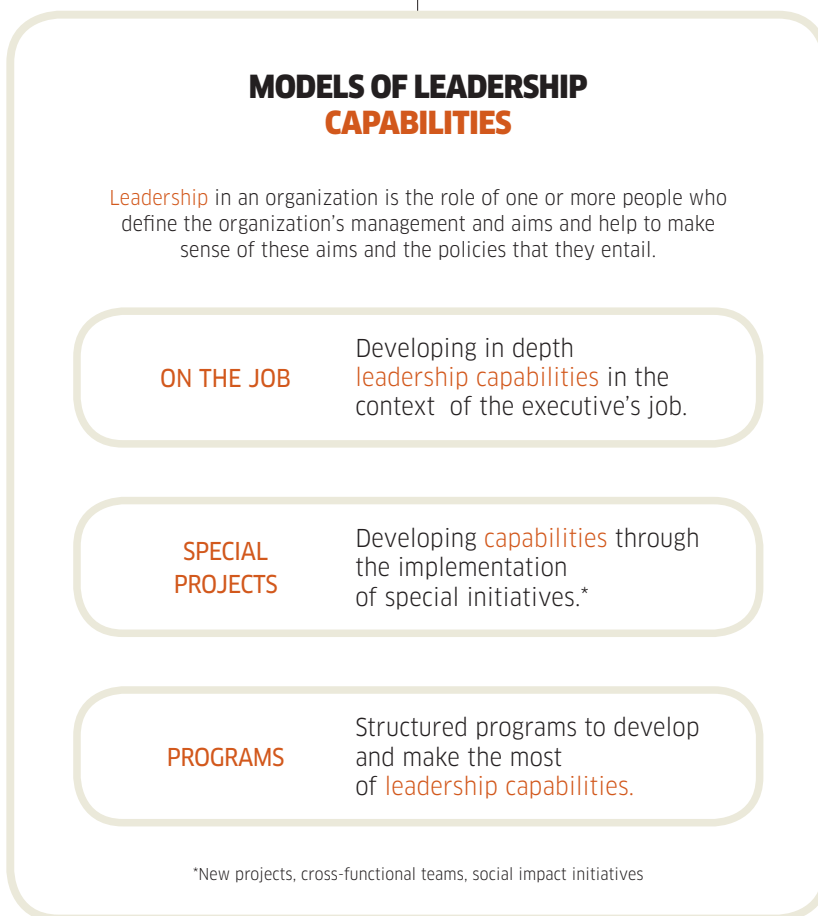
At the same time, in the context of this learning process, the faculty uses these discussions to confirm hypothetical models and to perfect concepts in order to tackle this type of problem. Simultaneously, many professors later contrast these ideas with the real problems they confront on the boards of companies.

There is no doubt that a teaching program, however well structured in regard to these three dimensions, but nevertheless disconnected from the participants' professional reality, will lack impact. However, when such a program is developed in the context of an executive's real work and is complemented by experience in his or her daily work, the potential impact is enormous. This partly explains the rise of executive education programs throughout the world during the past 20 years.

### THE CHALLENGE OF INTEGRATION

● Experience gleaned in executive education internationally over recent decades has allowed us to discern two main paths in terms of leadership. Some schools (such as Harvard, Stanford or IESE) don't limit themselves to offering a good education on these questions, but articulate and integrate them into the perspective of general management. This involves the perspective of those with the most responsibility for running a business – the CEO and his or her team.

The general management perspective has some indispensable attributes. These include a long-term vision; the well-being of the organization takes priority over individual functions or departments; decision-



making processes in which the distinct functions of the company are complement each other in order to arrive at a better decision and a better idea of the role of people. This final attribute eschews treating people in a mechanistic manner and assumes they are responsible, entrepreneurial and have sound ethical principles.

## GENERAL MANAGEMENT PERSPECTIVE

- Long-term vision.
- Subordination of the particular to the general.
- Integrated decision making.
- Encouraging responsibility and ethical awareness and entrepreneurial spirit in the team.
- Sound knowledge of the international business environment.
- Understanding of the complexity of international organizations.
- Ability to lead intercultural teams.

Schools that adopt a general management perspective, design a program of leadership development in a parallel process with communicating knowledge about the various functions of a company, generally in the context of decision making. In this manner, executives develop their abilities in the fields of analysis, synthesis, negotiation, communication, exposure to multicultural environments and self-knowledge, to name but a few. At the same time, using real cases – selected to focus an action plan to deal with the problem – provides an opportunity to reflect on the fundamentals of the ethics of decision making – power, authority, money and motivation – and ensures quality inter-personal relationships within the organization.

### THE ESSENTIAL QUALITIES OF LEADERSHIP

● In short, leadership capabilities are among the qualities required of a professional manager who has responsibilities within the senior management of a company. At the same time, this point of view assumes that a good leader is not only someone who is capable of motivating others but who understands all the relevant matters, who has the capacity to analyze problems and focus solutions in a way

that goes beyond mere intuition, although that too is important.

Such leaders possess attitudes that allow them to lead through example, conviction and persuasion; through charisma rather than simple authority.

In other schools that are more centered on various business functions (MIT, Chicago, NYU and Columbia, to cite only a few), the central idea of teaching is to transmit knowledge about the key questions surrounding the various functions. It is not that they don't deal with questions of general management. However, they have decided to focus on other aspects and in general leave aside the question of integration, arguing that each executive must take it upon themselves to deal with the process of integrating the various functions.

### CAPABILITIES DEVELOPMENT

● More recently, many of them ● have incorporated the development of capabilities, such as negotiation, communication or high-performance teamwork into their teaching programs, although not always in a manner that is in harmony with the rest of the program.

A sophisticated approach is taken to the question of developing abilities, which is closely related to leadership, using new techniques and exercises in professional development. However, these approaches have significant limitations. The first and main one is that they take the development of leadership abilities as something independent of the knowledge and the abilities needed to run a business (managing people, selling, producing, buying, designing operations, working with banks etc.).

The teaching and development of knowledge follows one route while the development of abilities runs in parallel, and often the two don't meet. Although, conceptually, knowledge and ability are different areas, development has to be integrated because the executive is one person and has to be able to



deal with these diverse dimensions in a unified manner. Furthermore, experience shows that educational programs designed in this manner have a greater impact on executives.

The second limitation of some of these methods is that they rely on techniques based on an idea of human beings that is derived from anthropology, that is limited and deficient, and from negative notions theories about what motivates people.

### **LEADERSHIP CAPABILITIES IN A GLOBAL ECONOMY**

- Increasing globalization poses further questions. Does globalization affect the development of leadership abilities? Do we need different models from the current ones in order to develop leadership in a more global context?

A more international business environment suggests three more dimensions are involved in leadership development.

- The everyday business of the company is more complicated.
- The internal organization is also more complex and demands more sophistication in the interaction with people from the same company who are operating in different geographical areas.
- The relationship between the business and its clients, suppliers, financial bodies and governments in the country in question acquires different dimensions.

Faced with these challenges, some authors point to the need to create what they call a global mindset for international leaders. This global executive outlook must include a more thorough knowledge of the environment and of international business, a better understanding of sociological aspects of international organizations and of the interaction between them and an enhanced ability to manage teams of people from different cultures. This includes a greater sensitivity towards the cultural and ethical traditions of different countries.

It's clear that developing management capacities at an international level demands real experience, in the same way that is difficult to develop leadership abilities in general in someone who has no experience of managing people or organizations.

Therefore, working on international projects has a direct bearing on developing these abilities. However, a more integrated global economy doesn't call into question the basic aspects of leadership development but only demands that specific educational programs place greater emphasis on these questions which, in less open economies, are of less importance.

### **THE NEED FOR LEADERSHIP CAPABILITIES**

- Leadership of an organization is something that is carried out by one or various people who define the aims of the management of the organization in such a way that it informs the policies the business adopts. This assumes that leaders acquire the necessary knowledge and possess the ability and attitudes necessary to achieve good results over the long term.

In this regard, 21st century businesses, and society in general, needs this sort of positive leadership grounded in knowledge, abilities, virtues and attitudes more than ever.

It follows, therefore, that thinking about the development of leadership capabilities is more urgent and more necessary than ever. Sophisticated management techniques are useful and this is important in developing abilities on the job.

However, the impact is limited and it is no substitute for programs that aim to have a transformational impact on individuals and on companies. There is an enormous need for positive, efficient and responsible leadership in organizations and in society. Universities, and business schools in particular, must make a real effort to contribute to this development.

THERE IS GREAT  
NEED FOR  
RESPONSIBLE,  
POSITIVE AND  
EXEMPLARY  
LEADERSHIP.  
BUSINESS  
SCHOOLS MUST  
MAKE A REAL  
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TO ITS  
DEVELOPMENT.

## EXECUTIVE TURNOVER

TRANSCENDENTAL  
TIES THAT BIND**NURIA CHINCHILLA**

Professor in the Department  
of Managing People in  
Organizations, IESE

Losing good executives is costly and can provoke a series of negative consequences. In order to retain staff it is essential first of all to understand what motivates them to stay and why they may decide to leave.

RECRUITMENT • STAFF TURNOVER •  
MOTIVATION • COMPENSATION

In spite of the fact that we're going through a difficult time when it seems that organizations have too many staff, the talent we need continues to be scarce and difficult to find. Thanks to social networks, people have many more opportunities and alternatives when they're looking for jobs. Which is why, more than ever, we need to understand the causes of the process of distancing as well as the levers that can help to develop commitment so that we can get greater loyalty from executives and staff.

There is no doubt that losing a good executive has negative consequences, among them lower productivity, the loss of experience and the snowball effect or demotivation among those who stay. To which we must add significant direct costs such as recruitment and contracting, training, extra hours worked by other employees, acquiring knowledge from the outside because of the lack of internal knowledge. It has been estimated that the loss of an employee can cost a company around 150 percent of their annual salary.

**A SENSE OF BELONGING**

● Why does an executive go or  
● stay? The key lies in the nature  
of the link that the organization has

developed. The overall motivation for staying with the company can be represented as  $OMs = f(EM, IM, TRM)$ . Where (EM) represents the extrinsic motives (what the company gives me), IM the intrinsic motives, what I learn at work), TRM are transcendent motives (the effect my work has on others), and f is the scaling function.

For each person, the combination of these motives will be different and this will create different types of links to the organization:

- Extrinsic or contractual link: in which the predominant components are extrinsic motives.
- The technical or professional link: in which the predominant components are intrinsic motives.
- Link based on loyalty or identification: in which the predominant components are transcendental motives.

The degree to which a person is motivated to stay will determine the intensity of the sense of belonging, while the quality of the components that make up this motivation will determine the depth of this link and, therefore, its relative stability when faced with external offers.

We can a priori assert that there will be less probability of staff turnover when the sense of belonging is deeper because the link will be less vulnerable to alternative offers. Breaking this type of link is more

likely to arise through conflicts of loyalties not connected to the company, such as with the family, or from situations within the company in which the executive is asked to do something that runs against his or her principles.

An executive whose link with the organization is fundamentally extrinsic / contractual would not think twice about leaving the organization when presented by an offer that paid better or offered greater status and prestige. We call this type a “mercenary” (see Table 1). From an organizational point of view, you can’t make long-term plans with this type of executive, given that their sense of belonging to the organization is quite unstable. To a large measure, their continuing in the organization depends on the market of alternative job offers.

**LOYALTY AND IDENTIFICATION**

● However, when there is a real ● commitment, that is to say, when there is a link that is based on loyalty and identification and is rooted in transcendent motives, the executive’s behavior is more stable and they will develop a long-term vision regardless of the prevailing circumstances.

An executive who is committed to the organization will almost certainly be a proactive member involved in the construction, growth and development of the organization in line with its mission. Given their motivational quality, they will need the people they manage to develop and are themselves the sort of people who are capable of developing stable links among others in the organization. One might describe this as a nuclear commitment with the organization.

Furthermore, this type of executive, working in a motivational structure and with links of loyalty and identification based on commitment, is the type of catalyst that human organizations need, not only for their capacity to keep things together in times of crisis, but also for being

able to continue to strengthen the company during times of bonanza.

**THE DECISION TO LEAVE THE COMPANY**

● A voluntary turnover must be ● understood as a specific phenomenon, preceded by a decision to leave, which marks the end of the process of withdrawal through which the motivation to stay decreases and / or the motivation to leave grows, until the point that it is the greater of the two and, furthermore, leaving is viable because another job has been offered or the person has sufficient financial resources of their own.

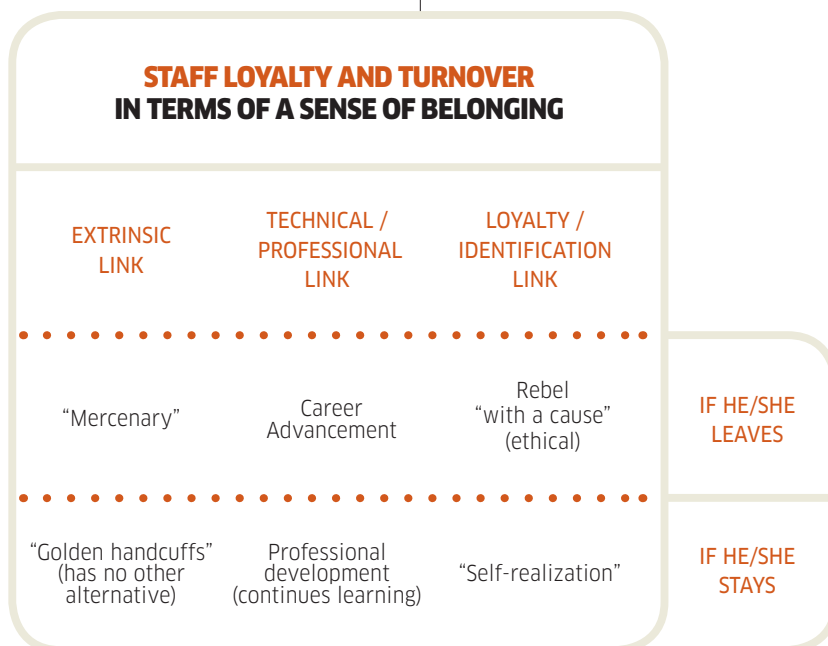
**REASONS BEHIND EXECUTIVE TURNOVER**

● The reasons why an executive ● decides to leave the company can be classified as: fundamental causes, contributing causes and triggering causes. When an executive decides to leave the company the first thing we must find out is whether their decision derives from a decrease in their motivation to belong to the organization (push) or an increase in their motivation to leave it (pull).

In the first case, it is extremely important to recognize which components of their motivation to stay

IT HAS BEEN ESTIMATED THAT THE LOSS OF AN EMPLOYEE CAN COST A COMPANY 150 PERCENT OF THEIR SALARY.

Table 1



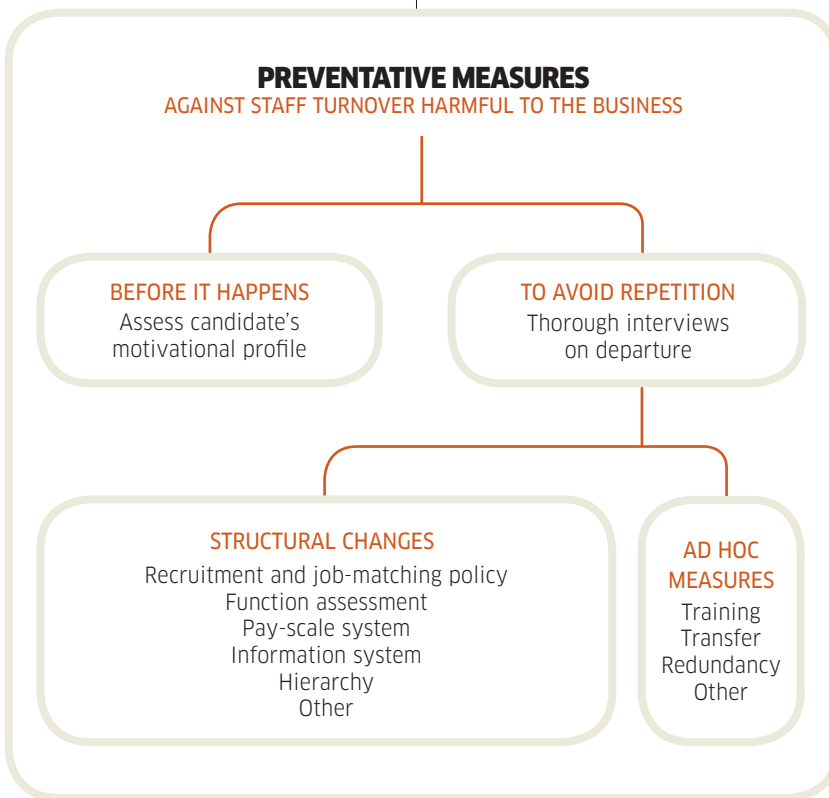


Table 2

are not being sufficiently satisfied within the company in order to be able to evaluate the organizational consequences of an eventual turnover. In the second case — leaving because their motivation to leave has increased — it is important to find out the motive that has led to this increase. It may be something outside the company, but within the context of work, such as an attractive offer from elsewhere, or something external to the work itself, such as family.

For this reason it is necessary to take a more professional approach to interviewing people when they're leaving." To this end, we propose using the diagnostic scheme above. The information collected during interviews with people who are leaving can tell senior management much about the organizational reality as well as diagnosing possible cracks in different levels (see Table 2).

**WAYS OF PERSUADING STAFF TO STAY**

- If a person's main reasons for
- leaving the company are extrinsic, persuading them to stay can be

reduced to giving them more explicit and greater recognition, in the form of greater status or improved financial compensation.

If the dominant motives are intrinsic (lack of challenges, boredom through repetitiveness, completion of a project) it may be possible to redefine the job in a way that allows them to develop their skills and capabilities. It may also be possible to develop a phased plan of professional growth, that is to say, to design a trajectory that gives them a greater sense of achievement. However, if what has triggered their departure is a very attractive offer, it will be difficult to retain such an executive without appealing to other types of motives. In general, the capacity of companies to react in these circumstances is slow and is somewhat limited.

It is much more serious when the main reasons for leaving are transcendent, in which case people of great personal value might be leaving because of a conflict of values, whether real or perceived. This might occur for example when an executive doesn't have a clear idea of the company's mission or the reasoning behind it.

This can happen when the type of products and services being offered are not satisfying the clients' real needs (failure in the external mission), or because the criteria for decisions are predominantly financial, overlooking and also making more difficult the staff's personal development (failure of the internal mission). This could be the case of the person described in Table 1 as the "rebel with a cause."

**EVOLUTION OF THE SENSE OF BELONGING**

- It would be interesting to know
- in each particular case how the executive's sense of belonging has evolved. In this manner, we can begin to infer whether the organizational failure occurred at the moment of recruitment or, on the other hand, results from what the executive has learned as a consequence of decisions taken along the way.

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## FAMILY BUSINESS

WHEN VALUES ARE  
A FAMILY AFFAIR**JOSEP TÀPIES**

Chair of Family-Owned  
Business, IESE

**LUCÍA CEJA**

Research Assistant, Department  
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IESE

**REMEI AGULLES**

Research Assistant, Department  
of Entrepreneurship, IESE

What values do major companies embrace in their mission statements? Do they differ between family and other businesses? A study carried out by the head of IESE's family business department examines these questions.

VALUES • COMPETITIVE ADVANTAGE • FAMILY  
BUSINESS • RESPECT • TRANSPARENCY

Integrity, respect and a focus on clients are the three values most frequently cited by big companies - family-owned or otherwise - in their declaration of principles. However, the results of a study by the head of IESE's family business chair suggest that these principles are not the same for every business.

The aim of this study was to see if there are values that specifically apply to family businesses. To this end, the values of the top 100 family firms and top 100 non-family companies were analyzed, using their web sites and publicly available information.

**WHAT IS MEANT BY VALUE?**

- When we speak of values, what we are talking about, according to Schwartz and Bilsky<sup>2</sup>, is:
  - Concepts or beliefs: principles or ideals that underpin our judgments and our actions
  - Associated with objects (clients, brand, profits), behaviors (efficiency, integrity, thoughtfulness) or desired ends (comfort, amusement, happiness)
  - They go beyond particular sets of circumstances: they are valid in every situation
  - They guide our choice and assessment of how people behave, and of things and of events: they are criteria for assessment and conduct

- They have relative importance: there is a hierarchy of values.

**CHARACTERISTICS  
OF FAMILY BUSINESSES**

- According to the Schwartz and Bilsky's definition (see Figure 1.) the values embraced by family businesses are concerned with behavior. Among them are values such as generosity, humility, communication, service, quality, excellence, creativity and entrepreneurial spirit. Some of these are also present in non-family businesses but less often. Some values, such as generosity, are exclusive to family businesses.

Generosity is related to the principle of valuing other people<sup>3</sup> and is linked to altruism. A generous person is never too busy to help others and enjoy carrying out good works for the benefit of others even if he or she doesn't know them well. **Amancio Ortega**, chairman of Inditex, says his family business is founded on the value of generosity. "I believe that a society is enriched by the work and the contribution of all of its members," he says. "The desire to make the most of my experience led me to set up the Amancio Ortega Foundation. My only wish is that, through the strategies and activities of the Foundation and the Inditex group, the fruit of my personal and professional experience will reach those who are most in need of support and encouragement<sup>4</sup>."

The principles embraced by family business are based on a long-term view



		HIERARCHY OF VALUES			
		NOBLE	USEFUL	PLEASURABLE	
TYPE OF VALUES	OBJECT / OUTCOME	customers, employees, environment, shareholders, excellence	employees, customers, quality, excellence, performance, environment, shareholders	quality	
	END-STATE	.....		happiness	
	BEHAVIORAL	ATTITUDES	respect, responsibility, care for people, trust, diversity, service, community involvement, transparency	innovation, entrepreneurship, openness, commitment, transparency, professionalism, continuous improvement	innovation, passion
		SKILLS	.....		creativity
	VIRTUES	.....		integrity, respect, humility, generosity, ethical behavior, honesty, fairness	

Table 1. Classification of the 35 values most often cited in the sample.

and are defined by thinking of future generations. For example, the values of creativity and entrepreneurial spirit. A characteristic of family businesses is a desire to keep up to date and to keep creativity alive as well as the entrepreneurial spirit that led to the establishment of the business and is fundamental to its survival.

The family business Louis Vuitton Moët Hennessy sees values as fundamental. “The success of our group over the long term is based on a combination of artistic creativity and technological innovation: we have always been and always will be creators. Our business is dynamic and motivating. It rewards initiative and the entrepreneurial spirit and offers real responsibilities<sup>5</sup>.”

Other values that stand out in large family businesses are excellence and quality. “Never accept mediocrity,” Alex Manoogian, founder of the Masco Corporation, says. Among his company’s declaration of values is the following: “always make an effort to achieve excellence and maximum quality<sup>6</sup>.”

**A COMPETITIVE ADVANTAGE**

- When they really mean something,
- values determine every aspect of the family business. They are the essence of its business culture, unique and

inimitable, and become a source of sustainable competitive advantage. Furthermore, each of these principles has positive consequences for the family and the business. For all these reasons, all family businesses should use their values to mark out their difference and to bring value to society.

There are different mechanisms for encouraging values. According to much of the research carried out by psychologists<sup>7</sup>, generosity can be encouraged by putting emphasis on a positive state of mind, empathy and social responsibility. Humility can be encouraged with simple exercises that promote gratitude between family members, such as keeping a daily personal gratitude diary<sup>8</sup>. Good communication can be improved by encouraging people to share their feelings and express their point of view, which teaches people to solve problems in a collaborative manner, according to the psychologist **John Gottman**<sup>10</sup>, an expert in family relationships.

**A CLASSIFICATION OF VALUES**

- As we have already pointed out, the
- majority of values in family businesses refer to behavior. Within this category fall positive attitudes, which are ways of facing up to life (entrepreneurial initiative, a spirit of service, professionalism), abilities and techniques (communication, creativity, teamwork) and ethical values and virtues (generosity, honesty, respect). Positive attitudes help us to take a positive view of things and technical proficiency allows us to do our work well, while virtues mean that we behave in an ethical way. Some of the behavioral values identified in the study were also considered virtues, such as integrity, humility, generosity and respect.

What criteria can we apply to create a hierarchy among various values? In our search for an answer, we could look to the solid ethical tradition of Aristotle. According to the Greek philosopher, values are grounded in the “good” and the “desirable,” and the basis of these variables may be:

- Noble: they are good in themselves, whether applied to individuals or the community (respect, humility, work).



- Useful: goal-oriented, such as the company's success (transparency, excellence).
- Pleasurable: producing satisfaction or well-being (enthusiasm, enjoying work).

For Aristotle, these three forms of goodness existed in a natural order, with the noble at the top, followed by the useful and the pleasurable. The order of the last two is inter-changeable.

A business that doesn't make a profit is unsustainable. However, this doesn't have to be its *raison d'être*. A business can aim beyond mere financial profit to the common good. Thus, in its declaration of principles, it will probably cite useful values but these must always be accompanied by noble ones. It is less common for pleasurable values to be cited. In any case, it should be borne in mind that the three types of values are not mutually exclusive.

Table 1 proposes a classification of values from a double perspective: the hierarchy of noble, useful and pleasurable values (based on Aristotle) and the classification used by Meglino and Ravlin<sup>11</sup>, according to whether the values refer to objects, end states or behaviors (see Table 1).

Entity values refer to the value with which a person invests an object or an outcome. An outcome value is the value that an individual places on an object or outcome (e.g., the value one places on pay). End-state values are those self-sufficient end-states of existence that a person strives to achieve (e.g., a comfortable life, wisdom) are pursued for their own sake. Behavioral values are modes of behavior (e.g., honesty, helpfulness) rather than states of existence and describe behaviors that facilitate the attainment of terminal values.

As we can see, the two are compatible. Values that companies list in their declarations may refer to particular objects (brand), behavior (humility) or end states (client satisfaction) and, at the same time, may establish a hierarchy among them in order of priorities. In order to make it easier to understand this classification in two dimensions we have included in the table the 35 values most commonly cited in the sources used in our study. This classification

may be very useful for family businesses given that understanding the values that define them will help them to identify the best means of transmitting them to later generations.

Our research suggests that the main competitive advantage of large family businesses derives from them being grounded on values such as generosity, humility, communication, service, quality, excellence, creativity and entrepreneurial spirit which are developed and enriched generation after generation. These values are a sustainable source of unity and success for family businesses because they give the family heritage something that goes beyond financial gain and which helps all of the members as individuals. Embracing the characteristic values of family business is, without doubt, a source of success and a way of improving society.

- 1 This study was presented at IFERA Americas (Bogotá, Colombia) where it won an award as one of the best academic papers presented at the congress. Working paper D/916-E, IESE Business School.
- 2 Based on Schwartz and Bilsky (1990). "Toward a theory of the universal content and structure of values: Extensions and cross-cultural replications." *Journal of Personality and Social Psychology*, 58 (5), 878-891.
- 3 Peterson, C., & Seligman, M. E. P. (2004). *Character strengths and virtues: A handbook and classification*. Oxford: Oxford University Press: USA.
- 4 From the web page: [www.faortega.org/es/presentacion.htm](http://www.faortega.org/es/presentacion.htm)
- 5 According the list in Family Business Magazine, 2009
- 6 From the web page: [www.lvmh.com](http://www.lvmh.com)
- 7 From the web page: [www.masco.com/index.html](http://www.masco.com/index.html)
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FOR ARISTOTLE,  
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# Successful Networking

FABRIZIO FERRARO, CONOR NEILL

Networking is the art of building long-term mutually beneficial relationships. In this technical note, IESE Prof. **Fabrizio Ferraro** and lecturer **Conor Neill** examine the premise that successful leaders develop, nurture and leverage the three types of social networks: operational, personal and strategic. The authors conclude that work is by no means the sum of a person's life and that a sense of purpose and fulfillment are vital and add that it can be a powerful source of energy and confidence to spend time with people who value you for your shared passions, not for what you do or what you bring to them.

MORE INFORMATION: [www.iesep.com](http://www.iesep.com)



## WORK AND CULTURE

JOSÉ R. PIN, LOURDES SUSAETA



Each generation complains that they had to work harder than the next, but do attitudes about work change much over generations or are they a product of culture? This is the question asked in the paper "Generation or Culture? Work Attitude Drivers: an Analysis in Latin American and Iberian countries" written by **José R. Pin** and **Lourdes Susaeta**, among others. They say that companies need to understand the differences in work attitudes adopted by Generation X (born between 1965-1980) and Generation Y (1981-2000). In the course of the study they also take on the "homogeneity myth," which treats Latin America as an entity, as opposed to a conglomerate of countries with distinctive cultures, with widely divergent attitudes toward work.

## The Inpatriate Game

SEBASTIAN REICHE, MICHAEL HARVEY, MIRIAM MOELLER

When it works well, inpatriation has the potential to increase the effectiveness of a global organization. Multicultural management teams offer local insight on a global scale. The premise is sound, but do these cross-cultural relationships really work? In their paper "Developing Effective Global Relationships Through Staffing With Inpatriate Managers," IESE's **Sebastian Reiche**, together with **Michael Harvey** and **Miriam Moeller**, explore the role of trust in the success of inpatriation as a strategy. They identify practical tools for developing trust and consider HR implications in managing multicultural diversity.

MORE INFORMATION: *IESE Insight*

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# Temporary Measures

**JOSÉ R. PIN, SALVADOR PLAZA, GUIDO STEIN**

Labor legislation is not uniform across the European Union and there is wide variation in particular when it comes to temporary contracts. In the United Kingdom these contracts are mainly shaped by market forces while in France there are measures to make them less attractive than permanent ones. Furthermore, in France after 18 months the contract must be made permanent. In Germany, on the other hand, there is a flexibility of duration, with start-ups being allowed to offer temporary contracts of up to four years. Temporary contracts are far more prevalent in Spain than in the rest of the EU. As Spain introduces labor reform legislation, IESE professors **José R. Pin, Salvador Plaza** and **Guido Stein** consider in “Stemming the Tide of Temporary Contracts” which model can best be applied in the Spanish context.

**MORE INFORMATION:** *IESE Insight*



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## CLIENTOLOGY

**PHILIP MOSCOSO, ALEJANDRO LAGO, MARLENE AMORIM**



● A growing number of businesses are handing over key tasks to their

customers within the service process in a bid to improve costs and satisfaction at the same time. In “Putting Your Client to Work,” IESE’s **Philip Moscoso, Alejandro Lago** and **Marlene Amorim** suggest ways in which companies can benefit from putting their clients to work and the key decisions they must take into consideration. Traditionally, service business models were conceived a bit like a theatre play: customers paid to passively enjoy a performance offered by the company’s actors. Companies centered their efforts on influencing the customers’ purchasing behavior through marketing tools, such as advertising and discounts. Now the service scene has changed and it looks more like experimental theater or software games where everyone - especially the customers - are part of the action.

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## REALIZING EMERGING REALITIES

✓ The latest issue of IESE Insight looks at the common features of emerging multinationals that have managed to grow through innovation, organizational structure and political abilities.

✓ These days most products are produced in and for the Asian market. The dossier examines this change and suggests some basic principles of how to successfully manage this change.

✓ Emerging countries represent new opportunities for banks.

IESE looks at three new business models that have appeared to meet the necessities of the general population and small and medium-sized businesses in these countries.

The last edition of IESE Insight examined the lessons from the key players in economic growth and innovation. **Mauro F. Guillén**, professor at Wharton, **Esteban García-Canal**, professor at the Universidad de Oviedo, **Arnoud de Meyer**, professor at Judge Business School in Cambridge, **Alicia García-Herrero**, research fellow



at IESE’s Center for Emerging Markets and IESE professors **Francesc Prior** and **Javier Santomá** wrote the dossier on social networks.

**TO SUBSCRIBE:**  
[www.ieseinsight.com/subscription](http://www.ieseinsight.com/subscription)



Eric Weber, W. Carl Kester, Richard H.K. Vietor, Jordi Canals, José Luis Nueno and Joan Enric Ricart.

HARVARD-IESE  
COMMITTEE MEETING

# INNOVATION IN EDUCATION

Committee meeting wrestles with challenge of creating a more global curriculum, instilling in MBA students a more holistic outlook and ways of making business education more attractive to women.

**T**he 48th annual Harvard-IESE Committee Meeting was held in Barcelona at the beginning of June. Harvard professors **W. Carl Kester** (Deputy Dean) and **Richard H. K. Vietor** (Associate Dean) joined IESE's Dean **Jordi Canals** and professors **José Luis Nueno**, **Joan Enric Ricart** and **Eric Weber** to discuss the future of business management and the role of education, as well as joint research and teaching projects and other topics of mutual interest. The Harvard-IESE Committee, which has met annually since 1963 in either the United States or Europe, helped guide the establishment of IESE's full-time MBA program — the first of its kind in Europe — in 1964. It has also played a key role in the development of joint international executive education programs, which were first launched in 1993.

The *Alumni Magazine* asked professors **Kester** and **Vietor** what was on the agenda at this year's meeting and what new challenges business schools face.

"Whatever's on the agenda we take off from there and talk about all manner of different things," **Kester** said. "So far we've talked a lot about innovations in MBA programs here at IESE and around the world. What's working, what isn't, what direction do we have to take from here." **Vietor** added that "Harvard is undergoing a huge curriculum change. Harvard's a big school. We have 1,900 MBA students and the scale helps us financially but it can be a problem if you're trying to change things because it's a lot to change all at once."

Asked whether business schools had to take some responsibility for the fixation with profit maximization that triggered the financial crisis, **Kester** said, "There was a belief in the press and in the public mind that some of the problems were created by technically and narrowly thinking MBA graduates. There's been a lot of introspection since then."

**Vietor** added: "We've been teaching ethical values for about 10 years and I'm hoping that what we've been teaching will produce a generation of people who are more responsible."

**Kester** said that it's not so much that schools face new challenges but that the existing challenges have become much more prominent. "For example, it's always been a challenge to get MBA students to think holistically so that they don't make the mistake of making serious decisions in a narrow way that might optimize one part of the business while harming some other constituency."

Responding to criticism that the MBA curriculum is too rooted in the American economic reality, he said there was a need to make programs truly global, not just by having students from around the world, but by imparting a global perspective.

"The content needs to be tailored more towards students who come from or intend to go into an emerging market economy," he said.

"It takes a long time to change an American business school into a school that teaches global business," **Vietor**



IT TAKES A LONG TIME TO CHANGE AN AMERICAN BUSINESS SCHOOL INTO A SCHOOL THAT TEACHES GLOBAL BUSINESS."

**Richard H. K. Vietor**

said. "I think IESE is already a global business school. We have one joint program with IESE, the Global CEO program, and it's possible that we might have more in the future."

**Kester** agreed that it was important to encourage more women to go into business. He said that women tended to see careers in medicine or law as better avenues for serving society and see business as a little more rough and competitive.

"It is inherently competitive but, pursued in the right way, business is the most powerful force for change in the world," he said.

**Kester** commented that a lot of women want to finish their graduate studies and then are in a hurry to achieve professional stability early on in order not to miss out on having children. "We try to convince women to apply when they're ready, that they don't have to have six years of experience and three promotions before they can do an MBA."

"We want more female applicants and now 36 percent of incoming students are women," **Vietor** said. "We'd like it to be 50 percent but we don't want to admit women simply because they are women. We're not willing to do that. We don't do it with foreigners or minorities."



**MORE:**

To see the complete interview with Professor Vietor.



# THE HUMAN FACE OF THE FIRM

Are materialistic and narcissistic CEOs merely a product of the business environment we have created?



Josep M. Rosanas, Esther Roca and Rafael Andreu.

“**W**hom do we want as our business leaders and what do we have to do to get them?” These were the questions at the heart of the 2nd

International Conference on Humanizing the Firm and the Management Professions, held in Barcelona in June under the title “Towards a New Theory of the Firm.” The conference is held in collaboration with Fundació BBVA.

After introductory remarks from Dean **Jordi Canals** and IESE Prof. **Joan E. Ricart**, Prof. **Donald C. Hambrick** of Smeal College of Business, Pennsylvania State University, spoke about how changes in the corporate milieu have brought about a new breed of CEO.

Hambrick believes that today’s CEOs are different people from 30 years ago. In the 1950s and through to the 1970s there was what has been dubbed the “soulful corporation,” in which CEOs had secure jobs and a fixed salary with only a small bonus or share option component.

“The soulful corporation tried to balance the needs of multiple stakeholders, not just financial owners, but also employees, communities, suppliers and customers and that worked well for a long period, primarily because the economy was stable and growing,” **Hambrick** said. “In the late 1970s and early 1980s the shift began towards the primacy of shareholders and other stakeholders became more secondary.

“Since the advent of what many people call investor capitalism, CEOs have become more materialistic, more individualistic and more narcissistic. Those are three notable changes that we believe have occurred. These are the attributes of people who want to be a CEO and the attributes that directors and boards increasingly seek. It’s a reciprocal process.”

The shift in the 1980s to investor capitalism and agency theory brought more concentrated ownership and shareholder primacy. CEOs were paid on results and their jobs were no longer secure. “It’s a paradox,” **Hambrick** says. “CEOs today have less power because they are more susceptible to being fired and are told time and again to attend to shareholder wealth, so in that respect they have less power. On the other hand boards want to see CEOs taking bigger and bolder initiatives and so they have more impact. Their predecessors in the 1950s and 1960s were much more incrementalist and more conformist and so they had less impact.”

In order to encourage a new breed of CEOs, **Hambrick** proposed that they should not chair their own boards and at least half of incentive compensation should be restricted stock that can’t be sold for three years.

IESE Prof. **Josep M. Rosanas** then presented a manifesto for better management that he wrote with Prof. **Rafael Andreu**. They lay the blame for the current crisis at the door of ratings agencies, financial analysts, investment banks and the commercial world, as well as business schools and the economics departments of universities.



Donald C. Hambrick.



Raymond Miles.



J.C. Spender.



Bruno Frey.

**Rosanas** argued that we should see firms as communities and be more oriented to people. Organizations should exist for people and not vice-versa. We also need to understand that people have their own purposes and motivations.

This was followed by a contribution from Prof. **Raymond Miles** of University of California, Berkeley, Haas School of Business, on the “Theory of the Firm Community.” He said that in a knowledge-driven world there has to be trust and fair dealing within and between organizations and stakeholders. “Humanizing factors are too often seen as “add-ons” after profit rather than a necessary component,” he said.

The recent financial crisis proved that there are steep costs for going against the crowd in many organizations, said Prof. **Bruno Frey** of the University of Zurich, who presented the paper, “Repressed Voice and Costs of Non-Herding,” co-written with Reto Cueni on the second day of the conference.

Since the financial industry’s best interests are served when positive economic outlooks prevail, many employees who expressed a pessimistic view of the future prior to the crisis were sidelined until they either resigned or were fired.

“It is very difficult to deviate from the common opinion of a herd,” said **Frey**, whose paper examines the possible costs of non-herding. “The person who deviates has high costs himself because he must give good reasons why this development should end. But it’s very difficult to give good reasons because it’s in the future and it’s unknown. Moreover, the others don’t like people with different opinions.

“But the real problem is that informal information that would be useful for the firm and at the end, for society, does not come to the fore,” he said.



## THE SOULFUL CORPORATION TRIED TO BALANCE THE NEEDS OF MULTIPLE STAKEHOLDERS.”

**Donald C. Hambrick**

To keep herds from forming, business leaders should seek to organize meetings in such a way that people who have different opinions have an incentive to share them, says **Frey**. For instance, instead of asking the most senior or experienced employees for their views on a problem, they should first seek out the youngest employees and those who are not so entrenched in the organization. CEOs should also strive to foster open discussion, rather than those based on hierarchies.

“We all like agreement,” he said. “But for the firm as a whole, it is very good that we have diverse opinions, hear them and evaluate them.”





# WE DON'T MAKE EMPTY HOSES



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# PRESTIGE BRANDS PLY THE TRADE ROUTE TO CHINA

The consensus at the Prestige Brands Industry Meeting in Barcelona was that, despite obstacles such as import duties and finding the right partners and models of distribution, the newly rich of China have transformed it into a key and growing market for luxury brands.

“Luxury goods have to break the paradigm of the market and play by different rules. We are not just selling products, we are selling dreams,” **Xavier Ybargüenoitia**, president of Estates & Wines at the LVMH Group, told the 13th Annual Prestige Brands Industry Meeting which was held today on IESE’s Barcelona campus under the title “China: The Route for Prestige.”

After opening remarks from Prof. **Pedro Nueno** and Prof. **Pedro Videla** about future perspectives for the prestige industry, above all in China but also in other emerging markets, executives representing luxury brands shared their views and experiences.

**Pier Luigi Foschi**, CEO of the cruise ship company Costa Crociere, talked about prestige consumption along tourist and hub routes. He said the company began looking at the Chinese market in 2004 but faced the problem that in China, cruising is primarily associated with gambling. The company tries to bring a European flavor to China but is still struggling to fill one ship there in a highly regulated environment. “It is critical to offer a product that is tailored to their demands so that everyone gets what they want, especially in terms of food and music,” he said.

**Ybargüenoitia** said the LVMH Group is starting to make sparkling wines in India and China to get round the problem of import duties. He pointed out that only 6 percent of the world wine market involves wines that cost more than €10 a bottle, so the luxury market is a small niche. LVMH set out to be the world’s top premium wine company. “Brands, brands, brands — that’s what matters,” he said.

**Alexandre Quirici** of IDG Capital Partners said the Chinese government is worried about the widening wealth gap so, while promoting foreign investments, is ambivalent about luxury brands. Local brands are mov-



Xavier Ybargüengoitia of the LVMH Group.

ing up the ladder and are trying to compete with foreign brands. Nearly all the outlets are mono-brand stores, which is a barrier to entry for smaller brands. You need a long-term outlook and a good Chinese partner, **Quirici** said, adding that you shouldn't just use a distributor but have a presence on the ground there and invest in your own people.

"All the positive momentum in China applies to big groups," he said. "Smaller brands face more difficulties. China is not an easy market. You need strong partners that understand China and you need to invest and many groups aren't able to do that. You need to know what is the right distribution model and you need to invest in people locally."

**Pierre Malleveys**, founder and managing partner of Savigny Partners, added: "It's quite difficult for Western companies to operate in China. It's expensive to operate there and it's not easy to find retail space. More and more we will see creative transactions from a structural point of view and distribution will be the key."

**Sophie Jiang**, CEO of the public relations firm E&A Communications in China, said there was no luxury market at all in China before 1990. Previously, luxury goods such as silk and porcelain were the preserve of the Chinese royal family. Modern brands allow people to make a statement about their social status. "There are five drivers in the Chinese luxury market: good team structure; find your own brand niche; brand building; deliver your message to the market using a good opinion leader; and a good PR and media plan," **Jiang** said.

Despite the interest in China, **Jean-Christophe Jourde**, vice president and general manager of Estée Lauder companies Europe, reminded the audience that Europe is still the key driver of the luxury brands industry. Europe represents more than 40 percent of the worldwide luxury market. "The risk is that luxury becomes a commodity, which would be the end of luxury. It has to be aspirational," he said.



**VICE PRESIDENT AND GENERAL  
MANAGER CLINIQUE / ESTÉE LAUDER**

## **JEAN-CHRISTOPHE JOURDE**

During the meeting Prof. **Xavier Oliver** interviewed **Jean-Christophe Jourde** of Estée Lauder about the cosmetics company's plans for the future. "In the field of mass skin care products versus prestige products, the key is innovation. Today's consumers are extremely demanding; they want efficacy but they want products to be safe. You have to surprise the consumer and you have to stay with them during the entire journey, whether they are at home or at the point of purchase and you have to stay in touch afterwards.

We used to have a centralized head office but we have built regional offices in Europe, Asia and Latin America. We need to be where the consumer is in order to know what to offer. One of our aims is to attract people from the mass market to prestige brands. We have developed this concept we call show and hide, where we display only a few products in a beautiful environment where you want to engage and stay. We have opened a store like this in Cologne and I think it's going to shake up the industry."

## FINANCIAL TIMES 2011 BUSINESS SCHOOL RANKINGS

# IESE TOPS FT RANKING

## of Executive Education Programs

● IESE Business School has been ranked number one in the world by the *Financial Times* in its 2011 survey of open enrollment executive education programs. The school earned exceptional marks for student satisfaction, relevance of course content, follow up and facilities.

**Michael Jacobs** of the FT, in the article accompanying the ranking, wrote that “IESE remains number one for the diversity of its faculty and its partnerships with other executive education providers (as measured by the FT’s partner school criterion).”

The ranking - which surveyed 65 top schools located all over the world - evaluates two types of executive education programs: open and in-company. IESE, which delivers tailored programs for numerous leading



View of IESE’s Barcelona campus.

firms, occupies 7th position in the FT’s ranking of custom programs. In the FT’s general ranking, IESE ranked third in the world, behind

HEC and Harvard Business School. The general ranking is compiled from scores underlying open enrollment and custom program surveys.

## ENERGY EFFICIENCY

## EU Seeks 40% Emission Cut

### Efficient Buildings

● In its bid to reduce greenhouse gas emissions, the European Union has introduced measures to cut emissions from buildings, which account for 40 percent of the European total. IESE’s Public Sector-Private Sector Center organized a meeting in April to discuss the new regulations at which various experts spoke about energy efficient buildings.

The center’s **José L. Moraga** said that higher energy prices might act

as an incentive for people to take measures to make their homes more energy efficient. On the other hand, financial incentives such as subsidies could also be effective. **Sebastián Curet**, also from the center, said people in general were prepared to pay more for an energy-efficient home.

**Claudio Lutzky** of UBA & MGM International said it was not just a question of building differently but of making existing building more efficient. “The Empire State Building in New York is being transformed into an intelligent building by changing the way heating and air conditioning is used, for example,” he said. “If we do something similar to the millions of existing buildings we can make a significant impact on emissions.”

## BRAIN DRAIN

## Incentives to Stay Home

● A new regulation in Italy aimed at encouraging the return of talented young professionals who leave to work abroad is a first step in curbing “brain drain.” The new regulation, which focuses on tax incentives, was among the topics discussed at a recent meeting of IESE alumni in Milan. The meeting was addressed by **Alessia Mosca**, the youngest member of the Italian parliament, who sponsored the law. The law seeks to help young professionals learn from other countries and then invest their knowledge back into their country of origin.

# Conference Attracts NGO Leaders From 25 Countries

NGOs face the challenge of defining sustainable roles in service provision, advocacy and policy.

● The program “Strategic Management for Leaders of Non-Governmental Organizations” was held in Madrid in May. Led jointly by IESE and the Harvard Kennedy School, the program brought together 40 leaders of foundations, NGOs and social entrepreneurship initiatives from 25 countries.

Among those participating were the Director of the Qatar Foundation, the CEO of the Aga Khan Foundation, the Head of CSR for Google China, the Deputy Executive of the Journalists and Writers Foundation of Turkey and the CEO of Youth Development Australia.

Professors leading the program included: **Christine W. Letts**, Rita S. Hauser Lecturer in the Practice of Philanthropy and Nonprofit Leadership at the Harvard Kennedy School; **Johanna Mair**, professor of Strategic Management at IESE; **Brian S. Mandell**, Senior Lecturer in Public Policy at the Harvard Kennedy School; and **Bill Ryan**, research fellow at the Hauser Center for Nonprofit Organizations at Harvard University.

“Through research, case studies and presentations adapted to the unique needs of these organizations, the program provided critical tools for taking effective strategic decisions,” said **Antonio Núñez**, director of Public Management Programs at IESE and president of the Alumni Association of the Harvard Kennedy School in Spain.



NGO conference participants.

The program is a part of IESE’s portfolio of public management programs, which provides nine programs each year to more than 400 executives of government and social institutions. Four of these programs are led in collaboration with the prestigious Harvard Kennedy School.

After a rapid expansion in the 1990s with the ending of the Cold War, the non-governmental sector is now consolidating and NGOs face the challenge of defining sustainable roles in service provision, advocacy and policy. The executive education

program is designed to give NGO leaders the tools, perspectives and frameworks needed to strengthen their organizations, engage constituent communities and cultivate

long-term partnerships and commitments. Through cutting edge research, case studies and presentations tailored to the unique needs of NGOs, this program provides the skills NGO leaders need to make informed and strategically sound decisions. The program is designed for NGO leaders in southeast and Eastern Europe, the Eastern Mediterranean and the Middle East.

**The program provided critical tools for making effective strategic decisions.**

## IVORY COAST AMP

# AMP Emerges From the Ravages of Civil War

After the first sessions were held at the MDE business school in Abidjan, participants had to meet wherever they could amid fighting and bloodshed.

There was always a risk that things wouldn't go smoothly when IESE helped to establish a business school in Ivory Coast, a far from stable West African nation. The MDE (Management et Développement d'Entreprise) Business School is the fifth of IESE's joint ventures in Africa and was formally opened last December. The AMP was to be taught in French by faculty from IESE and Lagos Business School.

The first sessions were held as planned in February, but the following month the political situation deteriorated as the country descended into near civil war between supporters of the newly-elected president **Alassane Outtara** and the incumbent, **Laurent Gbagbo**. At last 1,000 people were killed in the fighting and tens of thousands were forced to flee their homes.

**Martín Frigola**, a Catalan who emigrated to Ivory Coast 20 years ago and who is director of the MDE, says it was impossible to hold the three days of classes planned for March. Instead, he says, the participants met in groups to work on case studies and then, on March 17, they managed to hold a study day at the school itself. "It was amazing that 85 percent of the group managed to attend. To take part in a session like that, when the violence was at its most intense, was really extraordinary," **Frigola** said.



Jean Baptiste Amichia gives an ethics class during the AMP.

Fighting continued in the capital three weeks after **Gbagbo** was arrested on April 11 and it wasn't until early May that the 25 participants were able to resume their AMP studies in normal circumstances. Prof. **Lluís Renart**, director of IESE's Africa Initiative, described it as an "historic event," adding that it was probably the first long program for senior executives ever held in the country. The resumption of the AMP received wide coverage in the Ivorian press, which viewed it as a sign that business was returning to normal.

**Frigola** underlined the importance of the AMP in a country where much of the economy is concentrated in the hands of a small number of companies. The country needs new small and medium-size businesses, he said. "Development doesn't consist of receiving aid from outside bodies but in creating businesses," he said. "Sending medicines and sacks of rice doesn't aid development. That works in an emergency, but it won't help a country to develop."

**Aid works in an emergency but it won't help a country to develop.**

## SUMMER SCHOOL

# A Week Immersed in The MBA World

Last July, 39 students from countries as diverse as Russia, Turkey, the United States and Belgium spent a week on IESE's Barcelona campus discovering what it would be like to embark on an MBA course.

● Last July, IESE gave undergraduates the opportunity of having a taste of a top-ranked MBA program early on in their careers through the recently launched IESE Summer School program held on the Barcelona campus.

Spread over five intensive days, university students and recent graduates undergo a rigorous academic program designed to help them grasp business concepts, knowledge and understanding.

The curriculum, developed by IESE's top faculty, ranges over marketing, leadership, general management, entrepreneurship, creating companies and the world economy. The program also gives students an initial insight into the use of the Case Method analysis of business problems.

Prof. **Carlos García-Pont**, the academic director of the program, explained that the Summer School's participants are presented with complex, challenging and real business problems.

"The sessions are delivered by the same professors who teach MBAs, so the students can expect the same level of quality but also of difficulty," **García-Pont** said.

Altogether, 39 student took part in the school, of whom 31 percent were women and some 46 percent



came from outside Spain. Among the countries represented were the United Kingdom, Germany, Russia, Belgium, the United States and Turkey.

Among those taking part was **Liliana Berezkinova** from the Czech Republic. "My favorite part has been getting together with my classmates and discussing that day's case study," she said. **Nora Silini**, from Finland, said she was surprised how much fun it is. "You work hard but you also have a lot of fun."

"The program has shown me what an MBA is really like," said **Marcelo Alzamora** from Peru.

"People say they want to do an MBA but as often as not they don't really know what doing an MBA is all about."

**Spaniard Irene Benito** agrees.

"What I really like about it is that it's not just a summer school about an MBA, it's one week in a real MBA. What you get are the real teachers and the real cases."

**It's not a summer school about an MBA, it's one week of a real MBA.**

## EXECUTIVE EDUCATION IN BRAZIL

# IESE Launches Executive MBA in São Paulo

Further consolidating its commitment to developing global leaders through business education, IESE is launching one of its flagship programs in the fast-paced business capital of Brazil: São Paulo. Run in conjunction with IESE's Associate School in Brazil, ISE, the Executive MBA is scheduled to start in August 2012.

The São Paulo program will follow the same format as its successful IESE predecessors, which are among the most popular executive MBA programs in Europe and are held in Madrid and Barcelona. Launched 25 years ago, IESE's Executive MBA was one of the first to include international modules. Participants of the Brazil program will also have the opportunity to take part in international modules in Barcelona and in the school's New York Center in central Manhattan. Students accepted into the IESE/ISE São Paulo Executive MBA will also have the opportunity to experience a multilingual business program with classes in English, Portuguese and Spanish.

A part-time, bi-weekly 19-month program, the IESE Executive MBA is aimed at Brazil's growing number of working executives who, with at least five years of experience, feel the need to improve their management skills.

"A good number of Brazilian executives have excellent technical backgrounds but have little managerial experience, and having risen to a position of greater responsibility within their companies, now understand the need to develop business skills," says **Jose Paulo Carelli**, the program director.



ISE, IESE's associate school in São Paulo.

## LOCAL KNOWLEDGE WITH A GLOBAL PERSPECTIVE

IESE's Executive MBA in Brazil will bring a much needed, fresh perspective to Brazil's executive education sector. With only a few local players, Brazil's executives have had little exposure to top international programs. IESE will bring its many years of expertise in management and its unrivalled faculty, whose international experience and diversity make them experts in global business. In addition, IESE's faculty will also share their deep knowledge of Brazil, having taught there for over 10

years through the school's Advanced Management Programs and Professional Management Development programs, which were also run jointly with the school's local partner ISE.

"Launching our flagship Executive MBA in Brazil will fulfill IESE's mission. That is, to help executives in one of the most important emerging economies become more successful professionals, with more opportunities, while undergoing the school's transformational experience, leaving the program as leaders who the business world and society can trust," said IESE Dean **Jordi Canals**.



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**PROGRAM FOR LEADERSHIP DEVELOPMENT**

# Skills to Maximize Your Effectiveness

On completing the three-week PLD, participants can also choose from a range of Short Focused Programs that are held in Barcelona and New York.

● IESE has launched a new, three-module program designed to give executives the knowledge and skills they need to maximize their professional and personal effectiveness. The Program for Leadership Development (PLD) consists of three residential modules held at IESE's Barcelona campus over the space of four months, at the end of which participants can choose from a range of Short Focused Programs held in Barcelona and New York. It is aimed at preparing managers or functional specialists to step up to positions of greater responsibility in their companies.

The content involves comprehensive general management and covers fields such as accounting, decision making, economics, entrepreneurship, leadership, operations and strategy, among others. The first module is held under the heading Building the Foundation, which provides a framework for understanding the global macroeconomic environment as well as developing awareness of leadership style. The second, Getting Ready for What Lies Ahead, focuses on the dynamics of business ecosystems, while the third, Transforming Business Leaders, delves deep into leadership skills as well as corporate strategy and operations management. Following these core modules participants are able to customize the program to their particular needs through participation in a Short Focused Program on a specif-



Students taking part in the program.

ic business topic. In between modules, participants carry out collaborative and individual learning projects.

The program provides immediate and tangible benefits for both the participant and their company. By assessing problems from a general management perspective and taking informed decisions, participants increase their knowledge of different business areas and how they are inter-related. They are assigned to a small study group of diverse professionals that resembles an international management team and which allows them to develop cross-cultural collaboration and communication skills and to discover new approaches to problem-solving. An important element of the PLD is the Executive Challenge which allows participants to focus on a spe-

cific strategic challenge faced by their organization and develop a practical plan of action. Immediate application of the knowledge and skills gained is also facilitated by the “learning journal” participants keep throughout the program, which includes a tangible take-home agenda to put into action when they return to work.

The program's structure is designed to promote learning, networking and the creation of long-term relationships, as well as addressing how healthy mental and physical habits can contribute to executive performance.

Completion of the program also means lifelong access to a wide range of services provided by IESE's Alumni Association, among them the Continuous Education sessions that are held in key cities around the world.

**The PLD prepares managers to step up to assume a position of greater responsibility.**

YOUNG TALENT PROGRAM, THE IESE MBA PROGRAM

# YTP: TAKING THE NEXT STEP

As a preliminary step towards the MBA that they will study after completing two years of work experience, participants in the Young Talent Program spent a week at IESE in July taking part in the Next Step Seminar.

● In July, 26 young graduates admitted to the Young Talent Program completed the Next Step Seminar in Barcelona, the summer course before they begin the MBA is like.

The YTP, now in its third year, offers graduates the opportunity to gain work experience at top companies and, after two years on the job, pre-admission to the IESE MBA course.

Among them was **Stefan Ulrich**, from Austria, who studied business administration in Vienna. "In the Next Step Seminar I've met many different professors with many different approaches," **Ulrich** said. "It's interesting to see how different people orient themselves to solve a problem," he added.

He also finds the case study method stimulating. "What I like about it is you are put into a certain framework and you have to make something out of it. There's no right or wrong solution, but there is a better or worse way to

Here you get different ideas that you hadn't thought of before.



A participant in the Next Steps Seminar.

approach the problem." **Paulina López**, who is from Guatemala but studied marketing and psychology at Notre Dame University in Indiana, agrees. "I did some case studies in college but here people come from so many different backgrounds that you get different ideas that you hadn't thought of before," she says.

"As I studied marketing and psychology, I like to get into consumer's minds. So I'd like to work either with consumer products or in a direct relationship with consumers."

**Johannes Gotzler** studied business and technology in Munich and sees the YTP as "a way of attracting the attention of companies because they know that you have a pre-admission for the MBA." He also highlights the international nature of the experience.

"It's great being in an international group, it's not like working with three other Germans where we will have the same approach to a problem. I've used the case study method before but not as extensively." He says that after the MBA he would like to have a management position where he has responsibility for other people. "I'm quite open to what sector I might work in," he says.

# A QUESTION OF BALANCE

## The Need to Establish Boundaries Between Professional and Private Life

Computers and mobile technology make us constantly available and have blurred the lines between work and family life. Experts in the field met in Barcelona to discuss strategies to take control of how you run your life.

● Technology has made it possible for many of us to work anywhere and at any time. The days of being “out of the office” or “away from the phone” are over, and as a result the lines between work and the rest of life are becoming increasingly blurred. Technology can save us from long commutes and relieve us of some of the stress of combining work and family, but the degree to which the options that technology brings are a blessing or a burden was the focus of discussion at the 4th International Conference on Work and Family, held on IESE’s Barcelona campus under the heading “Innovations in Work-Family Research and Practice.”

Prof. **Nuria Chinchilla** opened proceedings with a talk on “A New Paradigm to Work and Family Integration: a Motivational Approach.” She said work and life are seen as antagonistic and positioned the individual in the middle of a triangle of company, family and society with - to different degrees - extrinsic, intrinsic and transcendental motivations. “We need an anthropological economy,” she said. “Companies need to motivate employees with more than money and other extrinsic incentives.”



Prof. Nuria Chinchilla.

Prof. **Ellen Kossek** of the University of Michigan led the afternoon session on “Work-family Flexibility and the Changing Employment Relationship.” **Kossek** divides people into “integrators,” who mix work and the rest of their life; “separators,” who avoid the one crossing over into the other, and “volleyers,” who fall between the two.

We suffer constant interruptions as work and life spill over into each other and it is up to us to set boundaries, she said. A lot of people end up feeling that they are not properly engaged either in their work or the rest of their life and their days become one big blur of activities. She said that people should ask themselves: do I work during personal time? Do I deal with personal issues while at work?

“When it comes to boundary control it’s a question of whether people feel they have a choice not to work on vacation or at weekends. Control, identity and interruptions - that’s what I’ve been training managers how to manage. The key thing is to feel in

control of boundaries and what can you and your company do to make you feel you have that control.”

The second morning began with a talk by Prof. **Tim Hall** of Boston University and Prof. **Brad Harrington** of Boston College based on the book *Career Management and Work-Life Integration*. **Harrington** proposed a “protean career” in which the individual is in charge of his or her career, not the organization. In order to develop career management skills, the meta-competencies are self-awareness and adaptability, he said. You have to understand yourself in order to achieve the balance that suits you best. “You have to ask yourself, who am I and what am I good at?” he told the mainly female audience.

**Kossek** added she hoped that “just as there are national rights for labor practices, maybe one day there will be some national or international rights for work-life issues and some basic international minimum standards.”

## MBAS SIDESTEP THE CRISIS

# Huge Success in MBA Graduate Job Placements

The figures show how successful the MBA program is when it comes to opening doors in the world of work.

“The challenges I face at work are very similar to the ones we dealt with in class during the MBA. The way IESE focuses on teamwork and on the case method helped prepare me for the job I’m doing now,” says **Sergey Tyan** (MBA ’11). The Russian alumnus, who did his corporate placement with Eli Lilly & Company, is from the most recent crop of MBA graduates, of whom 93 percent have already found work.

“In spite of the difficult times we are living through, the department continues in its strategy of finding opportunities for graduates, as well as equipping them to successfully search for jobs themselves,” says **Alejandro Herrera**, the former head of MBA Career Services and now director of the G-EMBA program.

**Herrera** says that it is vital to “understand the graduate’s professional profile” and emphasizes how important it is “not to fall into the trap of applying to lots of places where it is unlikely that they will fit in.” He says the department’s policy is to “develop relations with companies that fit the overall profile of IESE MBA graduates and to teach students how to look for work independently.”

**Javier Muñoz**, the new department head, was the head of the

**It is vital to understand the graduate’s professional profile.**



MBA admissions department. Over the next two years he will be looking to place the students he selected in his former job. “Companies face the challenge of finding the most talented people available to run their projects - which are ever

more global in nature and face a changing environment and this is what IESE has to offer,” **Muñoz** said. The challenge that the department faces is to maintain its standard of excellence.

## CAREER FORUM

The Career Forum, the Career Services main contracting event, will be held on the Barcelona campus on October 24, 25 & 26. The forum produces palpable results: 50 percent of MBAs are contracted at this event. Last year more than 45 businesses from a wide range of sectors took part and the MBA Career Services organized more than 600 interviews for salaried posts for second-year students.

# AGENDA 2011-2012



October 2011		
AMP Munich - Barcelona (begins)	<b>18th Health-Care Industry Meeting</b> Barcelona, 25 & 26	BARCELONA, 10
AMP Warsaw (begins)		BARCELONA, 17
November 2011		
Global CEO Program	<b>Global Alumni Reunion 2011</b> Madrid, 17 & 18	SÃO PAULO, 6
Developing Leadership Competencies		BARCELONA, 8, 9, 10 & 11
WSJ Breakfast: Howard Stringer, Sony		NEW YORK, 10
Advanced Management Program		BARCELONA, 14
Advanced Digital Media Strategies: Profiting From the Digital Value Chain		NEW YORK, 15, 16 & 17
December 2011		
Global Business: Making the Matrix Work <b>NEW</b>	<b>7th Banking Sector Meeting</b> Madrid, 13	NEW YORK, 5, 6 & 7
January 2012		
High-Performance Negotiator		BARCELONA, 24, 25 & 26
Advanced Management Program in Media and Entertainment (Media AMP)		NEW YORK, 30
February 2012		
The Innovation Architect: Creating Breakthrough Companies		BARCELONA, 6, 7 & 8
March 2012		
Program for Leadership Development Barcelona		BARCELONA, 5
Develop your Communication Skills: It's How You Tell Them!		BARCELONA, 6, 7, & 8
Create Effective Virtual Teams		BARCELONA, 21 & 22
Global CEO Program for China: first module		SHANGHAI, 25
Strategic Management for Leaders of Non-Governmental Organizations		MADRID, 26, 27, 28, 29 & 30
April 2012		
Arts & Cultural Management: The Business Side of Leading Cultural Organizations <b>NEW</b>		NEW YORK, 24, 25 & 26
Management by Project <b>NEW</b>		BARCELONA, 24, 25 & 26
May 2012		
Getting Things Done	<b>Graduations 2012</b> Barcelona Madrid	BARCELONA, 15, 16, 17 & 18
The European Healthcare Market: Challenges and Innovation <b>NEW</b>		BARCELONA, 21, 22 & 23
June 2012		
Advanced Digital Media Strategies: Profiting From the Digital Value Chain		NEW YORK, 5, 6 & 7
Managing People Across Cultures <b>NEW</b>		BARCELONA, 5, 6 & 7
Driving Government Performance		MADRID, 18, 19, 20 & 21
Finance and Accounting for Non-Financial Managers <b>NEW</b>		BARCELONA, 18, 19, 20, 21 & 22
July 2012		
Optimizing your Retail Business: Best-In-Class Operations and Customer Service		BARCELONA, 10, 11 & 12



# THE FRUITS OF A GLOBAL ASSESSMENT

Graduates of IESE's MBA programs talk about this turning point in their professional lives and what they see on the road that lies ahead.



**FERNANDO GARCÍA  
(G-EMBA '11)**

● Fernando, who is from Zaragoza, ● is the Vice President of Internal Audit & Compliance at Sara Lee Corporation, and divides his time between his home in Barcelona and head office in Chicago. “I have 15 years experience,

out of which 10 have been international,” he says. “I worked in the United States for eight years, and in Chile and in the United Kingdom. I left Spain in 1997 and came back with Sara Lee 10 years later. My background is mainly in finance and I wanted to move towards general management role type. I chose a Global Executive MBA because today we live in a global world with global business challenges. If you want to succeed you have to think and act global.”

He says that although alumni warned him how tough the course was he says he “never imagined quite what a stretch it would be. I have a wife and two small children and I also just got promoted. I’m very tough on myself, which means that I want to get the most out of it. I don’t really have a life. At the weekends I’m always studying. I have my family, my work and the G-EMBA and unfortunately it’s my family that has suffered the most. My wife deserves a medal. Doing the G-EMBA has really changed the way I think. You get used to solving problems in a particular way and this makes you think and see things differently. They give you the tools but you also get different perspectives from the other students.”

➤ I HAVE A WIFE AND  
➤ TWO SMALL CHILDREN  
AND I ALSO JUST GOT  
PROMOTED. MY WIFE  
DESERVES A MEDAL.



**JAMES ELKUS  
(G-EMBA'11)**

● James is a New Yorker who moved ● to Moscow five years ago because his girlfriend, now his wife, is Russian. “I started three companies in Moscow. I had a talent company, a production company and an advertising agency. We

lived there for five years and now this year we’re probably moving back to New York because it’s really the hub of the media business. I decided to do the MBA because you can get stuck in one area, any area, and I didn’t want to be limited to what my skills were up to that point.”

James says he wanted a broader understanding of how business operates and also wanted to study with a diverse

1. Anne-Marie Harling.
2. Phil Westcott.
3. Evgenia Mikhareva.
4. Oihane Rodríguez.
5. Fernando Azaola.



group of people. The experience has been transformational. “With every module you change a little bit. I think it’s as much about skills as about personal insights. It’s unusual for someone in their thirties or forties to have time for reflection, to be able to step back and say, what have I done and what do I really want to do?”

**ANNA-MARIE HARLING  
(MBA ‘11)**

● **Anna-Marie** worked for six years for Credit Suisse in Zurich and London in a very product focused area. “I was structuring investment products linked to hedge funds as well as lending against hedge fund portfolios. I had a lot of very specialized knowledge but not anything very broad and I needed the MBA in order to branch out,” she says. “I was looking for a 2-year program in Europe because I wanted to be able to use the summer internship in a practical way. Having come out of finance, to sit in a class with people who come at a problem from a completely different angle from me, it completely opens your mind to all the different ways of approaching problems.” During her first year she became involved in IESE’s Doing Good and Doing Well conference and last summer worked with two professors on a project focused on impact investing, where you invest for social impact and financial return. “That’s

something I really want to pursue,” she says. “Last summer I worked on a project with an impact investment organization in Mexico.”

**PHIL WESTCOTT  
(MBA ‘11)**

● **Phil** says he has always had a passion for engineering and environmental issues and studied environmental engineering at Nottingham University. He then spent seven or eight years working in engineering in the UK, the last three years working on hybrid electric vehicles. This included the entire bus fleet for the London Olympics in 2012.

“At the age of 30 I decided that I needed more of a business tool kit. I considered the executive MBA option but I decided the intensity of the full-time MBA was preferable. I got a grant from the Sainsbury’s Management Fellows which promotes engineers who want to become leaders in industry.” The fellowship paid half the fees. They sponsor five MBAs each year, and in Europe they will sponsor students to go to either LBS, Insead or IESE. Phil decided that IESE was the best fit for him.

“What have I gained? In the first place, I’ve gained 200 friends and colleagues who are going off on stellar careers. Then there are the business skills, which coming from an engineering background were mostly





➤ I'VE GAINED  
BUSINESS SKILLS  
AND 200 COLLEAGUES  
WHO ARE GOING OFF ON  
STELLAR CAREERS.

new to me, and then there's also the focus on leadership training. I've got a place on the IBM general leadership program. The company is US-based but it's a global rotation and my first placement will be in London. There are three placements of 18 months in different roles so it's four and a half years and quite a big commitment."

**EVGENIA MIKHAREVA**  
(MBA '11)

● Evgenia was born and raised in Russia then spent  
● 13 years working and living in western Canada before coming to Barcelona to do the MBA. She says after living in the arctic region of Russia, the harsh Calgary winters didn't bother her at all. "I worked in banking for

10 years but doing an MBA was always part of the plan. It was a matter of when, more than if. When my firm got sold and the crisis started, I saw the opportunity to take some time off and do an MBA. I already had a degree from North America so I wanted to study at a top school in Europe, and most of all I wanted to go somewhere where they use the case method, which is very different from the approach in most American schools. The case method is very practical, it's kind of like a flight simulator. You get to make mistakes and you get to work with some pretty amazing people, both students and professors. The diversity and the quality of the people here is what makes this school so amazing." Now she's going to Germany to work for Siemens as a management consultant and hopes later to have the opportunity to run a company, either within Siemens or somewhere else.

**OIHANE RODRÍGUEZ**  
(EMBA'11)

● After working for several years at Enel Viesgo and  
● Eon, Oihane Rodríguez enrolled in IESE's EMBA program. "From my position in the company I saw all kinds of documents and I began to realize there were many things that I didn't understand properly, such as aspects of human resources, communications, and fiscal and financial questions. In order to move on I had

➤ I'VE ALWAYS BEEN ATTRACTED TO THE WORLD OF ELECTRICITY AND THE MANY WAYS THAT POWER CAN BE PRODUCED.

to do a master's degree. That's why I decided to sign up for an Executive MBA. Why at IESE? The truth is I never considered any other option. The University of Navarra is very prestigious and my boss told me not to hesitate."

**Oihane** was born in Bilbao 30 years ago but her family moved to Madrid when she was seven. Like anyone from Bilbao she feels free to choose his origins. "I like to say that I'm from the north because I spend my summers in Asturias and I'm Basque." In spite of her youth, this industrial engineer has many years of experience working entirely in the electrical sector. "Ever since I finished my degree I was attracted to the world of electricity and how power can be produced from so many sources, although I've always been involved in the numbers side of things." Her passion for mathematics dates from before college, when one of his grandmothers, who was a teacher, taught her how to count using matchsticks. But her education has not all been about numbers. **Oihane** studied piano up to Grade 5 and recalls with affection the classes that she shared with her sister Leire, two years younger than her. "The truth is that music theory is very similar to mathematics. Singing and dictation was not our forte, but I know how to read a score and I've always enjoyed listening to classical music."

"At first I found the EMBA difficult. The teachers won't accept obvious answers and right from the start all of the case studies we brought to class had to be well prepared and thought out." Her classmates came from a wide range of fields and **Oihane** was surprised at how enriching she found this experience. "In the end, all engineers end up thinking in much the same way. But when you're in a class with people who have studied economics and law it's surprising when you discuss the case and they say something that would never have occurred to you. From a personal point of view, I've made some good friends who have helped me to think and take important decisions, such as deciding to go and work in Germany." In a few weeks' time **Oihane** is going to work in Düsseldorf for Eon. She laughs, saying that she's very excited at this new phase and eulogizes the German culture of hard work and honesty. However, she imagines that within 10 years she will have returned to Spain as part of the executive committee of a company - an electric company, of course.

**FERNANDO AZAOLA (EMBA'11)**

● I have a degree in law from Complutense University and ● a master's in Marketing and Sales Management from ESIC. In 2003 I started working for Subaru Spain. Over the past eight years I have had various positions in marketing, products and press and in 2007 I was appointed Marketing & Product manager, the post that I occupy today.

The main reason that I decided to join the EMBA program was that I felt I needed to complete my professional training in marketing with specific knowledge about managing people, financial accounting, strategic vision and tools for planning such as quantitative methods and decision analysis.

The second reason I decided to join the EMBA at IESE is because it is internationally recognized for its international diversity and the quality of its faculty, which is vital in a quality program such as I was looking for. The EMBA has increased my ability to analyze, as well as giving me a better vision of the overall company and the environment in which it works, as well as a more humane perspective on business. One of the most enriching parts of this experience was the ability to share openly different points of view with an enthusiastic group of people, with an open mind and the same desire to learn as I had. This interaction has allowed me to grow and mature both personally and professionally.

My future plans, apart from dedicating more time to my family after two years of intense study, is to apply everything that I learned in the EMBA to my daily work with the aim of becoming a responsible leader in the long-term, someone who can make a difference and have a positive impact both within the company and in society.

**MIKA CARBONELL (EMBA '11)**

● After obtaining my bachelor's degree in business ● administration, I began my career in the fast-moving consumer goods (FMCG) industry with a focus on demand-generating functions (marketing and sales). After a short period at Danone I moved to Nestlé where I had the opportunity to gain an insight into the different areas within the marketing and sales organization, holding five different positions in less than seven years.

Having spent the first years of my career in the FMCG industry, I felt it was the right time to look for a change that would enable me to leverage the skills and technical knowledge I had acquired in a more dynamic and challenging environment. I decided to start an MBA program to prepare myself for this professional move. I carefully considered the top business schools in Europe and decided that IESE Business School was my best choice, offering me both the professional and personal development opportunities I was looking for. In addition, the opportunity of choosing the Executive

MBA version would enable me to combine my career progression with a top-tier academic program.

The IESE program has enabled me to accomplish my objective and to make the desired professional step,



Mika Carbonell.

moving into the pharmaceutical industry by joining Novartis, one of the leading pharmaceuticals players in the world, through a specific and focused career development program. In this sense, what I gained professionally is what I was looking for: a challenging position with significant potential for long-term career development in a highly qualified and value-adding industry.

On a personal level, despite the heavy workload and demanding academic standards and requirements, these five terms have been very rewarding both in terms of development of personal skills and in terms of establishing long-lasting friendships and solid national and international networks. More specifically, I believe that IESE's efforts to build and support high ethical standards and to develop outstanding interpersonal skills, have raised my awareness of the importance of

➤ I DECIDED ON AN MBA  
TO LEVERAGE THE  
SKILLS AND KNOWLEDGE I  
HAD ACQUIRED.

excellence and integrity both on a professional and on a personal basis.

My immediate goal is to use my previously acquired skills to contribute as much as possible to my new company and to focus on acquiring a deeper understanding of the pharma industry.

Antoni Esteve (PDD-I-87)

# A Global Family Pharmacy

Antoni Esteve, PhD in pharmacy, president of the Fundació Prínceps de Girona and CEO of Esteve, represents the third generation of a pharmaceutical business that his grandfather started in 1929 in Manresa, a small industrial town in Catalonia. Today, with 2,900 employees and a turnover in 2010 of €956 million, he says that what he wants to do is innovate in every sense, working to create strategic alliances in order to go on growing and to add value to the company. The company has grown to have a direct presence in 40 countries and through its clients is in more than 60. Esteve talked to the Alumni Magazine about some of the key aspects of the business.

**Internationalization is nothing new for Esteve because it was something you did from the start. Why?**

Discovering that the world doesn't end with your frontiers, language, culture, customs or markets extends the horizon of your challenges and aspirations and above all brings with it a good dose of humility, as you discover something new every day.

**Let's talk about China. You've been operating there since 2000 and in October of last year opened a second factory. What has the experience been like?**

Very positive. Although we signed the first joint venture some 10 years ago, we are still in an early phase, in an evolving environment, and of course we and our partners want to grow together.

**Why is it of strategic importance for you?**

Firstly because of the quality of our partners there, but also because China is going through an industrial change and is very interested in what we have to offer. At the same time, for Esteve having an active presence in what is going to be the biggest economy in the world is very important, as it is a point of access to new Asian markets, an excellent provider of raw materials and provides access to know-how and talent that is getting more and more competitive.



**Esteve seems to have grown through alliances. Why?**

Sometimes it's mission impossible to guarantee excellence by ourselves, especially when we face new challenges. That's why we look for who might be able to help us and see if there's a possible fit. Being able to count on a partner that brings value increases the knowledge within the business.

**How do you choose partners?**

It's not easy. Although alliances are a strategic option that we value, we don't have many partners. However, we have a very intense relationship with those that we do have. ISDIN, the alliance between Esteve and the Puig Group, Esteve Teijin Healthcare, and two others, China Zhejiang Huayi Pharmaceuticals and Esteve Huayi Pharmaceutical, are the three joint ventures in which we are involved at present.

**In general, companies that maintain links with scientific institutions and research centers tend to be at the cutting edge of innovation. With the way things are at present, investing valuable resources in alliances might seem an unaffordable luxury. What's your view?**

The pharmaceutical industry has traditionally innovated using its internal capacity. However, given major scientific advances, the complexity of the different disciplines, availability of talent and so on, together with a progressive decline in

➤ **WE DON'T HAVE MANY PARTNERS BUT WE HAVE A VERY INTENSE RELATIONSHIP WITH THOSE THAT WE DO HAVE.**

profit margins, it has become necessary to think about how to cope with the challenges of R&D. In order to be really innovative we have had to externalize R&D. At the same time, if we want the scientific sector to go on growing, Esteve has to support it, which requires perseverance.

**You work with universities because of your commitment to innovate. What else do you gain from these relationships?**

Like any other technology company, our future partly depends on developing strategic alliances with universities. We try to go beyond the usual collaboration on particular projects and try to involve an academic group

➤ AS A FAMILY BUSINESS WE CAN MAKE DECISIONS IN THE SHORT, MEDIUM AND LONG TERM WITH A SMALL GROUP OF COMMITTED AND PATIENT SHAREHOLDERS, WHICH GIVES US A MORE STABLE FRAMEWORK THAN A MULTINATIONAL.

within the information flow around a new medicine and the interdisciplinary issues arising from it. We create combined units in which researchers work in accordance with Esteve's quality benchmarks and in laboratories in academic centers equipped by Esteve.

**Esteve says it wants "to innovate for a better life." How is it doing this in emerging countries?**

The same policies apply there as in the domestic market. Our centers in China or Mexico follow the same standards – adapted to their economic and cultural circumstances – of quality, efficiency and safety at work as apply in Spain.

**How do you view the use of generic and proprietary medicines in these markets?**

Generic medicines are necessary in order to sustain the system and they also contribute to innovation. Their use must be based on the same rules in developed and developing countries, that is, generics can be introduced when the patent of the proprietary medicine has expired, not before.

**Will treatments developed from stem cell research affect the pharmaceutical market in the long term? Might they replace a number of drug treatments?**

Stem cell treatments involve tissue regeneration while drug treatments treat diseases. The possible synergies between the two offer hope of treating conditions that as yet we have not been able to treat.

**How do things stand with your company at present?**

In spite of the difficult economic circumstances, we are optimistic about the future. We have diversified across products and markets and this diversification means we can grow and consolidate as a group. We can also navigate difficult situations that may have an impact on one

or another business in such a way that the group continues to move forward, despite the limitations.

**Are family businesses in a better position to cope with the crisis?**

Yes, because we can make decisions in the short, medium and long term with a small group of committed and patient shareholders which gives us a more stable framework than multinationals who have to produce short-term results and which can make things harder for them.

**What is the process of incorporating family members in the family business?**

Family members have been running Esteve since 1929 and we are now into the third generation. All of this is done constructively, creatively and through dialogue, safeguarded by the stability of the family and for the good of the company.

**What role does education play in preparing new generations? What is IESE's contribution?**

At Esteve we encourage lifelong learning as a way of developing our staff. We want people we work with to acquire knowledge even if it's not directly linked to their work and up to now we feel this has worked well. IESE brings, especially to our executives, the stamp of quality, knowledge and human values which, combined with networking, contributes to the personal and professional growth of all those who pass through its classrooms.

**How can a business leader communicate the company's goals to 3,000 employees?**

In many ways, through honest communication, not only on the part of the leader but by all of the executives setting an example, but above all through believing in a dream and having the ability to share it and make others dream too.



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Ref. 3.522 - 2.500 €

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Ref. 4.191-1.036.000€

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**SALE**  
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MICHAEL C. JENSEN,  
PROFESSOR EMERITUS, HARVARD BUSINESS SCHOOL

## Harnessing the Hidden Power of Integrity

**Michael C. Jensen** was presented with the fourth “Economics for Management Lecture Series Prize,” awarded by IESE Business School and the Fundación BBVA, during a special event held at IESE’s Madrid campus. **Jensen** is the Emeritus **Jesse Isidor Straus** Professor of Business Administration at Harvard Business School and co-founder and chairman of Social Science Electronic Publishing. After accepting the prize, **Jensen** delivered a speech titled, “Beyond Agency Theory: The Hidden and Heretofore Inaccessible Power of Integrity.” Conflicts of interest among individuals and organizations abound in society today due to a lack of integrity in relationships. Paradoxically, because people are not conscious of this problem, it is difficult to bring about change, he said. To understand what complicates our lives on a daily basis, **Jensen** said, we need only to look in the mirror.

## Awards and Recognition for IESE Professors

### ANTONIO DÁVILA

● Prof. **Antonio Dávila**, professor of entrepreneurship, has won the 2011 Accenture Award for his article “Building Sustainable High-Growth Start-Up Companies: Management Systems as an Accelaerator” which was published in 2010 in the magazine *California Management*.

### PASCUAL BERRONE

● **Pascual Berrone**’s paper “CEOs co-leadership influence on performance in family firms: Understanding intra- and inter-team agency relations” was chosen as a finalist as best paper in this year’s IFERA World Family Business Research Conference Awards.

## APPOINTMENTS

### ANINDYA GHOSH

● Has joined IESE as an assistant professor in the department of entrepreneurial initiatives. Phd, Wharton School.

### MORTEN G. OLSEN

● Appointed assistant professor in the economics department. Phd, Harvard University.

### MIGUEL ANTÓN

● Appointed assistant professor in the department of financial management. Phd, LSE.



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*Financial Times, May 2011*

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JACQUES CHATEAUVIEUX,  
AXA INSURANCE

## Growth and Ethics

Ethical behavior in business means “doing well what is good,” Jacques Chateauvieux, chairman of the French insurance leader AXA, told participants in IESE’s Executive MBA program during a presentation titled “Financial Crisis or Leadership Crisis?” Chateauvieux described events leading up to the subprime crisis and financial meltdown, pointing out that unethical lending practices were widespread in Europe, as well as in the U.S.

Today much of the world’s money has shifted from the Western world to China and, while the U.S. economy remains the world’s largest, the future is uncertain. The quest among companies for unsustainable growth was a key factor that led to the crisis, he said. “Growth is a matrix...if everyone wants unsustainable growth, you will create a disaster.”

The problem with regulations, he said, is that they are “man-made, do not cover all cases and they can be wrong.” He also warned against the practice of benchmarking with other companies, and encouraged students to act in accordance with “what is good,” adding, “if someone has no courage, don’t promote him. Make him an expert, but not a manager.”



YU YUANTANG,  
DIRECTOR, EUROPEAN AFFAIRS, CHINA’S COMMERCE MINISTRY

## China–Europe Trade

In June, Yu Yuantang, division director of the Department of European affairs for the Chinese Ministry of Commerce, addressed alumni on IESE’s Barcelona campus during a Continuous Education Session moderated by Prof. Pedro Nueno.

Under the heading of “How does Europe figure in China’s plans for growth,” Yuantang’s presentation focused on three main areas: future plans for relations between the EU and China, the increase of imports into China and the benefits or drawbacks that EU companies find on setting up operations in China.

“China wants to be sustainable, inclusive and intelligent. ‘Intelligent’ means that we want to develop China into an innovation-based economy,” he said.

He added that China wants to increase its imports from Europe. However, the topic that most interested participants at the session was China’s plans for Europe and the future for European companies in China. Yuantang said that “according to reports by the Chamber of Commerce the vast majority of EU companies are making big profits in China.”

**WOODROW CLARK,  
NOBEL PEACE PRIZE 2007**

## The Social Revolution and Sustainable Capitalism



Prof. **Woodrow Clark**, who was co-recipient of the Nobel Peace Prize in 2007, along with colleagues at the United Nations Intergovernmental Panel on Climate Change (UNIPCC) and former U.S. Vice President **Al Gore**, led a session with participants in IESE's Executive MBA. **Clark** said that the next economy will emerge from a sustainable revolution that is taking place in various countries, and one in which the United States is lagging behind Scandinavia, Germany, Japan, South Korea and even China. He said the new economy would be characterized by "social capitalism" and creative efforts to find solutions and sustainable energy designs through policies based on efficiency and conservation. A focus within the dynamics of the new economic revolution will be on finding an effective mix of different resources.

**STEVEN COPPENS,  
GIMV CAPITAL RISK FUND**

## CHANGES IN VENTURE CAPITAL MODEL

● "How many of you see the glass half-empty? Not many, otherwise you wouldn't be entrepreneurs!" said **Steven Coppens**, Partner of the Gimv Capital Risk Fund in the Netherlands to the audience in an Alumni Association Continuous Education Session that was held on IESE's Barcelona campus. The session, titled "Creating High Growth Entrepreneurial Companies," was introduced and moderated by **Antonio Dávila**, professor of entrepreneurship and accounting and control at IESE.

**Coppens**, a partner in one of the most active funds in Europe, explained how the venture capital business model is changing, distancing itself from the traditionally profit-driven financial model: "As a venture capitalist, you need to buy into the entrepreneurial vision and see the glass half-full. It has to be an exciting and motivating venture for all involved."

**Coppens** shared his insights into what the drivers of successful startups will be for the next 10 years, highlighting the importance of offering free or almost free online platforms. He also noted the strong female presence in online buying trends.

## Getting Things Done

Jeffrey Pfeffer, Stanford University

Stanford University professor **Jeffrey Pfeffer** and IESE Prof. **Fabrizio Ferraro**, the program's academic director, opened IESE's "Getting Things Done" program for executives in May. The four-day learning experience shows business leaders how to identify

sources of power within their organizations and use this information to effectively influence others and drive strategic change. Also leading sessions during the program are IESE professors **Antonio Dávila** and **Marco Tortorello**. Participants learn how to

map an organization's political terrain to identify individuals who are critical for diffusing a strategy-supportive culture. They also acquire tools for monitoring strategy implementation over time within the context of a changing business landscape.

## PEOPLE

GLOBAL CEO FOR CHINA

# DEVELOPING OF BUSINESS LEADERSHIP IN CHINA

Chinese executives came to Barcelona for the second module of a program that is taught at CEIBS, IESE and Harvard Business School.



**S**ome 57 top-flight Chinese CEOs spent a week on IESE's Barcelona campus in early June to complete the second module of the Global CEO for China program. The program is a special executive education initiative that is being offered through an educational partnership among three established business schools worldwide - China Europe International Business School (CEIBS), Harvard Business School (HBS) and IESE. The participants had already completed the first module at CEIBS.

The IESE module is taught by Profs. **Jaume Ribera** and **Pedro Nueno**, as well as **Antonio Dávila** and **José Luis Nueno**. The academic directors are **Zhang Weijong** (CEIBS), **Krishna K. Palepu** (Harvard) and **Jaume Ribera** (IESE). The third module was held at Harvard Business School in July and concentrates on business, government and the international economy, entrepreneurship, leadership, innovation in emerging markets, negotiation and deal making.

It is widely recognized that China has a deficit of trained senior management and the program is designed



especially for Chinese CEOs who are in a position to review, reflect on, and make breakthroughs in these areas. Leveraging the acclaimed case method pioneered by Harvard Business School, the program enhances leadership skills by helping participants to broaden their business knowledge and to acquire strategic vision in both a Chinese and a global business context.

Among those taking part in the program was **Guang an Zeng**, vice-chairman and president of the state-owned Guangxi Liugong Machinery company, who agreed that the rapid growth experienced by China



FIRST, THE CHINESE HAVE TO LEARN FROM THE WEST BECAUSE THEIR APPROACH IS MORE SCIENTIFIC, BUT WE HAVE THINGS THAT THE WEST CAN LEARN, TOO.”

**Guang an Zeng**

over the past 30 years has left it short of executive talent. This is being addressed by educational establishments and through in-company training programs. “Some big Chinese companies now want to be global and so there is a lot of demand for high quality managers,” **Zeng** said.

“On this program we get the benefit of the experience of the professors and classmates through discussion. The case method opens our minds and is really good for us. The case study method is not so popular in Chinese business schools. Mostly the teachers just talk. With case studies you have to think and discuss and find solutions. It’s like real business.”

He believes that the differences in the way that business is conducted around the world are gradually disappearing. “The most important thing in any company is the people and Chinese companies need to improve in this respect. First the Chinese have to learn from the West because their approach is more scientific. But we have things that the West can learn too. We need to learn from each other.”

## FINANCIAL KNOW-HOW

# The Skills You Need to Play the Numbers Game



For those not schooled in financial models and techniques, they can appear intimidating and incomprehensible. In his new book, IESE Prof. **Javier Estrada** aims to dispel the myth that finance is by definition a frighteningly complex business.

● When should risk be assessed with standard deviation and when with beta? What's the role of the correlation coefficient in the concept of diversification? How do you evaluate performance by taking into account not just return, as most commercial rankings do, but also risk?

For most financial managers and analysts, these are fairly bread-and-butter questions. But for many of us who have not been schooled in financial issues, such questions can be incredibly difficult, if not downright impossible. And yet financial forces are at the heart of industry and commerce, and frequently impact both our professional and personal lives.



Prof. Javier Estrada.

IESE Prof. **Javier Estrada's** book, *The Essential Financial Toolkit, Everything You Always Wanted to Know About Finance but Were Afraid to Ask*, helps to dispel the myth that finance is, by nature, frighteningly complex. The 10 chapters are presented in the form of a dialogue between a "witty professor" and an "insightful student." The student asks all the questions a reader might ask, and the professor's straightforward answers provide a guided tour of the most important financial tools and indicators.

No prior knowledge of finance is needed to enjoy and benefit from the book: intuition and application take the front seat, mathematics

and models the back. When it comes to interesting real-life examples, **Estrada's** book is packed with them. In the first three chapters - on returns, mean returns and risk, respectively - the professor contrasts the wildly divergent stock performance of General Motors, Sun Microsystems and Johnson & Johnson between 1997 and 2007.

## CALCULATED RISKS

● Chapter four teaches how to build diversified investment portfolios, while successive chapters discuss such topics as the capital asset pricing model (CAPM), the cost of capital, downside risk and different ways of calculating risk-adjusted returns.

Later, the book underscores the difficulty of beating the market: "Although we often hear that this or that fund manager beat the market last quarter or last year, what really counts is whether we can beat the market on a risk-adjusted basis consistently over the long term."

The book's final three chapters look at NPV and IRR, the two most widely used tools for project evaluation, the benefits and pitfalls of using relative valuation ratios, typically referred to as multiples, in stock evaluation, and bonds, a financial instrument that governments, companies and investors could hardly live without.

As Estrada's fictional professor says at the end, by the end of the 10 lessons, readers should have gained a well-grounded understanding "of some financial tools that will help you understand better the financial press, and to participate more intelligently in financial discussions."



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MBA GRADUATIONS

# WISE WORDS FOR CLASS OF 2011

The 207 graduates of the MBA class of 2011 were encouraged to be optimistic and to take failure in their stride. The graduates, who hail from more than 50 countries, were addressed by keynote speaker Isak Andic, the founder and president of Mango.

“Great companies are made of great people” was among several messages that **Isak Andic**, founder and president of Mango, the global fashion retail chain, delivered to MBA students during his address at the MBA Class of 2011 Graduation Ceremony. This year’s graduating class comprised 207 students who represented more than 50 countries.

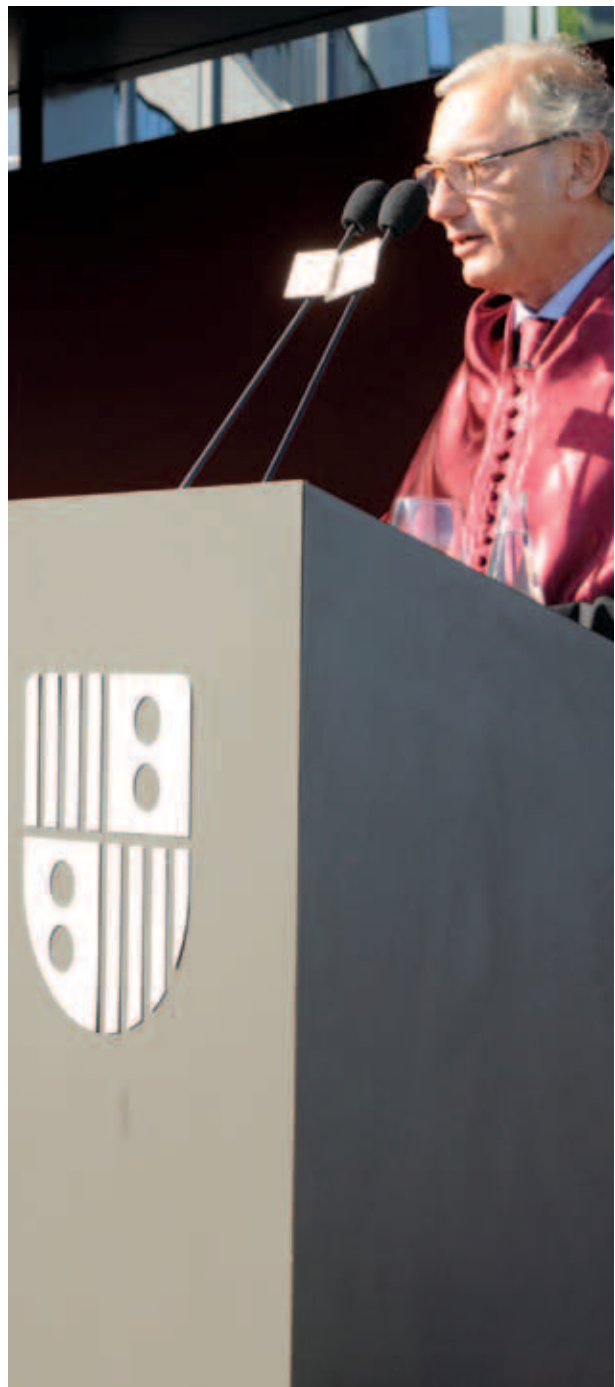




**Andic** also told the graduates that they should never give up or take failure as a final answer as they pursue their business careers. He also stressed that successful businesses can be started from nothing, as the creators of Facebook and Twitter have proven.

“A great deal of optimism is also required to be a successful manager or entrepreneur. An optimistic attitude is important because it helps you take risks and - more importantly - accept failure as part of the learning process,” said **Pedro Videla**, director of the MBA program.

In his remarks, Dean **Jordi Canals** noted that the world had faced various trials, such as the tragedy in Japan, dur-



IT IS ALWAYS POSSIBLE  
TO START A COMPANY  
FROM NOTHING.”

**Isak Andic**  
Founder and CEO of Mango



**You have to be an optimist. Optimism, hard work and risk-taking are the essence of any business venture.**

**PROF. PEDRO VIDELA**



ing the course of the last academic year. “We have learned a lot from our Japanese friends, from their fortitude, courage, sense of solidarity and unlimited patience.”

Dean **Canals** went on to stress the importance of finding meaning in one’s life and career: “A key ingredient in meaning is to be relevant to other people, not because of what we have, but because of what we can do for them.”

In their joint speech, class representatives **Amy Schlein** and **Philip Wescott** noted that “over the past 18 months there have been some challenging times and as the world was changing, so were we.”

“All in all, the extraordinary diversity and nations within IESE isn’t just a bunch of ‘globaloney.’” It is a keystone of the MBA program,” they said.





**The past 18 months have seen some challenging times and as the world was changing, so were we.**

**AMY SCHLEIN, MBA**





# HOW TO DEVELOP FUTURE LEADERS

24TH MEETING OF SPONSORING COMPANIES,  
DEPARTMENT HEADS AND RESEARCH CENTERS

The meeting discussed the outlook for the global economy, while a Stanford professor said that clients' interests must come before investors because without clients the business would cease to exist.

**T**he 24th annual meeting of IESE's Sponsor Companies, Department Heads and Research Centers met in May in Barcelona. **Jordi Canals**, the dean of IESE, thanked the sponsor companies for their contribution and welcomed those that have recently joined: BP Oil, Covap, Experian España, Fundación María Francisca de Roviralta, Johnson Controls, KPMG and Tous.

After the dean's speech, in which he discussed trends in the new environment in which business finds itself,

and a presentation of some data from IESE's Annual Report, Prof. **Jeffrey Pfeffer** of Stanford University and IESE visiting professor spoke about "Developing Future Leaders." **Pfeffer** highlighted some of the key features that make a good leader.

He said that, difficult though it might be, the client's interests have to come before the investors' because "without clients you don't have a business." He added that many companies not only don't prioritize clients, they don't look at the available evidence when they make decisions but simply copy what they see others doing and hope it will work. He said he believes leadership has to be grounded in facts and theory and that leaders need to experiment to see what works and, if it doesn't, to learn from it and question the conventional wisdom.

The meeting concluded with a round table comprised of professors **Núria Mas**, **Antonio Argandoña** and **Xavier Vives** to discuss "The outlook for the global economy" which covered topics such as world economic development, the euro crisis and unemployment.



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# URSULA M. BURNS

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WSJ's Viewpoints Executive Breakfast Series,  
Co-sponsored by IESE and BCG.



**U**rsula M. Burns, the CEO of Xerox Corporation, was the invited guest at the WSJ's Viewpoints

Executive Breakfast Series in June, where she talked about how Xerox transformed itself from a company that manufactures business machines to one that provides business process services.

"We realized we had a lot more to offer clients than we were offering. We started transforming not because we saw a plateau in our market or a weakness in our fundamental strategy. Xerox made a busi-



ness out of the copying machine. We didn't stop innovating but we stopped transforming and we realized that customers were asking us to transform their document-intensive processes. So we started a small services business and the more we did for customers the more they wanted from us. We found a large business process outsourcing company that had needs that we could support and we had needs that they could meet. We bought them and catapulted ourselves from a small document services company to a business process company. It's the primary source of our growth, but we're still a technology company."

Burns is one of only 12 women in the world who is the CEO of a *For-*

**I realized that, as the only black woman, people remembered me. So if I did good work, people noticed.**

*tune* 500 company, and the only African-American woman. She puts her success down to opportunity and hard work. "I was raised to work hard. Nothing came easily, and even if it did my mother pretended it was hard. She was very clear that our job was to be educated and to be good contributors to the world.

Then I had the luck to work for a great company. Xerox didn't seem to care where I came from. They kept saying, 'you do this and you do it well, how about the next thing?' The reason they hired me and not a drone is because they wanted me to contribute something, so I thought part of what I was supposed to do was speak my mind. If you have an idea of how to solve a problem and you sit in a room and don't contribute, what are you doing there? So I speak my mind, though I've learned that there are things that are appropriate to say and things that aren't. I realized early on that, because I was the only black woman, people remembered who I was. So if I did good work, people noticed."



THE LATEST ON  
IESE'S ALUMNI CHAPTERS

# CHAPTER NEWS

## DÜSSELDORF

April 12

The German Chapter has initiated the *IESE Alumni Open Business Lunch in Düsseldorf*, the first of which was held on April 12. The idea is to give alumni the chance to get to know each other in relaxed surroundings. The Chapter thanks **Thomas Schirmer** (MBA '09) for proposing and supporting the initiative.

## MOSCOW

April 14

Prof. **Mike Rosenberg** led a session in Moscow titled "Doing Business on the Earth" in which he discussed the complexity and challenges of going global and the strategies required to deal with them.

June 23

The Russian Chapter met in Moscow for the talk by Prof. **Jaume Ribera** "Incorporating Uncertainty in Project Plans: Some Examples From the Movie Industry" on managing uncertainty.

## ISSY-LES-MOULINEAUX

April 14

The invited speaker at this month's *Dîner du Premier Lundi* (First Monday Dinner) was **David Díaz** of Grupo Sanef-Abertis who talked about Abertis' strategy and its acquisition of Sanef.

## NEW YORK

April 27

United States alumni met in the Hotel Standard in New York to

celebrate this year's Bar of the Season.

May 5

IESE's New York center hosted a Continuous Education session given by Prof. **Marta Elvira** entitled, "Effective Management of Professional Networks," in which she talked about strategies for developing social networks. She began with the saying "birds of a feather flock together" and went on to discuss the impact of social networks on business in the light of recent events.

May 19

Prof. **Pankaj Ghemawat's** latest book, *World 3.0: Global Prosperity and How to Achieve It* has been universally acclaimed. When he presented it at IESE's New York center, **Adi Ignatius**, editor-in-chief of the *Harvard Business Review*, said in his introduction that the book challenged received



wisdom. **Ghemawat** said that movement across frontiers, whether of goods, people or communication is much less than people think. On the one hand this shows there is more scope for integration, and on the other that fears of job losses through outsourcing are exaggerated.

### June 9

- Alumni in the United States
- were invited to the New York center for a recital of piano works by Franz Liszt given by the Brazilian pianist **Alvaro Siviero**.

### August 10

- This year's celebration of the
- Bar of the Season was titled "A Midsummer Evening on the Hudson," at which New York alumni welcomed the recent graduates from the MBA '10 and MBA '11 classes, and the alumni of MBA '12 who are studying in the Big Apple.

### August 30

- IESE's New York center hosted
- the session "Dangerous Connections between Hedge Funds and Brokers: 'The Case of Volkswagen vs. Porsche'", presented by Prof. **Jan Simon**.

## SÃO PAULO

### April 28

- The Brazil Chapter met at the
- ISE headquarters in São Paulo for a Continuous Education session that was given by Prof. **Cósimo Chiesa** on the topic of "Sales and Emotional Intelligence." The professor talked about the need for a proactive sales force with a high level of emotional intelligence and a positive attitude.

### May 25

- Prof. **Josep Valor** led a conference on, "Towards the 2.0 company: Trends in Communication and



1



2

1. New York, May 5 2. New York, May 19

Corporate Collaboration" held at the Banco Santander headquarters in São Paulo. He discussed the impact of social networks on communication and working practices in companies. The Chapter thanks **Melissa Marsigli** (MBA '08) and Santander for help in organizing the event.

### August 18

- The Brazil Chapter met at ISE's
- new headquarters in São Paulo for a talk by Prof. **Vicente Font** on "Rethinking Sales Strategy." The Chapter thanks ISE for help in organizing the event.

## VIENNA

### April 29

- The third IESE Alumni Mittagstisch (mid-day lunch) organized by the Austria Chapter was attended

by, among others, **Rudolf Reppen**, head of IESE's Munich office.

### May 20

- The Austria Chapter met for
- a talk by Prof. **Max Torres** titled "The U.S. Financial Crisis: Its Causes and the Proposed Cure."

### June 30

- Prof. **Pankaj Ghemawat**
- visited Vienna on the tour to promote his book *World 3.0* at a meeting organized by the alumni **Markus Schwarz** (MBA '96) and **Bernhard Weber** (AMP Munich '09).

## PARIS

### May 2

- Entrepreneurs from the France
- Chapter met at the *Dîner du Pre-*



*mier Lundi* with the aim of helping alumni who have set up or intend to start their own business. The lunch was organized by **Alexis Vassilopoulos** (MBA '07).

**June 20**

● Prof. **Pankaj Ghemawat** presented his new book *World 3.0: Global Prosperity and How to Achieve It* at the Areva offices in Paris. The financial editor of *Le Nouvel Observateur*, **Sophie Fay**, introduced the professor, who proceeded to dismantle some of the myths about globalization. The Chapter thanks **José Luis Carbonell** (MBA '78) and Areva for help in organizing the event.

**July 4**

● The last *Dîner du Premier Lundi* of the season was held at the Café Faubourg de Paris on July 4.

**BASEL**

**May 3**

● Members of the Switzerland Chapter met in Basel for a talk by **Patrick Dreyfus** (MBA '96),

CEO of Regent Lighting, who talked about how LED technology has led to profound changes in the sector and in his company. “Although LED technology only has specific applications, everyone is going to have to adapt their products to meet the market’s future requirements. For Regent Lighting this is a great opportunity to reposition ourselves in the European lighting market over the coming years,” he said.

**June 10**

● The Switzerland Chapter organized the first Basel Summer Alumni BBQ on June 10 which was held at the home of **Alexander Hanke** (AMP Munich '09) and his wife **Irene**.

**COLOGNE**

**May 3**

● The Germany Chapter met for a Continuous Education session on “Relational Leadership” given by **Alberto Ribera**, with the support of IFP Personalberatung Managementdiagnostik. The session examined aspects of inter-personal

and intra-personal relationships necessary to be a good leader.

**LISBON**

**May 5**

● **Maria da Conceição dos Santos Gomes** (PADE '01), CEO of Probos-Plásticos, was the guest of honor at the Portugal alumni’s second dinner and meeting. **Maria**, who leads one of the companies most able to survive the crisis thanks to its large export orders, talked about her career and the challenges that Portuguese companies face.

**July 12**

● Lisbon played host to the successful first annual Portugal Chapter meeting which marked an end to the 2010-2011 academic year. The academic content of the meeting centered on entrepreneurship and was moderated by **José Gabriel Chimeno** (PDG '95) and **Nuno Saraiva de Ponte** (MBA '05), president and vice president respectively of the Chapter. IESE Prof. **Alberto Fernández** opened the session with advice on how to design a good business plan, essential to attracting investment. Elisabeth Rothfield, member of the executive committee and founder of the fund Explorer Investments, and **Nuno Miranda**, deputy CEO of Ask, gave the investors’ point of view. The entrepreneurs **António Murta**, founder of Enabler, and **Joaquim Paiva Chaves**, founder of the Travel Store and Kanguru, also made contributions.

**MUNICH**

**May 13**

● Munich AMP alumni met for the sixth time, this time on the shores of Lake Starnberg in Bavaria, over the weekend of May 13-14. Professors **Alfredo Pastor** and **Marc Sachon** were the host teachers and gave talks on, respectively, “The World Economy in 2011” and “Electro Mobility.” In a “testi-

3. Paris 4 Lisbon  
5. Munich 6. London 7. Milan

monial” session, alumni who had completed the AMP spoke about what they had gained from the program. “It was partly thanks to what I learned from the AMP that I was able to increase the turnover of my company from €40 million in 2008 to €170 million today,” said **Thomas Steckenborn** (AMP Munich '08).

### June 9

- The Germany Chapter met in Munich where Prof. **Pankaj Ghemawat** presented his new book to alumni. The author presented his vision of the world in which regulation and cross-border integration coexist and complement each other.

### July 5

- Prof. **Marta Elvira** traveled to Munich where she gave a talk on “Effective Management of Professional Networks” about how companies can manage and make use of social networks.

## LONDON

### May 16

- Prof. **Pankaj Ghemawat** presented his new book *World 3.0* to the United Kingdom Chapter in London. The book has received plaudits from *The Economist*, *McKinsey Quarterly* and the *Globe & Mail*.

### June 22

- The United Kingdom Chapter met in London where **Antonio Dávila** gave a talk titled “Making Innovation Work: How to Design Innovative Companies,” based on the book *Making Innovation Work*, which he co-wrote. The book deals with questions of innova-



tion, both for established companies and for start-ups.

### July 24

- The London Chapter organized a break from the hot weather with a cruise on the Thames. There was an excellent barbecue on board and the Chapter welcomed the recent MBA '10 and MBA '11 graduates, as well as MBA '12 students who are on placements in London.

## MILAN

### May 19

- A new law has been passed in Italy designed to encourage young people who have left the country to seek work elsewhere to

return home. The law, which offers tax incentives, was one of the main topics of the talk given by Prof. **Alberto Ribera** at the meeting of the Italy Chapter held in Milan. The meeting also heard from **Alessia Mosca**, the member of the Italian parliament who proposed the law. The Chapter thanks **Benedetto Buzi** (MBA '09), **Giovanni Toffolutti** (MBA '10) and **Lorenzo Martini** (MBA '10) for helping to organize the event.

## COPENHAGEN

### May 25

- Alumni and invited guests met at the offices of AP Moller - Maersk A/S in the Danish capital. **Jordi Avellaneda** (MBA '06) reviewed the

# L I F E



8. Saint Petersburg  
9 & 10. Atlanta  
11. Washington D.C.



## MEXICO CITY

June 1

● Prof. **Julián Villanueva** spoke at the conference “Consumer behavior: what’s changing?” held at the Mexico City headquarters of PricewaterhouseCoopers. The professor talked about socio-demographic trends and consumer habits as well as how digitalization and new media are changing how brands are created.

## WARSAW

June 2

● The Poland Chapter met in the capital on IESE Alumni Family Day where **Radoslaw Parda**, project coordinator of the Leader100 foundation gave a talk titled “Leader100 Program. Development of competencies and habits.”



## TOKYO

June 6

● The Japan Chapter met in Tokyo where Prof. **Kimio Kase** led the conference “Does East Meet West? – A Difference in Cognition” based on a case study of how the West approaches management laden with its cultural and historical baggage. The Chapter thanks **Jun Kinumaki** (MBA '08) for helping to organize the event.

Chapter’s activities during 2010 as well as key events that have taken place at IESE over the preceding weeks. Then Prof. **Javier Estrada** led a session titled “Blinded by Growth” in which he discussed the risks of making investments based solely on the growth rate of an economy or a company. The Chapter thanks **Jordi Avelaneda** and DAMCO for helping to organize the event.

deliver a paper on “New Markets and Entrepreneurship: How Markets Emerge and How Start-Ups Can Grow Rapidly by Catalyzing the Process” in which she discussed the main characteristics of technology markets and emerging markets.

## TORONTO

May 26

● The Canada Chapter met in Toronto to hear Prof. **Pinar Ozcan**

## ST PETERSBURG

May 28

● The participants in AMP '10 met in Saint Petersburg during the last weekend in May. The meeting, organized by **Oleg Grishin** (AMP '10), brought people together to share their experiences having completed the program.

## MIAMI

June 21

● Prof. **Javier Estrada** gave his talk “Blinded by Growth”

to United States alumni at the Miami headquarters of Santander in Miami. The Chapter thanks Santander for helping to organize the event.

## WASHINGTON D.C.

June 22

● After Miami, Prof. **Estrada's** next stop was Washington D.C. where he once again delivered his talk "Blinded by Growth." The meeting was organized by **Brian Blakely** (MBA '99) and was held at the headquarters of the Inter-American Development Bank.

## ABCOUDE

July 2

● Netherlands alumni met in the village of Abcoude, near Amsterdam, for the Summer Alumni BBQ organized by the Netherlands

Chapter with help from **Sebastian Parqui** (PDG '98) and his wife **Valentina**, who offered their home as a venue, while the Argentinean **Agustín Vinelli** (MBA '03) provided his skill in preparing the barbecue.

## ATLANTA

July 7

● Alumni met at a special meeting at the Atlanta headquarters of Coca-Cola to celebrate 125 years of the soft drink that was first sold from a pharmacy in Atlanta. The meeting was organized by **Cristina Bondolowski** (PDD '03), senior global brand manager of The Coca-Cola Company, who gave a talk titled "Coca-Cola: 125 years delivering happiness." There were also presentations by **Ted Ryan**, director of the Coca-Cola archive, and IESE Prof. **Pinar Ozcan** who talked about "Strategies for Fast Moving Markets."

## MUMBAI

July 9

● Prof. **Laureano Berasategui** led a session with alumni in Mumbai about "Self-knowledge, Managerial Decision Making and Team Work. Are they linked?"

## NEW DELHI

July 10

● Prof. **Berasategui** also gave the talk "Self-knowledge, Managerial Decision Making and Team Work. Are they linked?" in New Delhi.

## BUENOS AIRES

August 2

● Prof. **Javier Estrada** gave his talk "Blinded by Growth" in the Argentine capital at the headquarters of Seeliger y Conde Argentina, with support from Amrop.

## YOU'RE IN THE NEWS

### ARE YOU IN THE NEWS?

We are interested in all your latest news. Send your comments to [revista@iese.edu](mailto:revista@iese.edu)

### EMBA '08

**Marcos Rodríguez** has been appointed head of development and innovation at Generali Seguros.

### MBA '78

**Juan Ramírez** is the new chairman of the board at Würth España.

### MBA '87

**Alfredo García-Valdés** has been appointed CEO of American Express in Spain.

### MBA '89

**José M. Torres** has been named as CEO of Alliance of International Corporate Advisors (AICA).

### MBA '95

Worldwide Integral Rehabilitation Systems, founded by **Manel Guerris**, won the best business initiative award at the 18th Association of Young Catalan Business People ceremony. The ceremony was presided over by **Felipe de Borbón**, the Crown Prince of Spain, and his wife **Letizia Ortiz**.

### MBA '03

Palewaste Recycling, a firm established by StoraEnso Barcelona and Alucha, opened its CLEAN plant in Catalonia in September.

Alucha is a business that seeks recycling solutions for special residues that was established by the IESE alumni **Gijs Jansen** and **Hans Cool**, with help from FINAVES III. Professors **Pedro Nueno** and **Alberto Fernández** attended on behalf of IESE, as well as **Adelaide Cracco**, the general manager of FINAVES.

### MBA

From May 30 to June 2, Femcat organized a meeting of MBAs from various years in Israel, accompanied by **Prof. Alberto Fernández**.



[www.facebook.com/alumni.iese](http://www.facebook.com/alumni.iese)  
[www.twitter.com/iesealumni](http://www.twitter.com/iesealumni)



Five MBA classes meet to celebrate their five-year reunions

## MBA ALUMNI REUNION REUNITES OVER 800 ALUMNI

MORE THAN 800 GRADUATES FROM 47 COUNTRIES ATTENDED.

**M**ore than 800 alumni and friends representing 47 nationalities and 57 different classes met on IESE's Barcelona campus on Saturday for the eighth MBA Alumni Reunion. IESE MBA Alumni reunions offer the chance for graduates to reunite with peers and faculty members, during a day of special sessions and networking. In addition, the classes of MBA '86, MBA '91, MBA '96, MBA '01 and MBA '06 celebrated their 5-year MBA reunions with special sessions for each class.

In his address, Dean **Jordi Canals** highlighted the growth of IESE in the international sphere and the progress of the MBA program. "Thanks to the hard work of the MBA Admissions and Student Services office our program is constantly growing in numbers, diversity and teaching excellence. There

are very few schools that have an MBA program with 75 percent yield," he said.

**Mireia Rius**, director of the Alumni Association, welcomed alumni back to what she described as their "second home" and thanked faculty members for their dedication in helping to design an attractive academic program. This year over 20 professors participated in the sessions, which were held in parallel format, covering a wide range of business topics from finance and decision-making to entrepreneurship.

Prof. **Pedro Nueno's** presentation "Gaining Speed" included key areas to focus on to ensure growth and internationalization. Prof. **Eduardo Martinez-Abascal** opened the first series of parallel sessions in the main auditorium with a presentation on the current economic situation in Spain entitled "Spain's Troubles: Economic, financial and public. Some figures to understand the mess." Following this, Prof. **José L. Nueno** shared his insights

on "The Consumer of the Future," in which he highlighted the main trends that brands should keep in mind for the next generation of consumers.

**Mireia Rius** made a special mention of the sons and daughters of the alumni who attended: "Our alumni have brought along almost 100 of the most promising potential MBA candidates for coming years," she said.

To celebrate the Five-Year reunions, a video was prepared for each class with photos that classmates sent in of memorable moments since graduating. These included celebrating the birth of a child, a reunion with classmates or a trip with loved ones.

IESE's Alumni Association organizes a host of events throughout the year to bring graduates together to learn and network. This event, which is celebrated every two years, reunites alumni from all MBA-grade programs including, MBA full-time, E-MBA Barcelona and G-EMBA alumni.



# 5 LUCKY WINNERS OF THE ALUMNI IPAD CAMPAIGN!

The Alumni Association launched a campaign at the end of May offering IESE alumni the opportunity to win an iPad 2 by updating their online profile. According to **Mireia Rius**, director of the Alumni Association, the online directory is one of the services most valued by the school's 35,000 alumni. "The IESE alumni network is a very strong global network spanning 106 countries around the world. Keeping this network updated and engaged is fundamental for our alumni and for the school. The iPad 2 campaign was a way of making it fun for alumni and encouraging more viral participation in social

networks," says **Rius**. The first round of the iPad campaign ended on Friday, July 15 when the first five winners were chosen in the lucky draw. Over 7,300 alumni of 85 different nationalities participated in the "early bird" round of the iPad campaign. The five lucky winners were: **Ana Cerqueda** (PDD-2010), **Kurt Dollhofer** (AMP-Munich-05), **Eduvigis Ortiz** (PDG-09), **Jose M<sup>a</sup> Julià Vich** (PDD-89) and **Carlos Proano** (MBA-09). Originating from Spain, Ecuador and Germany, the winners are an example of the diversity of the alumni community and its global engagement.



The best thing about the campaign is that participants have a second chance to win! For those who weren't lucky enough to win in round one, all participants automatically enter the final draw to win an iPad on October 15. And if you haven't yet updated your profile, hurry and do it before the closing date on September 30. Don't miss this second opportunity to win an iPad 2.

## GET CONNECTED TO ALUMNI NETWORKS

### JOIN THE CONVERSATION ON LINKEDIN

Our LinkedIn group now has more than 6,000 members. Have you joined? Be part of the big conversation on LinkedIn and share ideas and opinions with other alumni from all over the world.



### SUBSCRIBE TO THE YOUTUBE CHANNEL

IESE's YouTube channel carries more than 250 videos of professors, invited speakers, students and alumni. Subscribe in order to receive email notifications about IESE's latest video productions.

[www.youtube.com/IESE](http://www.youtube.com/IESE)



## Successful Outcome For SUCCEED Workshops

Over recent months a number of workshops have been held in order to spread awareness among alumni so that they can make the most of the SUCCEED portal. It is a powerful online tool that will help you devise the personal and professional career path that best suits you. "It's been a very useful experience and a great opportunity to discover how I can develop professionally and to see the various available options and the tools that IESE offers in order to realize them," said **José Antonio Hernández** (MBA '03).

On the other hand, **Jorge Atserías** (PDG '10), commented that "the portal has got the IESE imprimatur and that in itself is a guarantee of quality." A total of nine workshops were run in Madrid and altogether 215 alumni took part. Meanwhile, in Barcelona, 205 people participated in 11 workshops. The plan is to continue with these workshops on a monthly basis from September onwards, both in Madrid and Barcelona. The workshop dates will be announced shortly.



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# A Good Leader Is Also a Good Friend



**MIREIA LAS HERAS**  
Associate Professor, IESE



**ESTHER JIMÉNEZ**  
NCH&Partners

**W**e live in a fast-moving and ephemeral culture. It's fashionable to invent new terms without thinking too deeply about their meaning. In this respect, leadership is described variously as visionary, transactional, lateral, situational, autocratic, emotional, resonant and charismatic - with more to come when these don't deliver. In popular and academic literature, a leader is a winner and someone who enjoys power.

Friendship is relegated to the world beyond work. In the workplace, it is a word with negative connotations, associated with influence peddling, string pulling, and, of course, nepotism. Sometimes this is based in reality. One only need look at the so-called "positions of trust" in the social and political life of many countries.

Let us look at the essence of leadership and friendship. Leading means, to paraphrase Salinas, bringing out the best in others. And friendship is, in essence, a disinterested relationship based on trust and affection between people, which is borne out of and strengthened by sharing common goals. As it was put in the title of a book written by one of our professors: to lead is to educate.

In every human enterprise, even one as important as a football team, it is essential that there are friendly relations between the various components in order to increase the chance of achieving one's goal. It's vital that everyone participates and contributes to achieve the mission. It's not enough for everyone to score a goal, however useful that might be. What's needed is for everyone to

want to win the game even if that means not being the one who scores the goal.

To be a leader who gives orders also means being a collaborator who obeys. And this mandate, if it's going to be developed and perfected and bring out the best, is at the same time a service. And it only functions when someone is considered a friend, someone who shares a common interest. It's a long way from the leadership of the list of the 500 most powerful men - or women, if only it was the same thing! - in the world. Leadership and power are not synonymous and, although they aren't mutually exclusive, neither do they go hand in hand. Magnates and dictators have power without being leaders, while a mother or a teacher may be a stupendous leader without wielding power.

Leadership and service require each other, they are manifestations of the same thing and are sustained by friendship. "When he pours, he reigns," ran the slogan in the Tom Cruise film *Cocktail*. It's a good phrase; a person is at the same time someone who serves and someone who governs, without seeking their own self-interest.

A leader has to know how to see and evaluate. And this doesn't just mean assessing qualities and defects, but developing and bringing out people's full potential. In the current climate, where products have a short life cycle and where change is the norm rather than the exception, and knowledge rather than experience is what is valued, leaders need to promote friendship to foster the development of their fellow workers. That way, leaders and their colleagues will be able to make clear decisions and face challenges through constant evolution.



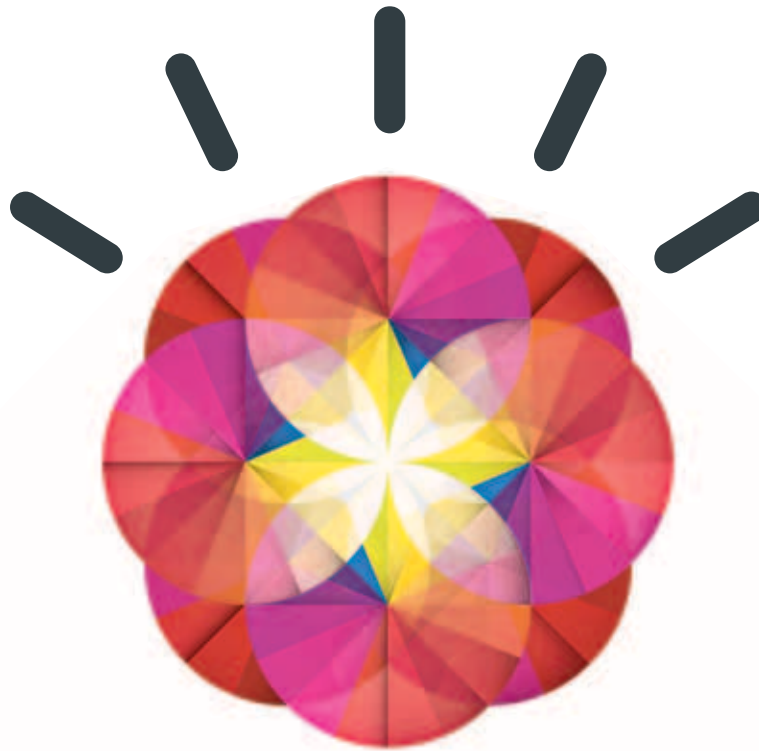
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We hope to see you in Madrid on November 18!  
Palacio Municipal de Congresos de Madrid

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**50<sup>TH</sup> IESE** GLOBAL ALUMNI REUNION  
CELEBRATING A HERITAGE OF PROFESSIONAL AND PERSONAL GROWTH





Smarter computing builds a Smarter Planet: 1 in a Series

## Smarter comes to computing.

Today, everything computes. Intelligence has been infused into things no one would recognize as computers: appliances, cars, roadways, clothes, even rivers and cornfields. This is the daily reality of an instrumented, interconnected and intelligent world – a Smarter Planet – which IBM began chronicling nearly three years ago.

Realizing its promise, however, will require more than infusing computation into the world. We also have to make computing itself smarter.

Wait, isn't computing smart, by definition? Without question, remarkable levels of computer intelligence are being invented – such as Watson, the IBM system that defeated the two all-time champions on the TV quiz show, *Jeopardy!* But organizations' computing infrastructures – consisting of mainframes, servers, PCs, enterprise applications, websites and more – was simply not built for zettabytes of data, global connectivity and advanced analytics.

So, as our planet gets smarter, our computing systems must do so, too. They must become far more automated, robust and adaptive – that is, industrialized. Thankfully, a new, smarter computing model is emerging. It is designed for data. It is tuned to the task. And it is managed in the cloud.

**Designed for data:** Organizations of all kinds need to manage not just information, but vast, global *information supply chains*. Not only the ones and zeros that traditional computers love, but streams of text, images, sounds, sensor-generated impulses and more. They need to apply sophisticated analytics to the real languages of commerce, processes and natural systems – and to conversations from the growing universe of tweets, blogs and social media. Decisions based on structured data alone are no longer adequate. Today's leading companies are building new systems and processes that locate, recognize and interrogate “big data.”

**Tuned to the task:** Generic computing stacks are no longer up to the job – because today there are fewer and fewer generic jobs. Transaction processing, with thousands of online users, is different from business analytics, with multiple data types and complex queries, which is different from the need to integrate content, people and work flows in a company's processes. That's why leaders are looking for more than high-performance technology. They are moving to architectures optimized for specific purposes, and built around their own deep domain knowledge – in healthcare, retail, energy, science and more. This workload-specific approach integrates uniquely tuned software and hardware – everything from the applications to the chips themselves.

**Managed in the cloud:** The need to manage these large data-driven workloads is driving broad adoption of cloud computing. But that means something different for business than for individual consumers. By infusing clouds with security and manageability we can make them smarter in order to provide companies with the agility required to move quickly in highly competitive environments; to activate and retire resources as needed; to manage infrastructure elements in a dynamic way; and to move workloads for more efficiency – while seamlessly integrating with their traditional computing environment.

Major computing models don't change very often – but when they do, they unleash enormous productivity, innovation and economic growth. So the good news is that smarter computing is now shifting from theory to reality. Look for more reports in coming weeks on how smarter computing is meeting the demands of a smarter planet.

Let's build a smarter planet.  
Join us at [ibm.com/smartercomputing](http://ibm.com/smartercomputing)