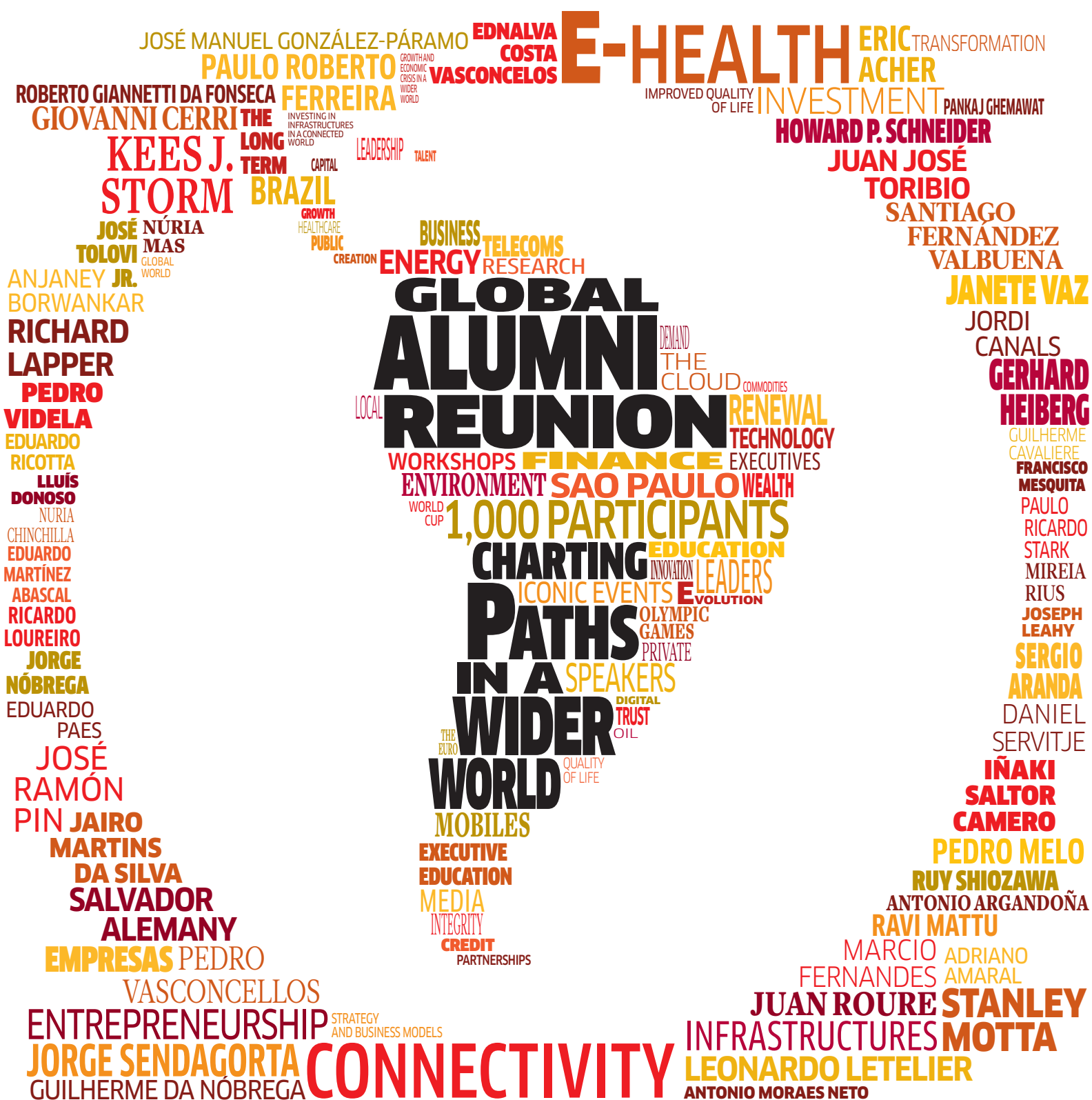


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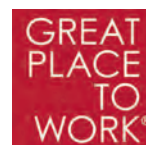
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General Circulation

37,326

International Circulation

31,401 (Spanish Edition)

5,925 (English Edition)

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M&N Consulting -Antonio Moré

Tel.: 93 544 12 34

Printing

Centro Gráfico Anmar

Published by

Estudios y Ediciones IESE, S.L.

Depósito legal B.23.746-1963

ISSN 1138/2333

The opinions expressed in the articles published in this magazine are solely those of the authors. Articles may be reproduced, provided that the original source is indicated.



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CLEAR IDEAS FOR FACING UP TO DIFFICULT TIMES



**ANTONIO
ARGANDOÑA**

Editor of
the Alumni Magazine
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It's no secret that many developed countries are undergoing a long and severe crisis from which the outcome is far from certain and which is affecting other countries, both developed and emerging. Each country has to deal with its own uncertainties: problems with maintaining economic stability in the face of outside disturbances, an ageing population, excessive debt, a crisis in the growth model and doubts over demand for raw materials.

This edition of the Alumni Magazine contains numerous ideas about how to confront these problems, not from the point of view of government or international organizations, but from the perspective of companies which, when it comes down to it, are the moving force in world economies, that create jobs and income and which innovate and generate hope for the future. The Cover Story reviews some of the ideas put forward at the Global Alumni Reunion in Sao Paulo last November, such as the innovative capacity of many sectors and companies, the new business opportunities that arise in an open world, the need to look beyond national frontiers and the ability of companies to generate growth and confidence.

The article about Global Entrepreneurship Week emphasizes the function of the entrepreneur. The Automotive Meeting returns to the topic of competitiveness, cooperation and innovation as a way of reinventing a mature sector. The Healthcare Meeting discusses a changing paradigm while the Global CEO program that we are holding in Africa looks at the next area of global growth.

The force behind all of this is, as always, people. And responsibilities. Precisely because we face a changing world, full of challenges and opportunities, it's time for business people to heed the call for excellence and to create more just and dynamic societies. This is what we have learnt from the crisis, this one and the ones that will follow.

Thank you for being with us via the Alumni Magazine and please don't stop sending us your comments and ideas, which are what help us to grow.



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51 IESE GLOBAL ALUMNI REUNION

THINKING BEYOND TOMORROW

STEPHEN
BURGEN





If Brazil is to build a solid future on its new found and growing prosperity, government and business must reject the lure of short-term gains and work to create the infrastructures, education and healthcare systems the country so badly needs.

**CHARTING PATHS
IN A WIDER WORLD**

IESE GLOBAL ALUMNI REUNION

SAO PAULO 2012

NOVEMBER 1-3



Some 1,100 alumni and guests attended the 51st Global Alumni Reunion in November in Sao Paulo, the first time the meeting has been held in Latin America. The theme of the meeting was “Charting Paths in a Wider World.” This was premised on the idea that in today’s vertiginous global environment, being able to adapt is no longer enough. We need to be a step ahead, anticipate, inspire and be inspired by change. This was the thread that ran through the third day’s academic sessions that covered a wide range of issues.

The series of events began with a reception at the Spanish consulate which was addressed by **Geraldo Alckmin**, the governor of Sao Paulo, **José M. Matres Manso**, the consul-general of Spain in Sao Paulo, **Paulo R. Ferreira**, dean of ISE, IESE’s associate school in Sao Paulo and **Jordi Canals**, dean of IESE.

“We come here with a sense of admiration of how much Brazil has achieved in so little time,” **Canals** said. Brazilian companies are showing the way to build a sustainable economy and Brazil can teach the world many lessons, especially in regard to economic policy and its efforts to fight poverty and to encourage entrepreneurs.

Ferreira talked about the “close and successful relationship” that has developed between the two schools,

“which we hope will continue for many years.” **Alckmin**, the Sao Paulo governor, pointed out that Spain is the second most important investor in Sao Paulo, after the United States, in particular in the telecoms, finance, infrastructure and service sectors. “What we need is entrepreneurs,” he said, adding that IESE and ISE are very important for Sao Paulo because they are fundamental for producing excellence and quality and contributing to entrepreneurship and wealth creation.

THE ACADEMIC PROGRAM

Day three was devoted to the academic program and participants were welcomed by **Adriano Amaral**, president of the Brazil alumni chapter. In his opening remarks IESE Dean **Jordi Canals** talked about the significance of Brazil and how much has been achieved in recent years. He also referred to IESE’s network of associate schools in Latin America and the programs it is running in Brazil. “Everywhere that IESE exists it is seeking to have a transformational impact on the world of leadership and management,” he said. “The crisis today is essentially a crisis of trust and integrity.”

Prof. **Antonio Argandoña** gave the keynote address on the role of companies in building a fairer world. “Wester-society fosters individualism and moral relativism and the loss of a sense of personal responsibility,” he said.



1. Paulo Roberto Ferreira & Geraldo Alckmin 2. Jordi Canals
3. Jordi Canals, Geraldo Alckmin & José M. Matres Manso
4. Guilherme da Nóbrega, José M. González-Páramo & Pedro Videla
5. Adriano Amaral, Mireia Rius, Jorge Sendagorta & Jordi Canals
6. Gerhard Heiberg & Ravi Mattu

“Companies have a responsibility for the renewal of society and they cannot afford not to undertake it.”

The next session, “Growth and economic crisis in a wider world,” which was moderated by Prof. **Pedro Videla**, discussed what lessons had been learned since the 2008 financial crisis and what are the challenges, opportunities and obligations for business in pursuing growth going forward in our wider, more interconnected and complex world. Prof. **José M. González-Páramo** painted a cautiously optimistic picture of Europe’s troubles. “German skepticism over why the ‘sinners’ should be bailed out is offset by their deeply pro-European sentiments,” he said.

To the question of whether the periphery countries and Germany are too different to share a currency, he said they are not, but that what is needed is a series of shock absorbers in flexibility and banking. “We can all learn from what is going on with the euro – don’t be complacent and forget about protectionism,” he said.

Guilherme da Nóbrega, chief economist at Itaú Securities, said there was no reason to be despondent about Brazil’s recent sluggish growth. “In 2010 people were over optimistic and expected everything too soon, but growth has returned,” he said. Asked about personal debt in Brazil he replied that it isn’t a major problem. “Half of Brazilians have borrowed too much and the other half haven’t borrowed at all,” he said.

When Europe has systemic problems, the whole world suffers”

JOSÉ M. GONZÁLEZ-PÁRAMO, IESE PROFESSOR

ICONIC EVENTS

With Brazil due to host the football World Cup in 2014 and the Olympic Games in 2016, the third session focused on the value and risks of hosting iconic events. Company sponsorships for the London Olympics ran in the hundreds of millions of dollars, while the cost to the public purse has been estimated at \$15 billion. It is clear the stakes for the world’s iconic events are high. The session was moderated by **Paulo Roberto Ferreira**, dean of ISE Business School.

Gerhard Heiberg, chairman of the International Olympic Committee’s marketing commission, said the IOC’s mission is to bring about a better world through sport, adding that it focuses increasingly on the legacy of the Games in a city after they are over. This was a success



Good management and investing in people capable of delivering it is the key to improving public health”

GIOVANNI CERRI
HEALTH SECRETARY, STATE OF SAO PAULO



8. Giovanni Cerri, Lluís Donoso and Núria Mas 9. Presentation of the University of Navarra Museum
10. 11 and 12. taking part in the workshops

in Barcelona, though not in Athens, he said. He believed that the Games opened China up to the world while the regeneration of the city's East End was a positive element of the London bid.

Ravi Mattu, editor of *Business Life* at the *Financial Times*, praised the imaginative way in which London used its venues as well as the BBC for streaming all of the events live. He said that Britons were pessimistic and misanthropic before the Games, but were won over once they began. “These big events shift attention to the host country. Now it's Brazil's turn,” he said.

BETTER HEALTHCARE FOR ALL

● The last session before lunch discussed scientific leadership and innovation for an improved quality of life. There have been scientific and technological revolutions in the world of healthcare but the impact on improved quality of life has not been fully realized due to a lack of the leadership to manage implementation, people, organizations and their ongoing education.

The moderator, Prof. **Núria Mas**, said the fact that life expectancy has gone up brings benefits but also tensions and health systems have to change and adapt to this new reality.

Dr **Giovanni Cerri**, the Sao Paulo provincial health secretary, described the evolution of healthcare in Brazil from “the simple and inexpensive to the complex and costly.”

Innovation involves research and education, he said, adding that we need to promote a healthy diet and focus on disease prevention.

“A key to improving public health is good management and we need to invest in people who can offer this,” he said, emphasizing that “new technologies must be available to everyone, so you have to look at the likely cost before you adopt them. The adoption of technology should not turn patients and doctors into objects because the human relationship between doctor and patient is an important part of the treatment.”

Cerri said that Sao Paulo has established a private-public partnership for the manufacture and distribution of medicine to improve access by reducing costs. It means private players can scale up and the state can meet the needs of the people.

Dr **Luis Donoso**, director of diagnostic imaging at Hospital Clinic, Barcelona, said that “every 10-15 years we have a new technology in imaging. Medical imaging means we can now have customized medicine so that you can avoid unnecessary treatments.”

Another development is telemedicine. “Telemedicine is based on sharing knowledge, which is a more efficient use of resources as you don't have to transport patients. Small hospitals can use the expertise of big centers,” he said. However, he pointed out that there are legal issues regarding data protection.



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WORKSHOPS: BUSINESS OPPORTUNITIES IN BRAZIL

On the second day of the Global Alumni Reunion, the focus shifted to ISE, IESE's associate business school in Sao Paulo, for a series of workshops on the Brazilian economy and the outlook for the future.

● The workshop “**Investment Opportunities and Venture Capital in Brazil**,” sponsored by Bertelsmann, was moderated by IESE Prof. **Juan Roure**. The panel was made up of **Eric Acher** of Monashees Capital, **Roberto Giannetti da Fonseca**, president of Kaduna Consultoria, Richard Lapper, principal, Brazil Confidential, Financial Times and **Pedro Vasconcellos**, managing director of Bertelsmann Brazil. **Lapper** said that the things that make Brazil interesting to investors are its comparative advantage through the range of resources it has, the rise of the consumer market and the spending on infrastructure. “Brazil has a crucial role to play in the world economy as a supplier of food and energy,” **Fonseca** said. **Vasconcellos** added that “inflexible labor laws and the tax system are a burden on business.” “We are surfing a commodity wave that will probably last another 10 years,” **Acher** said “But we have to think 100 years ahead.”

● The two sessions of the workshop “**Building an Excellent Work Environment**” brought together **Guilherme Cavalieri**, director of human development at Serasa Experian, **Ricardo Loureiro**, president of Serasa Experian, **Ruy Shiozawa**, CEO of Great Place to Work Brazil, and **José Tolovi**, president of Great Place to Work Institute. For **Tolovi**, the key factor is “the trust between managers and staff, the sense of being involved in a concrete project and camaraderie.” **Shiozawa** emphasized the importance of “treating people as people and not as numbers.” **Cavalieri** commented that “without good leaders it’s impossible to create a sense of working together” while **Loureiro** said that creating a culture centered on the individual had been crucial to the success of his company.



12

● The workshop on “**Global Talent**” moderated by **Howard P. Schneider** of The Washington Post, focused on the need for employees to feel a bond with the company. “You need to have high emotional engagement in your teams,” said **Anjaney Borwankar**, managing director, Asia, of Cátenon Worldwide Executive Search. **Iñaki Saltor Camero**, managing director of Cátenon in Brazil, said you need “a methodology to compare and analyze candidates in an objective way.” Prof. **Nuria Chinchilla** added that “there is no crisis of values, but of evaluation. The values remain but people don’t put them at the center of their activities.”

● In “**Excellence in Business Management**” moderated by Prof. **Juan J. Toribio**, **Jairo Martins da Silva**, general superintendent at FNQ, said that “in post-industrial society the same rules that worked well in the industrial age will not prevail anymore.” **Pedro Melo**, chairman KPMG Brazil, said that the current generation of Brazilian executives “have a wide range of abilities because they never shy away from a challenge.”

● Prof. **José R. Pin** moderated the workshop on “**Learning from Social Entrepreneurship in Brazil**” in which **Leonardo Letelier**, CEO of Sitawi, said his mission was to make a social impact and that’s why he set up the organization. “Social entrepreneurship is becoming more sustainable,” he said. **Antonio Moraes Neto**, co-founder of Vo Capital, commented that “impact investment is practically non-existent in Brazil.” Despite many improvements, Brazil is still the 10th most unequal country in the world and “that’s why impact investment is needed.”



13. Francisco Mesquina, Jorge Nóbrega, Eduardo Ricotta, Santiago Fernández Valbuena & Joseph Leahy 14. Stanley Motta & Pankaj Ghemawat
15. Daniel Servitje & Kees J. Storm 16. Salvador Alemany, Sergio Aranda, Paulo Ricardo Stark & Eduardo Martínez Abascal

THE MEDIA REVOLUTION

● Innovation, technological evolution and revolution and
● new developing business models have characterized the world of media and communications during the past decade. This was the issue discussed in the first afternoon session which focused on connecting technology, strategy and business models. It was moderated by **Joseph Leahy**, Brazil bureau chief at the *Financial Times*.

Santiago Fernández Valbuena, CEO of Telefónica Brazil, pointed out that telecoms technologies are changing every three or four years so there is very little time to recover your investment. The biggest opportunities are in financial services, e-health and cloud storage, he believes. He also said that the current state of affairs, in which telephone operators carry commercial traffic and applications from which they derive no financial benefit, is not sustainable.

“Digital media is forcing newspapers to change the business model. A media company has to deliver content via a range of platforms,” commented **Francisco Mesquita**, executive president, Grupo Estado. Unlike the United States and Europe, the printed newspaper is still in good health in Brazil, he said.

Jorge Nóbrega, corporate vice president, Organizações Globo, the biggest media company in the Portuguese-speaking world, said that “it’s not just about choosing between

paper and digital but about changing your product.” He said that Brazilians watch an average of five hours of television a day and that soap operas and reality shows have a huge following. “Every Tuesday, eight million Brazilians vote on who should be thrown out of Big Brother,” he said.

“When everyone is connected, the whole world changes,” said **Eduardo Ricotta**, vice president Ericsson, Latin America. “Connectivity empowers individuals and brings new business opportunities. In a networked society the user has the power. We need to find a system that works for all – the consumer, the providers and the telephone companies.”

BECAUSE THE WORLD IS ROUND

● Companies familiar with connectedness across borders
● and how to leverage global market opportunities can help us explore challenges and opportunities in the much debated topic of globalization. This was the pedigree of the speakers in the session on charting connectedness across borders. The session was moderated by Prof. **Pankaj Ghemawat** who produced evidence to demonstrate that neither countries nor companies are as globalized as people think.

He put this to the panel and **Stanley Motta**, chairman of Copa Holdings and a member of IESE International Advisory Board, responded that “in any business you have to ask: what is its purpose? If you know that, the numbers will

follow.” He added: “If you remember the golden rule that you should do unto others as you’d have them to do to you, everything else is commentary.”

Daniel Servitje, CEO, Grupo Bimbo, said “in globalization you can’t be a spectator. You either participate or you become a victim.” He said his company’s philosophy has been to achieve both economic and social goals and to contribute to social development. “We believe if we treat people well, they will be our ambassadors.”

Kees J. Storm, chairman, AB InBev and also an IESE IAB member, added that “big players are no longer national enterprises and they need to behave responsibly wherever they operate.”

TRANSFORMATIONAL LEADERSHIP

● The modernization of energy and infrastructure systems represents a huge opportunity, with revolutionary advances in information technology as the nerve center of new systems. One of the biggest challenges in this modernization is that of transformational leadership, an integrating force and governance mechanism to achieve these ends. This was the issue addressed in the final session, moderated by Prof. **Eduardo Martínez Abascal**, academic director of the Global Alumni Reunion.

Salvador Alemany (PDD ’74), president of Abertis, told the audience that “infrastructures create positive externalities, increase GDP and can’t be relocated. They create a circle of demand.”

Lack of infrastructure undermines competitiveness, he said, adding that Latin America needs to devote 5.2 percent of GDP per year to infrastructures to maintain a growth of 1.2 percent. He estimated that sustaining global growth will require \$30-40 trillion investment worldwide by 2030. The only way this can happen is through private-public partnerships, he said, and the key factors for PPP to work are a legal and regulatory framework, long-term vision, eligibility and prioritization criteria and a homogenous financing model.

“We have to be selective in these investments and it needs mutual trust and honesty, perseverance and resilience and an alignment of public and private sector interests for public private partnerships to succeed,” **Alemany** said.

Sergio Aranda (SEP Latin America ’11), director for Latin America, Gas Natural Fenosa, emphasised that infrastructure investment required long-term vision, a clear regulatory framework, responsible investment and committed companies that want to help countries to evolve and aren’t there just to speculate.

Paulo Ricardo Stark, president and CEO, Siemens Brazil, said we have to address the environmental issues. “Companies that have not priced sustainability will have to do so soon,” he said. Siemens is committed to creating products that reduce the emissions produced not just in their production but also by their users, he said. “We have to educate consumers and whole nations to consume and use products and solutions that can help to improve the situation.”

In his closing comments, Dean **Jordi Canals** thanked all the participants for “an inspiring day. The energy comes



CULTURAL ACTIVITIES

The morning of the second day was devoted to workshops held on the ISE campus (see separate panel) and a presentation by **Miguel López-Remiro**, director of the University of Navarra Museum. The museum is the work of the architect **Rafael Moneo**, whose projects include the extension to the Prado Museum in Madrid. In the afternoon participants were treated to a tour of the sights of Sao Paulo which included a visit to the Ibirapuera Park, the Jardims district and the historic city center.



MEMORIAL SERVICE FOR ALUMNI

On Saturday, November 4 a Holy Mass was said in memory of deceased alumni. It was held in the splendid Paróquia Nossa Senhora Do Brasil.

from you, you are the ones that make the difference and who help us to think how we can better serve the business community,” he said. “When we reflect on the way ahead we must think long term. The long-term gains are for us and for society. We need to make companies engines of positive change.”

Jorge Sendagorta, president of the Alumni Association, said he hoped we would be able to chart our own paths after all the information we had received during the day. **Mireia Rius**, director of the Alumni Association, said: “Brazil has enchanted us. It’s been a wonderful experience and I hope we’ll see you all at the next Global Alumni Reunion in Barcelona on November 8, 2013.”

COVER STORY





THE DUTY OF COMPANIES

CONTRIBUTING TO
THE CREATION OF
A FAIR WORLD**ANTONIO ARGANDOÑA**

Professor of Economics and Business Ethics, IESE
'la Caixa' Chair of Corporate Social Responsibility and Corporate Governance

Business has a transformative role to play in society and business people and executives have a responsibility to facilitate this change. In what way is a company an instrument of social transformation? Here we publish an edited version of the speech Prof. Argandoña gave at the Global Alumni Reunion in November.

OPERATIONS • INNOVATION AND CHANGE
• STRATEGIC MANAGEMENT • DIVERSIFICATION

Many people, particularly in advanced Western countries, have a highly critical opinion about the company as an institution. This opinion is often based on circumstantial arguments: its managers made errors of strategy (they over-borrowed, for example); they made investments that were too risky; they implemented dysfunctional control systems; they gave themselves or got their boards of directors to give them disproportionate compensation packages which generated perverse incentives that ended up driving some companies out of business; risk management was inappropriate and they made unethical decisions, allowing themselves to be drawn by greed, pride, arrogance, lack of transparency or opportunism, among other vices. But at other times the reasons given are more of a general nature: for example, when companies as a whole are given a goal that is considered harmful to society, such as maximizing short-term shareholder value.

Although, to a greater or lesser degree, I can agree with these criticisms, I also feel bound to say that the modern company also has many positive qualities. If we were to make

a list of praiseworthy institutions, we would probably include hospitals, schools, universities, churches, non-profit organizations, research centers, ... Well, I would say that the company compares very favorably with all of these because it too seeks to satisfy a broad range of human needs. It creates wealth and jobs, it trains, empowers and motivates its employees, it mobilizes incredible amounts of material and human resources for far-reaching projects that have a significant impact on society. It operates efficiently and fosters efficiency in society. It innovates, it is flexible and it is able to recreate itself in highly-changing environments to assure its continuity.

The basic thesis of my presentation is very simple: the company is called on to be a transformational factor, a force for change and improvement in society. Even better: it already is this force: with difficulties, with setbacks, with errors, like any human endeavor, but with great possibilities, which we need to know and develop.

The immediate corollary of this thesis is that the responsibility for making this transformation falls upon you, entrepreneurs, managers and business owners. You cannot expect government leaders, politicians, philosophers, thinkers, economists or business school professors to do this, although you have every right to ask them to help you in this task.

How and why is the company such a powerful tool for the transformation of society? To answer this question, we first need to pause and think about what the company is.

WHAT IS THE COMPANY?

● I would like to give at this point a definition of the company which I read a few years ago and which I liked, perhaps because it was not made by an academic but by a man of action: **Giovanni Agnelli**, Fiat's former CEO. "A company – he says – is composed of people with different backgrounds, different cultures, different inclinations, different aspirations, different jobs. And all of these people, with different ages and cultures and different jobs, have to perform the miracle of working together, so that the company's results are those required. Today and tomorrow."

Agnelli's definition carries implicitly within it the definition of the task of management. Prof. **Juan Antonio Pérez López** has described this very succinctly: "managing is leading human teams for action, to change reality while obtaining results." Thus, the manager is the man or woman – or, more often, a team of men and women – whose responsibility it is to take all these reasons held by different stakeholders – owners, managers, employees and, very often, also customers and suppliers – and engage them in the common task, which must be performed effectively, because the goal is to change reality while obtaining results. External results, because the world will be different after a company has passed through it to change reality. And internal results: because the company will also transform the people who take part in that common task.

And this involves a number of requirements. First of all, economic requirements: the value of what is produced must not be less than the value of the resources used and, if possible, it must be greater, much greater, as proof that it satisfies consumers' needs and uses resources efficiently. The economic dimension

is essential, because the company is an economic institution, that is, it is responsible for a large part of the planet's productive resources and for using them efficiently for the benefit of everyone.

Then, there is a requirement that we could call the social dimension. Beyond generating wealth and satisfying the needs of consumers and customers, the company is a nexus, a network of human relations, where employees can not only find adequate remuneration but also satisfaction from the task they perform in it, and the development of knowledge, abilities, attitudes and values that they need as individuals. To quote Prof. **Antonio Valero**, who was IESE's first Dean, the company is a place of professional coexistence, in which "each individual is responsible for the level to which he applies his abilities to his work and can achieve his own goals within the framework of the company's aims."

And this is very important because it is these abilities, attitudes, values and knowledge that create the company's distinctive capabilities, something that only it can do that particular way, and which does not depend on machines, technology or financial resources, but on people.

And this leads to the third dimension, ethics. The reason for this is that we learn knowledge, attitudes and values in our actions and, above all, in our interactions with others. We learn to cooperate with others, to appreciate and respect them, or to ignore and hurt them. We learn to serve customers, or to act selfishly towards them. We make the company's goals our goals, or we try to put those goals at our service. And we learn to trust the company, that is, its owners, its managers and its employees. But we will only trust them if we believe, if the case should arise, that they will place the legitimate interests of customers, employees and the community before the share price and the managers' bonuses. Because without trust, no distinctive capabilities will be created and there will be no enduring company.

MANAGING IS LEADING HUMAN TEAMS FOR ACTION, TO CHANGE REALITY WHILE OBTAINING RESULTS

A COMPANY IS MADE UP OF PEOPLE, ALL OF WHOM ARE NECESSARY. EVERYONE MUST TAKE PART AND BE INVOLVED. THIS IS THE BASIS OF ONE OF ITS MAIN STRENGTHS

To recapitulate, the company is a team of people. Everyone is necessary, everyone must be a part, everyone must be involved. And there lies one of its strengths. Because everyone has their own knowledge and abilities, which they must place at the service of others. And achieving this is part of the manager's tasks.

This reminds me of an anecdote I read some time ago. A new chairman was appointed at a North American company, who started to visit the different factories. At the entrance of one of them, the manager was waiting for him and as they entered, he suggested, "Let's say hello to the receptionist." Surprised by the proposal, the chairman looked at him and the manager explained, "Mr. Chairman, every day, how many customers do you and I talk with? Ten, twenty,...? She talks with hundreds of people every day; she is the company's voice, she is the one who gives them their first impression of us. So let's say hello to her, make her feel that her job is important, ask her about her children or the traffic problems she has to deal with every morning."

The advice is good, although the motivation is not quite right: the receptionist should be treated with kindness, politely inquiring about her personal matters, not because this improves the company's image, customers' loyalty and, ultimately, profits but because she is a person who deserves full respect and appreciation. But what I wanted to draw your attention to here is that the company, as a community of people, is all of us, from the chairman to the receptionist, and everyone is important. And everyone will be more willing to cooperate if they know that they are appreciated, the customers' interest is high on the organization's agenda, sufficient resources are used to protect the environment and the local community views the company as a "good citizen". To quote **John Mackay**, the founder of Whole Foods: "Business is simple. Management's job is to take care of employees. The em-

ployees' job is to take care of the customers. Happy customers take care of the shareholders. It's a virtuous circle." Organizing, coordinating, motivating, involving everyone - this is all part of the manager's job. He cannot do everything but he has the most important task of all: give unity to everyone's action.

THE COMPANY'S ROLE IN SOCIETY

● No, I haven't digressed from the subject we are concerned with today: the company's transformative capacity in society. Because, in essence, the list of the company's impacts, responsibilities and capabilities to carry out this transformation can be reduced to the three dimensions of the company that I have referred to earlier.

First, the economic dimension: to produce and sell goods and services that may satisfy consumers' needs - and I say may satisfy them because we cannot be sure that it will achieve this, although it can try. It must do it efficiently, which means creating value, which should then be distributed fairly. By this means the company contributes decisively to the efficient use of society's resources, for everyone's benefit: prosperous companies create prosperous societies.

Next, the social dimension, striving to make the company a place where employees and managers can develop satisfactory relationships and generate learning that will improve them as individuals, while at the same time contributing to create the organization's distinctive competencies. And, as with the previous dimension, the company must have the ability to offer this, even though it is not guaranteed that it will achieve it. For example, even though the company cannot guarantee a "meaningful" job, it can guarantee an organizational and human framework that makes it possible for people to freely find the meaning in their task that best aligns with their personal goals. A good example is that old story of three stonemasons in the Middle Ages who were asked what they were doing. One answered: "I'm

cutting stone,” another answered “I’m earning a living for my family,” and the third said, “I’m building a cathedral.”

And, lastly, the ethical dimension. Because the company can play a major role as a creator of attitudes, values and virtues in society. It can have this role, even though it does not always have it.

THE COMPANY AS THE CREATOR OF A FAIR AND EFFICIENT WORLD

● All of this has a lot of implications. I will only point out three here. One: companies have a responsibility for the ethical renewal of society – in fact, all of us have this responsibility because no one is exempt from developing their talents to fruition.

Two: society does not facilitate this renewal, but companies cannot afford to not undertake it, not for altruistic reasons, but because their own *raison d’être* and survival depend on it.

And three: not just any ethics can be used for this regeneration. It must be an ethics that takes into account the person’s full development within an organization whose common goods must be shared by all and, therefore, whose ethics everyone must help to develop, while bearing in mind that often it has been the company itself that has fostered those inappropriate ethical conducts. For example, we ask our managers and employees for loyalty, dedication and initiative but, at the same time, we tell them that, in the name of job flexibility, we will dispense with their services at any point when this is justified by the balance sheet.

Or we have transformed the CEO into a brilliant individual, a unique leader, capable of obtaining any result, but without taking into account his team, who are thus excluded from their responsibility and recognition for their work. Or we have thinned the structure when profits contracted only to find later that we have squandered the company’s human capital, which was precisely what

made it unique. And so the list of errors could go on.

But managing well goes beyond adding social and ethical responsibilities to the financial responsibilities. Managing is a unique task, with three dimensions – economic, social and ethical – and there can be no good management if any of these dimensions is lacking. The company’s and manager’s transformative function is nothing other than the function of managing well.

This task, in turn, accepts a wide gradation of objectives and efforts. It can never be considered finished: it is a path, not a result – although it should give results, which will be used as indicators of the quality of the organization’s mission and of the manager as an individual.

What I propose to you today is not so much the application of a theory or a model but the outcome of a reflection that all business owners and managers should have about what a company is, what his company is, what he would like his company to be; what its external mission is, that is, what needs of which people does it try to satisfy, and what is its internal mission, that is, what are the needs of its managers and employees that it seeks to satisfy, while at the same time the latter identify with the external mission and undertake to satisfy the needs of customers and consumers – because, as I have already said, it is a task in which everyone must play a part.

And this also means that defining the organization’s purpose and mission does not correspond solely to the president or CEO but requires everyone’s participation. This participation is not limited to formal mechanisms but starts by acknowledging everyone’s dignity, accepting that everyone has something to contribute, actually asking them to contribute, and giving them training, empowerment and responsibility precisely to enable them to do this. This is the only way to manage a community of people who cooperate freely, voluntarily and creatively in a common purpose.

GOOD
MANAGEMENT
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PROJECT MANAGEMENT

NOT
WITHOUT
A PLAN**JAUME RIBERA**

Professor and Head of
Department Production,
Technology and Operations
Management, IESE
Business School

Successful project management calls for a clear idea of the objectives, a realistic assessment of the risks and a commitment from management to provide the resources necessary to see to project through to its conclusion.

PROJECT MANAGEMENT • RISK ASSESSMENT •
PLANNING • LINEAR AND ARTFUL APPROACH

Project success is very difficult to measure as success itself tends to be ill-defined, and usually the success of the project (the activities undertaken to create or modify a product or a process) is confused with the success of the created product or process in achieving their higher level objectives. Consider, for instance, an example taken from the recent U.S. elections. This was a project awarded by a party to a communications company aimed at launching an advertisement campaign to reach 20 million people in a given state and present them with a series of facts about a political candidate. We could claim that the project could be considered successful if the estimated number of people is reached and the message successfully delivered to them. However, the message may not convince the people to vote for the candidate, and she may lose the election. In this case, would she con-

sider the project successful or not? In any case, which project is she actually talking about, the one about winning the election, or the one about reaching the electors with the message?

Even most studies that focus on projects whose success is better defined, tend to conclude that on the basic three dimensions of project objectives (delivering according to the specifications, on time and within budget), they perform very poorly. And these statistics are based only on projects performed by companies for external customers, not including those internal projects that companies run as part of their strategy implementation. These are projects where there is a better understanding of the constraints faced within the company and can, therefore, feel more sympathetic to the problems faced by the project manager, yet deliver even poorer results.

But it need not be so. In the past few years we have been collecting information from many different executives and companies about the reasons for their lack of success in



THE PROJECT PLAN SHOULD INCORPORATE PROBABILITIES FOR THE PROJECT TO FAIL SOONER, RATHER THAN LEAVING THESE PROBABILITIES TO CHANCE

project management and, surprisingly, the ways to fail are concentrated on a few generic topics. This research has helped us in focusing the teachings in our courses, both at the MBA level as well as our short programs for executives and companies. In this article we will review a few of the main lessons learned from our research.

We can start at the project selection and definition stage. The seeds of the failure of many projects are already sown at this stage. Consider, for instance, the fact that trying to achieve success in a project when you do not really have a project may be the first generic mistake. We say that we do not have a project if the objectives are not clear, the timeframe is undefined or the responsibilities are vague. Another alternative possibility of failing from the beginning is to launch a project that has as many different objectives and definitions of what the deliverables are as project stakeholders. So, not having a clear objective, or having too many different conflicting objectives, is a common cause of future problems. Experienced project managers know that, here as well, an ounce of prevention, i.e., working to clarify and unify the project objectives at the initial stage is worth a pound of cure, i.e., having to fix the misunderstandings and adjust the wrong expectations later on.

MANAGEMENT INPUT

- Not taking into account the resources needed to execute the project, or the fact that these resources are already allocated to other projects or in their day-to-day process activities is a very common cause of future failure. Obviously, if the project does not receive the necessary attention from the top management, it will never receive the effort required just to take off.

Once the project is selected and defined, the planning stage is the next critical one. **Eisenhower** said that “in preparing for battle, plans are useless but planning is indispensable.” This is a stage where the project team should work as a team to discuss and clarify the project activities until all the team

members agree the plan is feasible and commit to it.

Traditional project management techniques assume that the project can be planned in detail before starting its execution. This is the view of the stage-gate approach, the standard proposed by the Project Management Institute (PMI), the biggest and most influential professional organization.

We can classify projects along two dimensions: whether we know what the project is intended to achieve or not, and whether we know how to achieve it. Only the “know-what” “know-how” projects are suitable for the cascading, linear, time-phased deployment approach. In this class, the project objective (the “what”) is given, and the activities known to achieve the goal (the “how”) are planned. The project manager’s main responsibility consists of ensuring that the resources to perform the activities are ready and deployed on time and that the results are accomplished according to the plan.

For more strategic projects, where at the project launch only a general vision and fuzzy objectives are given, the artful approach, with iterations, experimentation, hypothesis testing and even parallel redundant activities approach is much more suitable. In this context, project management is not only seen as a tool for implementing strategy but a tool to help define strategy, building strategy on the results of project experimentation.

In some recent studies performed by different researchers, it was found that the iterative and lean approaches to project management increase by approximately 40 percent the success rate of projects as compared with the traditional linear approach.

There are two more interesting aspects to take into account at the planning stage. The management of uncertainties and the need for planning integration checks in the project.

Projects are subject to technical, scientific, organizational and political uncertainties. We classify uncertainties as variations and risks. Variations are uncertainties in the project where the individual events

that cause them are not worth considering in detail and it is enough to estimate the variable bounds. For instance, when estimating the time required to travel from the office to the airport, we are satisfied to state that it is between 20 and 45 minutes, with no need to explain the many individual causes that generate this uncertainty. Variations in projects are managed by using buffers: time buffers (allowing some extra time in the project plans to compensate for the time uncertainty in some activities); budget buffers (to compensate for the cost variations in the project activities); feature buffers (clarifying which features in the project deliverables are absolutely necessary and which ones can be skipped if the project faces important problems) and resource buffers (ensuring that critical resources assigned to the project are not overloaded so that an extra effort can be obtained when necessary to recover from a project variation).

THE VALUE OF TIME PRESSURE

● When possible variations are not systematically analyzed in the project planning stage, it is either because the individual estimates used already include some invisible, arbitrary, unjustified and unmanageable buffers, or that the estimations are too optimistic.

Some project managers prefer to plan projects with little or no time buffers included. They claim that maintaining this time pressure helps the team focus on the project and not waste effort or time in unnecessary diversions. It must be stressed that this focus is only achieved if the project team members do not share too many concurrent projects, and there are some resource buffers available (this may mean working some extra hours for a few days if the project requires it).

Risks are associated with more important events that can be identified and the probability and impact estimated. Risks are usually dealt with by having a set of contingency plans in place. The most common mistake in dealing with risks

in projects is that of not considering them and therefore not having recovery actions ready to be deployed when necessary. Sessions on lessons learned at the completion of the project should be used to determine the risks the project has suffered that were not anticipated and ensure that these risks are not overlooked in the planning stage of future projects. Too often companies discover that the lessons learned in a project closely resemble the list of lessons learned [sic!] in previous projects.

Another way to facilitate the discovery of risk involves the design of the project in a way that includes frequent integration checks. When a project consists of several parallel sets of activities that create components that are eventually supposed to work together, it is a safe practice to include frequent checks of integration of prototypes developed by the different parallel streams of activities. The axiom “fail faster to succeed sooner,” attributed to **David Keller**, a founder of IDEO, is applicable here too. The project plan should incorporate probabilities for the project to fail sooner (discover unknown risks), rather than leaving these opportunities to chance.

In the execution stage, a common mistake is that when reality deviates from the plan, the project team drops the plan and starts improvising. A project should always have an agreed plan, even if this means having to redo the plan every time something of importance that was not considered during the initial planning stage is discovered. Finally, a common cause of project failure during the execution stage is “scope creep,” the tendency of projects to grow in scope and to end up being much larger than they were originally planned and resourced for. This is actually caused by a poor project definition, where the scope of the project should be clearly delimited and agreed by all stakeholders. A systematic change process requiring formal approval for significant project changes can facilitate keeping the scope under control.

A PROJECT MUST
BE BASED ON AN
AGREED PLAN
EVEN THOUGH
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IT HAS TO BE
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SOMETHING
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OCCURS

MORE INFORMATION:
Focus program “Convert Business Opportunities
into Manageable Projects” runs from June 12-14 in
Barcelona.
www.iesse.edu/MbP

DRIVING CHANGE SUCCESSFULLY

CONTROL WHAT
YOU CAN, INFLUENCE
WHAT YOU CAN'T**MARC SACHON**

Professor in the Department
of Product Operations
Management,
IESE Business School

**ANTHONY BENITEZ**

CEO and Partner,
Ascension Management
Consulting

While many managers are experts in developing strategies they often lack the abilities required to drive change and successfully implement sustainable organizational initiatives.

OPERATIONS • INNOVATION • DIVERSIFICATION
• MANAGING CHANGE • LEADERSHIP

Greek philosophy tells us that everything is in a state of flux, of continuous change. At the beginning of the 21st century this statement applies to business more than ever. Companies around the globe are constantly re-evaluating their sales propositions and modifying their value chains, striving for a more international profile of their employees as well as trying to find ways to reduce the effect of continued high levels of uncertainty in the financial markets. All these initiatives require companies to engage in projects of organizational change.

Most people, however, have a pronounced affinity for the status quo and prefer things to stay the same. And many managers fail to understand the importance of driving change successfully and the role it plays in ensuring the lasting success of initiatives. Managers fail to see the importance because they believe that a well thought

out project plan is all it takes and that their staff will execute it accordingly. They assume that every stakeholder will be aware of the objectives and outcomes of these new initiatives, the impact on their roles and responsibilities and on the culture of the organization, as well as on the structures and processes. Critically, they also believe that every stakeholder agrees with the prescribed outcomes of the new initiative and that he or she will emotionally tune in and engage in the process. After all, the project plan is a result of rational thought and logical in its conclusions.

CHANGE MANAGEMENT

Unfortunately, this coherence between management and organization is seldom the case. And even if it were the case, why take the risk of misalignment? Why not ensure that a project plan always includes the pertinent change management milestones and activities? Based on our years of experience in the field of management training and change management we believe



ONE OF THE OVERLOOKED DRIVERS OF THESE DYNAMICS IS THE FACT THAT TODAY'S MID-SIZE AND LARGE COMPANIES ARE MULTICULTURAL ORGANIZATIONS

the answer can be found in the fact that many managers seldom find the time to develop the abilities required to drive change successfully. While being experts in developing strategies to reduce costs, increase sales or enter new markets, they often struggle to successfully implement sustainable major organizational initiatives.

Why is this so? Successfully implementing a new initiative – be it growth, operational excellence, diversification or innovation – will involve the need to mobilize the workforce, to engage multiple internal and external stakeholder groups, to examine the existing culture and sub-cultures, to alter existing operating models and organizational structures as well as re-evaluating the organization's core processes along the value chain.

Projects of such complexity are indeed daunting and generate a certain degree of fear or apprehension in everyone involved. The complexity is driven by the number of stakeholders engaged, the influence they exert during the project life-cycle, the expected benefits to be derived from the agreed investment and the undoubted pressure that will be placed on management and project teams involved to deliver on time and within budget. As a result, people involved in such projects often perceive them as something negative rather than positive. Thus it is no surprise that company-wide initiatives often fail for the wrong reasons: not because they are wrong, but because they are poorly managed.

To develop sensitivity to this problem, managers need to reflect on a number of basic issues. The first of these is “understanding”: the need to understand the rationale for the changes that the organization wants to make. A second one is “impact”: the need to assess the impact of the changes on the organization – and hence the level of change required. Finally, they need to be able to drive “execution”: the need to determine the type of change re-

quired and how it will be rolled out throughout the organisation.

Developing and navigating change in today's business environment is without doubt difficult to master. However, by understanding the type of change necessary (e.g., developmental, transitional or transformational), backed by the selection of the appropriate change strategies, the journey becomes infinitely less complex – and perhaps even enjoyable!

THE CHANGE AGENT

● A crucial element in achieving this more positive and harmonious attitude towards change is a thorough understanding of the role of the change agent. What are the necessary skills to implement change and execute strategy? What behavioral patterns support this process? While answering these questions generates some insights, it is only the first step. Developing and implementing the desired level of change within an organization is fraught with problems and, in many cases, leaders and managers will be entering *terra incognita*. It is therefore safe to say that without some sort of roadmap in place, the initiative is at an immediate disadvantage.

Roadmaps, however, are always subject to change, driven by today's dynamic business environment. One of the often underestimated drivers of these dynamics is the fact that today's mid-size and large companies are multicultural organizations. And while finance, marketing and operations are well reflected in today's curricula of leading business schools, the topic of multi-cultural management receives academic treatment, at best.

The best leaders are those who have a strong sense of self-awareness, retain a sense of authenticity and resonate positive emotions while not losing the focus on the task at hand. They work towards a strategic goal by making things happen in the organization, both along the analytical and the behavioral dimension.

MORE INFORMATION:

With the aim of providing an environment where managers can learn about and test their abilities in developing and implementing strategic initiatives in the service sector, IESE has devised the short focused program “**Driving Change Successfully**”, runs from March 19-22 in Barcelona. www.iese.edu/drivingchanges

Professor Sachon's blog: blog.iese.edu/auto/

LEADING GLOBAL CHANGE



**ACHIEVE PROFITABLE
GROWTH IN AN
UNCERTAIN AND
COMPLEX WORLD.
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THE WAY TO NEW
OPPORTUNITIES.**

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40 YEARS SINCE THE VISIT OF SAINT JOSEMARÍA TO IESE

FAIRNESS AND AFFECTION IN THE BUSINESS WORLD



CARLOS CAVALLÉ

Professor Emeritus
and Dean of IESE
(1984 - 2001)

For those who had the good fortune to attend the meeting, the lessons that Saint Josemaría offered are as fresh and relevant today as they were 40 years ago.

SAINT JOSEMARÍA • BUSINESS ETHICS •
CHRISTIANITY • CHARITY • SOCIAL JUSTICE •

November 27 marked the 40th anniversary of the visit by **Saint Josemaría Escrivá de Balaguer**, founder of the University of Navarra, to the IESE campus in Barcelona in 1972. He met with executives and others taking part in programs, professors and other staff in a meeting that took on a family atmosphere.

While those present were able to share their ideas directly with **Saint Josemaría**, what really stands out in the memory from that occasion were his teachings on the importance and transcendent nature of the business profession.

I have a clear recollection of the meeting, both of the event in itself and the context in which it occurred. Over time I have come to realize that what **Saint Josemaría** was offering business people when he talked about concrete ways of how to carry out their profession was in fact expressed in the encyclical “*Populorum Progressio*” published by **Pope Paul VI** a few years earlier in 1967.

The encyclical contained an excellent and interesting perspective on the aims and problems of the economic and social development of all the people on earth. **Saint Josemaría**’s teaching was also timely as, a few months later, the first global oil crisis broke out, a crisis that, as is well known, changed the world and had a significant social and economic impact.

At the meeting, **Saint Josemaría** talked about the importance of our profession as business people. He made it clear that the nobility of our profession comes from the fact that if both our day-to-day work and long-term plans for development are carried out on the basis of a Christian understanding of life.

Business people make a decisive contribution to the social and economic components of companies and, through them, to society as a whole, or at least to a significant part of society.

Saint Josemaría, with the Gospels in his hand, made us see that for business to contribute to social progress and transformation, it needs to embody a series of transcendent values and virtues such as loyalty, justice and charity. Forty



years later this remains as true and necessary as it was then.

I also recall that, in an era when there was a lot of talk about social justice, **Saint Josemaría** answered a question from the floor by making it clear that justice doesn't exist by itself but "must be accompanied and preceded by charity."

These are the fundamental principles in the social and economic world that are expressed in the social encyclicals of **John Paul II** and, more recently, **Benedict XVI** in "Caritas in veritate" and which had a profound effect on the personal and professional lives of many of those present at the meeting.

And after many years in the profession one realizes, sometimes too slowly, how fortunate it is to run an organization, with all its problems and conflicts, on the basis of a Christian approach to life (to use one of **Saint Josemaría's** expressions).

We should bear in mind that this Christian approach to life, as well as constituting a legitimate personal

option, continues to be recognized as a fundamental pillar of Western culture.

And what transcendent lessons do these teachings have for business today? In Nº 10 in the book *Conversations*, published in 1968, **Saint Josemaría** says: "What I have taught for the past 40 years is that a Christian must choose to perform honest human endeavor, whether intellectual or manual, as perfectly as possible: with human perfection (professional competence) and Christian perfection (love for the will of God and in the service of others)."

Both dimensions – human perfection and Christian perfection – transcend the passage of time and embody a powerful sense of society. That, to me, is a summary of what we heard and saw at that meeting in 1972, a meeting that made an impression on all of us who were able to attend and which we recall with special gratitude on its 40th anniversary.



IESE Insight Use in Times of Crisis

Financial scandals, natural catastrophes, poisonings, executive kidnappings, defective products, inappropriate behavior ... the crisis can hit any company when it is least expected, which is why you have to get more involved in the day-to-day management of the company. IESE Insight has ideas on how to prepare for the unexpected. **Claus Rerup** suggests the need to “triangulate attention” while **Alfonso González Herrero** discusses prevention and **José Ramón Pin** looks at leadership under pressure. Elsewhere in the magazine **Mark Schwartz**, **Wesley Cragg** and **Michael Hoffman** take an in-depth look at the effect on BP of the giant oil spill in the Gulf of Mexico.

IESE INSIGHT
www.ieseinsight.com/suscripcion

Loewe's Conundrum

PHILIP MOSCOSO & MARINA DUQUE

Loewe, a high-end manufacturer of fashion and leather goods and accessories, had been operating for 150 years with a handicraft-style production system when it was acquired, in 1996, by the international luxury goods group LVMH. Since then, the company has mulled new ways of organizing its production. In this case study by IESE's **Philip Moscoso** and **Marina Duque**, Loewe's senior management had to choose between giving up manufacturing products altogether and focusing instead on their design and development managing its own production in an attempt to achieve the same level of excellence it had established in the design and development of leather goods.



MORE INFORMATION:
IESE Insight / Service and Operations Management

CLOSE CALL VOTES

MIREIA GINÉ, VICENTE CUÑAT
& MARIA GUADALUPE

● Governance provisions are an essential element of modern corporate governance, as they grant managers the necessary independence and supervision to manage the firm. Establishing how these provisions affect shareholder value, as well as how shareholder rights impact a firm's long-term performance, is essential for our understanding of firms' internal governance systems. In their paper, “The Vote is Cast,” IESE's **Mireia Giné** teamed up with **Vicente Cuñat**, of the London School of Economics, and **Maria Guadalupe**, of INSEAD, to investigate how improvements in a firm's internal corporate governance affect value for shareholders.

MORE INFORMATION:
IESE Insight / Corporate Governance

MERGERS AND SYNERGIES

MIGUEL CANTILLO
& CARLES VERGARA

● In their technical note “Three Evaluation Tools,” IESE's **Miguel Cantillo** and **Carles Vergara** suggests three methods for estimating the value of any expected synergies resulting from the merger of two companies: market value, synergies with other companies and the discounted cash flow formula. Using the real-life example of Imperial Tobacco's acquisition of Altadis, the authors demonstrate that, while none of these is perfect, all three shed light on the true nature of synergies and their impact on the value of companies involved in an integration process.

MORE INFORMATION:
IESE Insight / Finance

The Value of Innovation

BRUNO CASSIMAN & STIJN VANORMELINGEN

Innovation is a crucial element in the value creation process. However, there remains a great deal of confusion about the actual impact of innovation on a company's bottom-line performance. If firms can't grasp how much value they can expect to capture from their innovation efforts, then there's good reason to believe that they're not innovating as much as they could or should be. In their paper, "Innovation and Markups: Firm Level Evidence," IESE Prof. Bruno Cassiman and Stijn Vanormelingen, of HU Brussels and KU Leuven, try to track firm operations at the micro level. Rather than focusing purely on productivity, as most studies have, they explore the relationship that exists between product/process innovation and value capture through the markups a firm is able to extract after innovating.

MORE INFORMATION:
IESE Insight / Innovation and Change



A QUESTION OF CONTROL

NATÀLIA CUGUERÓ-ESCOFET
& JOSEP M. ROSANAS

Decisions taken by executives in the banking sector are coming under close scrutiny in the wake of the global financial meltdown. Were the rules of the game the problem, or was it the behavior of the people who were supposed to follow them? To generate meaningful debate and identify a path forward for companies, in their paper "The just design and use of management control systems as requirements for goal congruence," Natàlia Cugueró-Escofet and Josep M. Rosanas of IESE look at the vital role that Management Control Systems (MCS) play in business today, how they may impact organizational behavior and organizational justice. They argue that formal MCS must be designed with justice in mind, but just as critical is the behavior of the managers using them.

MORE INFORMATION:
IESE Insight / Accounting and Control

Morocco: the Pearl of the Maghreb?

JOSÉ R. PIN, PILAR GARCÍA LOMBARDÍA & ANDREU PEIRÓ

With many of the neighboring countries unstable, Morocco has acted as a bridge between Europe and Africa. In their report "Destination; Morocco" the authors discuss how its geographical location, political stability and liberalized economy make it an attractive place to operate in both the African and European economies. The report highlights the country's idiosyncrasies as well as the sectors that are ripe for development and investment.

MORE INFORMATION:
IESE Insight / Economics





GLOBAL ENTREPRENEURSHIP WEEK

Spain's Future Depends On Fostering an Entrepreneurial Society

Prince Felipe chairs the main event of the 2012 Global Entrepreneurship Week on IESE's Madrid campus.

“**E**ntrepreneurship is synonymous with creativity and opportunity and that ensures a clear path towards employment and wealth creation,” said Prince Felipe de Borbon during the main event of Global Entrepreneurship Week (GEW), which IESE organizes and coordinates in Spain. “This ensures, as we all know, an increase in welfare and thus a better future for our country,” he said. Entrepreneurship and the values that accompany it, he said, involve “the ability to take risks, to innovate and to contribute to the common good of society. These elements are essential for meeting the challenges of being competitive and progressing socially.”



1. Brainstorming on IESE's Madrid campus
2. From left to right, His Royal Highness the Prince of Asturias; Victor Calvo-Sotelo; Jordi Canals; Francisco Iniesta, Mireia Rius and Juan Antonio Galán
3. Felipe de Borbón greets guests on arrival at IESE's Madrid campus

Successful business leaders and entrepreneurs need visibility so they can serve as role models to inspire younger generations of Spaniards to foster dynamism and creativity, he said.

"The world's most dynamic companies are those that are best able to cope with the challenges of the new global economy and those who know how to create an institutional environment and values that foster entrepreneurship," he said. Entrepreneurship, he said, rests on three pillars: innovation, initiative and commitment.

During his speech, Prince **Felipe** said education is a "fundamental aspect" of boosting entrepreneurial activity. Despite recent efforts and progress made, the Prince said there is still "a long way to go to recover from the cur-

rent economic crisis." Spain's future depends upon developing a more entrepreneurial society, he said. "That is our responsibility: to help create a more agile society that is more connected to global trends and more aware of our strengths and virtues. In short, more focused on the future and more prosperous all ways."

RECOGNITION FOR IESE

The Prince of Asturias praised the school for its contributions to the field of entrepreneurship. "IESE has always understood that a business venture grows and is perfected through educational development that addresses many areas, ranging from the technical to a focus on principles and feelings," he said. He also thanked



1. Prince Felipe greets some of the organizers of the GEW
2. Mathieu Carenzo
3. Lucas Carné
4. Timo BueteFisch, Catalina Hoffmann, Prof. Francisco Iniesta, María del Pino Velázquez, Antonio González-Barros and Josep Lluís Sanfeliu
5. His Royal Highness the Prince of Asturias with EMBA students

THE ONLY WAY TO CREATE JOBS AND PROSPERITY IS THROUGH SUCCESSFUL COMPANIES”

Lucas Carné
Founder of Privalia

the GEW 2012 for providing “a way to open to the world” since this is “a necessity in an economy increasingly internationalized and globalized like ours.” “Spain, thanks to the efforts made by IESE since 2008, is one of the leading countries in this movement,” he noted.

Before participating in the session, Prince **Felipe** took part in a brainstorming meeting with entrepreneurs and IESE professors on how to accelerate entrepreneurship in Spain. In his remarks, IESE’s Dean **Jordi Canals** stressed that entrepreneurship “is a driving force in dynamic societies.” “The challenges of globalization have led to a change of environment for the EU and Spain. In this new framework, policies are needed to limit spending but these should also establish a context that stimulates growth,” he said. In such an environment, entrepreneurs are “not born, but made,” he said.

Canals noted that 30 percent of IESE graduates embark on an entrepreneurial project within seven years of graduation. “We face an additional challenge: to make this need we have to become entrepreneurs an opportunity for our country,” said Dean **Canals**. To accomplish this, education focusing on entrepreneurship is vital since it will help society



6

ENTREPRENEURS SEEK PARTNERS AND FINANCE

The GEW attracted a large number of entrepreneurs seeking finance, ideas and partners among the many people who took part in the numerous activities held on the Barcelona and Madrid campuses during the week of November 12-18.

"The first thing you need to be clear about is that there is a market for your idea," said **Gijs Jansen** (MBA '03), co-founder and CEO of Alucha, an innovative recycling company. **Jansen** was taking part in the discussion "How to transfer technological innovation to the marketplace" during the Entrepreneurial Tech Fair held on the first day of the GEW. It was moderated by **Mathieu Carenzo**, director of IESE's Center of Entrepreneurial Initiative and Innovation.

Jansen was accompanied by the co-founder of Alucha, **Hans Cool** (MBA '03), CFO of the company. Both offered the advice that "when you innovate, you have to believe in yourself" and fend off unhelpful external influence and advice. They also recommended finding an industrial partner and to make the most of the publicity that comes from winning awards, which are highly valued by partners, investors and clients.

Ernest Mendoza, founder and managing director of Goldemar Solutions, said that "there are two things that are more important than technology: the workplace environment and the team." **Albert Giralt**, founder and managing director of Avinent, also took part in the session and talked about the history of his company.

During the GEW, IESE's Private Investor and Family Office Network, presided over by Prof. **Juan Roure**, held its 65th Forum. The Ernst & Young Entrepreneurship Award for Catalan entrepreneurs was also presented.

to meet the challenges of globalization and create job opportunities for future generations.

The three pillars of the GEW initiative are to integrate all agents within the virtuous cycle of entrepreneurship, highlight the values of entrepreneurs and recognize their careers so they can become role models for society, said **Mathieu Carenzo** in his remarks.

"CONTAGIOUS ATTITUDE"

Finally, **Lucas Carné** (MBA '99), entrepreneur and ambassador of the GEW 2012 and founder of Privalia, stressed that entrepreneurship is an attitude "that spreads." "The only way to create jobs and prosperity is by generating business benefits through successful companies. And contagion is the only way to plant seeds," he said.

Francisco Iniesta, professor and director of IESE's campus in Madrid, acted as moderator on the panel "How to Accelerate Entrepreneurship in Spain." The panel featured the perspectives of five entrepreneurs: **Maria del Pino** (MBA '91) founder of Unison; **Timo Bueteftisch** (MBA '04) founder and president of Cooltra; **Antonio González-Barros** (PADE '01) president of Intercom; **Catherine Hoffmann** (PDD '07) director of Vitalia Day centers and **Josep San Feliu** (G-EMBA '06) partner of Ysios Capital. Panel members described their own experiences and encouraged audience members to go forward with pursue their own entrepreneurial projects.

MORE INFORMATION:
www.gewspain.es
www.iese.edu/eic
www.iese.edu/videos

27TH AUTOMOTIVE SECTOR MEETING

COLLABORATION, COMPETITION AND INNOVATION MARK THE ROAD AHEAD

A combination of worldwide recession, changing consumer habits and e-mobility have forced a rethink in strategy and marketing across all sectors of the vehicle industry.

Collaboration and innovation were the catchwords at the 27th Automotive Sector Meeting held on the Barcelona campus last November under the heading “Tectonic Shifts”, and organized by IESE’s professor of operations, **Marc Sachon**, and the founding presidents, Prof. **Pedro Nuevo** and **Juan Llorens**. Consumer habits are changing, there are new players and new markets as well as new technologies, all of which combine to make it a period of upheaval for the automobile business.

“We face a process of transformation and development that is going to define the future of the sector,” said **Franco Roger** of the automotive sector of KPMG Spain, which co-organized the meeting. **Mathieu Meyer**, his KPMG counterpart in Germany, listed four trends that will define the future: new financing models, driverless cars, e-mobility and the increased use of IT in cars.

Antonio Romero-Haupold, CEO of Faconauto, agreed. “I don’t know if it will be electric or hybrid,” he said. “What I do know is that the car of the future will be interconnected.” **Alan Perriton**, president of VIA Motors, said his company intends to make the vehicle “a mobile energy center.”

Takashi Shirakawa of the Nissan Technical Center Europe, said society needs to change and choose the right vehicle for the job: gasoline-driven cars for long distance, hybrids for shorter journeys and electric for cities. **Marc Sachon**, IESE professor, said that many people believe that car sharing and systems that free up the driver are an inevitable part of the future. He also presented the findings of the “21st-Century Dealer in Europe” study, based on a survey of more than 1,000 people in Barcelona and Madrid and a proj-



ect undertaken by the MBA '13 students. The surveys showed that, in general, people are currently satisfied with dealers; most declared themselves "happy or very happy", while acknowledging the potential for some improvement. Sachon also pointed out that those who are obliged to park further from home are more enthusiastic about car sharing.

Pascual Dedios Pleite of Siemens Spain added that by 2050, 40 percent of the world's population will live in cities so we will have to use smaller cars, more public transport, as well as car sharing.

Brandon Yea, president of Kia Motors Europe, said the key factors for successful growth are quality, design and a good product. Lighter and more versatile materials are going to play an important role in vehicle design. **José M. Tarragó**, executive vice president of Carbuces Europe, emphasized the potential of carbon fiber, despite its expense.

Not only will showroom dealers not disappear, they will be bigger and will sell a range of marques, not just one, according to Romero-Haupold. Buyers will have already made

their buying decisions on the Internet, he said, and dealers need to be more conscious of the online world. **Jaap Timmer**, CEO of European Car Dealers, meanwhile, criticized the European Union for "its lack of vision and strategy, which is just what the sector needs right now."

NEW MARKETS

● The increased wealth of the middle classes in countries such as Morocco and Brazil presents the sector with new opportunities. **Antonio J. Cobo**, managing director of General Motors Spain, described Brazil as "a giant waiting its turn. It's going to be a new global player and a unique opportunity for the automobile industry." Increased demand, easier access to credit and economic growth have made it a juicy opportunity.

Jaume Ribera, IESE professor of operations management, discussed a study of the automobile market in China carried out by CEIBS business school. Foreign, domestic and joint ventures are all involved but the latter emerges

SOCIETY NEEDS TO CHANGE AND CHOOSE THE RIGHT VEHICLE FOR THE JOB, SUCH AS ELECTRIC CARS FOR DRIVING IN THE CITY”

Takashi Shirakawa
Nissan Technical Centre Europe

as the best option for penetrating the market. Boosted by government subsidies and other incentives, production is exponential and imports are increasing, while exports are negligible. The Chinese think European cars are more reliable than home-grown vehicles.

Among other participants were: **José M. Machado**, president of ANFAC and Ford Spain; **Franz Cremer**, former head of human resources of senior executives at the BMW Group; **Germán López Madrid**, president of Volvo Car Spain; **José L. López-Schümmmer**, CEO Mercedes-Benz Spain; **Jens Sulek**, director of European marketing, Porsche; Germany and ZF Friedrichshafen AG; **Takashi Shirakawa**, vice president of Nissan Technical Centre Europe in Spain; **Juan José Díaz**, president of Díaz Ruiz & Partners; **Mario Armero**, executive vice president ANFAC; **Pascual Dedios**, CEO of the industrial sector Siemens; **Francisco J. Riberas**, president and CEO of Gestamp and **Jean Marc Gales**, CEO of the European Automotive Suppliers Association (CLEPA).

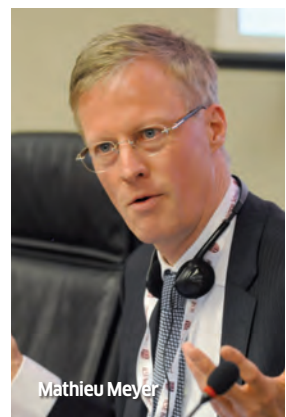
Prof. **Henning Wallentowitz**, emeritus professor of automotive engineering at the Universidad RWTH Aachen in Germany, said we face a whole range of exciting changes such as driving aids, new chassis, electronic controls and even a new type of screw. He believes the aim is to reduce weight and emissions and to improve both security and the overall driving experience. **Paul McVeigh**, editor in chief of *Automotive News Europe*, said that, rather than facing a period of tectonic shifts, over the next few years we are likely to see an acceleration of existing tendencies, including new ways of selling cars.

The meeting was organized jointly with KPMG, with the collaboration of *La Vanguardia*, Russell Reynolds Associates and the STA Fundación.

MORE INFORMATION:
Professor Sachon's blog: blog.iese.edu/auto/
www.iese.edu/videos



Francisco Roger



Mathieu Meyer



Alain Perriton



Takashi Shirakawa



Henning Wallentowitz



Jaap Timmer



Jens Sulek, Franz Cremer, Marc Sachon,
José L. López-Schümmmer and Germán López Madrid

THE WORLD IS MOVING FAST BE FASTER



**FAST-TRACK YOUR
BUSINESS GROWTH
AND LEAD YOUR
ORGANIZATION INTO
THE FUTURE**

The Fast Forward Program gives executives and their companies an immediate boost to compete more effectively. A wide variety of parallel sessions allows you to design your individual or team program. Keynote and plenary speakers will inform and inspire you as you develop a new vision for your company's future.

New Program. Barcelona, May 27-31, 2013.

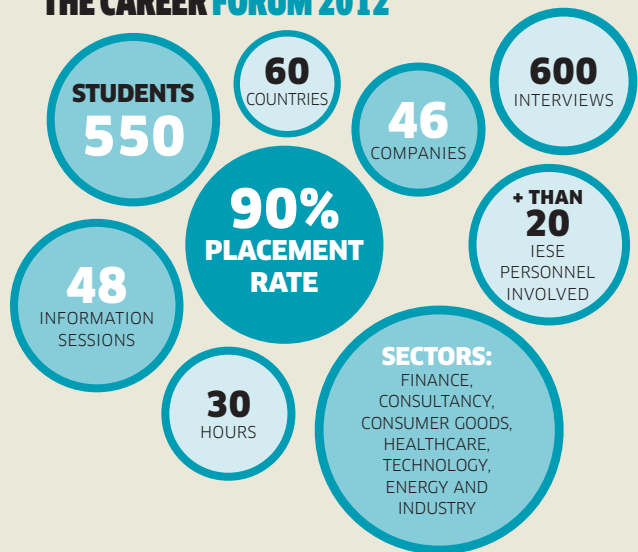


In February IESE will hold a second Career Forum, the first time two have been held during the same academic year, in order to meet the increased demand of interested companies.

The Barcelona campus was decorated with dozens of flags and posters and hundreds of students nervously exchanged their habitual jeans and T-shirts for suits and ties. Stalls representing some of the most important companies in the world completely filled the huge hall in the main building as they sought out suitable candidates. There were interviews, chats, smiles, last-minute calls and hugs, as well as many spectacular presentations, thousands of emails and, above all, a team dedicated to making it a perfect event.

This intense atmosphere, customary at IESE during three weeks in October, will be recreated on February 4 and 5. “The main reason we have put on a second Career Forum is the extremely high caliber of our students, their experience, the universities they come from and the range of their nationalities,” said **Javier Muñoz**, director of Career Services. “The combination of these factors has caught the attention of many companies from a wide range of sectors, so many that at the beginning of the course we decided to hold a second forum in order to

THE CAREER FORUM 2012



accommodate all the clients and corporations whom we couldn't fit into a single event."

A WIDER GEOGRAPHICAL REACH

As the second forum takes place only a few months before graduation students will be signing full-time contracts that will come into effect almost immediately at a decisive moment in their professional careers.

Muñoz also helped us to get an idea of what lies ahead at the Career Forum. "In recent years we've had companies from geographical areas that weren't well represented in the past, in particular Asia, the United States and Latin America. As for sectors, the ones that stand out are pharmaceuticals, technology and consumer industries. These are areas that are relatively new to IESE and which work very closely with MBA student clubs."

This new adventure comes on the heels of previous successes and, in particular, the Career Forum 2012 that was held on October 22-24 in Barcelona which was a fruitful encounter for both students and companies, but especially for those familiar with both sides.

BOTH SIDES OF THE COIN

The recruiters **Paolo Vicari** (MBA '11) and **Sofia Martins**, a second-year student, have now returned to the school to recruit talent for their companies Marks & Spencer and American Express. "As a recruiter, it's interesting to see things from the other side and to see how interested the MBA students are. Many of them are full of questions, they are well prepared for their interviews and ask excellent questions," said **Vicari**. For **Martins**, it's interesting to talk to students "and to tell them my story to give them some sort of an idea. I share with them everything I've learned and been through and what the transition is like."

PLATINUM SPONSORS



GOLD SPONSORS



Francisco Ybarra from Citigroup says he has come to the Career Forum looking for "candidates with a strong academic background, the potential to grow, versatility and the ability to develop as managers. We want people who can develop across various aspects of the company and those are the sort of people we find at IESE."

The European focus is a key aspect for **Rob Weston**, also from Marks & Spencer. "It's a fantastic event for a company that wants to expand in Europe. There's a wide range of talent and there are some students who have already worked with us and who have been brilliant," he says.

For the students, the Career Forum is a unique opportunity. "Last year I came looking for a summer job and was able to talk to Banco Santander. I did my summer internship with them in New York and now I'm looking for a full-time job. Having access to so many important companies in such a short space of time is an opportunity that's too good to miss," says **Gonzalo Bataller**, a second-year MBA student.

Ho Mu Wang, a second-year MBA student from Taiwan, emphasizes the opportunities to change career direction. "Although my background is in banking, here I can explore other sectors that are just as interesting and present really good opportunities," Chino says. "It's also very valuable that you can make contact with staff and recruiters from these companies. It's a totally unique experience."

Once the dust has settled on February 6 and the Barcelona campus returns to its usual serenity, IESE will have made another contribution to the development of its students' personal and professional careers.

MORE INFORMATION:
www.iese.edu/CareerForum



HEALTHCARE: FACING UP TO A CHANGING PARADIGM

The 19th Healthcare Industry Meeting brought together healthcare experts, executives and academics to discuss how to create and share value.

Healthcare costs will play a pivotal role in both advanced and fast-growing economies over the next few years, said IESE Prof. **Núria Mas** in her opening remarks at the 19th Meeting of the Healthcare Industry, held on the school's Barcelona campus in early October.

Sponsored by BCG, with the collaboration of Adeslas Segur Caixa, Eurest and *La Vanguardia* newspaper, the event brought together healthcare experts, executives and academics to discuss how both public and private sector agents can contribute to value creation in the sector.

Prof. **Mas** said that the expansion of the global middle class, particularly in Asia and Latin America, is ushering in longer life spans around the world and a better quality of life. The huge challenge faced now by many countries, especially in view of the debt crisis, is how to facilitate quality healthcare at affordable costs.

"We are facing a structural change and the sooner we react to it, the better," said **Mas**, a member of IESE's Economics Department and co-chairperson of the meeting with IESE Prof. **Pedro Nuevo**, who emphasized the significance of today's longer life spans, said that "in the future we might live to be 120 years old and this longevity



Roberto Úrbez, Werner Knuth, Prof. Núria Mas, José Escaich, Antoni Esteve, Jordi Ramentol and Prof. Pedro Nueno

implies more health care, so we should consider how the healthcare sector will confront this scenario.”

“We face a changing paradigm and we need to change the way we create and share value,” **Mas** said.

“We are dealing with a paradigm that is in a state of flux and we have to change the way we create and share value,” says **Mas**. She outlined five main areas where change is needed in order to achieve better quality at a lower cost.

- Transparency. We need more data on what is and is not working and, above all, why.

- Patient involvement. An increasing number of patients are researching their condition on the Internet but



THE HUGE CHALLENGE FACED NOW BY MANY COUNTRIES, ESPECIALLY IN VIEW OF THE DEBT CRISIS, IS HOW TO FACILITATE QUALITY HEALTHCARE AT AFFORDABLE COSTS ”

Núria Mas

Joint president of the Meeting

they need to be more involved in the process as another agent in the system. The patient must also be involved in improving prevention and treatment and take part in decision making.

- Innovation is key both in management and in creating new products to deal with, for example, chronic conditions. The needs of the system are going to be very different.

- We need more partnerships, not just between the public and private sectors but also with those not seen as traditional partners. Pharmaceutical companies can act as a bridge between the pharmacy, the doctor and the patient.

- We have to share risks and incentives and move towards models that are very different models from the existing ones and we need clear guidelines that everyone understands.

“PUNCTUATED EQUILIBRIUM”

- In the opening session, Dr. **Gregg Meyer**, chief clinical officer and executive vice president for population health at Dartmouth-Hitchcock Health System, said that healthcare in the United States is undergoing fundamental changes.

Meyer, who worked on healthcare reform as part of the Clinton Administration in the 1990s, said that regional systems in the U.S. are in a state of “punctuated equilibrium,” that is, they are undergoing dramatic changes over a short period of time. Change is being triggered by the huge amounts of data which are now available to consumers and companies, cultural shifts in society and the global financial crisis, **Meyer** said.



Gregg Meyer



William Looney



Victor Yuan Yue

In the private sector, growing costs of employee insurance are putting the importance of healthcare in the economy, as well as the need for a healthier population, into sharper relief. Starbucks spends more on healthcare for its employees than coffee beans, he said, which means that “if you are the CEO of Starbucks, you need to be as focused on healthcare as the cost of coffee beans.”

In the afternoon session, **William Looney**, editor in chief of *Pharmaceutical Executive Magazine* talked about the challenges and vulnerabilities facing the biopharmaceutical industry in improving industry reputation.

“The pharmaceutical industry produces a public good but is also a business,” **Looney** said. “Few sectors are sub-



IN THE PRIVATE SECTOR, GROWING COSTS OF EMPLOYEE INSURANCE ARE PUTTING THE IMPORTANCE OF HEALTHCARE IN THE ECONOMY, AS WELL AS THE NEED FOR A HEALTHIER GENERAL POPULATION”

Dr. Gregg Meyer

Dartmouth-Hitchcock Health System

ject to such intense government regulation. CEOs are becoming personally liable for malfeasance.”

He said that people are saying a pharmaceutical company should be a solutions company instead of a drug company but that there is a disconnect between the health solutions approach and the way drug companies market their products. He added that there was a lot of public misconception about the percentage of health expenditure that goes on drugs, which is far lower than people believe.

PROGRESS IN CHINA

The following day, **Victor Yuan Yue**, president of Horizon Research Consultancy Group, described the healthcare system in China. In 1997, he said, the country implemented a major government-backed health program that targeted mainly urban residents. Since then, efforts to provide services to the general population and investments have expanded, with the goal of covering all citizens over the next six years.

Currently, the portion of China’s GDP and personal expenditures on healthcare are lower than average global levels, but they are growing. In 2011, the Chinese government spent 5.1 percent of its GDP on healthcare, a slightly higher percentage than on education. Moreover, polls show that healthcare ranks among the public’s top concerns, he said.

While China has made “remarkable progress” in many areas, it also faces challenges. Many people in rural areas are still reluctant to use medical clinics because they view treatments as complicated and expensive. And because many people wait to until their health problem is at an advanced stage, treatment becomes more costly.

PREPARING FOR THE HEALTHCARE REVOLUTION

● The healthcare sector is evolving rapidly and IESE aims to contribute towards professionalizing management of the sector. To this end, in April it launched its Healthcare Management Program (HMP) which is aimed at helping health professionals in both the public and private sectors. The program brings together people from diverse backgrounds and a wide range of nationalities to work together to solve the pressing problems of how to use innovation in both technology and management to provide quality but affordable healthcare.

The faculty involved in the program have been researching healthcare issues for over 20 years and have a clear view of the ideas that need to be addressed,” says **Beatriz Muñoz-Seca**, the program’s academic director. “We want to help the people who come on the program to face up to the revolution that healthcare needs to go through. It is designed for managers and public servants because we believe that public servants need to understand the needs of managers and also need to understand how to implement change.”

INTERACTIVE PROBLEM-SOLVING

● The program consists of three, one-week modules held on IESE’s Madrid and Barcelona campuses. The modules bring together innovative and traditional concepts. Each participant brings a specific problem which is confronted during the program. The other participants help to understand the problem and devise ways to bring about the necessary change.

MORE INFORMATION:
www.iese.edu/hmp



IF WE WANT
TO OFFER PATIENTS A
BETTER SERVICE, WE NEED
TO LEARN MORE ABOUT
MANAGEMENT”

Rossana Alloni, surgeon and deputy
medical director at the Università
Campus Bio-Medico in Rome (Italy)



IN MY COUNTRY
WE HAVE MANY PROBLEMS
WITH HEALTHCARE RESOUR-
CES AND THIS PROGRAM HAS
SHOWN ME WAYS OF USING
THEM BETTER”

Adolphe Ndarabu, general manager
of the Centre Hospitalier Monkole
(D.R. Congo)



THE PROGRAM
IS INSPIRING BOTH FOR ITS
STUDY METHOD AND BECAUSE
WE HAVE DIFFERENT
APPROACHES, ABILITIES
AND KNOWLEDGE”

Tomáš Uvázl, managing director
of Stredomoravska Nemocnici
(Czech Republic)



I CAME HERE
HOPING TO LEARN ABOUT
HEALTHCARE MANAGEMENT
BUT IESE HAS GIVEN ME SO
MUCH MORE”

Cristiane De Marins, customer
service director at Amil Assistência
Médica Internacional (Brazil)

FAST FORWARD,
NEW PROGRAM

LOOK TO THE FUTURE TODAY



In his famous essay, the philosopher **Isaiah Berlin** wrote that “the fox knows many things, but the hedgehog knows one big thing.” In our fast-moving and interconnected world, hedgehogs are history. Today’s executive needs to be a fox, keeping up with the pace of change. But it’s not easy. On the one hand, technology is changing at breakneck speed. The iPad has only been with us for two years and yet it is already ubiquitous. Change is exciting, but it brings with it uncertainty and decision-making in these vertiginous times is more fraught with doubt than ever.

For all these reasons, in May IESE launches its “Fast Forward: Building Tomorrow’s Business World” program, designed to give executives an immediate boost and to endow them with the confidence that they are making informed decisions in order to compete more effectively.

Will the rise in impact investing change the profile of shareholders in the next ten years? How will business be affected by social media? How can the latest findings of neuromarketing maximize profit? Responses to these questions are needed in order to thrive in today’s market. The new program – which takes place from 27 to 31 May

on IESE’s Barcelona campus – will answer these and many other questions crucial to executive development and business growth.

Idunn Jónsdóttir, director of IESE’s International Open Programs, explains that the five-day program “will allow the participants to identify future areas for potential growth and increase their competitiveness, as well as providing inspiration and motivation.” The program will include sessions dealing with all areas of management and cover a wide range of topics. Those taking part must follow one of four academic tracks: challenges and opportunities in growth markets; reinventing a business project; utilizing the latest digital technology in business, and marketing for the consumers of the future. In addition, there will be parallel sessions on various fields of research. Plenary sessions on global economy; leadership and innovation; decision-making in times of uncertainty, and information technology and communication will be led by **Pedro Videla**, **Paddy Miller**, **Miguel Ángel Ariño** and **Sandra Sieber**, respectively.

FOR MORE INFORMATION:
www.iese.edu/fastforward

KEYNOTE SPEAKERS



PANKAJ GHEMAWAT

Prof. **Ghemawat** has challenged those who claim that globalization has produced a flat world by amassing evidence that shows that we live and trade in a much more localized world than is commonly thought. Ghemawat is the Anselmo Rubiralta Professor of Global Strategy at IESE Business School. In 1991, he became the youngest person in the history of Harvard Business School to be appointed a full professor. His most recent book, *World 3.0: Global Prosperity and How to Achieve It* won the 50 Thinkers Book Award for best business book published in 2010-2011.



ROBIN SHARMA

Robin Sharma is the founder of Sharma Leadership International, a highly respected global leadership training firm whose clients include Starbucks, The Coca-Cola Company and Microsoft.

He is also the author of 11 bestselling books on leadership including *The Leader Who Had No Title*. He shot to fame with *The Monk Who Sold His Ferrari* and has become one of the world’s leading authorities on how to develop leadership at all levels of an organization.

DIGITAL UPGRADE

IESE Leads in a Wireless World

IESE spent last summer working with leading wireless provider Xirrus and its local partner Domo Informatica to provide wireless networking throughout the campus facilities in Barcelona and Madrid.

Connectivity and remote networking are key to success in the modern education and business world. For this reason, IESE partnered with Xirrus for an ambitious modernisation programme for the Barcelona and Madrid campuses to deliver full mobility and wireless working to the fingertips of students and faculty members. More than 3,500 users can now simultaneously enjoy uninterrupted access to the wireless network on notebooks, tablets and smartphones, whether from lecture halls, seminar rooms or study areas.

ARRAYS AND NETWORKS

Xirrus, the world leader in high-performance wireless networks, provides array-based technology that performs under the most demanding circumstances. The wired-like performance, reliability and superior security of IESE's new network allow our students and lecturers on the university's world-beating MBA and Executive Education programs to confidently take their business studies and operations mobile.

Using a sophisticated architecture of wireless arrays to provide up to 4x the coverage, 8x the bandwidth

and 8x the capacity of traditional wireless deployments, Xirrus' local Spanish partner Domo Informatica installed 105 arrays in total.

With 74 arrays in Barcelona and 31 on the Madrid campus, the installation now provides an outstanding end-user experience. With significantly higher density and performance per device and per radio, the deployment used less cabling, switching and general infrastructure expenditure compared to other major manufacturers.

Peak load will see more than 800 students simultaneously log on during the lectures in some of the main lecture halls. Device support is universal, with laptops, iPhones, iPads, Android, Blackberry or Windows all supported, whether supplied by the university or the personal property of the user.

The ability of the system to support a bring-your-own-device (BYOD) policy now enables stu-

dents and faculty members to have complete freedom over the devices they use. When thousands of students from all over the world come to use our facilities, they can be assured of complete reliability and security from our new wireless IT infrastructure.

Peak load will see more than 800 students log on simultaneously during lectures

London Meetings

Retail and Data Control are Featured Topics

Alumni met in London last Fall for an IESE Alumni and Friends Event at which **Alan Giles**, chairman of Fat Face, presented a session titled "Never Mind the Quality, Feel the Loyalty Points: the Future of Retailing." The session, in which **Giles** discussed the changes that are bringing retailers closer to consumers, was moderated by Prof. **Philip Moscoso**.

In November, IESE and LBS held the latest in their entrepreneurs' breakfast series under the heading "Small Data, More Opportunity to Innovate than Big Data?"

Speakers included **Justin Basini** of Allow, a company that helps people control their privacy and data; **Marcus Evans** of the firm Norton Rose, who advises on the legal aspects of data protection; **William Heath** of Mydex Community Interest Company, which helps people to protect and maintain control of their data, and **Rich Radka** of Claro Partners, which advises businesses on how to make sense of big shifts in business and society in order to deliver customer-centric innovation.

The event was hosted by Norton Rose at their London offices and was organized by **Hervé Humbert** (MBA '05) and **Patrick Kelly** (MBA '01).



GLOBAL CEO PROGRAM

Next Stop: Africa

The program, which is already held across three continents, now includes an optional model in Cape Town, South Africa and Accra in Ghana.

Understanding planetary trends as diverse as water and food shortages, demographic shifts and disrupted energy supplies are just some of the realities that business leaders need to come to grips with if they want their companies to thrive in an increasingly inter-connected world.

It is to help senior executives understand and face up to these realities that the Global CEO program was devised. It is an action-oriented program that offers participants the opportunity to interact and share experiences with business leaders on the three continents where it is held. The modules in this year's Global CEO program will be held as before in Sao Paulo, Philadelphia and Shanghai. However, this IESE, Wharton and CEIBS initiative has an extra dimension this year, with an optional module in Cape Town in South Africa and Accra in Ghana. By adding a third continent, the program is looking ahead to the growing role that Africa will play in the world economy.

"The program is designed to be a transformational journey," says **Carlos P. Hornstein**, the program director. "Having passed through South and North America and Asia, the next stop is Africa. South Africa is the biggest and most internationalized economy in Africa, while Ghana is an example of an emerging country with high growth."

Hornstein explains that there is a growing interest in Africa because of its market potential, growth and natural resources. "As well as this 'external' factor, participants in the program want to understand the continent better, in particular having exchanged their experiences with African participants who have opened their eyes to what some markets have to offer," he says.

A DISPARATE CONTINENT

● This module complements those that preceded it, he says, and it follows in the same spirit of seeking opportunities for profitable growth in a complex and uncertain world. It combines the academic input of the three schools with a heavy dose of contextualization through daily panels involving CEOs of key firms in each country. The panels are led by professors and specialists in the particularities of the region.

For Prof. **Pedro Nueno**, a member of the Global CEO faculty, "Africa needs the developed world but the developed world also needs Africa. The disparateness of Africa is part of the challenge but it can also be seen as a mitigating risk factor. For example, Morocco is growing at a rate of around 10 percent, it's stable and there is a pro-business attitude. There are opportunities elsewhere in North Africa but there are other countries such as South Africa, Nigeria and Ghana that are experiencing solid growth. In Africa there are a lot



Antonio Gallart (GCP '13)



Antoni Esteve and Joao Paulo Nogueira, both (GCP '13)



Mohammad Ahmad Husain and John Nwosu, both (GCP '13)



Andreas Seitz, Ibukun Awosika and Vivek Agrawal, all (GCP '13)

of opportunities in basic sectors such as construction, the food industry, mining and smelting, as well as infrastructures, medical products and pharmaceuticals.”

Jacqueline Abed (GCP '10), director-general of Micronext in Mexico who participated in the Global CEO program in 2010 and who has signed up for the Africa module, says “Africa is the place to explore, given that it provides gas and oil to the world, in addition to other natural resources. China is its main commercial partner, followed by Brazil. There are great opportunities in financial services and telecommunications.”

The program interests her “because it deals with the topics of innovation and world change that we studied when I participated in the Global CEO program two years ago. We look at how the world is changing and what we as business people need to do.”

“My primary reason is to keep in touch with an outstanding group of people I met in the Global CEO program,” says **Patricio Supervielle** (GCP '12), a board member of the Argentina-based Banco Supervielle. “The focus on innovation and change management certainly appears very attractive. Africa is joining the world economy as a commodity producer. If Africa meets the challenge of investing heavily in education and strengthening key institutions, it will play an important role in world affairs in the next 25 years.”

TIME FOR AN AFRICA ACTION PLAN

● **Juan Carlos Garcia Centeno** (GCP '12), chairman and managing partner at Sigrun Partners in Madrid says he particularly likes the combination of the two major growth areas in Africa, the south and the west. “Both regions offer huge opportunities for any entrepreneur or investor,” he says. “If your business wants to have global relevance in the future, it needs an African strategy and action plan. Now is the time to look and decide on Africa.”

Manuel Olivares Rossetti (GCP '10), general manager at BBVA Chile, says: “There were several reasons to join the African module, among them, the possibility of getting together with my peers from the previous modules, the proven track record of IESE in organising these type of programs and a personal need of learning a little bit more about a fascinating continent (including its people) that is beginning to play a role in the economy of the 21st century.”

Guillermo Amtmann, president and CEO of Gamma Holdings (SEP Miami '10 and GCP '12), says: “I see Africa as important as any other of the economic blocs, Africa must be considered in all of our businesses as an expansion opportunity.”

MORE INFORMATION:
www.iese.edu/gcp

YOUNG TALENT PROGRAM

Young Graduates Prepare for the MBA

Some 35 young people representing the cream of the world's universities joined the Next Steps Program which brought them a step closer to studying for an MBA.

• The program was established with the aim of giving talented students from universities around the world the chance to start a professional career. The program looks for candidates with great potential. This year the intake had an average score of eight out of ten and were mostly studying engineering or business studies.

Successful applicants are granted preadmission to the MBA course once they have acquired at least two years' work experience.

WORLDWIDE TALENT

• The Next Steps Seminar introduces them to all the abilities they will need to work in a company and develops their capacity for teamwork. The 35 participants in last summer's Next Steps Seminar represented 14 nationalities.

Pedro José Aguas from Barcelona commented that he found it enriching to work in such a mixed group.

Elitsa Dermendzhiyska, from Bulgaria, found the experience of finding solutions through teamwork especially stimulating. "As a mathematician I see solutions that someone with a business background will tell me aren't practical," she said. "The best thing has been a combination of teamwork and case work. It



Pedro José Aguas, Elitsa Dermendzhiyska, Amin Aznizan and Amit Gujar

makes you aware of how you relate to people culturally and it forces you to think fast on your feet."

Amin Aznizan, who comes from Malaysia, said: "I really like the way the professors don't give you information, they extract it from the class."

"Everyone seems to be on the same wavelength even though they are from a different background. The whole experience has confirmed for me that I made the right choice in choosing IESE," said **Amit Gujar** from Mumbai, who hopes to begin his MBA in 2013.

In common with **Gujar**, all YTP participants are offered preadmission to the MBA when they have finished their degree courses and at the same time IESE helps to place them in work. During the

last year of their degree they have to apply to join the YTP and, once they have graduated and joined the program, they spend the next two or three years working for one multinational. At the end of this period, they can begin the MBA.

"It has been a pleasure to teach in the Next Steps Seminar for the past two years," said Prof. **Anindya Ghosh**. "The students are on a par with the MBAs I have taught in terms of their preparation

and the quality of their output. "Thoughtful, talented and, above all, hard working, these young Turks are on their way to becoming future captains of industry."

MORE INFORMATION:
www.iese.edu/youngtalentprogram

"Everyone seems to be on the same wavelength although they are from different backgrounds"



Uti Henry, Isaak Ibrahim, Thelma Opara and Margaret Gitonga

PAN AFRICAN EXECUTIVE EMBA

Putting Collective Good Before Individual Interest

“For emerging markets such as Nigeria globalization is an opportunity for us to industrialize and catch up with the rest of the world and to create jobs. However, African culture is collectivist and if businesses coming in don’t understand that, their business will not prosper. Africans are very proud of their culture and don’t want to import foreign cultures wholesale,” says **Uti Henry** of Lagos Business School, one of the business leaders from Kenya and Nigeria who visited the Barcelona campus in September for a module of the Pan-African Executive MBA module led by Prof. **Lluís Renart**. The 98 participants came from the IESE’s associated schools Strathmore Business School in Kenya (SBS) and Lagos Business School in Nigeria (LBS).

Thelma Opara, also from LBS, says that for a developed economy, globalization is simply another step. “They have nothing left to prove, but for an emerging economy such as ours, we have to prove that we are as good as them. Obviously, as Nigeria was colonized by the British, we have things

in common with their way of doing things. But culturally we have more in common with Asians and the Asians represent where we want to be.”

For **Isaak Ibrahim** from SBS globalization is not the only issue. “In Africa we see a lot of opportunities for inter-African trade and bottom of the pyramid opportunities. We also see the chance to do what the Chinese have done and to create global brands. As for business culture, we have been working more or less in accordance with the Western model for a long time and can’t suddenly switch to an Asian model.” He adds that digital technology is helping Africa overcome its shortcomings in infrastructure, not only in communications, but in consumer goods and financial services.

Margaret Gitonga from SBS says that what Africans have in common is more important than their cultural or religious differences. “Companies that want to operate in Africa need to adapt and they need to use local people if they want to grow,” she says.

IESE MBA No. 1 in Europe ‘Economist’ Gives School Top Spot

The *Economist* ranked IESE Business School’s MBA program 1st in Europe in its annual survey.

The ranking is based on input from more than 19,000 MBA students and graduates, as well as data provided by the schools and results from previous editions of the ranking. It places emphasis on four areas: new job opportunities, professional development and educational experience, salary increase and networking.

IESE’s MBA program placed 9th worldwide in the ranking, which was headed by Chicago Booth, followed by Darden, Tuck and Harvard Business School.

The school’s full-time MBA program, established in 1964, was the first 2-year program of its kind in Europe. Since its inception, it has been guided by the Harvard-IESE Advisory Committee. In 1980, the program became the first bilingual MBA program in the world. Currently, 80 percent of the student body is international.

In addition to the MBA, IESE offers the Executive MBA and the Global Executive MBA and a range of executive education and custom programs.



CUSTOM PROGRAMS



Automotive supplier Faurecia is investing in executive education to stay ahead in a changing marketplace.

● To meet the growing challenges in the global automotive sector, sector, Faurecia, a top ten tier 1 supplier, joined forces with IESE in mid-2012 to deliver a comprehensive leadership program for the firm's executives.

The Faurecia Global Leadership Program highlighted the globalization of the company, while emphasizing the need for behavioral change, which will improve fluidity between short-term and medium-term objectives. It was especially designed for high-potential managers who are preparing to take on roles of greater responsibility, or who have recently done so.

While many firms are reducing spending and investment in the area of executive education, Faurecia has chosen to take a more innovative path, says **David Zorn**, program director, IESE custom programs. "For the automotive industry, the world

has changed. The only suppliers that will survive are the ones that invest in their people."

The one-week program introduced key topics that play essential roles in the company's sustainability. Case studies, role-plays and simulations allowed participants to learn through a hands-on approach, giving them an opportunity to test their new knowledge in real time and make predictions based on probable conditions.

COLLABORATIVE ENVIRONMENT

● The program drew Faurecia managers together from all over world to IESE's Barcelona campus to experience a collaborative environment in order to build relationships and deepen the company's global knowledge. Participants in the program came from France, Germany, the United States, United Kingdom, China, India, Chile and Mexico, among other countries.

Led by IESE academic director Prof. **Mike Rosenberg**, the program addressed the company's current challenges via action learning. Individual managers conceptualized personal action plans to be executed within 100 days of completing the

program while guided and supported by IESE staff. The results proved immediate and dynamic.

IESE faculty members leading sessions during the program included **Adrian Done**, **Núria Mas**, **Ahmad Rahnama**, **Sebastian Reiche**, **Mike Rosenberg**, **Frederic Sabriá**, **Marco Tortoriello** and **Govert Vroom**. Each day followed a specific theme: context, strategy, finance and operations, culture and change and, finally, "getting things done." Intensive peer coaching sessions were also an integral part of the program.

In addition to taking part in classroom sessions, participants kept journals to record the processes, reflect on their decision-making and assess their expectations for change. The dynamic nature of these exercises gave rise to continual reflection and assessment in order for improvement in policy and management.

Through the custom-designed program for Faurecia, IESE is helping the company usher in fundamental organizational changes in the context of an evolving marketplace.

MORE INFORMATION:
www.iese.edu/custom



IESE HOSTS ANNUAL EBEN CONFERENCE

Meeting Focuses on “Work, Virtues and Flourishing”

When something has failed so spectacularly as our current economic system, we have to examine the ethical questions to find the root causes of the problem. This was one view expressed at the 25th Annual Conference of the European Business Ethics Network, which is organized by the Center for Business in Society and was held on IESE’s Barcelona campus last September. The conference was directed by professor **Joan Fontrodona**.

Another participant said that ethics “needs to be bilingual, it needs to speak the language of philosophy and business.” Far from becoming less relevant, ethics consolidates the norms of doing business and its structures, as well as contributing to moral regeneration.

The conference is a meeting place for academics, Ph.D. students and other experts in the field to exchange views and research on the subject of business ethics. The 25th conference was held under the slogan “Work, Virtues and Flourishing.”

The object of the conference is to discuss the concept of work from a

humanist perspective. As well as being fundamental for producing goods and services, work also provides an opportunity to learn and develop physically, emotionally, intellectually and ethically through a combination of abilities and virtues. “Our identity and self-esteem is closely bound up with work,” said **Alois Stutzer**, professor of public choice and public economics at the University of Basel.

Heidi von Weltzien Hoivik of the center for ethics at BI Norwegian Business School said “ethics has to take on the tough questions of whether we have a fair economic system as well as what we are doing to eradicate poverty.”

“The main challenge consists in developing the right ethical character,” said **Alejo Sison**, EBEN president and professor of philosophy at the University of Navarra. “We need to have an eye on how business ethics affects the turn of events.”

MORE INFORMATION:
Follow the Professor’s blog:
blog.iese.edu/antonioargandona

The Vital Role of Lobbyists

Experts discuss U.S. and European Advocacy Systems

“Due to criticism and the negative impression propagated by the media, some lobbyists label themselves political strategists,” said **Wright H. Andrews**, president of the American League of Lobbyists.

“Government officials understand the importance of lobbyists, whereas citizens often forget that they are often represented by the groups they belong to: environmental groups, trade unions, churches, military groups, retirement associations and many more.”

He was speaking at the Public Affairs Forum held on the Madrid campus in September. The other speaker was **Carlo Casini**, a member of the European Parliament and spokesperson for the EU Lobby Register. They described differences in the advocacy systems of the U.S. and the EU, both emphasizing common misconceptions that people have about lobbyists and how public policy advocacy works in practice.

“Lobbies are involved in activities the public is unaware of, such as research and developing strategy,” said **Andrews**, who called for greater transparency. **Casini** said that many lobbies contribute to the common good.

The event was jointly organized by IESE’s José Felipe Bertrán Chair of Governance and Leadership in Public Administration and the communications consultancy Llorente & Cuenca.

GLOBAL FINANCE PROGRAM

How to Stay in Front

New program is designed to give senior executives the tools and knowledge they need to keep pace in an ever more complex business environment.

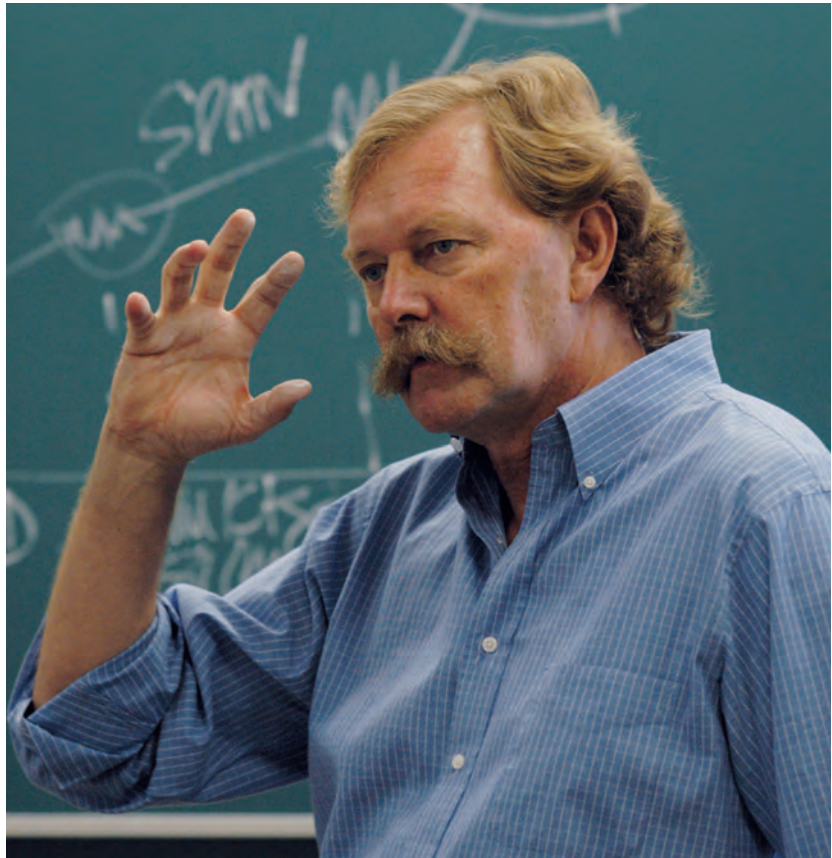
With an ongoing crisis in the financial sector it is becoming increasingly difficult for C-suite executives to stay ahead of the game. What executive does not worry about missing opportunities in these dynamically shifting circumstances? What executive does not fear a financial meltdown?

To address these doubts and fears, NYU Stern School of Business and IESE Business School have created the Global Finance and Strategy for Senior Executives program, a senior-level, international program to develop business thinking that includes finance and strategy in a way needed by leaders of global organizations to create sustainable success across borders.

KEEPING UP WITH CHANGE IN AN INTERDEPENDENT WORLD

Every day there appear to be more regulations, both local, regional and international. As a result, financial pressure is forcing executives to reevaluate established business models and explore new and innovative ways of creating sustainable profitability.

"It's a whole new game with new rules and new ways to make money," says Prof. **Paddy Miller**, the program's academic director. "While most organizations have implement-



Prof. Paddy Miller

ed sophisticated control systems, they may not provide the strategic perspective necessary to survive the present environment. Consequently, executives may sometimes lack the broader financial perspective needed to cope with this changing environment."

Miller says that IESE and NYU's strength lies in their ability to address senior management issues with senior managers. "Through many years of working together with senior managers we have learned how to structure learning environments that make for engaging peer-to-peer activities. This has become one of IESE's strengths."

The issue today is increased interconnectedness, he says. "Senior leaders have to be more adept at seeing interdependencies, understanding their implications and being able to create value from them. This is very difficult because everything is linked and there are often unintended consequences that have to be managed immediately," **Miller** adds.

GLOBAL STUDY APPROACH

The program consists of three, one-week residential modules held over a six-month period on three continents.

The first module, to be held in Barcelona in April, focuses on the global context, while the second, New York module, is an in-depth study of globalization and the financial markets. Participants go to Shanghai for the final module where, by interacting with Chinese executives and engaging in faculty-led discussions, they will build a nuanced understanding of what it means to do business in China and other emerging markets.

George D. Smith, academic director of NYU Stern School of Business, says the program is "designed to immerse senior business leaders in the complexity of strategic and financial issues in a fast-changing and ever more interdependent world."

MORE INFORMATION:
www.iese.edu/globalfinance

PROF. PEDRO NUENO AMONG JUDGES

Innovation Rewarded

Touch screen code takes top prize in Wall Street Journal's annual technology innovation awards.

• Treatment for tuberculosis in India, a thermostat that programs itself and a tsunami barrier that automatically deploys when destructive waves approach. These were among the winners in the 2012 Wall Street Journal Technology Innovation Awards. A team of editors sifted through 536 entries from over two dozen countries and passed on 170 to a panel of judges that included IESE's Prof. **Pedro Nueno**. From that pool, the judges chose a total of 37 winners and run-

ners-up in 18 categories. The Gold winner was the German company Printechnologies GmbH for devising a technology called Touchcode. This makes it possible to include invisible codes on printed items that can be read instantly on any device with a touch screen. According to a WSJ report, the codes can link to videos, games, recipes or just about any online feature. A concert ticket printed with Touchcode could link to a clip of the performer singing.

The judges applied several criteria to assess the applications such as whether the innovation breaks with conventional processes in its field, does it go beyond marginal improvement and will it have a wide impact?

PROF. JULIA PRATS SPEAKS TO ALUMNI IN NYC

Driving Growth From Within

• Prof. **Julia Prats** of IESE Business School's Department of Entrepreneurship addressed alumni and friends at an event titled "Internal Entrepreneurship: What Does It Take? The Challenge Within," held at the school's New York Center. During her presentation, **Prats** provided insights on how companies can grow through intrapreneurial initiatives and by focusing on a firm's unique attributes. This approach entails optimizing talent within the organization, ensuring that talented employees are involved with interesting projects and giving people opportunities to develop their abilities.



Intrapreneurship, she said, is all about how companies establish processes, how they create the right culture, and put effective incentives in place.



ROSA GARCÍA,
CEO OF SIEMENS, SPAIN

Learning from failure

• "One of the biggest mistakes I made in my career was when I had been CEO of Microsoft in Spain for six years and they offered me the job of the company's European representative. I didn't like the idea and I wasn't excited at what seemed to me an intermediate post covering areas in which I didn't feel comfortable but I accepted in order to keep in with my colleagues. My ego triumphed and it nearly cost me my career and my private life."

It was with this sort of sincerity that **Rosa García**, CEO of Siemens in Spain for a little over a year, addressed a breakfast meeting titled "Leadership During Times of Uncertainty" held in November on IESE's Barcelona campus.

The meeting was held in collaboration with the German chamber of commerce in Spain and was moderated by Prof. **Santiago Álvarez de Mon**.

Both speakers said a common problem is an almost obsessive fear of failure. "It's impossible to innovate and develop without facing up to the possibility of failure," said Álvarez de Mon. Executives have to "foment a culture of learning within organizations because it's essential that we are capable of admitting our mistakes so that people aren't afraid to fail and can learn from it. If we don't take risks, we won't grow."



A double helping of the Career Forum

CAREER FORUM BARCELONA, FEBRUARY 4 & 5

This is the second Career Forum of the current course. Students who are four months away from graduation are closer to making decisions about their future. At the same time, companies have a clearer idea of their staffing needs for the coming year.

Graduations

SEP NEW YORK-MIAMI

The final module finishes on March 8.

AMP MUNICH-BARCELONA

Graduation day is March 8.

MANAGEMENT PROGRAMS

PMD MUNICH

The first module starts on January 16.

MEDIA AMP

This program begins on January 28 in New York.

PLD NEW YORK

The program starts on March 11.

GLOBAL CEO PROGRAM FOR CHINA

This program begins on April 7 in Shanghai.

The Financial Reality

20TH ANNUAL CIF SYMPOSIUM, MADRID, MARCH 21

At the annual symposium of the Center for International Finance (CIF) the research team that is made up of IESE professors of finance and economics review the most important research carried out in the field over the past academic year. This year's symposium will analyze and debate the many pressing and delicate issues of the difficult and uncertain financial times we live in.





The place to be for responsible business

**DOING GOOD AND DOING WELL CONFERENCE
BARCELONA, FEBRUARY 22 & 23**

This is the 10th annual Doing Good and Doing Well conference. The two-day event includes interactive panel sessions and conferences where top-level speakers discuss corporate social responsibility.

SHORT FOCUSED PROGRAMS

HIGH PERFORMANCE NEGOTIATOR

Barcelona, January 28-30

BUSINESS TRANSFORMATION IN THE DIGITAL AGE

Barcelona, March 5-7

CREATE EFFECTIVE VIRTUAL TEAMS

Barcelona, March 12 & 13

DRIVING CHANGE SUCCESSFULLY

Barcelona, March 19-22

STRATEGIC MANAGEMENT FOR LEADERS OF NON-GOVERNMENTAL ORGANIZATIONS

Madrid, March 26-30

CONVERT BUSINESS OPPORTUNITIES INTO MANAGEABLE PROJECTS

Barcelona, April 16-18

DEVELOP YOUR COMMUNICATION SKILLS

Barcelona, May 7-9

GETTING THINGS DONE

Barcelona, May 21-24



Industry Meetings

There are several activities planned for the first trimester of 2013, among them an intense program of industry meetings. The energy, tourism and luxury brands sectors will be represented by experts in their fields who will discuss the current situation and the outlook for the future.

10TH ENERGY INDUSTRY MEETING

Madrid, February 14

4TH INTERNATIONAL SUMMIT OF TOURISM

Barcelona, March 1

15TH LUXURY GOODS INDUSTRY MEETING

Barcelona, March 14 & 15

Núria Cabutí (MBA '92)

“Each Book
is a Learning
Experience”

MARTA
SARDÀ

A few days before the Olympic Games opened on July 25, 1992, **Núria Cabutí** began her own olympiad at Random House Mondadori (RHM). She has now been there for 20 years and her hard work has earned her recognition and rewards. The most recent of these was to be appointed head of RHM's operations in Spain and Latin America.

Núria Cabutí began her career in publishing in 1992, when she was just 25, as assistant in the general management department of Plaza y Janés. In 2001, after the establishment of Random House Mondadori, a 50/50 joint venture between Bertelsmann (who would buy the group outright at the end of 2012) and Mondadori, she was named director of marketing and communication, and two years later was appointed director of the children's and youth division. She has been CEO of the group since 2010.

How do you see the development of the industry in Spain and in a European context?

In Spain people read very little compared to other European countries but, although this seems contradictory, it is also an important book producer. While in other countries there are chains of bookshops, in Spain there



is a network of small retailers. There are still many small and medium-sized bookshops and we're very proud of this because it shows that there is a vibrant cultural life.

What does this imply for a publisher?

What it means is that we have more sophisticated distribution systems because we have to reach more places. As a result, our distribution network is more complex than in most European countries. On the other hand, this diversity enriches us editorially because having specialized bookshops allows us to display our titles much better.

When you took over as head of operations for Spain and Latin America at the beginning of 2010, what did this new responsibility mean for you?

On the one hand, it was recognition for a job well done, and on the other it was a bet on the future. In my new

post I have been able to design and take part in the editorial strategy for Spain and Latin America, which has allowed me to develop a much deeper knowledge of the Latin American market and take on leadership challenges with global teams of various nationalities, which is really exciting. As part of my job, I also sit on the board of Random House at an international level and at such a decisive moment in the transformation of our business model it's very important to be able to take a role in strategy.

You often mention that it was your father who inspired you to take up a business career. Tell us more.

We all need people or role models that inspire confidence and dedication and my father, who was a businessman, passed on to me a series of values that have helped me in my personal and professional life. I'm talking about perseverance, dedication, doing things well, and the culture

➤ A PUBLISHING EXECUTIVE IS WITH THEIR AUTHORS THROUGHOUT THEIR PROFESSIONAL CAREER WITH THE AIM OF AIDING THEIR DEVELOPMENT AND GAINING THEM RECOGNITION. THESE ARE TASKS THAT PERHAPS WOMEN ARE BETTER AT

of hard work, which is very important at the moment, and above all business ethics, discretion and tolerance, because it's important to respect other people's opinions, to listen to and include them. He was a great role model for all of these values and it was a combination of all those factors that motivated me to embark on a business career.

How important has IESE been to your career? How has the education you received at the school influenced the way you manage?

My time at IESE was a very positive experience because, on the one hand, there is a faculty of excellent professors who have an up-to-date knowledge about everything that you need to know and, on the other hand, they use a very practical methodology that helps you a lot in developing as an executive. Personally, what was really important about my time at IESE as well, clearly, as what I learned, is the values that they embody and teach, which are vital in professional life, such as being dedicated to doing a good job, perseverance, objectivity and business ethics.

What stands out from what you learned at IESE? And are you still friendly with your MBA classmates?

I remember the classes very well, particularly the combination of globalization versus localization which was really important. I also really appreciate the fact that IESE is a school that gives you an international outlook but at the same time is concerned about local questions. I made many friends during my time as a student and whenever we meet up we reminisce about our time at the school. I'm still very much in touch with IESE because I'm involved in running the Alumni Association.

In many sectors there are few women executives. By contrast, there are many in the world of publishing. Why is that?

There are many women executives in the publishing world but also the majority of people who buy books – around 60 per cent – are women. They don't buy them just for them-

selves, they buy books for their children, for the family and as presents. They are the ones who take most of the buying decisions. This is one factor. It's also true that in publishing you need a degree of sensitivity to assist in the creation of a book, to imagine what will happen to it when it goes on sale, what cover we should choose and how we should promote it. It involves a lot of creativity. Perhaps that's why there are a lot of women in the publishing business, although I think there's another factor that is particularly important, which is dedication to the writers. A publishing executive is with their authors throughout their professional career with the aim of aiding their development and gaining them recognition. These are tasks that perhaps women are better at.

RHM is a world leader in Spanish language books, with 12 imprints and almost 15,400 authors. What's the secret of the continuing success of this company?

The key to success is to have a wide range of publications, both commercial and literary. For example, we are the house that has published the most Nobel prize-winning books in the Spanish language. There are a total of 15 in our catalog that we combine with other more commercial content that caters to all tastes. On the other hand, it has also been important to publish paperbacks, a format that is within reach of every pocket. We have prioritized this area and have become the market leader in Spain and Latin America. All of this is combined with good promotional techniques and distribution and a clear idea about the development of our authors, something that differentiates us in the sector and which has produced very good results. I'm referring to writers such as **Ildefonso Falcones**, **Julia Navarro** and **Albert Espinosa** whom we have promoted and given an international profile. Another characteristic of RHM is that we also act as literary agents at an international level for some of our authors and on some occasions we have succeeded in getting their works translated into 30 or 40 languages.



There is a continuing battle between the defenders and detractors of digital books. What's your position?

That it's absurd to deny the evidence. You have to be proactive and also promote this change, which we are doing at RHM. For us the content is the most important thing, not the medium.

Is the digital platform here to stay?

It's started a revolution. What isn't clear at the moment is what percentage of books will be available on one platform or another. Personally I believe that the physical book will always be with us, because there are books that you want to keep, touch, give as presents and hang on to. The tendency with physical books is towards producing more sophisticated and more attractive editions but at the same time the number of people who are reading in digital format is increasing because it gives them the opportunity to read at any moment. Ultimately, the most important thing is that the book reaches the public at a good price and through as many devices as possible.

What's the biggest problem with digital publishing?

What's really worrying in the digital domain is piracy. If we want to maintain a cultural and intellectual life in which authors can dedicate themselves to writing books and can live through their writing, we need to respect intellectual property. And in this country the subject of intellectual property is much neglected. We need laws that offer protection and social education that should start at school. People have to understand that they must respect a writer and their work in the same way that we respect a painting or sculpture or in a public place, above all, because writers need to be able to make a living through their writing.

RHM increased its market share last year in spite of the recession. What about the company's goals for this year?

Last year was difficult. The market nosedived but nevertheless we managed to increase our market share through a combination of good teamwork, a well thought out strategy, some books that gave us very good results and also the Latin American market.

We are confronting the fall in consumer spending with creative campaigns that use social networks and online marketing to reach a wider public. I'm a positive person and I believe that we'll also have good results this year.

What does RHM have to offer that's made you stay for so long?

It's a very exciting sector because it combines business management with a lot of creativity. Every book is a learning experience. And within publishing, RHM is a company that gives you a lot of autonomy, with very committed shareholders who are involved in the world of books, who drive the group strategy but, in parallel, respect the fact that we embrace and nourish local culture. The combination of these factors allows you to be an entrepreneur. This is very important because it means that we all feel very committed to the project.

Shelly Lazarus of Ogilvy & Mather Speaks at IESE in New York

TRADITIONAL MEDIA REMAIN MORE POWERFUL THAN SOCIAL NETWORKS

Radio, TV, print and digital remain more effective than tapping into social media networks such as Facebook or Twitter when it comes to promoting a brand, said Ogilvy & Mather chairman emeritus **Shelly Lazarus** at IESE Business School's inaugural Business Leaders Conversation event which was held in New York.

While social media platforms hold great potential, they still have not been fully exploited as a marketing tool, **Lazarus** said.

Lazarus was the guest at the special event moderated by **Alan Murray**, *The Wall Street Journal's* deputy managing editor and executive online editor. She joined Ogilvy & Mather in 1971 and rose through the company's ranks,

becoming worldwide CEO in 1996 and then chairman in 1997. Under her leadership, the company grew into one of the largest and most reputable brands in advertising, with clients such as American Express, Coca-Cola, IBM, BP, Motorola and Unilever.

In her remarks, **Lazarus** stressed the potential of social media as an advertising vehicle, the importance of maintaining a strong corporate culture founded on values and the challenges faced by women leaders.

Until social media firms are able to more effectively leverage their influence, traditional media channels will remain crucial for brand promotion, she said.

"There's nothing as powerful as a brand and strong brands act as organizing principles for companies," she said.



SHELLY LAZARUS: IDEAS ARE WHAT MATTER

- ❖ Although there are multiple new ways to advertise, companies still need an idea and some differentiation that people can understand and believe in.
- ❖ Consumer research will not always tell you what people will do. The most important question is: what's going to happen as a result of this advertising or piece of communication?
- ❖ You need to have a hypothesis about the consumer's "journey": how to take an unheard-of product to one that people believe in.
- ❖ Technology has made communicating less formal and more open, particularly among young people. But young people still want to work for companies they believe in and where their work makes a difference.
- ❖ In a world of distractions and low-attention spans, companies have to find new ways to make an impact. Evolving forms of media have opened up multiple opportunities for achieving this.

In an interview with IESE Prof. **Luis Cabral**, **Shelly Lazarus** of Ogilvy & Mather shared insights on topics such as emerging media, the customer's journey and the importance of listening to young people. Several of Lazarus' key points appear above.

MORE INFORMATION:
www.iese.edu/videos

But companies can't build great brands through advertising alone, she said. The strength of a brand stems from the company's values, principles and ability to live up to its words. In the face of a reputation crisis, companies should never turn to advertising as a way out.

"I recently turned down a client who wanted to advertise its way out of a problem," she said, "I just said, 'it's hopeless. Fix the problem'."

She cited BP as an example of a company that suffered damage to its reputation after an oil spill several years ago but successfully addressed the core problem.

Regarding female leaders, **Lazarus** said that women still face huge challenges when it comes to integrating work and family life. She called for greater flexibility in the workplace and encouraged female executives to be

straightforward with their companies about their needs and preferences.

Murray cited the low percentage of female senior leaders in business and asked **Lazarus** why she thought there were still so few women at the top. Currently 20 out of 500 CEOs of *Fortune* 500 companies are women, as of mid-July, according to *Fortune*.

Lazarus said that women are often reluctant to ask their employers for a non-traditional work schedule because they perceive it as asking for "special treatment."

Female executives often left her agency because they didn't feel it was fair to other employees to have greater flexibility. This perception is fortunately changing, she said, and it is becoming more "socially acceptable" to employ a flexible schedule.

CHAIRMAN AND CEO
OF RENAULT-NISSAN

CARLOS GHOSN

While the geographic center of gravity of the industry shifts, the future depends as much on collaboration as on competition.



PRODUCING CARS THAT CAN DRIVE WITHOUT OIL IS THE DREAM OF ALL THE ENGINEERS IN THE CAR INDUSTRY”



Carlos Ghosn, Chairman and CEO of Renault-Nissan, fielded questions from IESE alumni and students in a special session, “Emerging Trends in the Automotive Industry,” held at IESE Business School’s Madrid campus in October.

IESE’s Dean **Jordi Canals** provided opening remarks at the event, which was moderated by Prof. **Pedro Nueno**. Canals noted **Ghosn**’s many achievements as head of the leading carmaker and his focus on the importance of people in organizations.

Ghosn’s successful leadership of the cross-border merger of two major companies – Renault from France and Nissan from Japan – was also highlighted by **Ca-**

nals. Before the merger, many people thought it would be impossible, he said. “Now it has happened and it has happened in a very successful way.”

“I am an admirer of Mr. **Ghosn**,” said **Nueno**, noting that he had the honor of presenting him with an award in 2005 from the International Academy of Management, which had been awarded to **Peter Drucker** the previous year.

After taking the floor, **Ghosn** first discussed the three top trends currently affecting the auto industry: geographic shifts in the marketplace, growth in alliances and a surge in innovation.

“The industry is in full transformation,” he said, noting that its center of gravity is shifting from “north to south and west to east.”



Once based on gasoline engines and steel, the industry is now moving to other fuel sources and materials, he said. At the same time, the attention of drivers has shifted away from the road. Technology companies are fighting to get their apps into cars “and to get you busy doing something other than driving.”

Geographic shifts are another challenge the industry faces. Overcapacity in advanced markets has to be balanced with a shortage of capacities and resources in developing markets, he said. Just a decade ago, 20 percent of the car market was in developing countries and 80 percent in developed countries. Today the ratio is strikingly different – exactly 50/50 and within 5 years, the ratio is expected to be 30 percent developed and 70 percent developing countries.

NOT STAR WARS INNOVATION

● Alliances and cooperation among firms have become vital for success, as carmakers search for ways to get the most at minimal cost. In the past, collaboration among companies was temporary and minimal. Today “even main competitors are using the same platforms and sharing technologies,” he said. As an example, he cited a joint fuel cell project involving Renault-Nissan, Daimler and Ford that is currently under way.

Innovation will play an increasingly central role in the industry, he said. “Not Star Wars innovation, but things you are seeing already in the market and will be seeing more of.”

Electrification and driverless cars are trends that have become a reality due to new technologies. The push for electric will continue unabated among governments and cities, he said, because the public is worried about future limited oil availability, high gas prices and global warming.

Producing cars that can drive without oil is “the dream of all the engineers in the car industry,” he said. **Ghosn** briefly traced the roots of car manufacturing, describing how cars were initially invented to run on electric energy, but “a piece of technology was missing.” Eventually, electricity was abandoned for the internal combustion engine, which is more complicated. Today, however, a range of new systems have been developed and become tenable, such as hybrid engines and hydrogen fuel cells.

In emerging markets, auto companies face distinct hurdles. Members of the burgeoning middle class view cars as a highly desirable purchase, but prices remain prohibitive for many. Asked about the progress of Chinese car manufacturers, he said they still have a long way to go before they can compete with market leaders such as General Motors, Volkswagen and Nissan.

MANAGEMENT LESSONS

- In closing, **Ghosn** offered three key lessons he has learned during his career.
- First, he said, “every problem has a solution,” but business leaders have to be prepared to pay the personal or collective price that will come with a given solution.
- Second, things have to get worse before they get better. “It’s easier to improve a company in trouble than a company with an average performance,” he said.
- His third lesson was that “you learn management by doing” and nothing is as instructive as highly stressful situations. When faced with adversity, often “you cannot sleep, you cannot eat,” he said, but in the end, such situations are often what teach managers the most.

MORE INFORMATION:

See the full interview with Prof. Pedro Nueno in issue no.15 of the *IESE Insight magazine*

DANIEL CALLAGHAN (MBA '09)

MATCHING TALENT With Demand

MBA & Company enables businesses with research projects to choose from among the best professionals in the world.

● **Daniel Callaghan** (MBA '09) drew up his business plan for MBA & Company while he was still at IESE, where he was president of the Entrepreneur Society. "I did an exchange at Yale which is where the second half of my idea met the first," he says.

MBA & Company is an online marketplace for companies to post short-term consulting and research projects that are bid for by the top of professionals worldwide. The client specifies the job, the industry, the market, budget and timelines. A newsletter goes out to those who specifically match those skill sets and interests. "It's not crowdsourcing in that only one person ends up working on the project," he says.

To sign up to the network the candidate must have a minimum of five years' professional experience and a postgraduate degree from one of the top 50 business schools. The client pays a fixed percentage fee when the job is completed to their satisfaction. "The smallest project last year was worth £100 (\$160), the largest £250,000," **Callaghan** says. "The lowest-paid job was £250 and highest £4,000."

He spoke to Prof. **Pedro Nuño** while he was still at IESE and the plan was presented to FINAVES. "At that time we had 200 registered candidates on the website. FINAVES liked it but said it was

too early stage and they wanted to see it again when there was more meat on the bone," **Callaghan** says. "The business plan I wrote at IESE was selected as one of the best in Europe. It won an award in the UK and elsewhere. This helped us to get lots of good press coverage in publications such as *Business Week* and *The Economist*."

This publicity didn't attract investors but enhanced to the project's credibility, he says, adding that he only had about £1,000 of start-up capital. Then FINAVES came on board in October 2010 and he relaunched the project with a full team in Jan 2011. "Before that it was me doing it in my spare time. Their investment accelerated our business. We went from a few

\$100,000 to nearly \$2 million turnover in our first year."

A good PR team and close links with major business schools have helped the business grow. It has also run campaigns on Facebook and LinkedIn but **Callaghan** says that what really drives the business is word of mouth. The platform now has 15,000 members in over 100 countries with plans to expand its business across Europe and the United States.

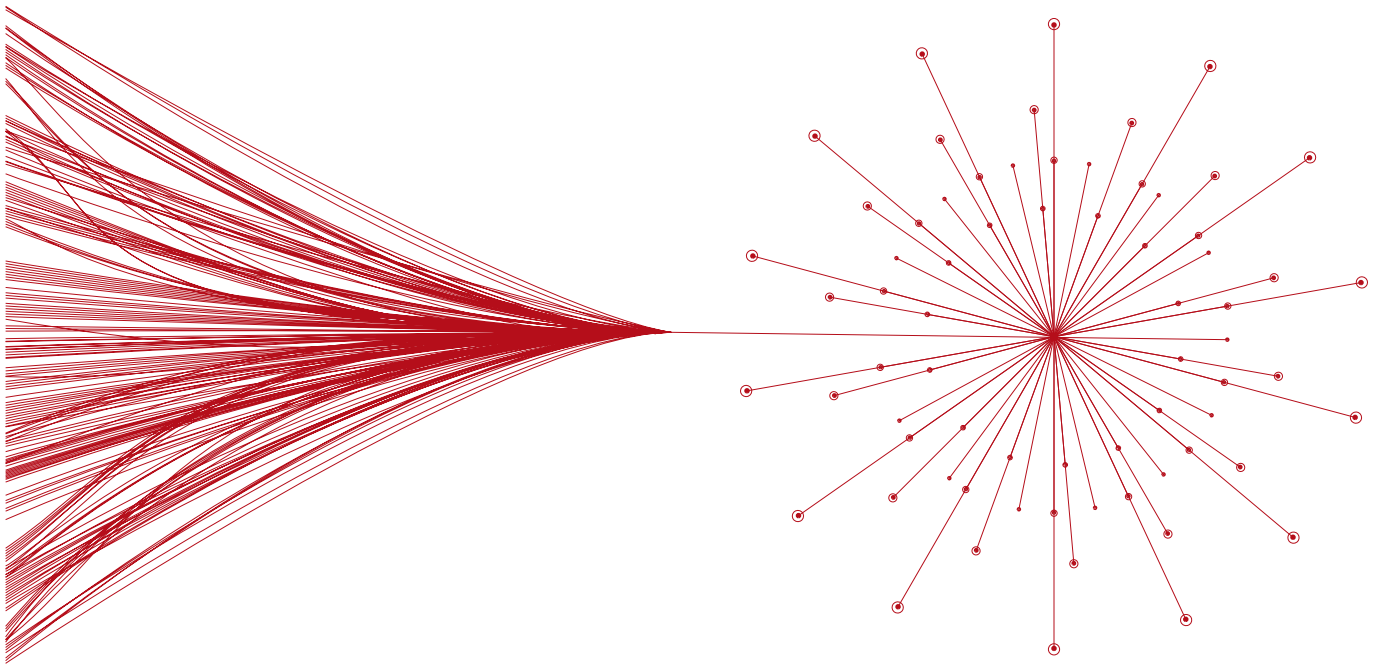
"We want to become the business that enables companies all around the world to get high-quality consulting and research professionals without the burden or the costs traditionally associated with this activity," he says.

MORE INFORMATION:
www.mbaandco.com



Daniel Callaghan (MBA '09) "The FINAVES investment accelerated our business. We went from a few \$100,000 to a turnover of nearly \$2 million in our first year"

SHARING VISIONS, SHAPING PROGRESS



**JOIN IESE'S AMP
AND RESHAPE
YOUR BUSINESS.**



IESE's Advanced Management Program (AMP) brings you the **latest global business trends** and gives you the chance to share **ideas with high-caliber general managers and CEOs** from around the world. The program is specifically designed to help you make better **strategic decisions** and **revise your leadership style**.

A combination of case studies, peer discussion and individual coaching guarantees a **flow of practical and innovative ideas**, as well as immediate impact on your company.

The AMP consists of four 1-week residential modules in Barcelona over a six-month period. Participants are able to choose the Fall or Spring Edition.

RAFAEL VILLASECA,
CEO OF GAS NATURAL FENOSA

How to Stay Strong in Difficult Times

"Strengthening the balance sheet by reducing debt and maintaining financial stability, creating value, seeking growth through the potential that is there in the existing business and taking advantage of new opportunities in key markets" - this is the strategy Gas Natural Fenosa has adopted since its fusion, according to its CEO Rafael Villaseca.

He was speaking at a session in the EMBA Global Leadership Series in November on IESE's Barcelona campus. The session was titled "Company strategy in volatile times: the case of the energy sector." He said the merger with Fenosa was complete and had produced "more synergies than we expected."



Among the priorities in the company's strategic plan are internationalization and cost reduction. Villaseca emphasized the importance of understanding the short term and anticipating change, market volatility, the need for a solid financial foundation and the ability to exploit new opportunities. Gas Natural Fenosa employs 18,000 people and has around 20 million clients around the world.

AWARDS

PROF. XAVIER VIVES WINS PRESTIGIOUS ECONOMICS PRIZE

✦ The academic director of IESE's Public Private Research Center Prof. Xavier Vives was awarded the Institut d'Estudis Financers Financial Excellence award in December in recognition of the high standard of his teaching and research in the field of finance and economics. Vives is one of Spain's leading economists.

IESE professors José M. González Páramo and Antonio Argandoña were awarded the prize in 2010 and 2008 respectively.

IESE RECOGNIZED FOR ITS COMMITMENT TO HEALTHCARE

✦ IESE's Center for Research on Healthcare Innovation Management has been selected as one of the projects featured on the annual list of "The Best Ideas in Healthcare in 2012," by the weekly publication *Diario Médico*. The CRHIM, led by Jaume Ribera and Magda Rosenmöller, seeks to identify new avenues of research in the area of healthcare management, with the goal of helping the sector innovate and become more efficient.

TOUS FAMILY MOTHER
AND DAUGHTER TEAM

"It Doesn't Even Feel Like Work"

There was a surprise guest at IESE's third Alumnae Breakfast when **Rosa Oriol**, vice president and creative director of the jewelry firm Tous, was accompanied by her daughter **Rosa Tous** (PADE '11), director of the firm's international relations. **Oriol** built up the business with her husband **Salvador Tous** to its present turnover of €326 million. She



married young but continued to work for the firm and attend international trade fairs through the birth of her four daughters. **Rosa Tous** said "the important thing is to feel good" and that if you retain a passion for your work it doesn't even feel like work. "If you work with passion, half the problems won't even arise," she said.

**SALVADOR ALEMANY,
PRESIDENT OF ABERTIS**

“We Made a Virtue of Necessity”

At the end of the 1990s, the company run by **Salvador Alemany** (PDD '74) could not invest any more in the highway sector. It had to choose between hanging on until the concessions were up in 2006 or using the team and cash flow to expand the company. Thus began the geographical growth and diversification that showed how enterprising the company could be. “We made a virtue of necessity,” said **Alemany**, in a session on October 26 in which he presented the Abertis case with professor **Juan Roure** as part of the EMBA Global Leadership Series on IESE’s Barcelona campus. He played down the element of luck, and talked about the challenges of turning a company that ran highways into a world leader in infrastructure. “There are always external factors, but luck plays a small part compared to determination and the willingness to take risks,” said **Alemany**.



**MAREK BELKA,
PRESIDENT, NATIONAL
BANK OF POLAND**

Better Off in Europe Than Out

● **Marek Belka**, president National Bank of Poland, addressed a Continuous Education session in Barcelona titled “The Eurozone Crisis: A View from Poland.” **Xavier Vives**, professor of economics and finance at IESE, opened the meeting, presenting an overview of the euro crisis. **Belka** said he believed it was a mistake to focus attention on sovereign debt. “We shouldn’t just look at public debt but at aggregate debt. The crisis has taught us that private debt sooner or later becomes public debt.” He said Poland had not been hit hard by the crisis and balanced economic growth and a floating exchange rate made it resilient to shocks. A further plus has been a boom in public investment thanks to EU cohesion funds.

PEDRO NUENO, IESE PROFESSOR

Recognition for Improving China–Spain Relations

Pedro Nueno, IESE professor and president of CEIBS (China Europe International Business School), was awarded the Fundación Consejo España-China prize. The award, which was also presented to **Zhu Xiaoming**, executive president of the Chinese school, was made in recognition of the contribution both had made to developing relations between Spain and China. Professor **Nueno** has been CEIBS’ principal strategist and representa-

tive in Europe. Thanks to his ability to understand the role that IESE, Spain and Europe could play in developing business leaders in China’s emerging market economy, CEIBS is now recognized as one of the best business schools in the world. For his part, professor **Zhu Xiaoming** has played a key role in working together with Spain and China in the field of top quality post-graduate executive education.



BUSINESS ETHICS

Not By Bread Alone

**DOMÈNEC
MELÉ & CLAUS
DIERKSMEIER**



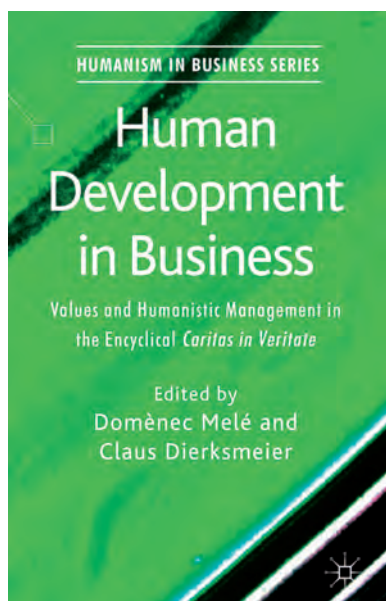
**Human
Development
in Business. Values and
Humanistic Management
in the Encyclical 'Caritas
in Veritate'**

PALGRAVE MACMILLAN,
2012

Economists and specialists in business ethics sketch out a road map towards humanistic management values and practices.

• This book is written in response to the widespread sentiment that business, by narrowly focusing on profits and share prices, has lost the ethical north. It brings together the thoughts of economists, business management theorists and specialists in business ethics, around the challenges proposed by the recent Encyclical-Letter *Caritas in Veritate* (love in truth) by Pope **Benedict XVI**.

The authors provide an interdisciplinary dialogue. The 12 chapters are divided into two parts. The first, theoretical, part of the book focuses on the relationship between ethics and economics to advance towards a holistic view of business and managerial activity. The second part is oriented more towards the practical and managerial aspects, and discusses how we can develop more humanistic ways of management.



The book opens with a chapter by co-editor **Claus Dierksmeier** on deconstructing the neo-classical economic paradigm. There is an analysis by the Italian economist **Stefano Zamagni** of the rupture between the economic and social spheres, the disconnect between work and the origin of wealth and the separation of the market from democracy.

This section also includes the critique by **P.H. Dembinski** of recent developments in the financial markets and points to the need for a recovery of the anthropological and moral substance of financial activity. **Melé** goes on to reflect on the need of an ethics that is “per-

son-friendly” in order to achieve a correct economic dynamism, while **Francesc Torralba** and **Cristian Palazzi** discuss the recovery of a wider rationality than the current calculating version, and on the introduction of the logic of gift into the world of economics and business. There is also an interesting proposal regarding the reformulation of corporate social responsibilities by the German ethics professor **Michael Assländer**.

The second part is dedicated to human development through humanist management. It begins with a chapter that highlights the vocational nature of development, and the need for one’s own gift to achieve it and the consequent implications for business management. There is a discussion of the profile of the humanistic business person and how humanism can contribute to better company management.

Prof. **Argandoña** writes that, other than contracts, love for others and the logic of gift also merit

**“Love for others
and the logic of gift
also merit a place
in the theory of
the company”**

a place in the theory of the company while **André Habisch** and **Cristian Loza** comment that evidence can be found of gratuity throughout the history of entrepreneurial activity.

Finally, **J.E. Miller** presents an examination of work as a means of development, specifically considering the obstacles and opportunities encountered by working mothers.

In the current **IESE**insight

www.ieseinsight.com/review

Lifesaving Tools for Crisis Management

- Picking Up the Signals That Trigger Crises
- How to Manage a Crisis Before It Hits
- Leadership Under Pressure: Communication Is Key
- An Ethical Approach to Crisis Management



Plus...

- Five Essential Strategies for Creative Negotiations
- Understand Your Network and Let Knowledge Flow
- Aena: How to Stay Airborne When Crisis Strikes?
- Lessons of a Kidnap Victim

Carlos Ghosn,
CEO of Renault-Nissan

“Every problem has a solution. Are you ready to pay the price?”

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THE LATEST ON IESE'S ALUMNI CHAPTERS

CHAPTER NEWS

BUENOS AIRES

August 30

● Buenos Aires hosted the continuous education session “How to Launch a Business” led by Prof. **Vicente Font** and based on the case study “Aires.” IESE thanks **José Ignacio Bossi** (MBA '99), **Diana Mondino** (MBA '86) and UCEMA Business School for their help in organizing this event.

September 26

● The annual Argentina-Uruguay Chapter meeting was held at IAE Business School in Buenos Aires. Speakers shared their thoughts and experiences with the assembled alumni, with a particular focus on

business opportunities in Brazil. Participants included **José María Barale**, president of Grupo Alubar; **Eduardo Faracchia**, head of the economics department at IAE and **Jorge Forteza**, president of the administrative council of the Universidad de San Andrés. The meeting was opened by the Chapter's outgoing president **Mario Franzini** (MBA '74), and **Eduardo Faracchia**, accompanied by the associate director of the IESE Alumni Association **Sylvia Johansson**.

ZURICH

September 1

● The Switzerland Chapter once again held its traditional summer barbecue, this time at the offices of the Limmat Foundation thanks

to the efforts of **Juan José Alarcón** (AMP '08).

JOHANNESBURG

September 4

● The first session of the Continuity Program, “The Hidden Competency of Leadership: Innovation” was held at the headquarters of Dimension Data. Prof. **Paddy Miller** was accompanied by IESE's executive director of business development, **Carlos P. Hornstein**. Thanks to Dimension Data.

NEW YORK

September 5

● The Bar of the Month meeting brought alumni together on one

of the famous roof terraces in the Big Apple. This month, alumni were joined by MBA students.

September 13

● IESE's New York center hosted the conference "The 4+1 Challenges to Employee Innovation" in which Prof. **Paddy Miller** discussed the advantages and challenges of fomenting a culture of entrepreneurship within a company based on his recent research for IESE.

October 3

● Age need not be an obstacle to entrepreneurship according to **Santiago Corredoira Jack** (G-EMBA '11), CEO of StepOne, who led a continuous education session titled "Starting over after 40. How to Succeed at Being an Entrepreneur." He runs a consultancy in Silicon Valley, the Spain Tech Center in San Francisco and has set up various businesses in the mobile entertainment sector. EMBA students also took part.

SAO PAULO

September 5

● ISE Business School hosted the conference "Challenges of Managing Global Mobility" led by IESE Prof. **Sebastian Reiche** who talked about the myths surrounding global mobility as well as making recommendations on how to improve the management of a multicultural labor force.

September 27

● ISE Business School also hosted a continuous education session titled "Moving to the cloud is not just another IT project, it represents a transformation of the business," led by **Carlos Eduardo Calegari**, a senior analyst at IDC and attended by **Maria Alice Frontini**, senior director of Industry Insight & Strategy at Oracle, and **José Papo**, technical evangelist of AWS at Amazon. The conference emphasized the important step that



1



2

1. Buenos Aires. 2. Sao Paulo.

migrating to the cloud represents for a business and that it shouldn't be treated simply as another process.

MUNICH

September 10

● Prof. **Pedro Videla** led the conference "E Pluribus Euro, What Happened?" in which he analyzed the euro crisis and the problems that threaten its survival. The meeting was held thanks to the collaboration of **Alexander Mettenheimer** (AMP '05), vice president of the board of the Bayerische Landesbank where the meeting was held.

SEOUL

September 18

● South Korean alumni received Prof. **Bernardo Villegas** who led a continuous education session titled "The ASEAN as a market and investment site for South Korean business." The meeting was held at the Sangnam Institute of Management of Yonsei University.

PORTO

September 20

● Portugal alumni held their traditional dinner meeting in Porto with special guest **Rui de Carvalho de Araújo Moreira**, president of the Porto Commerce Association.

WARSAW

September 24

● The economic problems of the euro zone and the survival of the euro were debated in the continuous education session "The Eurozone Economic Problems: Will the Euro Survive?" led by Prof. **Juan J. Toribio**. The meeting was sponsored by the PZU company.

VIENNA

September 25

● The sixth lunch in the occasional series organized by Austria alumni included the participation of IESE's Prof. **Heinrich Liechtenstein**.

L I F E



3

3. Santiago de Chile.

November 23

The continuous education session “Multiple Intelligences in Leadership” given by Prof. **Alberto Ribera** brought together a large number of alumni at the headquarters of Egon Zehnder International in Vienna. The Chapter thanks **Markus Schwarz** (MBA '96) for his help in organizing the meeting.

EUSKIRCHEN

September 30

This small town near Cologne was chosen as the site of the Germany Chapter's Alumni Family Day which included the talk “Relationships Between Colleagues” given by Prof. **Alberto Ribera**.

PARIS

October 1

Parisian alumni celebrated another of their First Monday Dinners.

October 8

Invited by the Kellogg Alumni Association, alumni from business schools including Berkeley, Bocconi, Cambridge, Columbia, IESE, INSEAD, Harvard, LBS, MIT and Oxford, met to share professional and academic experiences.

November 19

The France Chapter invited alumni to the conference “Platform

Competition” led by Prof. **Govert Vroom**. In this session **Vroom** discussed strategic concepts; brands that use online business, and phenomena such as winner-takes-all markets, critical mass and platform competence.

SANTIAGO DE CHILE

October 1

The Chile Chapter held its annual meeting which included the talk “Personal and professional time management” by Prof. **Núria Chinchilla**. The Chapter presented Prof. **Chinchilla** with the Outstanding Professor 2011 award while the 100 alumni present voted to give the 2012 award to Prof. **Pablo Fernández**. The session was based on the book *Dueños de nuestro destino* (Masters of our Destiny) which **Chinchilla** co-wrote. She was accompanied by **Sylvia Johansson**, associate director of the IESE Alumni Association.

UTRECHT

October 4

The Spanish Chamber of Commerce in Holland organized an event at which **David Luengo**, International Institutional Relations Manager at Indra, talked to alumni about Indra's international experience.

GENEVA

November 7

Swiss alumni celebrated their latest Bar of the Month meeting.

NEW PRESIDENTS FOR REGIONAL ASSOCIATIONS

Argentina-Uruguay



Martín Agramonte (MBA '99), managing director of Easy has taken over from **Mario**

Franzini (MBA '74) as Chapter president. **Franzini** said the new president was “a great person as well as being a great professional and good friend” who he was sure would do a great job for the Chapter.

Peru



Hugo Alegre (MBA '91), director of RTM Consulting, is the new Peru Chapter

president, relieving **Jorge James** (MBA '92) after three years in the post. In his farewell message he thanked members for their support and “especially IESE members who always give their best.”

SHANGHAI

November 14

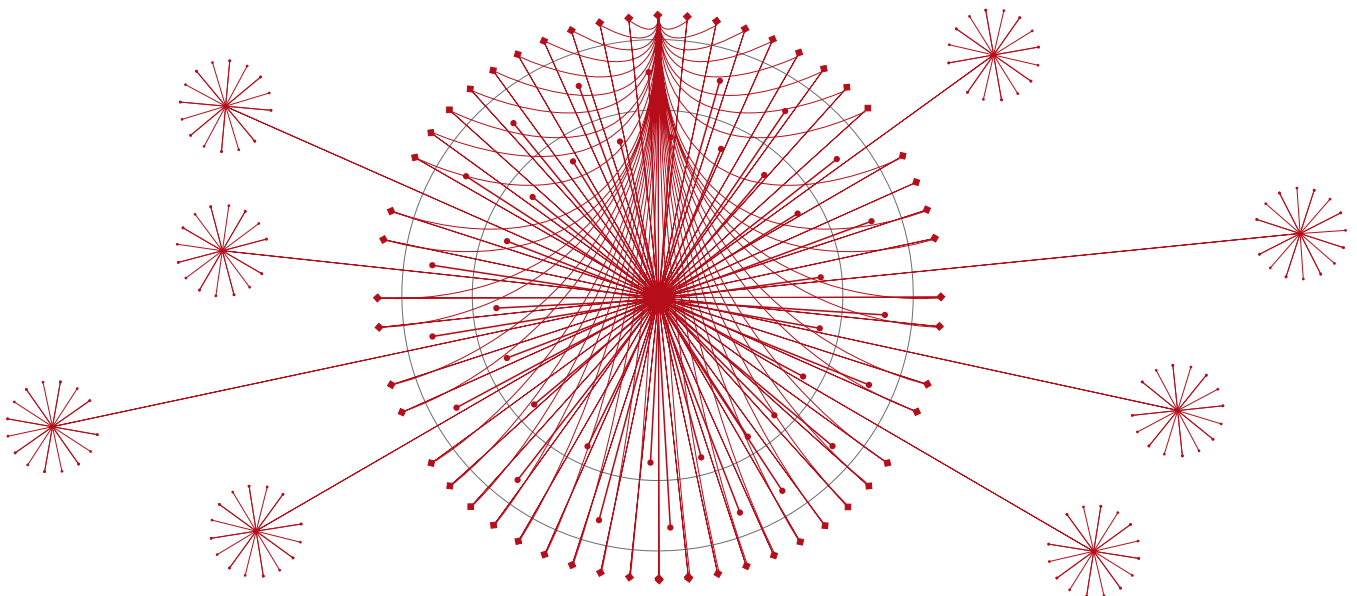
Prof. **Pedro Videla** reviewed the world economic situation in a continuous education session titled “Global Economy Outlook.” The meeting was held at the Lujiuzui International Finance Research Center of CEIBS.

TOKYO

November 19

Prof. **Pedro Videla** gave the talk “Global Economy Outlook” at Globis University.

CHALLENGE YOURSELF, INSPIRE OTHERS



**JOIN IESE'S PLD AND
MOVE FORWARD IN
YOUR CAREER.**



IESE's Program for Leadership Development (PLD) is an interactive learning experience designed to provide a solid foundation in business.

Its unique holistic approach to enhancing business knowledge and leadership capabilities will improve performance and shape you into a well-rounded executive ready to move forward in your career.

You will collaborate with a pool of high-caliber participants and faculty to develop a personalized Executive Challenge and a take-home agenda to ensure continued development.

The PLD consists of three 1-week modules on IESE's Barcelona campus followed by a Short Focused Program in Barcelona or New York City.

REGIONAL ASSOCIATIONS: ALWAYS BY YOUR SIDE

The regional associations are the lifeblood of the IESE Alumni Association. Thanks to them the Alumni Association reaches **the four corners of the earth.** Wherever you are, seek out your nearest regional association and **get involved in its activities.**

Suggest, collaborate, contribute. Create and strengthen links with the rest of the IESE community. Keep yourself up to date with what's going on in the business world and maximize your networking opportunities.

Join this community of **40,000 alumni of 109 nationalities.** Altogether there are 34 associations. Which one is yours?





DID YOU KNOW ... ?

- The Chapters with the most members in Europe are **the United Kingdom and Germany.**
- In the Americas the biggest Chapters are in the **United States and Brazil.**
- The **China Chapter** is the one with the most members in Asia.
- The first Chapter to be established in Spain was **Catalonia, in 1959.**
- The first international Chapter was in **Argentina, in 1986.**
- **The newest** is Singapore-Hong Kong which was established in December.
- The associations **organize a range of activities:** continuous education sessions, breakfasts, networking, conferences...

Each regional association has its own **WEBSITE** at IESE Alumni
www.iese.edu/alumni **VISIT IT!**

Disconnecting in a Connected World



SANDRA SIEBER

Professor Information Systems, IESE

In a recent column of this magazine, my colleague, **Juan Carlos Vázquez Dodero**, reflected on the need to reevaluate our sense of time. He invited us to slow down and learn to wait again as we waited before we were able to be constantly connected. There is no doubt that our personal and professional lives have accelerated at an amazing speed. Technology and communication innovations have given us access to a greater quantity of information and, in theory, improved decision-making efficiency.

But in our rush to join the information age movement, we've missed an important detail: information overload. When doing something like sending an email becomes so easy and costless in the mind of people, overuse and abuse arises naturally. Abundance becomes the enemy of quality. And with that, a critical question appears: How do we prioritize what deserves our attention? Becoming aware and making sense of relevant information is now a major problem, not only in organizations, but in our lives. How do we decide what information really adds value to our lives? The answer is not easy and requires time. We need to find that time and make space for decisions on where to focus our attention in our already overbooked schedules. We need time to disconnect, to process, to think and to act on the really relevant information.

Disconnecting is hard and is only getting harder. Now that the mobile world is bringing connectivity up to a new level, we have instantaneous access to all sorts of information, anytime. We are now entering an era of seamless integration with our entire information environment: connecting us to our email, databases, the web and our entire social network of peers and friends. Can we disconnect while we have dinner with family or friends, while hiking in the mountain, when we are in a meeting or when we

are working on an important plan of action? Part of the problem is the world seems to expect us to be connected all the time.

As executives, we need to learn how to manage disconnection. Not only our own personal disconnection, but also allowing our people to disconnect, to separate their professional and personal lives, to work according to their own priorities, not the ones mandated by the world that is permanently connected to us all.

As this task is not an easy one, some little steps can help point us in the right direction. For example, if an organization's main executives send emails over the weekend, they are also fostering an environment in which people feel the need to be connected over the weekend and after hours. Some companies are encouraging a "no email at the weekend rule." Similarly, some organizations explicitly state that they don't expect emails to be answered within less than (typically) 24 hours. The understanding is that, if the issue is more pressing, a different type of communication tool should be sought. When it comes to the use of phones (or even computers) the need to disconnect is also evident. Some companies are applying a "no phones in meetings rule," as a well-managed meeting should deserve 100 percent of the participants' attention. Hence, phone interruptions are increasingly seen as unacceptable, or even rude.

Little rules like these are reportedly easing the life of employees and executives, since they are creating spaces of disconnect. We should all think about them, add some more, and continue giving ourselves little moments of distance from the information overload flowing from the screens around us.

MORE INFORMATION:
Blog: blog.iese.edu/faceit



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Management

Global Web Content
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Publishing

Targeting, Profiling &
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Online Customer Experience Management

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students from these
schools could access
to the right
information, in the
right place and at
the right time.
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excellent service
for the future
executives.
That goal was
achieved.



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