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● 130
ALUMNI
MAGAZINE

July-September 2013
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**Paddy Miller and
Thomas Wedell-Wedellsborg**
Sowing the Seeds of Business Creativity

Marian Moszoro and Anna Koscielecka
Private Equity
Ripples of a Fourth Wave

Brian O'C Leggett
Influence Through
"Soft Power"

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HARVARD-IESE
COMMITTEE

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DECIDE

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November 8

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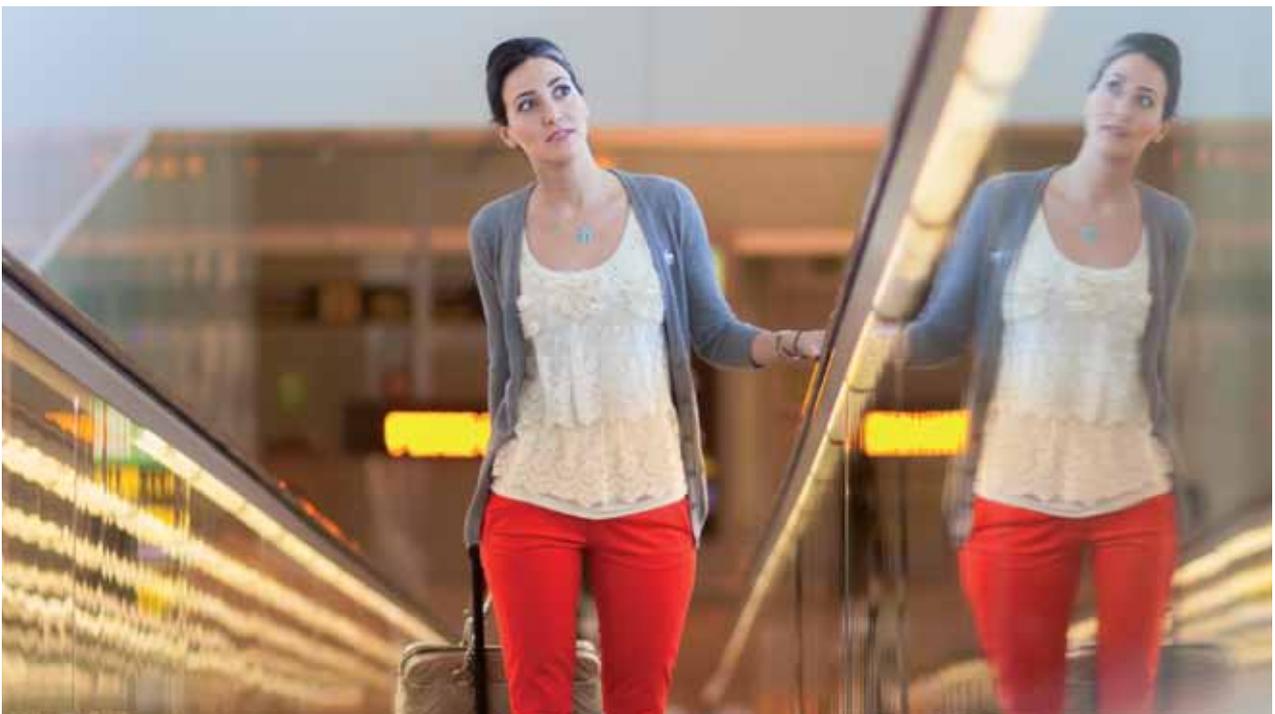


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BRIAN O'C. LEGGETT
Influence Through
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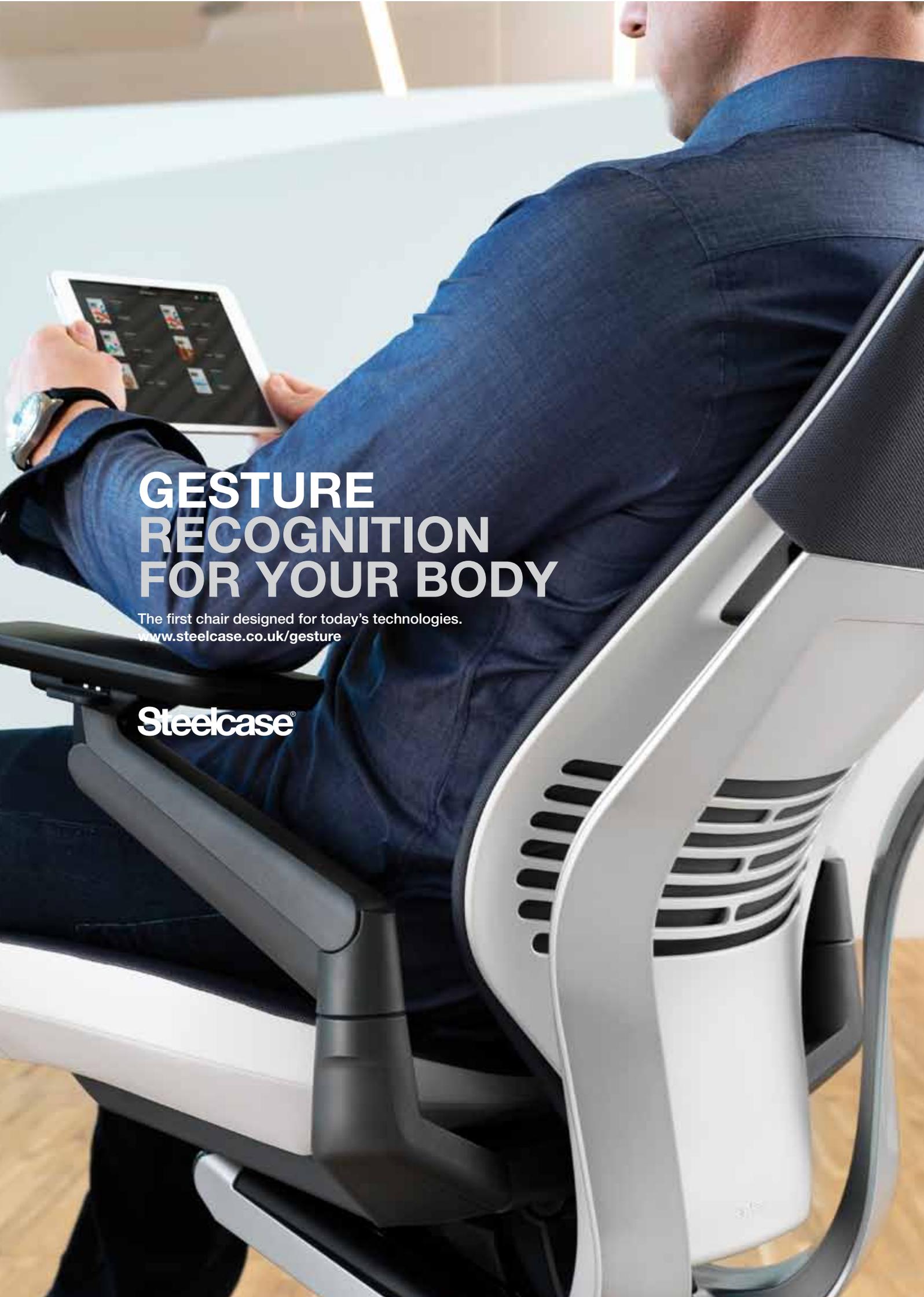


**ANTONIO
ARGANDOÑA**

Editor of
the *Alumni Magazine*
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The Harvard-IESE Committee was established 50 years ago and this issue of the *Alumni Magazine* looks back at that event. As can be seen in these pages, the history of the Committee is important, and this anniversary is about much more than a list of meetings, agendas and individuals. It is a celebration, for example, of the generosity shown by many professors from both schools, whose dedication has had a considerable impact on IESE's programs, initiatives and culture, and on the relationship between the two institutions. It is also about the ability of Harvard and IESE to seek out new opportunities and challenges in tandem with changes in education and research into business management around the world. Then there is the continuity and the development of personal friendships, because friendship doesn't consist of gazing into each other's eyes but of looking together in the same direction. The following pages are a homage to those who began this work and those who came later, all of whom provide inspiration to the rest of us, and encourage us to work together, to forge links, to share and to give.

This issue also covers the meeting of the International Advisory Board, another example of a fruitful collaboration involving ideas, suggestions and proposals that later find their way into the issues and methods taken up by the IESE faculty and researchers. And, as always, in the Ideas section you will find articles by our professors: in this edition **Paddy Miller** and **Thomas Wedell-Wedellsborg** on the culture of innovation and **Marian Moszoro** and **Anna Koscielecka** on private equity. Also covered are IESE's meetings, programs and other activities, such as the 2013 graduations, MBA reunions and the annual meeting of Sponsoring Companies, Academic Chairs and Research Centers; another example of generous collaboration that makes it possible for IESE to be active around the world. Don't miss the interview with **Gloria Perrier-Châtelain**, president of the French Alumni Chapter, and you can find news of your colleagues in "You're in the News" and "IESE & You." Thanks to you, IESE can reach the whole world.



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COVER STORY

50 YEARS OF THE
HARVARD-IESE COMMITTEE
**AN ENDURING
TRANSATLANTIC ALLIANCE**

On October 9, 1963 the Harvard-IESE Committee, a council that brought together two business schools separated by a distance of some 6,000km, met in Boston for the first time. The airline Iberia had opened the Madrid-New York route five years earlier but there was no direct flight between the United States and Barcelona. The train journey from Barcelona to Madrid took nine hours on the Talgo, then Spain's fastest train with a top speed of 100km an hour. Europe was divided by the Iron Curtain and the world was on tenterhooks because of the missile crisis between the United States and Cuba. The Beatles song "She Loves You" was playing on every radio.

Since that time we have seen the fall of the Berlin Wall, the birth of the Internet, the mobile revolution and the globalization of business, among many other historical events. This year the Committee met in Barcelona to celebrate its 50th anniversary.

**CRISTINA
ACED**

COVER STORY

These days, a committee made up of two organizations is nothing out of the ordinary. However, back in the early 1960s, creating an Academic Committee was something of a novelty. The exchange of professors between universities was commonplace, but establishing a council was at the time a much more ambitious idea.

The initial idea came about because IESE wanted to focus not only on educating executives and business people, but also on educating young people. Prof. **Carlos Cavallé** says that: "In February 1963, during a trip to Rome with professors **Félix Huerta** and **Antonio Valero**, we settled on an idea that we had been hatching for some time." An important aspect was the participation by professors **Cavallé, Huerta, Juan Farrán** and **Esteban Masifern** in the International Teachers' Program that Harvard offered to teachers from abroad. Harvard Business School was a source of inspiration for IESE from the start. The IESE professors who had done the ITP were also familiar with the Master's Program and knew some of the professors.

In March 1963, Harvard professor **Franklyn E. Folts** spent a month at IESE giving classes and helping to estab-

lish the Master's which would be the first full-time, two-year MBA program in Europe, similar to the one taught at Harvard. In October of that same year, the Harvard-IESE Committee met for the first time in Boston and presented IESE's new program that began in 1964.

But why a committee? Prof. **Huerta** thought it was important to have a council made up of IESE and Harvard professors so that the school could be assessed in both academic and practical matters. After it was approved by **Valero**, **Huerta** was able to count on the support of Harvard professor **Steve Fuller**, who put forward the names of the professors who should be part of the committee: **Harry L. Hansen, Folts** and **Ralph M. Hower**, three professors who were all at Harvard at that time.

Hansen was an intellectual with a background in marketing and who was then the head of the International Activities Division at HBS. **Folts** had experience in launching new institutions and international programs around the world, while **Hower**, one of the pioneers in the Department of the Human Factor, was committed to the Committee throughout his life and also worked with IESE in the creation of the IPADE school in Mexico.

Harvard Business School approved the establishment of the Committee in May 1963. **Folts** wrote to **Valero** saying:



50 YEARS TOGETHER

1959
Harvard Business School (HBS) Prof. **Robert O. Schlaifer** visits IESE in Barcelona

1960

1961
The idea for the **HARVARD-IESE COMMITTEE** emerges while IESE professors **Félix Huerta, Juan Farrán** and **Esteban Masifern** are in Harvard for the ITP

1962

Boston ITP Class of 1960-1961. **Carlos Cavallé** is first on the left



1958



Antonio Valero, IESE's first dean, learns about Harvard's case study method

1963
In May, the dean of HBS approves the establishment of the **HARVARD-IESE COMMITTEE** and the first meeting is held in **Boston** in October

1964
IESE launches the **Master in Business Administration Program**

PROF. HUERTA THOUGHT IT WAS IMPORTANT TO HAVE A COUNCIL MADE UP OF IESE AND HARVARD PROFESSORS SO THAT THE SCHOOL COULD BE ASSESSED IN BOTH ACADEMIC AND PRACTICAL MATTERS

“You will be pleased to know that at the meetings of the HBS Committee on International Activities and the HBS Faculty over the past two days, the policy of having Harvard people on your MBA Advisory Committee was approved. You will be told this officially by Dean **Baker** soon. Also the idea of eventual exchange professorships was accepted.”

In October 1963, the first meeting of the Advisory Committee of the Master’s Program was held in Boston. This Committee was attended by professors **Carlos Cavallé**,

Josep Faus and **Félix Huerta** on behalf of the school in Barcelona, and **Franklin E. Folts**, **Ralph M. Hower** and **Harry L. Hansen** representing the school in Boston. **Valero**, the dean of IESE, also took part although the deans were not expected to participate.

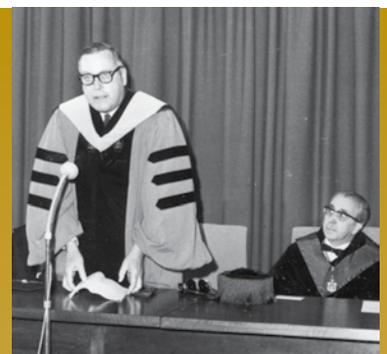
In 1970, Prof. **Fernando Pereira** was named dean of the school and since then the dean of IESE has always taken part in the meetings. “Isn’t a Committee to help the dean? In that case the dean should be there,” he said.



1965

The **HARVARD-IESE COMMITTEE** meets twice to discuss the Master’s program

Boston
Professors Folts, Smith, Faus, Cavallé, Huerta and Hower



The Committee meeting in Barcelona coincides with the **first MBA graduations**. Harvard Dean **George Baker** takes part in the ceremony

Boston
Professors Félix Huerta, Harry Hansen, Ralph M. Hower, Franklin E. Folts, Carlos Cavallé, Antonio Valero and Josep Faus

1966

Barcelona Ralph Hower, Félix Huerta, Franklin Folts, Harry Hansen, Carlos Cavallé, Dan Smith, Esteban Masifern and Josep Faus



Barcelona Professors Félix Huerta, Franklin E. Folts and Harry Hansen



“OVER TIME IT HAS DEVELOPED TO BECOME A FORUM FOR REFLECTION IN WHICH IESE AND HARVARD SHARE EXPERIENCES, EXCHANGE IDEAS AND PROJECTS, DISCUSS COMMON PROBLEMS AND OFFER EACH OTHER NEW PERSPECTIVES”

W. Carl Kester, Associate Dean of Harvard Business School

THE OBJECTIVES

● The first meeting was a complete success. After that meeting **Hower** wrote a letter to **Valero** in which he expressed his pleasure on behalf of Harvard at taking part in this initiative: “I am not alone in my high regard for your work. At least seven members of the faculty of the Harvard Graduate School of Business Administration have visited IESE since its establishment, observing its work, talking to students and faculty members, and teaching some classes. Without exception, each of us has returned from these visits profoundly impressed by the experience... It is for these reasons that our Dean, **George P. Baker**, readily agreed to the idea of a Joint Advisory Committee, and it is for this reason also that Professors **Folts** and **Hansen** and myself have been happy to accept his request that we serve on the Committee.”

The Harvard-IESE Committee was created with the aim of helping to set up the Master’s in Business Management Program. It was originally called the “Advisory Committee of the Master’s Program,” although from the beginning it had a wider scope, as can be seen in the minutes of the meeting of June 1964: “It is the purpose of the Committee to maintain, develop and strengthen the relationship between IESE and HBS, which can result in mutual ben-

1967

George F. Lombard, associate dean of HBS, takes part in IESE’s second MBA graduation ceremony

IESE contributes to the establishment of the **Instituto Panamericano de Alta Dirección de Empresa** (IPADE), a business school in Mexico. Over time IESE plays a key role in initiating 15 similar business schools on four continents



Ralph Hower received a doctoral degree Honoris Causa of the University of Navarra

1968

Lawrence Fouraker takes part in the HBS-IESE Committee in Barcelona. From left to right, professors **Huerta**, **Fouraker**, **Folts** and **Subirá**



Barcelona Professors **Folts**, **Dionis**, **Mustienes**, **Huerta**, **Pereira**, **Subirá**, **Hower**, **Hansen**, **Sanllehí** and **Cavallé**



Barcelona **Ralph Hower** -who donated his personal library to IESE-, **Fernando Pereira** and **Lorenzo Dionis**

1969

1970

1971

With the Master’s Program up and running, the Committee becomes a **forum for reflection and exchanging ideas between the two schools**



JOINT INTERNATIONAL PROGRAMS

The Harvard-IESE Committee has been the source of many joint projects between the two schools:

- Two years after the death of Prof. **Hower**, IESE and Harvard organized the first joint seminar in his memory. This was held in Barcelona in June 1975, and the idea came from Prof. **Nueno**. It was titled “Competitive survival in the new media” and subtitled “Ralph M. Hower Memorial Program.” Since then the two schools have offered many joint pioneering programs, says Prof. **Jordi Canals**.

- They have also established many initiatives with other business schools. One example is the tripartite committee created by IPADE in Mexico, IAE in Argentina or INALDE in Colombia.

- They have also launched programs with other business schools, such as the Global CEO Program for China, fruit of a collaboration between IESE, HBS and CEIBS, and the program “Driving Government Performance: Leadership Strategies that Produce Results,” which was born of an alliance between IESE and the John F. Kennedy School of Government at Harvard.

efits.” In 1976 the reference to the Master’s Program was dropped and it became known as the “HBS-IESE Advisory Committee.”

Over time it has developed to become a forum for reflection in which IESE and Harvard share experiences, exchange ideas and projects, discuss common problems and offer each other new perspectives, says Prof. **W. Carl**

Kester. He says that the “benefits are mutual” and highlights the fact that Harvard learns a lot from IESE. It’s a much smaller school than HBS, he says and therefore more flexible, but the two schools “share the same DNA.”

Prof. **Pedro Nueno** says that: “Practically all of the expansion and innovation projects at IESE have been discussed at the Committee. The Committee was an

1972

1973

1974

1975

The first joint IESE-Harvard seminar “Competitive Survival in a new Environment” is offered in Barcelona

1976

1977

Business school set up at the **Universidad del Istmo** (UNIS) in Guatemala

1978

Business school (IAE), established at the **Universidad Austral** in Buenos Aires



1979

Barcelona Committee session

Business school (PAD) set up at the **Universidad de Piura** in Peru

1980

The **MED** becomes known as the **MBA** (Master in Business Administration)

The **Associação de Estudos Superiores de Empresa** (AESE), Set up in Lisbon

1981

Pamplona Harvard professor **Charles Christenson** during the Committee sessions held on the **University of Navarra** campus



1982

1983



COVER STORY

“THESE MEETINGS HAVE SERVED AS AN ONGOING OPPORTUNITY TO DISCUSS THE FUTURE OF BUSINESS SCHOOLS THROUGHOUT THE WORLD”

Kim Clark, Professor and Dean of Harvard Business School (1996-2007)

opportunity to debate everything that seemed to us to be in the vanguard of management. We called it leading edge issues in management.”

Cavallé says that thanks to the Committee, IESE has been able to take “giant steps, such as initiating the English section of the full-time MBA in the 1980s; the expansion of schools in Central and South America, with the support of IESE; the establishment of the chapters of the Alumni Association, which are now the strongest in the world; the creation of the International Advisory Board; the launch of Executive Education international programs and the establishment of academic chairs and research centers. One way or another, all of this has passed through the Committee.”

Reviewing the topics discussed in the Committee is like taking a journey through the evolution of business schools over the past 50 years. They have debated topics of an internal nature, such as the study program or the faculty’s lifelong learning program, but also topics of more general interest such as globalization, entrepreneurial initiatives (which was already on the agenda at the 1982 meeting), the idea of leadership in business and the role of executives in society. According to the dean of HBS, **Kim Clark**, these meetings have served as an ongoing opportunity to discuss the future of business schools throughout the world.

1984

Homage to Prof. **Harry Hansen** after 21 years of service on the HBS-IESE Committee (Professors Hansen and Cavallé, with Carolyn Hansen)



1986

Instituto de Estudios Empresariales Montevideo (IEEM) founded

1987

1988

To mark IESE’s 30th anniversary and the Committee’s 25th, members of the Committee are received by **King Juan Carlos** in the Zarzuela Palace

1989



Boston Professors **Nueno, Gabarro, Dooley, Fox, Argandoña, Christenson, Skinner, Ballarín and Cavallé**

1985

The **Instituto de Alta Dirección Empresarial (INALDE)** established at the Universidad de la Sabana in Bogotá

Reception with the King and Queen of Spain and professors **Carlos Cavallé, Eduard Ballarín and Josep Faus**, members of the Harvard Club in Spain



Barcelona
Professors **Nueno, Gabarro, Ballarín, Pérez López, Skinner, Chinchilla, Dooley, Christensen and Cavallé**



**HARVARD AND IESE'S
CLOSE RELATIONSHIP**

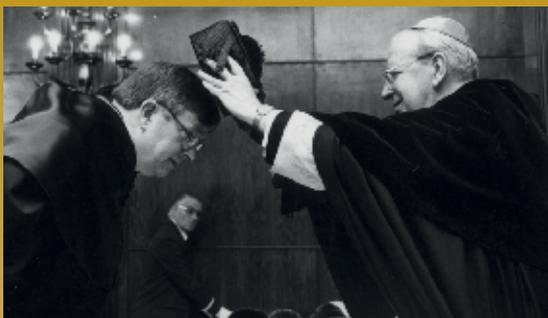
● Since it was established in 1963, the Committee has met in alternate years in Barcelona and Boston and, since 1997, also in Madrid. In 1965 the Committee met twice in order to carry out an exhaustive review of the Master's Program that had been launched in September of the previous year.

“The impact on IESE of the Harvard-IESE Committee has been extraordinary,” says **Cavallé**. And he adds, “they always gave us their friendship without asking for anything in exchange.” The IESE professors who have served on the Committee highlight the fact that Harvard has never tried to impose its point of view. “They never convey the idea that ‘in HBS, this is how we do it,’ but rather try to adapt themselves to IESE’s philosophy,” says **Faus**. “They were able to understand IESE’s own point of view,” adds Prof. **Esteban Masifern**.

In 1966 the dean of Harvard, **George P. Baker**, attended the graduation of the first Master's Program at IESE and spoke at the opening conference. In his speech he emphasized that they were proud to be associated with IESE to the degree that they had been during its early years. The Harvard Business School bulletin described the gradua-

IN 1966 THE DEAN OF HARVARD, GEORGE P. BAKER, ATTENDED THE GRADUATION OF THE FIRST MASTER'S PROGRAM AT IESE AND SPOKE AT THE OPENING CONFERENCE. IN HIS SPEECH HE EMPHASIZED THAT THEY WERE PROUD TO BE ASSOCIATED WITH IESE TO THE DEGREE THAT THEY HAD BEEN DURING ITS EARLY YEARS

J. McArthur, dean of HBS, Doctor Honoris Causa at the University of Navarra, receives a mortarboard from the chancellor Monsignor Álvaro del Portillo



1991

Pedro Nueno, Montserrat Plana de Silva, Carlos Cavallé and Jim Heskett at HBS the day that **Professor Cavallé** received the **Distinguished Service Award**



1990

1993

1992

The **Instituto de Desarrollo Empresarial (IDE)** set up in Guayaquil

IESE contributed to the founding of **Lagos Business School (LBS)**, Pan-African University (Nigeria)

1994

Boston Professors **Sasser, Fruhan, Gabarro, Nueno and Cavallé**



China Europe International Business School (CEIBS) founded in Shanghai

1995

The **School of Business Administration**, University of Asia and the Pacific, is founded in Manila

1996

The **Instituto Superior da Empresa (ISE)** founded in Brazil

1997



UNCONDITIONAL SUPPORT

- Prof. **Hower** donated his personal library to IESE when he retired.
- **Stephen H. Fuller** gave the keynote speech at the MBA graduation in 1985.
- **Arch Richard Dooley** took part in the inauguration of the IESE campus in Madrid in 1991.
- One year later, **John Gabarro** was present at the opening of the new library in Barcelona.
- **W. Carl Kester** took part in the inauguration of the new campus in Barcelona in January 2007 and participated in the celebrations held in Madrid to mark the centenary of HBS and a half century of IESE.
- Dean **Jay O. Light** took part in the celebrations.
- The University of Navarra named Prof. **Hower** Doctor Honoris Causa in 1987 and named **John H. McArthur** the same in 1989.
- In 1991, **Carlos Cavallé** received the Distinguished Service Award, which is given to people who have made a significant contribution to the projection and educational function of HBS.
- In 2006, **Pedro Nuevo** was named member of the Visiting Committee of HBS, a body that supervises the school's activities and reports to the University Council to ensure its good governance.

tion as an “historic ceremony.” The magazine said that, although there is no official relationship between the schools in Boston and Barcelona, “our professors have given IESE more help, advice and guidance than to any other institution outside the United States.” **George F.**

Lombard, associate dean of HBS, attended the second graduation ceremony.

Harvard professor **Richard H. K. Vietor** comments that “working together helps to strengthen both research and teaching.” He says the Committee helps both schools to

1998

Boston Professors **Jordi Canals, Joan Enric Ricart, William E. Fruhan, W. Earl Sasser, Eduard Ballarín, Carlos Cavallé y Jack Gabarro**



The International **Harvard-IESE-IPADE Assessment Committee** establishes the **Universidad Panamericana (Mexico)**, fruit of a commitment to initiate and develop projects in other parts of the world.



1999

Business school ESE, Universidad de Los Andes, founded in Santiago

2000

2001

Kim Clark visited IESE campus in Barcelona and gave a lecture to Alumni



2002

2003

The MDE Business School, Institut de Hautes Études (IHEAfrique) set up in Abidjan

2004

2006

First Global CEO Program for China, held jointly by IESE, Harvard Business School and CEIBS

Madrid Professors **Joan Enric Ricart, Jack Gabarro, Eric Weber, Eduard Ballarín, Carl Kester, Juan José Toribio, Dick Vietor and Jordi Canals**

2005

Strathmore Business School (SBS) founded in Kenya



improve in both of these areas, which are the two pillars of their success. Research is important, he believes, but being able to convey the significance of scientific discoveries is vital in teaching management.

In 1988, to mark the 30th anniversary of IESE and the 25th of the Committee, King **Juan Carlos I** received the members of the council in the Zarzuela Palace in Madrid. During his talk, **Cavallé**, then dean of IESE, referred to the Committee in these words: “The balance of these 25 years is extremely positive and for this IESE has always been grateful and, in its name, I wish to thank the Committee now for the dedication, support and affection that everyone that has served on it has shown us at all times.”

Jordi Canals, dean of IESE, said that “IESE has learned a lot in this process and we have tried to put this knowledge at the service of our students and alumni.” He highlighted the fact that the relationship between Harvard and IESE has always been based on looking towards the future. “The aim of the Committee is for the purpose of learning and improving management and leadership development around the world.”

• We would like to thank Javier Pampliega, director of IESE’s Historic Archive, for help with documentation in compiling this report.

“THE AIM OF THE COMMITTEE IS FOR THE PURPOSE OF LEARNING AND IMPROVING MANAGEMENT AND LEADERSHIP DEVELOPMENT AROUND THE WORLD”

Jordi Canals, Dean of IESE

MORE INFORMATION:

- The document “HBS-IESE Committee” was written by Javier Pampliega, director of the Historic Document Center at IESE’s Historic Archive.
- The special report on the 40th anniversary of the HBS-IESE Committee was published in the *Alumni Magazine* Nº 91.
- Canals C. M., *Sabiduría práctica. 50 años del IESE*, Editorial Planeta, 2009.



2007



Barcelona Jay O. Light, dean from 2007 to 2010 at IESE’s 50th anniversary celebrations



IESE opens U.S. center in New York

2008

The program “**Driving Government Performance**”, aimed at senior public executives, is launched in association with Harvard Kennedy School

2009

2011

2012

2013

Harvard-IESE Committee celebrates its **50th anniversary** at a meeting in Barcelona in June. Over five decades meetings have also been held in Boston, Pamplona and Madrid

50

2010

Nitin Nohria, dean of HBS (2010-)



Boston Professors Joan Enric Ricart, W. Carl Kester, José Luis Nuño, Richard H. K. Vietor, Eric Weber, Srikant M. Datar and Jordi Canals

THE EVOLUTION OF MANAGEMENT EDUCATION

RICHARD H. K. VIETOR

Paul Whiton Cherington, Professor of Business Administration & Senior Associate Dean, Harvard Business School

Management education has evolved in a number of ways over the last 10-15 years. A number of new fields have been developed, including the field that I'm in, international political economy. We didn't offer this course in business education 25 years ago and today we do. Strategy is another area that has emerged as a discipline of its own that we now offer, as well as information technology.

Ethics is a very important field, which, even 15 years ago, no business school was teaching. At Harvard, we now have a required course. Entrepreneurship was an area that we didn't explicitly teach, although there were entrepreneurship elements in all of our courses. Now, it's one of our largest departments. So, as management has evolved, new fields have emerged.

What we're seeing now is a lot of shifting to digital education in management. I think we're going to see a consolidation of business education as more and more technical courses move to a digital format that will be widely available.

One of the things that we think about is how to differentiate our programs, and I think that IESE thinks about this as well. For us, it's really trying to develop a sense of being a leader, to function in teams, and being increasingly global. We're trying to build a lasting credibility through these three themes so that Harvard can continue to offer a two-year program that is distinctive in the world and will not be eroded by either the consolidation or the shift toward digital education. And I think that IESE is the leader in Europe doing that.

One of the areas of criticism has been in the area of business ethics. There was a pretty big crisis in the United States and many people at fault were MBAs, some of them from Harvard. We are intensely aware of that. Before that happened, we had begun an elective effort, and then eventually a required effort, to build a sense of governance amongst our students. So we don't teach pure ethics, we teach a required course on governance and ethics. But we have also tried to develop a culture among MBAs to strengthen not only their ethical commitment, but their sensitivity to other human needs and issues.

Adapted from an interview with Richard H.K. Viotor, June 7, 2013.

COMMITTEE MEMBERS LOOK BACK OVER 50 YEARS OF BUSINESS EDUCATION

On June 7 the HBS-IESE Committee met in Barcelona to celebrate 50 years since it was first established. The committee is made up of professors **Jordi Canals**, **Eric Weber**, **Joan E. Ricart** and **José L. Nueno** (IESE) and **Richard H.K. Viotor** and **W. Carl Kester** (HBS).

In a public session, members and former members of the committee talked about the changes in business education over the past 50 years and how they see things changing in the future. Prof. **Carlos Cavallé**, former dean of IESE and a founding member of the committee, said that the most important new idea to emerge over the past 50 years has been strategic management, in which the mission statement provides the company's *raison d'être* and the basis for its strategy. "Complexity has grown exponentially and the added value of business schools is to help management to face this complexity successfully," he said.

Cavallé believes business education has a good future so long as it remembers three things: the need for tools, the ability to use them and a rigorous and ongoing self-examination of the important things in life.

Harvard Prof. **Richard H.K. Viotor** agreed that strategy has emerged as a discipline in its own right. He added that 15 years ago ethics wasn't taught and is now a required course. Entrepreneurship wasn't explicitly taught either and is now one of Harvard's largest departments. "I expect to see a greater consolidation of business education as more technical courses move to digital format," **Viotor** said. "We need to think about how to differentiate our program and for us that involves trying to develop the sense of being a leader while functioning in teams and being increasingly global."

Viotor said Harvard had been very successful in recruiting women to the MBA program, where 44% of recruits are

female, but added that it remained difficult to get women on to executive programs as firms are reluctant to put them forward. Commenting on the increasingly international profile of business education students, he said that 38% students of HBS students are non-Americans while half the faculty is international.

His colleague Prof. **W. Carl Kester** said that 50 years ago business education was about developing technical competencies. “Now it’s more about leadership development, with more emphasis on softer social skills such as communication and powers of persuasion, emotional intelligence and developing a strong set of values.

He said that in the future there would be more emphasis on value-based management and understanding the impact of decisions, with a more “wide-angled approach” that doesn’t just focus on shareholder value. He said Harvard was putting more emphasis on risk management and so-called “tail risk,” the remote but real possibility of a decision having disastrous consequences.

HARVARD-IESE COMMITTEE

● After the session, Harvard professors **W. Carl Kester** and **Richard Vietor** joined IESE’s Dean **Jordi Canals** and professors **José Luis Nueno**, **Joan Enric Ricart** and **Eric Weber** to discuss the future of business management and the role of education, as well as joint research and teaching projects and other topics of mutual interest.



MORE INFORMATION:

ENTREPRENEURSHIP

PEDRO NUENO

Professor of Entrepreneurship, IESE Business School

In 1963, when IESE was barely five years old, the HBS-IESE Committee, made up of IESE and HBS professors, was established to act as a supervising council for IESE. HBS had already existed for 50 years in the world’s most powerful country and enjoyed the prestige of being the first business school with a big advantage over all the others.

Let’s look back at Spain in 1963. It was a military dictatorship, isolated from the rest of the world, with a backward industry and infrastructure, few foreign companies with a base in the country and a very poor international image.

It is difficult to comprehend today how ambitious the standards of excellence established by the founders of IESE were at the time. They took Harvard Business School as their model and went there to learn from them and to bring their ideas about business management to Spain. How did they manage to persuade a series of prominent professors to convince them be members of a Committee to which they themselves brought little? It must have been the excitement in their eyes when they explained what they wanted in a language that they’d only acquired in the preceding months.

At that time Harvard Business School offered a course known as the International Teachers’ Program. It was a one-year international program in which teachers immersed themselves in their system, the famous case study method, which was HBS’ original contribution to executive education. IESE founders enjoyed this program and many of them participated in it on the way to acquiring their first academic positions.

Over time we have come to see that the meetings of this Committee have become among the most important events for IESE, along with the Global Alumni Reunion, the MBA graduations and the Annual Faculty Meeting. Those of us who have been lucky enough to serve on the Committee have seen from the inside what a solid alliance it is, that it is an information exchange and the basis of a relationship between two institutions that over the years have extended themselves around the world.

The alliance between Harvard Business School and IESE has acted as a catalyst for other schools initiated by IESE in Latin America which have also established excellent relations with HBS and also to make possible that IESE, HBS and CEIBS in China jointly offer a program for CEOs of important companies in China with three modules: one at IESE, one at HBS and the other at CEIBS.

ARCHITECTS OF INNOVATION

SOWING THE SEEDS OF BUSINESS CREATIVITY

**PADDY MILLER**

Professor of Managing People in Organizations, IESE Business School

**THOMAS WEDELL-WEDELLSBORG**

Lecturer at Managing People in Organizations, IESE Business School

Professors Miller and Wedell-Wedellsborg reveals some of the key ways in which organizations can foster an atmosphere of innovation and creativity.

INNOVATION AND CHANGE • CREATIVITY • ENTREPRENEURSHIP • LEADERSHIP AND PEOPLE MANAGEMENT

Organizations tend to treat innovation as a sort of adventure holiday in which staff are sent off to perform a series of activities and play games designed to make them more innovative. However, these one-off adventures are no more likely to imbue an organization with innovation than a day's paint-balling is a cure for bad management.

When managers decide they need more innovation, they often turn to their favorite tool: communication. "Our people are not innovative," they think, "because they haven't really understood how important innovation is for our business." This is when the PowerPoint presentation proclaiming "Innovate or die!" traditionally enters the picture. Unfortunately, most employees have heard it all before.

The problem is not that people are not innovative. People are highly creative, they have ideas all the time. The real problem is how do you as a manager create a space in which your people can be more creative. To do this, managers need to become innovation architects.

After years of research we have concluded that a culture of innovation is best conceptualized as a business culture in which various creative values and behaviors interact to weave innovation throughout an organization. It is not limited to one-off projects, but rather is generative, ongoing and, most importantly, sustainable.

CREATING THE ENVIRONMENT

● A living, breathing culture of innovation is one where innovation is implemented, not just talked about, a culture in which the creative behavior and individual values of employees are set in motion by the organization, providing an infra-



TO DRIVE INNOVATION RIGHT ACROSS THE BUSINESS WE NEED TO LEARN A NEW SUBSET OF COMPETENCIES AND ONE OF THE SKILLS LEADERS NEED IS TO BE AN INNOVATION ARCHITECT

structure for innovation. The organization does this by signaling the desired creative behaviors that it expects from its employees, and then providing information and guidance on the process. The two main sets of behavior are creativity and improvisation.

So the question is how do we drive innovation right across the business? To do this we need to learn a new subset of competencies and one of the skills leaders need is to be an innovation architect. Innovation architects are like doctors who must get the diagnosis right before they operate. If you decide to foster a creative culture in your workplace, you must first take the time to explore a key question: Why isn't it happening already? What is stopping our people from being more creative?

People have good ideas but they have to feel their ideas are going to be welcomed by management. Often the message people get from the organization is that they're paid to do a job, not to think. The challenge is to permeate the organization with a culture of innovation: how can we do this job better, faster, safer?

Another obstacle to innovation is that we are brought up to obey. From the day we are born we learn to do as we are told – by our parents, at school and at work – with the result that the top-down relationship is totally conditioned. This process generates conformist instincts that discourage us from challenging the status quo and encourage us to accept things as they are. For this reason it is all the more important to create a culture in which people will feel that thinking outside the box will be welcomed and not viewed as talking out of turn. We need to help people to think differently about the matrix they are in.

Some people are educated to change their environment while others have learned to adapt. Do people feel they can control their environment or do they feel they are victims of their environment? Can they influence the future? Are you fitting in with the status quo or

do you want to change it? Cultures have an impact on how people operate – is a culture more individualist or collectivist? If a person's status in an organization is determined by who they are and where they come from clearly this is an obstacle to innovation. Organizations and cultures that reward performance are more innovative.

BE WAR Y OF THE "GOOGLE MODEL"

● The core issue lies with the way we think about creativity and innovation. Simply put, if you ask people to explain what a creative workplace looks like, they inevitably describe something that looks like a cross between Google and a kindergarten – with spectacular decor, artsy vibes, football tables and bring-your-pet-ferret-to-work policies. But that model, while working well for creative agencies and Silicon Valley strongholds, is often wrong for regular companies, where trying to "go Google" runs too contrary to the organization. The truth is that driving innovation is not about changing your culture to become Google; rather, it is to change the perception and the practices of creativity so they fit into your existing culture.

The typical innovator is seen as someone who fights the system; idealistic young firebrands who abhor the very idea of playing politics. But companies are inherently political, and innovators ignore this at their peril. This is where the concept of stealthstorming comes in. Stealthstorming, in essence, is about making innovation happen under the radar. It is guerrilla warfare, waged with ideas. It is a radical thinker dressed in a suit and a tie. It is when you abandon all the usual trappings of creativity and sneak under the corporate defenses to make it happen. Stealthstormers don't dismiss politics as being beneath them; rather, they proactively deal with them from the start – because if used right, politics can work for you instead of against you.

If you think something is good for the company, you have to understand the political situation, you have to get

traction on your ideas and build up stakeholders before you do the PowerPoint presentation. If you have all this in place, you've got a much better chance of making your case.

Successful stealthstormers follow some simple, if counter-intuitive, rules when they make innovation happen. They embrace organizational politics; they seek mandates from the middle; they don't think art is the answer; they are skeptical of the spectacular; and sometimes, they deliberately avoid any mention of the word innovation.

Stealthstormers don't use flamboyant techniques or methods that require special tools: they rely instead on very simple tools and habits, small tweaks to procedure that can make a big difference. For example, Procter&Gamble implemented a simple rule in meetings: when discussing an issue, the most senior manager speaks last. This minimally disruptive idea made meetings much more innovative by making sure that junior people with novel ideas were also heard.

Stealthstorming, through which you build up a "fan base" for your idea, helps you to avoid the risks of going straight to the top of the company with your initiative. Top-level managers are exposed to lots of untested ideas, and routinely reject the more innovative ones because they seem too risky or intangible. And even if you do gain the support of a senior sponsor, the complicated game of thrones taking place at the top can mean that your project is suddenly sidelined or is taken hostage in a political in-fight.

COMMON MYTHS OF INNOVATION

- These days the word innovation is bandied about so much there is a risk that it will lose its meaning altogether and go the way of the already debased "sustainability." So it is timely to highlight four myths about innovation.

- **Being creative and innovative is fun.** Actually innovation involves facing up to some hard truths and enduring both criti-

cism and self-criticism. After all, if someone has come up with a better way of doing something, why didn't you think of it?

- **All ideas are good ideas.** The problem is that good ideas are often counter-intuitive and as managers become more risk averse as they climb the ladder, they may lose the ability to recognize a good idea when they see one.

- **Innovation is the same thing as entrepreneurship.** Unfortunately, many people who have great ideas have no business sense whatsoever.

- **Innovation is good in itself.** It is risky and expensive and must be weighed carefully against all the other priorities of the company.

The Googles of this world have led many people to equate innovation with technology, but innovation comes in many guises that don't involve designing a fancy website or developing an app. Many Asian countries have brought innovation to the airline and hospitality industries simply by providing a better service than their counterparts in the West. It isn't necessarily a new product but innovation happening all the way along the value chain. All Starbucks did was update the model of the Viennese coffee shop by introducing WiFi. If you look at FedEx compared to the Post Office, or Amazon compared to a normal bookshop, what you see are people who saw a better way of doing the job.

It can be the simplest thing. Just ask **Bernard Sadow**, who holds U.S. Patent N° 3,653,474. It was his bright idea to put wheels on a suitcase 40 years ago. But that too was upstaged when **Robert Plath**, an airline pilot, invented the Rollaboard, the prototype of the now ubiquitous two-wheeled model with a retractable handle that sent **Sadow's** four-wheeled model off to the museum of superseded innovations.

To paraphrase **Hamlet**, there are more things in heaven and earth than are dreamed of in your organization. All you need is to create the space for people to dream them up.

INNOVATION INVOLVES FACING UP TO SOME HARD TRUTHS AND ENDURING BOTH CRITICISM AND SELF-CRITICISM

MORE INFORMATION:

Miller P.; Wedell-Wedellsborg T.: *Innovation as Usual*. Harvard Business Review Press, 2013.

Short Focused Program: "Make Innovation Happen", April 28-30, 2014, in Barcelona www.iese.edu/mih

PRIVATE EQUITY

RIPPLES OF
A FOURTH WAVE**MARIAN MOSZORO**

Visiting Professor of Finance and Policy Research Fellow of the Public-Private Sector Research Center, IESE Business School

**ANNA KOSCIELECKA**

Investment Associate, FLAG Capital

Assuring alignment of interests with LPs and providing a true operational value-add to portfolio companies will be the key to attracting investors and will determine the distinctive character of private equity in its fourth wave.

FINANCE • ECONOMICS • PRIVATE EQUITY

Private equity reflects the highs and lows, booms and busts, of modern capitalism. Since the 1980s we have seen three waves of private equity, each of which has produced vast profits before crashing on the rocks. Now, with monetary easing creating liquidity in the market that could transform into cheap financing, coupled with other favourable trends, we may be at the onset of a fourth wave, led by the mega-buy-outs of Dell and Heinz.

As with prior waves of private equity activity, the rules of the game will need to adjust to the new market reality. Private equity's traditional fee structure has already started to evolve into dynamic compensation schemes, and earnings growth has emerged as the primary driver of returns, owing to limited multiples arbitrage and the unavailability of leverage. In order to successfully compete for investors in a challenging fundraising environment, private equity funds will have to expand their standard arsenal to include offering flexible fee structures, differentiating their strategy through sector

specialization, and emphasizing managerial value-add over financial engineering competences. A brief history of private equity will help us appreciate the salient trends in the industry.

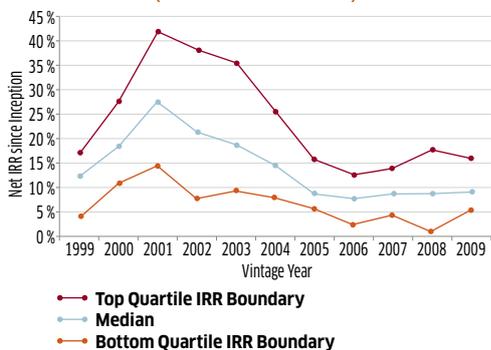
A BRIEF HISTORY OF PRIVATE EQUITY

The modern era of private equity (PE) dates back to the 1980s. Before that, private investments were mainly the domain of wealthy families such as the **Rockefellers** and the **Vanderbilts**. The 1960s saw the emergence of publicly traded holding companies, set up as investment vehicles to acquire corporations. This strategy was made popular by **Warren Buffet**, who acquired Berkshire Hathaway, then a textile company, and used it as an investment vehicle to make acquisitions and minority investments in dozens of other companies.

It is commonly agreed that the first PE wave began in 1982 and was characterized by huge leveraged buyouts made possible thanks to large pools of easily available credit. Through his company, Drexel Burnham, bond trader **Michael Milken** issued high-yield, high-risk bonds from a fund he had created. These bonds lured investors with yields of some 15 percent,

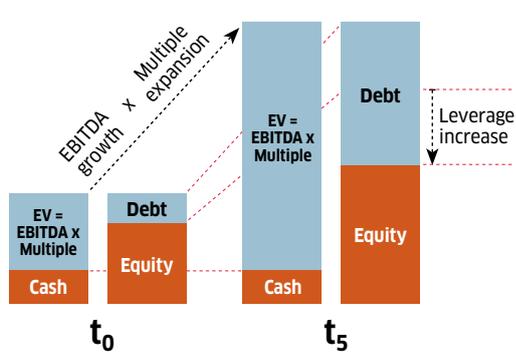


NET RETURNS OF BUYOUT FUNDS
(AS OF JUNE 2012)



Source: Preqin Performance Analyst

HOW PE GET "3-ON-5"



and **Milken** raised large sums of money within a short period of time. The high-yield bonanza did not last long, as the “junk bonds” (as these instruments were derogatively called) market collapsed shortly after the massive buyout of RJR Nabisco in 1989 and **Milken** was jailed on various counts of fraud.

The second PE wave started in 1992 with the rise of institutionalized private equity firms, which managed to shed the industry’s predatory image and enjoyed a better reputation than their predecessors. The emergence of funds managing billions of dollars resulted in another flood of leveraged buyouts. This period also saw the rise of now familiar concepts such as seed capital and business angels. Much of this boom

was fueled by the advent of Internet companies. By 2000 investor commitments to PE had reached more than \$300 billion and the industry had grown faster than most other asset classes. This prosperous period for PE ended in 2001 with the collapse of the dotcom bubble.

The third wave ran from 2003 to 2007. The combination of decreasing interest rates, relaxed lending standards, and regulatory changes for publicly traded companies set the stage for record private equity activity to date. Paradoxically, costs of compliance with the post-Enron Sarbanes-Oxley legislation made private equity ownership potentially more attractive for corporations than remaining public. LBOs were back—enjoying their “Golden Age” with returns that dwarfed the S&P 500, and challenging publically held entities for supremacy. The primary source of funding of leveraged buy-

outs was collateralized loan obligations (CLOs). CLO issuers bought mainly sub-investment corporate loans and bundled them into single investable products. A complex interplay of risk-taking, high leverage, and slowdown in the real estate market resulted in the collapse of the CLO market and the beginning of the deepest crisis since the Great Depression.

PRIVATE EQUITY IN THE AFTERMATH OF THE FINANCIAL CRISIS

Despite “capturing the essence of evolutionary spirit” (as stated by fictional character **Gordon Gekko** in the classic *Wall Street* scene based on **Ivan Boesky**’s speech at UC Berkeley in 1986), the PE industry in recent years has become the victim of its own rigidity and poor adaptability.

PE funds are designed to have a 10-year life and involve two key sets of players: investors, or Limited Partners (LPs), who commit the capital and General Partners (GPs), who manage the fund. The GPs’ compensation is calculated on what is known as “2/20 fee structure.” That is, a 2 percent annual management fee over the life of the fund, first on committed money and then typically on invested money, plus a 20 percent “success fee” (called “carry”) on profits. Up until the crisis hit in 2007 this fee scale was generally viewed as invariable. The 2/20 model, however, may soon become just a reference point rather than the standard compensation scheme. Funds might not only compete on expertise, but also on the fees they charge. Some funds are already offering 2/20 only on invested money, while others are luring investors with a cheaper 1/15 structure, or even betting aggressively on a 0/30, that is, charging no management fee at all.

Working on a 10-year cycle, the fund has to start looking at disinvesting by year five or six. Given that the LPs have already parted with a 2 percent annual management fee and face sharing 20 percent of profits with the GPs, fund managers have to triple cash-on-cash returns on each individual investment in five years (the

so called “3-on-5”) in order to achieve an annualized return of 15 percent for investors. In other words, an astounding 25 percent annualized yield on a particular investment translates into a 15 percent (at most) yield to LPs.

PE’s cash-on-cash returns are generated through a combination of three elements: multiple expansion, leverage, and EBITDA growth.

- Multiple expansion (or multiple arbitrage) refers to better valuations, i.e., buying companies low and selling high.

- Leverage refers to replacing costly equity for cheaper debt, the classic case of an LBO.

- EBITDA growth reflects better management – the “value-add” story.

As a result of the crisis, leverage has been unavailable and multiples for quality deals have remained high, due to the lack of attractive investment opportunities. In these circumstances, the only surviving value driver has been EBITDA growth, forcing GPs to refocus their attention from financial engineering to operational improvements.

GREEN LEAVES OF PE

- Since the beginning of 2013, a number of large PE-backed transactions have been announced, signaling a revival of the PE deal market, at least in the U.S.

There appear to be several coinciding trends creating both incentives and favorable environment for deal making. First of all, quantitative easing is finding its way into the debt markets on the back of aggressive central bank bond-buying globally. CLOs are ready for a comeback. Additionally, given the environment of record-low interest rates, investors hungry for yield yearn for a new LBO wave that would help satisfy their demand for higher returns.

Furthermore, PE funds raised during the boom years have accumulated about \$1 trillion of “dry powder” (in other words, surplus cash), but thanks to the lack of attractive opportunities they have not been able to deploy all that capital, becoming more desperate to put money to work as their in-

vestment periods are expiring. At the same time, those GPs who did make investments and hold a growing backlog of aging assets are eager to begin divesting them. The main avenue of exit would be for them to sell to trade buyers who thus far, however, have been cautious (albeit cash-rich) and sat on the sidelines of deal-making. An improving economic environment should motivate corporations to engage in deal making.

If, as seems likely, there is a fourth PE wave on the horizon, it will certainly begin in the U.S., which has always led and dominated this market and is home to more than 60 percent of firms actively managing buyout funds. After the U.S., another significant playground for PE will be the U.K., stimulated by cheap financing through monetary easing. A slow first quarter on the investment front in Europe, which comes on the heels of a disappointing 2012, does not bode well for increased PE activity in the eurozone. There is, however, a chance that the deal market will be invigorated by capital from other parts of the globe—in particular from China and Japan—searching for targets in Europe.

Private equity is likely to emerge as a transformed industry. In the preface to its most recent report on PE, the investment firm Bain Capital states: “Because it has consistently delivered outsized returns, PE has come to occupy a prized place in the portfolios of LPs of every stripe. But looking ahead, investing in PE for its own sake does not assure LPs that they will achieve better returns from their PE holdings than they would by putting their money in the public equity markets. It will be more critical than ever for LPs to carefully scrutinize which GPs they choose to invest with and how they choose to collaborate.” Certainly the PE industry is becoming more competitive. Guaranteeing to protect the interests of LPs and providing a true operational value-add to portfolio companies will be the key to attracting investors and will determine the distinctive character of private equity in its fourth wave.

SINCE THE BEGINNING OF 2013, A NUMBER OF LARGE PE-BACKED TRANSACTIONS HAVE BEEN ANNOUNCED, SIGNALLING A REVIVAL OF THE PRIVATE EQUITY DEAL MARKET, AT LEAST IN THE U.S.

Please note that the views and opinions expressed herein are those of the authors and do not represent the views or opinions of FLAG Capital Management, LLC or any of its affiliates.

IESE Insight turns the spotlight on the customers



Much is said about how companies have to “orient themselves towards their customers” but what does this actually mean for an organization? The latest edition of *IESE Insight* will help executives focus on their clients without compromising economic or operational viability.

According to Wharton professor **Peter Fader**, you have to prioritize the right clients

and align the development of products and services with their current and future needs in order to maximize value in the long term.

IESE Prof. **Julián Villanueva** proposes a control panel based on customer equity which would help executives to monitor how and where client value is being created or destroyed, connecting the worlds of sales, marketing and finance.

Thirty years on, A. “**Parsu**” **Parasuraman**, co-author of the famous SERVQUAL model, updates what was the most widely used system for measuring service quality to adapt it to the digital age. Plus: new perspectives on emerging markets, how to manage sensitive property in a family business, classes in improvisation from jazz masters and much more.

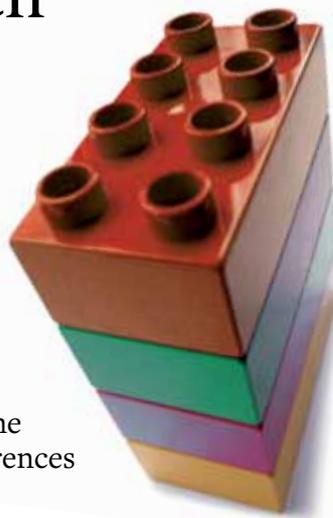
FOR MORE INFORMATION:
www.ieseinsight.com/review/es

Choosing Between Acquisitions and Joint Ventures

JEFFREY J. XREUER, TONY W. TONG, BEVERLY B. TYLER AND ÁFRICA ARIÑO

International joint ventures (IJVs) are generally considered safer than acquisitions. Research suggests this is due to information barriers often inherent in the acquisition process. The authors of the study “Executive Preferences for Governance Modes and Exchange Partners: An Information Economics Perspective” investigate how executives address information asymmetry and adverse selection surrounding IJVs and acquisitions. Executives are more inclined to acquire a firm if they are more familiar with its resources, unique competencies and capabilities. However, this requires having certain information, without which there are problems for sellers and buyers. Joint ventures are seen as less risky than acquisitions for several reasons: specifically, they enable the partners to pool resources in a separate business, which allows a firm to accumulate direct experience with the other’s resources and capabilities.

MORE INFORMATION:
IESE Insight/Strategic Management



NECESSITY IS THE MOTHER OF GREEN INVENTIONS

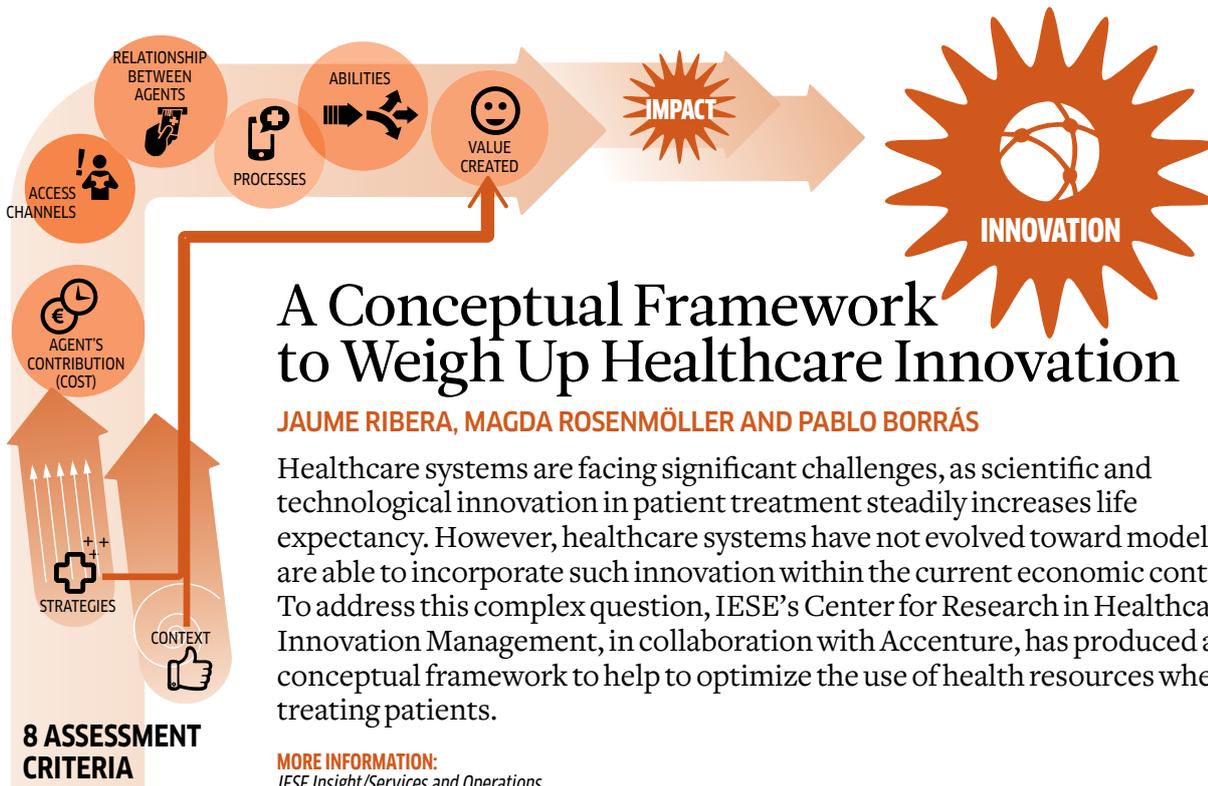
PASCUAL BERRONE, ANDREA FOSFURI, LILIANA GELABERT AND LUIS R. GÓMEZ-MEJÍA

- Firms are increasingly scrutinized
- for wrongdoing concerning the environment. Investors discount share prices of polluting companies, government policies place a cost on emissions, and consumers consider a company’s environmental philosophy when purchasing products and services.

One possible response to these mounting pressures is environmental innovation: the development of products, processes and services aimed at reducing environmental harm.

In their paper “Necessity as the Mother of ‘Green’ Inventions: Institutional Pressures and Environmental Innovations,” the authors study the impact of pressure on firms’ environmental innovation. While there is consensus on the value of environmental innovation, at least from a social perspective, the authors point out that little is known about why some firms engage in more environmental innovation than others, and under what conditions firms pursue this innovation.

MORE INFORMATION:
IESE Insight/Innovation and Change



A Conceptual Framework to Weigh Up Healthcare Innovation

JAUME RIBERA, MAGDA ROSENMÖLLER AND PABLO BORRÁS

Healthcare systems are facing significant challenges, as scientific and technological innovation in patient treatment steadily increases life expectancy. However, healthcare systems have not evolved toward models that are able to incorporate such innovation within the current economic context. To address this complex question, IESE's Center for Research in Healthcare Innovation Management, in collaboration with Accenture, has produced a conceptual framework to help to optimize the use of health resources when treating patients.

MORE INFORMATION:
IESE Insight/Services and Operations

CASE STUDY

How El Ganso Became a Global Brand

SERGIO ARANA, IGNACIO ECHANIZ,
 JULIO PASCUAL AND M.^a JULIA PRATS

Since 2005, the Spanish fashion brand El Ganso has enjoyed non-stop growth, and now boasts 32 stores in five countries. The company's marketing technique is unorthodox in that it does not do any advertising. The founders, the Cebrián brothers, say the best way to go about marketing is simply to make a good product. How would they expand? Was it possible to keep going without outside investors? Could they continue with the same suppliers? Was it time to bring in external management? These are the questions raised by this case study.

TO PURCHASE THE CASE STUDY:
www.iese.com



BUSINESS ANGELS IN LATIN AMERICA

JUAN ROURE, AMPARO DE SAN JOSÉ
 AND JUAN LUIS ASEGUARADO

● How can entrepreneurship be spurred amid a credit crunch? Business angels seem to be the growing trend and have emerged as the best partners for spurring the growth of dynamic companies and creating jobs, by providing "smart capital" in segments that are not mature enough to attract traditional venture capital. There are currently more than 20 such networks operating in Latin America and the Caribbean, with transactions amounting to \$26 million. Argentina, Chile, Colombia and Mexico each have more than one active network. A study carried out by IESE professors looks at the keys to promoting entrepreneurship in these regions, since only 10 percent of the projects presented to business angels get financed. Despite this low rate, new business projects increasingly depend on business angels, and it is therefore essential to identify the strengths and weaknesses of these networks, in order to promote their development and boost the economy.

MORE INFORMATION:
IESE Insight/Entrepreneurial Initiatives

IESE'S INTERNATIONAL ADVISORY BOARD (IAB)

CEOS IN A VOLATILE WORLD



Various members of the IAB took part in a Continuous Education session in which they looked at the global economy and analyzed the role of the CEO in the new business paradigm.

The annual meeting of IESE's International Advisory Board (IAB) took place on April 19 on the Barcelona campus. Members came together to analyze the challenges of education the business leaders of the future, and to advise IESE on current trends. These were discussed in two panel discussions at which Dean **Jordi Canals** was present.

WHAT THE FUTURE HOLDS

The conference was divided into two panel discussions, the first of which, "The World Economic Outlook," was moderated by Prof. **Franz Heukamp**. **Patricia Francis**, Executive Director of the International Trade Center, said



1. Jordi Canals, N. R. Narayana Murthy, Denise Kingsmill and Stanley Motta
 2. Toyoo Gyohten, Francesco Vanni d'Archirafi and Hans-Jacob Bonnier
 3. Siegfried Russwurm and Mariano Puig

that though we have a fairly predictable political landscape for the next couple of years, this has not translated to confidence. “Any slowdown in China will affect countries selling into China, especially Australia and parts of Latin America,” she added. She was followed by **Toyoo Gyohten**, President of the Institute for International Monetary Affairs (IIAM), who discussed the bold steps the new Japanese government is taking to pull the country out of two decades of stagnation. “The stock market has gone up and business confidence has risen,” he said. “The prime minister has changed a mindset of defeatism into optimism, though there is no room for complacency.”

Asked whether a similar approach could pull the eurozone out of its slump, **Gyohten** said: “Applying monetary easing is one option for the eurozone but the ECB is doing that. If

you argue that it has to be more aggressive, you have ask in what way?”

N.R. Narayana Murthy, founder of Infosys Technologies, said, “we can only solve the problem of poverty by creating good jobs with good incomes, and entrepreneurship is the only tool we have. This requires good ideas that are easy to communicate, a ready market and the willingness to make sacrifices today for a better tomorrow. The problem is not money, the problem is good ideas. Government needs to create an ecosystem so that entrepreneurship can thrive.”

Stanley Motta, President of Motta Internacional, expressed concern at how much money was being printed, but added, “we share an agenda in Latin America. We haven’t solved all our problems but we have a common outlook.”



1. Hans Ulrich Maerki, Kees J. Storm and Klaus Mangold
 2. N. R. Narayana Murthy and Franklin P. Johnson
 3. Prof. M^a Julia Prats and Patricia Francis
 4. Franz Haniel and Andrea Christenson
 5. Janne Haaland-Matliary
 6. Eric Weber, Roberto Servitje, María del Mar Raventós, Francesco Vanni D'Archirafi and Mariano Puig

Andrea Christenson, of the doll manufacturer Käthe Kruse Puppen, said it was hard for small companies to survive. “We are too small to make mistakes, and the question is how to find the right partners to expand into the Asian market,” she said. “We have now found a German-Asian company that is also in the toy industry.”

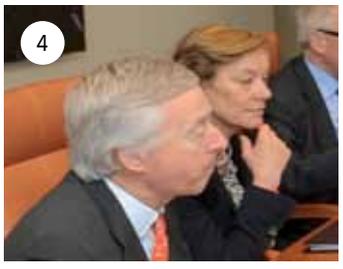
THE ROLE OF THE CEO

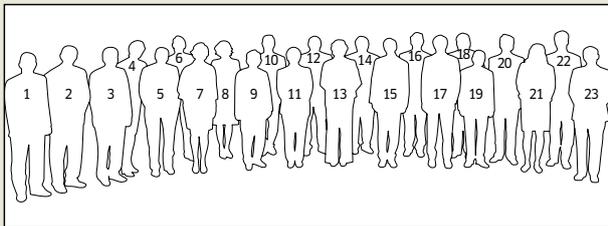
The second session, moderated by Prof. **Eric Weber**, dealt with the role of the CEO in developing strategies to deal with a volatile world. **Hans-Jacob Bonnier**, Executive Vice President of Dagens Industri, talked about the digital revolution in the media before adding that “the role of the CEO is to guide managers through change. The CEO is the team coach who has to keep everyone happy—because happy managers love to go to work.”

He was followed by **Franz Haniel**, Chairman of Franz Haniel & Co, who reminded the audience that the values that define the culture of a company are vital. With global teams it's more vital than ever for CEOs to understand what makes each individual tick. “The single most important characteristic in a CEO is empathy,” Haniel said.

Baroness **Denise Kingsmill**, board member of IAG, commented that CEO pay has shot up in recent years and that shareholders are very concerned about this and are starting to flex their muscle. “The era of the CEO as superhero is ending,” she said. **Hans Ulrich Maerki**, Chairman of the Governance, Nomination & Compensation Committee at ABB, pointed out that under a new Swiss law shareholders will decide salaries of CEOs. “When we talk about corporate strategy it should be for the next four or five years, not reacting to every event. What a CEO needs to do is look from the outside in to judge the company's capabilities.”

Kees Storm of Aegon's board of directors spoke last. He said, “Volatility means you need to be flexible.” He added that many CEOs just want the board to agree with their proposals but believes the board needs to be more involved in strategy.





- | | | |
|------------------------------------|-------------------------|-------------------|
| 1. Prof. Eric Weber | 10. Johan Shrøder | 19. N.R. Narayana |
| 2. Roberto Servitje | 11. Hans-Jacob Bonnier | Murthy |
| 3. Stanley Motta | 12. Klaus Mangold | 20. Francesco |
| 4. Denise Kingsmill | 13. Patricia Francis | Vanni d'Archirafi |
| 5. Mariano Puig | 14. Franklin P. Johnson | 21. Janne |
| 6. Kees J. Storm | 15. Prof. Jordi Canals | Haaland-Matlary |
| 7. M ^o del Mar Raventós | 16. Hans Ulrich Maerki | 22. Prof. Franz |
| 8. Andrea Christenson | 17. Franz Haniel | Heukamp |
| 9. Toyoo Gyohten | 18. Siegfried Russwurm | 23. Oscar Fanjul |

IESE'S TOP ADVISORS MEET IN BARCELONA

The International Advisory Board (IAB) held its annual meeting on April 19 on IESE's Barcelona campus. Since 1989, the IAB has met at IESE every year to discuss the challenges of the future for future business directors, and to look at IESE in the context of current trends. This year,

the meeting began by welcoming the newest member of the board, **Roberto Servitje**, founder and chairman of Bimbo. His presence brings the IAB to a total of 37 presidents and CEOs, along with professors and prestigious international economists from Europe, Asia and the Americas.

MEMBERS OF THE INTERNATIONAL ADVISORY BOARD (IAB)

Andic, Isak Mango, Spain	Fung, Victor K. Li & Fung Group, China	Mangold, Klaus DaimlerChrysler, Germany	Russwurm, Siegfried Siemens, Germany
Bagel-Trah, Simone Henkel, Germany	Gyohten, Toyoo Institute for International Monetary Affairs, Japan	Mohn, Liz Bertelsmann, Germany	Servitje, Roberto Bimbo, Mexico
Bonnier, Hans-Jacob Bonnier, Sweden	Haaland-Matlary, Janne University of Oslo, Norway	Motta, Stanley Motta Internacional, Panama	Shrøder, Johan Shrøder Foundation, Denmark
Camdessus, Michel Banque de France, France	Haniel, Franz The Haniel Group, Germany	Murthy, N.R. Narayana Infosys Technologies, India	Sorrell, Martin WPP Group, UK
Christenson, Andrea Käthe-Kruse Puppen, Germany	Heiberg, J. Gerhard Norscan Partners, Norway	Pino, Rafael del Ferrovial, Spain	Storm, Kees J. Aegon, The Netherlands
Di Leo, Bruno IBM, USA	Johnson, Franklin P. Asset Management Company, USA	Puig, Mariano Fundación Puig, Spain	Vanni d'Archirafi, Francesco CITI, USA
Duperreault, Brian Marsh & McLennan Companies, USA	Kingsmill, Denise IAG, UK	Raventós, María del Mar Codorniu, Spain	Wenning, Werner Bayer, Germany
Fanjul, Oscar Omega Capital, Spain	Maerki, Hans Ulrich ABB, Switzerland	Revoredo, Helena Prosegur, Spain	Yeo, George Kerry Group, Singapore
Francis, Patricia International Trade Center, Switzerland		Riboud, Franck Groupe Danone, France	Zegna, Ermenegildo Ermenegildo Zegna, Italy

INDUSTRY MEETINGS

FACING UP TO THE FUTURE

IESE professors and business leaders meet to discuss the key challenges that confront the luxury brands, sales, distribution, insurance and tourism sectors.

Giving the value to the client, offering a personalized service and taking advantage of the digital environment were some of the key points that were highlighted during the IESE Sector Meetings held during the past trimester. Other matters discussed included the fact that the future involves internationalization, especially in emerging markets, which present considerable business opportunities. Faced with saturated and mature markets such as the United States and Europe, Africa looks like a good alternative, and the emerging middle class in India, Brazil and China also means that these are important countries to watch.

During these meetings held at IESE during the past trimester, changes occurring in the luxury goods, sales, distribution, insurance and tourism sectors were examined. In an uncertain economic environment in which consumers are rapidly changing, companies have to be sufficiently agile to adapt to the context and the clients' changing needs. While some sectors—such as luxury goods and tourism—are growing, the majority are fighting to stay afloat. Needless to say, each sector has its own set of peculiarities. In the following pages we outline the main trends and you can read a complete summary of the meetings using the QR code at the bottom of each page.

LUXURY BRANDS BEGIN TO LOOK TO AFRICA

- Europe dominates the luxury brands market with a 70
- percent share of the market but “growth in the sector is thanks to emerging markets,” said **Carlos Falcó**, the Marqués de Griñón and executive chairman of Círculo Fortuny, a not for profit association established to promote Spanish cultural and prestigious products and to improve the image of Spain as a luxury brand. Its 52 members cover a range of sectors including gastronomy, jewelry, cosmetics and fashion. He was speaking at the 15th Annual Luxury Goods Industry Meeting held on IESE's Barcelona campus in March under the direction of professors **Fabrizio Ferraro** and **Pedro Nueno**.



15th LUXURY GOODS
INDUSTRY MEETING



1. Prof. Fabrizio Ferraro
2. Hannah Elliott, *Forbes*
3. Pierre Malleveys, Savigny Partners
4. Micaela le Divelec, Gucci
5. Rahul Prasad, Pike Preston Partners; Rosa Tous, Tous; Paulo Feferbaum, Clarity Partners Europe, and Sergio Costa, Brazil Business Consulting



10th RETAIL INDUSTRY
MEETING



1. Fuencisla Clemares, Tech & Classifieds, Google Spain
2. Prof. José L. Nueno
3. Bart Denolf, Pepe Jeans
4. Mar Morosse, Sotheby's International Realty
5. Luis Bodes, Hannover 1998; Marc Onandia, European Fashion Brands, and Luis Sans, Santa Eulalia



Nueno said it was essential for luxury brands to have a presence in the fast-growing markets of emerging countries. Africa, he said, presents many opportunities, with Ghana the world's fastest growing economy. **Paulo Feferbaum** (G-EMBA '04), managing director of Clarity Partners Europe, pointed to India and Brazil as attractive markets. However, **Rahul Prasad**, managing director of the Asia-Pacific and Middle East for Pike Preston Partners, said there are signs that the luxury sector in India is slowing now. **Pierre Malleveys**, founder and managing partner Savigny Partners, said that every luxury brand is a mixture

of heritage and creativity. Part of reviving the brand lies in associating it with its heritage but this is not enough if you don't get the creativity and financing right, he said.

Rosa Tous (PADE '11), head of institutional relations at Tous, said that companies need to use social networks to find out what their clients are thinking and to adjust their strategy accordingly.

MULTICHANNEL DISTRIBUTION

- Multichannel distribution and e-commerce are the future, as direct sales from shops are beginning to

CROSSROADS

decline, the 10th Retail Industry held in April on IESE's Madrid campus was told. A report prepared by Prof. **José L. Nueno**, co-director of the meeting, said that retail shop sales have fallen by 22 percent over the past four years while e-commerce racked up €5 billion in sales in the first quarter of 2012.

Francisco Javier Campo, president of the AECOC, encouraged businesses to innovate and to use new technologies, to look beyond their shores and to develop efficient and sustainable value chains. "Businesses have to adapt

themselves to a different type of consumer," he concluded. On this point, **Nueno** was clear: "Anything that offers the consumer value with new models will pay off." He added that e-commerce is the future of retail distribution but other channels such as mobile, social networks and "reinvented shops" should not be overlooked.

INNOVATION IN SALES

The 6th Sales Management Meeting was held in April on IESE's Madrid campus under the title "Reinventing



6th SALES AND MARKETING OFFICERS MEETING



- 1. Prof. Julián Villanueva
- 2. Prof. Cosimo Chiesa
- 3. Gonzalo de Cevallos, Swatch Group Spain
- 4. José Luis Ferré, Allianz
- 5. Miguel Giribet, Privalia; Xavier Pijoan, Heineken and Àngelo Ruggieri, Desigual



3rd INSURANCE INDUSTRY MEETING



- 1. José Miguel Andrés, Ernst & Young
- 2. Prof. Juan José Toribio,
- 3. Maria Aránzazu del Valle, UNESPA
- 4. Prof. Jorge Soley
- 5. Jaime Kirkpatrick, AEGON; Iñaki Ereño, Grupo Sanitas; José Boada, Pelayo Mutua and Manuel Martínez Pedraza, Ernst & Young



self in Order to Advance: Innovation in Sales.” The meeting was led by IESE professors **Julián Villanueva** and **Cosimo Chiesa**. Innovating in new markets, training programs for sales staff, new formats, new technological tools and improving the motivation of sales teams were some of the most important aspects presented in the “4th Study of Innovation in Sales Teams.”

Executives also saw the need to innovate and produce ideas, and to involve employees in the process. “Now is the time to introduce changes in the sales force, because there is much room for improvement,” said **Villanueva**. Design has created the



3rd INTERNATIONAL TOURISM SUMMIT

1. Isabel Hill, U.S. Department of Commerce
2. Prof. Juan Roure
3. Joan Vilà, TUI Travel A&D
4. Jun Zeng, LVMAMA
5. R.J. Friedlander, ReviewPro
6. Rohit Verma, Cornell School of Hotel Administration



Dshop, a concept which the clothes retailer will apply to multi-brand outlets where they will occupy at least 80 percent of the floor area with their collection. **Judith Viader**, managing director of Frit Ravich, said there was more scope for developing sales via social networks while **Javier Pijoán**, head of sales and distribution for Heineken in central and eastern Europe, emphasized the importance of execution in competitive advantage.

PERSONALIZED INSURANCE

The fall in household spending has had a direct effect on the insurance sector, in spite of which there are grounds for optimism, **María Aránzazu del Valle**, the secretary general of UNESPA, told the 3rd Insurance Sector Meeting held on IESE’s Madrid campus. The event, coordinated by Prof. **Jorge Soley**, was jointly organized by IESE’s CIF (Center for International Finance) and Ernst&Young. “Insurance is a fundamental economic pillar, but in five years the sector will be very different from today and there will be both winners and losers along the way,” said **José Miguel Andrés**, president of Ernst & Young.

The CEO of Zurich España, **Julián López Zaballos**, said that “Zurich’s mission is to help clients to understand the risks and to protect them.” **Jaime Kirkpatrick** (MBA ’96), CEO of AEGON, said that “specialization and the ability to adapt” were the elements required to face a crisis in which life insurance, along with health insurance, has weathered the storm better than others.

TOURISM IN EMERGING MARKETS

Diversification and internationalization are key trends in the tourist sector. “If there’s an industry that can offer real job creation over the long term, it’s tourism,” IESE Dean **Jordi Canals** told the Third International Tourism Summit, held in Barcelona in May and led by Prof. **Juan Roure**. The sector is growing and undergoing a profound transformation, which reflects changing consumer behavior, said IESE Prof. **Pablo Foncillas**. He said that global tourism is “alive and well” and will grow significantly over the next five years due to the proliferation of networked consumers. One such example is the growth of the A&D division of TUI Travel, which includes businesses such as Hotelbeds, Intercruises and LateRooms.com. This was explained in a presentation by **Joan Vilà**, TUI Travel’s managing director.

An other exemple of this growth is the Caribbean, which is attracting an increasingly diversified group of consumers from Latin American countries, commented **Raúl González Rodríguez** (MBA ’86), CEO of the Barceló Group and president of the IESE Alumni Chapter in the Balearic Islands. Increasing competition from other global destinations has chipped away at the U.S. travel industry over the past decade, said **Isabel Hill**, director of the Office of Travel and Tourism Industries of the U.S. Department of Commerce. The future of the tourism industry will be driven by the lifestyles and preferences of millennials, said **Patricio Ramos**, partner and managing director of BCG Spain. **Jun Zeng**, general manager of LVMAMA, China’s leading ticket-booking firm for places of tourist interest, said that as Chinese income rises, the time that Chinese consumers spend traveling will also expand.

ELBULLIFOUNDATION

A JOURNEY INTO THE UNKNOWN

IESE MBA students help give substance to renowned chef Ferran Adrià's dream of a center devoted to creativity and innovation.

IESE MBA students are helping world-famous chef **Ferran Adrià** to create the elBulli Foundation, the project that emerged after he served the last meal at the groundbreaking restaurant elBulli in 2011. In May, IESE and the elBulli Foundation formally announced their joint venture at a breakfast held on the school's Barcelona campus and catered by renowned pastry chef **Cristian Escribà**.

The first batch of MBA students recently completed their stint working with the elBulli chef and his creative team at Cala Montjoi on Spain's Costa Brava. The project is part of the entrepreneurship course run by Prof. **Julia Prats**. In 2012 **Adrià** launched the Global Ideas Challenge, in which 31 business schools competed to come up with ideas of what the elBulli foundation would be. IESE was chosen as the partner to help to develop the creativity center.

Opening the discussion, Associate Dean **Eric Weber** described the joint venture as "a magnificent example of collaboration between a business school and a company. It is in elBulli's DNA to be entrepreneurial and innovative." "We will officially present the foundation in November," **Adrià** said. "We are transforming what was the restaurant into a creative space. It is still taking shape and we plan to open in March 2015, but we're not in a hurry. It will be a place to reflect and think. We want everyone, even small children, to think about cooking in the context of creativity."

Altogether some 17 MBA students, representing nine nationalities, have worked with the elBulli creative team, contributing their ideas on marketing, branding and financing to the project, as IESE MBA students do on a regular basis in their collaborations with more conventional companies. However, as the foundation is very much a work in progress and **Adrià** is famously mercurial, the project represented something of a departure for the MBA students. "It's so dynamic, you don't know what to expect from one session to the next," says **Patricia Cabrera**, who says it has helped free her from a more rigidly structured approach to problem solving. "The team is constantly brainstorming, and the aim

is always to break the mold and create something new. It's a way of thinking that could be applied to many fields," says **Oriol Chimenos**. "It's the kind of practical experience you crave when you're in the classroom," says **Belkis Boyacigiller**, speaking of her three-month stint at the Foundation. "It's not always by the book, which is what makes it so exciting. I've learned a lot about ambiguity and coming up with a concrete solution."

"The elBulli team have been together for a long time and they have a way of working that we're not used to," said **Ignacio Rodríguez Viña**. "They are very creative and we've learned a lot from them." **David Zarate** says, "It gave me an opportunity to explore my own creativity in the context of the project, and put into practice what we have learned in the MBA program in a real project."

QUIT WHILE YOU'RE AHEAD

● In 2011, when **Adrià** announced that in July his restaurant elBulli would serve its last customers, there were many who wondered if he had lost his mind. **Adrià** had been voted the world's best chef and elBulli the world's best restaurant for four years running. Up to a million people a year vied for the 8,000 places at its tables and the restaurant could have charged €10,000 a head and still they would have come. But elBulli was never about making money and never did make a profit. "We make no money and we don't want to," **Adrià** once remarked. "We could raise the prices and make four or five million euros profit a year." In the words of **Juli Soler**, **Adrià**'s business partner, "Satisfaction and joy were always more important than the business side of things."

And besides, elBulli wasn't closing, it was being transformed. "On July 30, 2011, elBulli will have completed its journey as a restaurant. We will transform into a creativity center, opening in 2014. Its main objective is to be a think tank for creative cuisine and gastronomy," announced its website. Now IESE has become a part of that transformation.



As **Weber** says, elBulli was always about innovation, but the challenge for the MBA students was to bring their skills and knowledge to bear on a project that was defined solely as a creative space. What kind of a space would it be and what would be in it? Who would use it and what for? How would it be financed? Rather than analyzing a case study, the students were in effect creating one. They created logos for the project, worked on marketing strategies and produced financial projections based on a variety of models, all the while putting the knowledge acquired at IESE to practical use.

Adrià says he didn't regard his new IESE assistants as students. "I saw myself as a sort of CEO, and they were part of the team," he said.

The foundation's aim is to be a leader in the generation, production and promotion of creativity and innovation.

This will be achieved through sharing elBulli's historic archive and research and implementing creative and innovative processes in the art of cooking that have been followed by elBulli since the beginning. In addition, the objective is to work with other disciplines in both arts and sciences, to create synergies so that teamwork will lead to a knowledge economy founded on innovation, above all in those countries and communities most in need of it, in order to achieve our ultimate goal: happiness.



[MORE INFORMATION:](#)

Changing the World Through Business

❖ **Catalina Parra** (MBA '96) enjoyed a successful consulting career until one trip, which required that she spend four months in Calcutta, changed her world view. Since then, she has launched three projects aimed at creating greater equality in the world and her vision is clear: "My number one priority is to change the world." "Social entrepreneurship strikes a balance between business experience and social commitment," she said during the IESE Continuous Education session, "Social and Environmental Entrepreneurship: Experiences," which was part of a series of FINAVES events. **Dídac Ferrer** spoke about the co-op he founded, Tarpuna, which promotes small-scale local projects to generate stable changes. He works through a cooperative human network.

Open Up to Exploit the Social Network

❖ **Social networks are not shop windows where you hang a product; they are telephones you can use to communicate and interact,** said **Fernando Polo**, CEO of Territorio Creativo, a speaker during the Continuous Education session "Social Networks," organized by IESE's Alumni Association and moderated by IESE Prof. **Carlos García Pont**. In the 21st century, open collaborative networks—as opposed to patents—will give companies the most leverage, said **Polo**. He outlined four elements that should be a part of SMEs' social business plans: collaboration, content, connections and social heart. "Look for contexts, learn to develop content, work connections and think openly," he advised.

IESE RISES IN FINANCIAL TIMES RANKINGS

No.2 in the World



● The *Financial Times* has ranked IESE Business School executive education programs second in the world in its recently released annual survey. The school climbed two places in the overall results this year.

The 2013 FT executive education ranking evaluated 50 top business schools worldwide. IESE earned particularly high marks for participant and client follow-up, faculty, global partner schools and international facilities.

The school was ranked 2nd in the world in the category of open enrollment programs and held its position as 3rd in the world in custom programs. The FT survey is based on a mix of customer feedback and data provided by business schools on open and custom programs. It takes into consideration criteria such as program preparation, course design, international participants and location, faculty, follow-up and aims achieved.

SECOND TREK GIVES STUDENTS INSIGHT INTO START-UPS

MBA's Take High-Speed Tour of Silicon Valley

● A group of 25 IESE MBA students traveled to Silicon Valley recently for the second annual edition of "IESE Meets the Valley." During the week-long trek, students heard from a host of entrepreneurs.

"The week in Silicon Valley was long, intense, stressful and fun," said **Robert Joshua Lehr** (MBA '14). "We were tossed from one amazing meeting to another, listening to liv-

ing legends and the craftsmen of our generation. We never stopped."

Visits to companies such as Cisco, WhatsApp, Tesla Motors and Eventbrite gave students a close-up view of the local start-up culture. A highlight was the IESE Entrepreneurial Forum in San Francisco where **Andrew Chung**, partner in Khosla Ventures, delivered the presentation, "Inventing the Future."



From left to right, Marta Martínez, Erwin Rauhe and Pedro Nueno

CREATING THE COMPANY OF 2020

Leaders Need to Convey Confidence

IESE Dean **Jordi Canals** stressed the importance of doing “what is characteristic of business leaders,” which is focusing on the long term, when he addressed the Continuous Education session, “Creating the Company of 2020 and its Context,” held on the Barcelona campus. He reminded the audience that companies will be the players to eventually lead the way out of the crisis.

Marta Martínez, president of IBM for Spain, Portugal, Greece and Israel, highlighted the importance of

technology. **Erwin Rauhe**, vice president of BASF Spain, speaking during the entrepreneurs’ panel moderated by Prof. **Pedro Nueno**, said that “over the next few months, there will be more opportunities for growth in southern Europe than in northern Europe.”

IESE Prof. **Antonio Argandoña** moderated a panel that included faculty members **Alfredo Pastor**, **Pedro Videla** and **Xavier Vives** in a discussion on the prospects for a recovery in Europe.

XIII ANNUAL EBAN CONGRESS

Award for IESE’s Business Angels Network

IESE’s Business Angel Network was recognized as the European network of the year at the 8th EBAN Awards ceremony, which distinguished excellency across the EBAN (European Business Angels Network) community. Accepting the award in Vienna was IESE Prof. **Juan Roure**, who spearheads the 10-year-old initiative.

The ceremony brought together more than 300 investors, who, over the

two days, discussed the vital role they play in the growth of new business.

The main speakers at the event—**Julie Meyer**, founder and CEO of Ariadne Capital; **Wilhelm Molterer**, vice-president of the European Investment Bank and **Veith Sorger**, ex-president of the Austrian Federation of Industry—used their unique experiences to show the importance of early investors to the future growth of new business in Europe.

Berrone to Take Up Schneider Strategy Chair

“We need innovative solutions to create a sustainable future,” said **Julio Rodríguez** (PDG ‘97), executive vice president of global operations at Schneider Electric during the presentation of the Schneider Electric Chair of Sustainability and Business Strategy in April on IESE’s Barcelona campus. After an introduction from IESE Dean **Jordi Canals**, **Rodríguez** said it was “the first chair that we have established at a world level,” adding, in a reference to IESE, that “we have allied ourselves with the best of travelling companions.”

The chair, which will be held by IESE Prof. **Pascual Berrone**, aims to generate ideas and disseminate knowledge, frameworks for action and tools to speed up the change towards a sustainable development of business. **Berrone** spoke about the urgent need to manage the planet’s natural resources more efficiently. He regretted that sustainable was not a priority for the majority of executives and that in many cases there is a large gap between theory and practice. Taking symbolic action without linking it to far-reaching change is not only useless, it also damages the company’s reputation. However, supporting such efforts has a positive impact on reputation, he said.



AGENDA 2013-2014

EVERYTHING
THAT'S HAPPENING
www.iese.edu/agenda

July 2013

V International Conference of Work and Family Barcelona	BARCELONA, 1, 2 & 3
European Conference of the Association for Consumer Research Barcelona	BARCELONA, 4, 5, 6 & 7
<i>Optimizing your Retail Business</i>	BARCELONA, 9, 10 & 11
<i>High Performance Negotiator</i>	BARCELONA, 22, 23 & 24

August 2013

24th Subjective Probability, Utility, and Decision-Making Conference	BARCELONA, 18, 19, 20, 21 & 22
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October 2013

<i>Finance and Accounting for Non-Financial Managers</i>	BARCELONA, 7, 8, 9, 10 & 11
20th Healthcare Industry Meeting	BARCELONA, 23

5th
Chemical
Industry
Meeting
Barcelona, 10

November 2013

<i>Developing Leadership Competencies</i>	BARCELONA, 5, 6, 7 & 8
28th Automotive Industry Meeting	BARCELONA, 6 & 7
<i>Advanced Digital Media Strategies: Profiting From the Digital Value Chain</i>	NEW YORK, 12, 13 & 14



Global Alumni
Reunion 2013
Barcelona, 8

December 2013

<i>Global Business: Leading in a Matrix Organization</i>	NEW YORK, 5, 6 & 7
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March 2014

<i>Create and Lead Outstanding Teams</i> NEW	BARCELONA, 4, 5 & 6
<i>Driving Change Successfully</i>	BARCELONA, 18, 19, 20 & 21

April 2014

<i>Develop your Communication Skills</i>	BARCELONA, 8, 9 & 10
<i>Make Innovation Work</i> NEW	BARCELONA, 28, 29 & 30

May 2014

<i>Getting Things Done</i>	BARCELONA, 20, 21, 22 & 23
<i>Developing Leadership Competencies</i>	BARCELONA, 27, 28, 29 & 30

Graduations
2014
Barcelona &
Madrid

June 2014

<i>Managing People Across Cultures</i> NEW	NEW YORK, 4, 5 & 6
<i>Maximize your Board's Potential</i>	BARCELONA, 10, 11, 12 & 13
<i>Customer-Focused Organizations</i> NEW	BARCELONA, 16, 17 & 18
18th Symposium on Business Ethics	BARCELONA, 16 & 17

July 2014

<i>Real Estate in Growing Markets</i> NEW	BARCELONA, 1, 2 & 3
<i>High Performance Negotiator</i>	BARCELONA, 8, 9 & 10
<i>Optimizing your Retail Business</i>	BARCELONA, 15, 16 & 17



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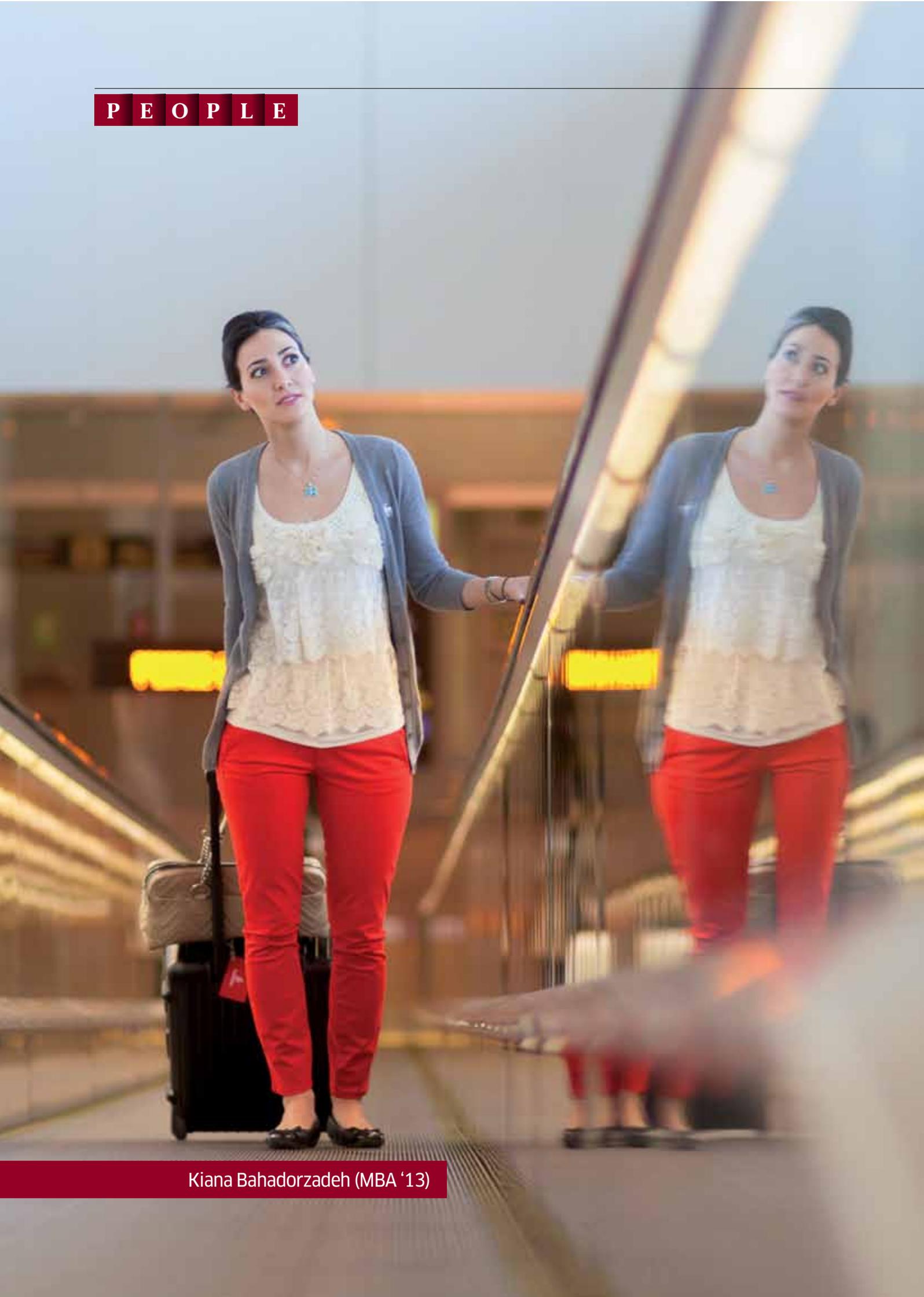
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PEOPLE



Kiana Bahadorzadeh (MBA '13)

2013 MBA GRADUATES

TRAVEL BROADENS THE MIND

**STEPHEN BURGEN
EDU FERRER ALCOVER**

Kiana Bahadorzadeh, Masayuki Manabe, Joan Xiol, Ágata Lozano, Eghosa Oriakhi and Nather Masarweh are six of the students who have graduated from IESE's Masters programs this year. Each of these outstanding students was given the opportunity of a lifetime in the shape of an international component to the course, organized by IESE. These modules were to take them, variously, to Shanghai, São Paulo, Nairobi, New York and Silicon Valley.

MBA

KIANA BAHADORZADEH

MODULES: SAO PAULO & SHANGHAI

Founder and joint CEO of U.S. tableware company Kiyasa Corporation.

● **Kiana Bahadorzadeh** was born in Iran and moved to the United States when she was 20, where she studied hospitality administration at Boston University. After working for British Airways and a lifestyle management club she went on to found the Kiyasa Corporation with her sister in 2009. The company distributes luxury tabletop and home decor.

“A lot of top schools don't offer an intensive exchange program. Having the two-week option of living in a differ-

ent country is a perfect combination of getting a taste for it, doing some classes and a bit of networking. For me personally, the classes in Sao Paulo were more interesting than those in Shanghai, partly because I'm looking to relocate to Latin America. It's been beyond my expectations. I didn't expect the school to be so international. Most schools in the U.S. are about 20 percent international so I thought that was what it would be like here. In a class of 65 we didn't have more than four people of any one nationality. What IESE offers is a really nice balance between finance and industry classes, with more soft skills. I'm going to Sao Paulo in August. I started a company with my sister and we want to expand into Latin America.

I imagine that what I'm going to encounter in Brazil will be very similar to Iran in terms of bureaucracy, getting things done, corruption and so on. It was so easy for us to get started in the U.S. Within two weeks you can have a company registered. When I went to Sao Paulo I was reminded that most of the world is not like the U.S.

Business schools don't necessarily have to adapt but they do have to be real about it, and discuss real cases of companies that have had to go through these challenges and bring in speakers from those regions. They should teach people that this is how things are in most parts of the world so you better be ready for it. Because IESE is so international, when you sit down with your fellow students you get perspectives from all over the world.”



Masayuki Manabe (MBA '13)

MBA

MASAYUKI MANABE

MODULES: SAO PAULO AND NAIROBI

Fourth generation of family marine engineering business
Manabe Zoki Co., Ltd.

● **Masayuki Manabe** was born in Japan and studied economics and engineering at Kyoto University. After finishing his studies, he worked for a while as an IT consultant, and then joined the family marine engineering business. “I had no experience of living abroad and I wanted to get to know other cultures. My family business is in marine engineering and our products are sold all over the world, so I was glad of the chance to understand how things work elsewhere.

In Japan we tend to be highly disciplined and follow rules and we are not good at directly expressing our opinions. To me the way things are done in Nairobi seemed chaotic. In meetings people expressed opinions which did not seem relevant to what had just been discussed, and were more argumentative. To me it looked like fighting, and seemed disorganized. Now, however, I understand that this stems from cultural differences. Japanese people will have a discussion, paying attention to the opinion of others, while people here will give their opinion first and then hold the discussion. When I came to IESE, my priority was to learn about things like operations and accounting but now I see that experiencing different situations is also important. When I go back, I

➤ **WHEN I CAME TO IESE, MY PRIORITY WAS TO LEARN ABOUT THINGS LIKE OPERATIONS AND ACCOUNTING BUT NOW I SEE THAT EXPERIENCING DIFFERENT SITUATIONS IS ALSO IMPORTANT**

Masayuki Manabe

will be in charge of new business development, mainly overseas, and my experience in Sao Paulo and Nairobi will help.

Before I came here I struggled to speak my mind, but people at IESE understood that and they encouraged me and now I try to be more open. Someone from the West coming to work in Japan would find it difficult to understand our communication style. They wouldn't understand what we are thinking. In Japan you have to understand what people are thinking, although they don't say anything.”

EMBA

ÁGATA LOZANO

MODULE: NEW YORK & SHANGHAI

Assistant to Managing Director of bulk wine division at wine company Bodegas Lozano.

● **Ágata Lozano's** life has always been linked to the business her family has run for four generations in the La Mancha region of Spain. Although she has always been at liberty to choose her own path, she says that a sense of vocation, combined with sentimental attachment, led to her decision to carry on the family tradition. She studied business administration and judicial and business law in Madrid and Dublin.

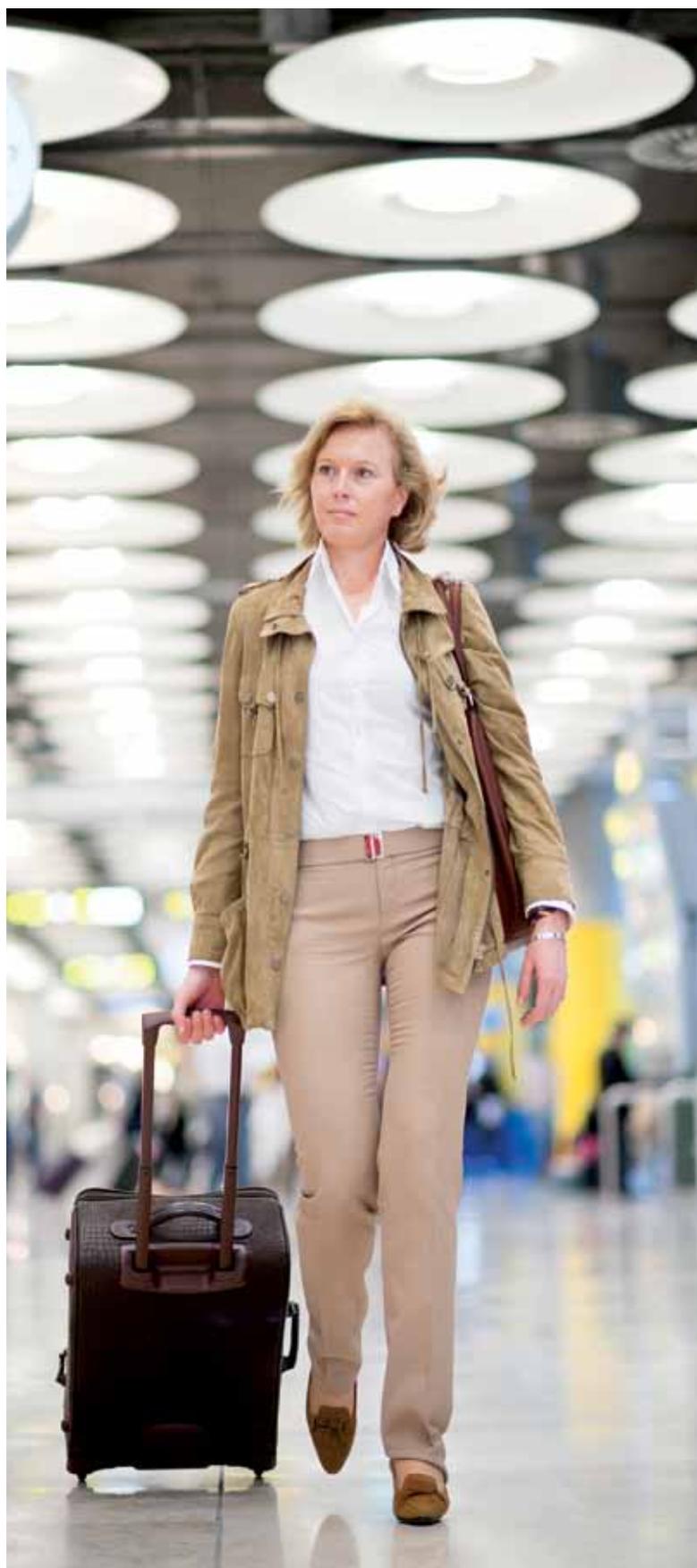
Her career began as soon as she graduated, and she worked in every department of the organization, ending up in the department of finance and exports in a business that now conducts 95 percent of its commercial activity overseas.

After a decade in the company, she felt the need for something new. "I said to myself: now what? I knew a lot about my sector but practically nothing about other industries. Before I decided to join the program I studied it in depth and saw that it could broaden my outlook and teach me about cases and problems similar to my own. The IESE EMBA offered me this perspective as well as a huge number of tools, not to mention the prestige that comes from attending a school that has spent 50 years training top executives."

In March 2013 the EMBA program at the IESE Madrid campus held a one-week intensive module at CEIBS business school in Shanghai, to give the participants a closer look at the Chinese business and sociopolitical context. For **Lozano**, the most interesting aspects of the module were the sessions and the contact with local people. "We got some sense of the reality of the country; the geopolitical, cultural and economic aspects as well as the business milieu. I now have a greater understanding of the differences, because they work in a different way," **Lozano** says.

"Because of my job and our expansion in Asia I've worked with China for many years, but I now realize that I have a better idea of who they are and how they think, understand and behave." In the West we are more proactive, we always try to look ahead and we reason in a linear fashion. By contrast, in the East they are more reactive and their manner of reasoning and reflection is more circular. Seeing and understanding these differences is a fundamental lesson in life for any executive who wants to expand their business. Understanding how things function in a given milieu, how they are done, how they breathe, all this is fundamental before moving into it yourself," she says.

"It's been a profoundly enriching experience which has given me a lot of food for thought, and I'm sure that in the future it will be extremely useful for our business."



Ágata Lozano (EMBA '13)

➤ THE GREAT THING ABOUT THIS PROGRAM IS THAT YOU ARE ABLE TO APPLY IT TO YOUR DAY-TO-DAY WORK WHILE YOU ARE STUDYING, AND YOU ALSO DEVELOP AN ENORMOUS NETWORK OF CONTACTS. I CAN USE THESE NOW AND THEY WILL CERTAINLY GIVE RISE TO MANY OPPORTUNITIES IN THE FUTURE

Joan Xiol

EMBA

JOAN XIOL

MODULES: NEW YORK & SHANGHAI

Business development manager at skin care company **Mussvital**.

● **Joan Xiol**, from Barcelona, is only 29 but has already completed a degree in telecommunications engineering, studied at three business schools, worked for a variety of companies, launched and sold his own start-up, undertaken the EMBA program and got married. All of this, he claims, because he's a bad engineer. "The truth is I've always seen myself as a bad engineer from a purely technical point of view," he says. "After completing my degree in Paris I worked for about a year in I+D at Alcatel but I had to face the fact that I didn't enjoy it. I decided to realign my career toward management and business while still staying in some way related to technology and engineering because I was still very interested in those fields."

In 2005, he had the idea of developing an identification mechanism using radio frequencies, which could be applied to many processes in a range of sectors. This embryonic idea gave rise to a business plan and then the start-up **Aifos Solutions**, which targeted this technology on the management of blood banks. "The **Aifos** experience was very enriching but we received a good offer and decided to sell the business. After that I decided I needed to complete my education with a deeper, more global and more rigorous program. It had to be in Barcelona to fit in with my personal life and my current job at **Mussvital**." He had no doubt that "the EMBA was the best option," and said that during the second course he became more

involved in the sessions, case studies, the faculty's business experience, the support of fellow students and the special modules, such as the trip to the New York center.

"It was very intense and enriching. It was structured around three areas: finance, globalization and entertainment. The finance part made a powerful impact on me—and I was surprised to find myself attracted to a subject that's never called to me—and so did the entertainment part, because it's a spectacular sector that has always appealed to me," says **Xiol**.

"Furthermore, it was very interesting to see the facilities and day-to-day operations of Citibank, Disney and Christie's firsthand. When you see it firsthand you realize that the U.S. business focus is very different. They are very direct and aggressive and have clear ideas. It's part of their culture and it works, because it is the most powerful nation on earth. Besides that, I really appreciated the opportunity to establish contact with American professionals. At a more personal level it's great to leave home and breathe in a completely different professional culture. I think this is a fundamental part of the program."

After so much movement and change, **Xiol** jokes that after the EMBA he's never going to study again—"or not for some years," he says. "I believe I've acquired a very broad education which will really contribute to my development. I will certainly try to set up more businesses in future because it interests me and because, after this time I've spent at IESE, I will have even more opportunities. The great thing about this program is that you are able to apply it to your day-to-day work while you are studying, and you also develop an enormous network of contacts. I can use these now and they will certainly give rise to many opportunities in the future."



Joan Xiol (EMBA '13)



Eghosa Oriakhi (GEMBA '13)

**GEMBA
EGHOSA ORIAIKHI
MODULE: SHANGHAI**

Field Service Manager at Schlumberger Oilfield Services in Louisiana, U.S.A.

● Nigerian **Eghosa Oriakhi** is a British citizen who studied mechanical engineering at University College London and has worked in the oil and gas industry ever since. She is a member of the Society of Women Engineers and the Initiative for the Advancement of Education in Africa. She currently works for Schlumberger Oilfield Services in the Gulf of Mexico.

“I could have done an MBA program in the U.S.A. but the chance to go to school in Spain, learn about a new country, its culture and language, and, most of all, to be able to take the MBA modules in different places, was the deciding factor for me in choosing IESE. For me the academic rigor has been excellent and very demanding.

There is a big difference between reading books about what it’s like to work and do business in China, and having the chance to study there for two weeks, spend time with a Chinese family, interact with the society and experience the business forces there.

One of the things I enjoyed most was the national, cultural, language and life experience diversity of my class. The level of closeness and friendship that we have built forms a lifelong network of business support. I would also highlight the dedication of the professors, not only to our academic

➤ ONE OF THE THINGS I ENJOYED MOST WAS THE NATIONAL, CULTURAL, LANGUAGE AND LIFE EXPERIENCE DIVERSITY OF MY CLASS

Eghosa Oriakhi

growth, but also to our personal growth as business leaders and individuals. One of the courses I found most interesting was the one on managing oneself, where we learned to find the best in ourselves and to improve in all aspects to be the best members of society and business leaders we could.

I chose IESE because it genuinely cares. There is a feeling that you are with family while you are learning. With that feeling came an openness to try and stretch my knowledge and understanding—knowing that I have the support system. I am working on changing industries, from oil and gas to private equity and venture capital, in mobile and Internet technology-focused industries that can have an influence on the development of Africa.”



Natheer Masarweh (GEMBA '13)

GEMBA
NATHEER MASARWEH
MODULE: SILICON VALLEY

Vice President of Quality Global Injectables at Hikma Pharmaceuticals.

● **Natheer Masarweh** graduated in Chemistry at the University of Jordan and continued his training with a Master's degree in Medicinal Chemistry at Sussex University, and another in Industrial Pharmaceutical Sciences at Manchester University. After joining Hikma Pharmaceuticals in 1993, and undertaking various positions at the company, in 2012 he became Vice President of Quality Global Injectables.

"The decision to join the GEMBA at IESE was mainly based on the fact that the course is run on different campuses on different continents. I was looking for a course that would expand my multicultural horizon and increase my global comprehension of the business world. What I especially liked was the link between theory and practice that made things make more sense from a business perspective.

It was interesting that the teaching methodology was based on a selection of case studies relevant to different business environments. Furthermore, the approach of the course and the way the different modules were connected to each other was very appealing to me. The programs first laid down the foundation of forming a business, then provided guidance in improving business performance from an operational standpoint, then how to grow the business

➤ **THE GEMBA EXPERIENCE
TEACHES YOU TO BE A
GOOD LISTENER, NOT TO
JUDGE UNTIL ALL THE FACTS
ARE PRESENTED AND HOW
TO BE MORE TOLERANT**

Natheer Masarweh

through driving innovation, and then on how creating and managing innovation sustains businesses.

Overall, the program adds a different flavor when compared to the traditional programs, as it provides the proper tools for executives to run their business efficiently. It has been an interesting and challenging 18 months. The course indirectly teaches participants how to balance their job, family and social activities. My job requires me to lead a multicultural team and work across cultures. The GEMBA experience teaches you to be a good listener, not to judge until all the facts are presented and how to be more tolerant. Now I hope to leverage what I have learned and accomplished in my new assignment."

Gloria Perrier-Châtelain
(EMBA '93 & AMP '10)

“The best way to predict the future is to invent it”

STEPHEN
BURGEN

Gloria Perrier-Châtelain, a senior global director at SAP and president of the French IESE alumni chapter, talks about the benefits of working in multicultural teams and how, wherever you go in the world, IESE offers a safe haven.

You come from an academic background. What attracted you to business?

I started my career in academia and even after moving into corporate positions I continued throughout my career to work as a visiting professor at several universities and top business schools. Academia is my natural ecosystem. I enjoy it and have consistently, throughout my career, been involved at different levels. This has included the following: numerous positions where I was a visiting professor at top business schools; consistently involved in my own IESE Alumni Association as well as networking with other top university alumni associations; organizing “inter MBA” events; translating and promoting a book¹ used at business schools. I really enjoy this. I also like the idea of building bridges between academics and practitioners, of combining two worlds that might be seen as distinct, but they need to play together as many instruments in an orchestra need to play together to produce the right harmony. When academics and practitioners collaborate closely they achieve great things, they co-innovate, they enrich each other and jointly can provide a holistic perspective. In reality, even after moving into business, I have always tried to find opportunities to be a lecturer/trainer/mentor. I was appointed assistant professor at different universities where I taught organizational theory and its practical application in business. I also taught accountancy and finance that



allowed me to consolidate my knowledge in financial techniques and to build on my economics background.

You have worked in consulting, real estate and now high-tech. Tell us something about this journey.

I never imagined doing one thing for the rest of my life, and in fact I did different jobs in various parts of the world. Concerning the timing of each change, it is important to avoid the two extremes, to get carried away by an unjustified fear of change and remain in painfully bad work situations or to constantly consider changing job situations. I developed the ability to recognize the signs of change that let me know the right moment to reformulate priorities and embark on a new professional path. There is a rationale in each move I made in my journey. As mentioned before, I started my career as professor (concepts – theories) and continued my career as a management consultant. The consultant is in a position between theory (concepts) and action; the consultant observes, the consultant does not really make the decisions but advises others to make them. The learning curve was extraordinary during my time at Accenture; I could explore different industrial sectors and lines of business. After some time as a consultant, I moved to where the real action was and assumed line responsibilities which gave me the hands-on management experience I needed. I managed a growth of 300 percent per year and initiated expansion in the Middle East, Egypt and Israel.

Finally, my move to high-tech was also natural, I was always fascinated by the impact of technology on our lives: the best way to predict the future is to invent it.

We are living in a world of change, and this has many implications. For example, more than 1 billion people are actively engaged in social networks, and as a consequence of that collectively they have the power to make or break brands instantly. It is also a fact that there are now more mobile devices on earth than there are people: as a result a business can now exponentially expand its reach in a flash. In 2013 more than 15 billion of these devices are capable of connecting to the internet and operating items from cars to washing machines, and even the clothes we wear. Businesses can fundamentally transform themselves by using these connections to their advantage. Something else to bear in mind is that more data has been created in the past five years than in the entire history of mankind. Unlocking the secrets inside this data presents breakthrough opportunities for businesses.

From a social point of view, an emerging global middle class, increasing from 2 to 5 billion by 2030, will strain the world's diminishing resources, and therefore businesses will require new strategies for resource optimization, innovation and growth. There have also been changes in the way we work, and the lines between our personal lives and our business lives have blurred. The way businesses sell to consumers has changed as a result of this.

PEOPLE

The collective result of these trends is an unprecedented empowerment of people – as consumers, as employees, as citizens and as societies.

Today being digital is no longer a competitive advantage; it is now the norm. We are in the era of the digital enterprise; mobile connectivity; cloud computing ; social media; big data. All these are key drivers for positive transformation to becoming digital enterprises and successfully handling all these technological possibilities to reach a sustainable competitive position.

I am a serial intrapreneur and at SAP I had the great opportunity to be part of the leading team of many strategic initiatives, like launching Enterprise Portal (the first SAP web interface); defining the go-to-market activities of NetWeaver (SAP first platform); leading programs of breakthrough innovation of Business byDesign (first SAP Cloud Computing offer), and being a key player in the marketing and sales transformation through digital marketing strategy and social media.

The constant in this journey is meritocracy, which is a big concept for me. It is in my genetic code, I have always been convinced that we need to fight and to work hard in order to overcome adversity and to be successful.

What are the cultural challenges of leading multicultural teams?

Diversity is creativity. Diversity needs to be leveraged and overcome the key challenges and benefit from the unique opportunities of leading multicultural teams, which are also geographically dispersed, and on top work as virtual teams, presenting specific technical and social challenges that do not arise in traditional work settings. But the rewards are huge. Today's diversity drives tomorrow's innovation. Innovation driven by diversity of thought is critical. Companies that leverage their diversity and maximize the value of heterogeneous teams produce better business results and higher customer satisfaction.

At SAP, over 65,667 employees from more than 124 nationalities work together in an inclusive environment that values differences in culture, race, ethnicity, age or gender.

It is true that every manager today needs to understand the challenges of leading global virtual teams and have the competencies needed to overcome cultural, geographical and temporal distances embedded in global virtual collaboration. Companies have no option but to develop cultural intelligence. Each culture has its own internal logic. The Chinese, for example, tend to be collectivist, while Americans tend to be individualist. This is a fact. But now there are employees who embrace many cultures at the same time, take my own example; more and more members of my team have this sort of profile.

“Born in Mexico City, lived one third of his life in Helsinki, plus some time in Sydney and used to travel up to 160 days/year.” “Dutch, living in Ireland with a Slovenian boyfriend that she met in India and thinking about her future plans to work in America.” “Born in Russia, married an American who was born in Taiwan, and lived five years in Saudi



IESE MAKES EACH STUDENT A POTENTIAL ENTREPRENEUR AND MORE THAN A THIRD OF GRADUATES CREATE THEIR OWN BUSINESS. I DID NOT CREATE MY OWN COMPANY, BUT I DEVELOPED AN ENTREPRENEURIAL NATURE AND AT SAP I LAUNCHED MANY INITIATIVES. I AM A SERIAL INTRAPRENEUR

Arabia. Hiring these employees / managers is quite helpful, they are already multicultural, and know naturally how to handle multicultural teams.

How did the IESE MBA contribute to your career?

I chose IESE because it is consistently ranked among the best business schools in the world, because of the teaching method based on case studies and because of its general management perspective, international character, transformational impact, and relevance and rigor. But what attracted me most at IESE is that it corresponds with my values; the core IESE values are also mine: professionalism, a culture of service and integrity.

It is a fact that 90 percent of the IESE graduates change function, sector or country. In my case, after my MBA I changed all three at once!

I gained confidence, after my MBA, nobody could stop me, I felt I had wings. And in the end I had a deep faith in myself and my future. The program that I did, EMBA, requires exceptional energy to balance work and study. I studied and worked at the same time (as I always have) and I could apply on Mondays in my work what I learned on Saturdays in the school.

IESE makes each student a potential entrepreneur, and more than a third of graduates create their own business. I did not create my own company, but I developed an entrepreneurial nature and at SAP I launched many initiatives; I am a serial intrapreneur. In my way I went for it. Mission accomplished!

You are president of the French alumni chapter. Tell us about that.

Our mission is to promote continuous education among those who have participated in one of the school's core programs and to strengthen ties and collaboration among fellow members of the Chapter, as well as with our school.

Our alumni community is quite diverse. We are a growing and changing community of 215 alumni from more than 12 nationalities, with less than 50 percent being French. Our youngest member is 29 years old and the oldest is 87 years old.

We have three stellar events per year, where we enjoy the visits of IESE professors, we organize networking activities, and

let me say that more than networks, we build relationships. They are the "Dîner du Premier Lundi du Mois," a successful event launched more than a decade ago, and joint activities with our associated business schools, Harvard and CEIBS, but also Kellogg. We also organize summer events; we organized some industrial tourism visiting the area of Epernay, and we were received at Moët & Chandon, where we did champagne tasting; a hot air balloon trip over the Loire castles; golf tournaments and French cooking courses. IESE is the safe haven, you can be mobile and live in many countries, but wherever you go, you can find your IESE friends, there are more and more IESE chapters all over the world.

You are also a member of the Executive Committee. Tell us about that.

I feel so honored to have the opportunity to serve IESE and collaborate in IESE Alumni Association governance, both at a global level at the Executive Committee, which is the executive body of the Association, and at a local level as President of a regional chapter. The Executive Committee president is Mr. **Jorge Manuel Sendagorta** (PADE-II-90), and we meet regularly to decide on key topics of the Association. IESE has a growing community of more than 40,000 alumni in over 110 countries, and the services offered by the Association are quite broad. To facilitate the lifelong learning last year alone we offered over 300 academic sessions worldwide.

I have explained previously the services and activities we perform from the angle of my local activity in France. Try to extend and visualize this example to a network of over 30 worldwide chapters with more than 250 alumni volunteers, working closely with the Alumni division. We all value the extraordinary work performed by **Mireia Rius** (MBA '94), IESE Alumni Director and her team.

Let me also emphasize that all this is sustained by the membership. Those members who collaborate with their dues annually are contributing to the ultimate goal of the mission of IESE.

Choosing IESE for my MBA was one of the best decisions in my life.

1. Chinchilla N.; Moragas M.: *Maîtres de notre destin. S'épanouir dans sa vie personnelle, familiale et professionnelle*, Ariel 2007.

JOSÉ RIVERA (MBA '97)

THE BREAD WINNER

Keeping an eye on opportunity

● José Rivera (MBA '97) decided to take advantage of the opportunities that he says the economic crisis has brought and in September 2010 he opened the first shop of his entrepreneurial adventure: "Un Kilo de Pan" (A Kilo of Bread). Little more than two years later, "Un Kilo de Pan" operates 25 shops and 12 more franchises, had a turnover of €1.35 million last year and employs 46 people. "There's no doubt that the crisis creates opportunities. This was the case with 'Un Kilo de Pan', which is oriented towards the consumption of a basic product, bread, at a competitive price while offering high quality and service that is better than that provided by supermarkets and shopping malls," he says.

UNIQUE SELLING POINTS

● Having observed and analyzed the situation faced by small bakers in relation to shopping malls, he concluded that the traditional and also sophisticated breadmaking business was at a great disadvantage compared to supermarkets and hypermarkets, which offer a wide range of fresh bread at a much lower price.

This was when Rivera spotted his niche. "The idea behind 'Un Kilo de Pan' is that it is a purveyor of good bread that is fresh and warm in a traditional outlet at a low price," he says. "Un Kilo de Pan" has positioned itself in the traditional segment of the bread, bakery and sandwich market, "...given that we have kept the range simple; the high quality of our freshly made products; competitive prices and attention to the customer. These are its major selling points compared to bakeries selling



José Rivera

mass-produced bread at shopping malls and supermarkets."

"Un Kilo de Pan shops" have been particularly successful in areas close to big cities, where the crisis has caused a significant decline in the level of consumer spending. The business began in Zaragoza, which was where Rivera opened the first shop, and where it currently has 20. Soon afterwards he moved to the Madrid area - Alcalá de Henares,

Torrejón de Ardoz, Parla and Leganés - and Barcelona - Esplugues de Llobregat, Sant Boi de Llobregat, Badalona and Cornellà de Llobregat. This year the company expects to open around 35 shops, in addition to 10 franchises "contingent on the next share capital increase," in order to achieve the business plan and to have a turnover of close to €3 million by the end of the year.

FINDING INVESTORS

● Rivera knows the business world. For several years he worked in a family-owned company in which his father was one of the shareholders but his entrepreneurial and business experience extends beyond the family's enterprise. He also knows what failure is like. "You can see it as a life-long burden but you can overcome it if as an entrepreneur you are confident in the business model that you want to develop," Rivera says.

As an IESE international MBA alumnus he was aware of FINAVES. "I presented the project and they liked it," and then SODIAR, the investment wing of the Aragón government, and two private investors also joined as shareholders. "IESE tries to develop the skills of business people with a high degree of confidence in their abilities and this was really important for me." He says that "they instill something that is lacking in this country: an entrepreneurial mentality." Another thing that was helpful from his time in the business school was contact with other entrepreneurs - "the great friends that I made at the time." For Rivera "IESE was really a turning point in my professional career."

JOSÉ LÓPEZ, EXECUTIVE VICE PRESIDENT, GLOBAL OPERATIONS

Nestlé: Generating Competitive Gaps



“If ever there was a time we needed to go for zero defects, zero accidents and zero losses—this is it,” says **José López**, Executive Vice President of Global Operations at Nestlé.

López said he favors generating competitive gaps across the value chain, rather than the common approach of closing gaps

to catch up with rivals. “I think it’s a much better idea to create gaps, which Nestlé does by focusing on three areas, also referred to as the “three Cs”: delight consumers, deliver competitive advantage and excel in compliance.”

“At Nestlé value creation comes through work, not only money,” he said. “It’s about creating a sustainable business model by engaging the hearts and minds of all the Nestlé employees around the world.”

PRESIDENT OF EBRO FOODS GIVES GLS TALK

Driving Business With Common Sense

● Austerity, tenacity, perseverance, a love of work, leadership and having a vision for the future are among the values that have guided the life of **Antonio Hernández Callejas**, President of Ebro Foods. Born into a business family, at five years of age he moved from the Spanish region of Navarra to Seville, where he launched Herba, the largest rice factory in Spain.

At age 16, he started working in the family business. After earning a degree in economics and business at

age 21, he jumped into the world of business. “I had to depend on the philosophy that already existed at Herba, but at the same time create value and forge new business paths. I focused on R&D and internationalization,” he said, speaking as part of the Executive MBA Global Leadership Series held on May 17 on IESE’s Madrid campus.

Hernández Callejas told the EMBA participants that in order for a business to prosper, often you have to “anticipate future events.”

APPOINTMENTS



FERNANDO PEÑALVA IESE Professor on Governance Commission

Fernando Peñalva, professor and Secretary General at IESE Business School, has been appointed by the Government to the Commission for Improved Corporate Governance. He will represent the private sector on the commission, which will carry out a study and make recommendations for improving the corporate governance of public companies. The goal of the initiative is to align Spanish governance standards with the highest global criteria.



JOSEP TÀPIES Professor Becomes IFERA Fellow

IESE professor **Josep Tàpies** has been named a Fellow of the International Family Enterprise Research Academy (IFERA). He was nominated for his many years of significant contributions to the family business field in general, and to IFERA in particular. IFERA is an organization dedicated to fostering a network of academics, business owners and practitioners committed to supporting the family business field.

**REINHARD SILBERBERG,
GERMAN AMBASSADOR
TO SPAIN**

Integration Is the Key to Europe's Survival

“Greater political and economic integration is needed if Europe is going to survive the challenges of globalization,” the ambassador of the Federal German Republic in Spain, **Reinhard Silberberg**, told EMBA students at a session in the Global Leadership Series titled “The Future of Political and Economic Integration in Europe,” held on the Barcelona campus. **Silberberg** listed four axes around which integration needs to revolve in order to create a more united Europe. The first is a common economic policy. The second is a common fiscal policy. The third axis is linked economic coordination, which currently doesn't exist, **Silberberg** said. Finally, if these three pillars are to function well, it is essential “to strengthen the democratic legitimacy of European decisions.”



MARC PUIG, CEO OF PUIG

A Business Based on Passion

“The biggest risk is not to take any risks,” **Marc Puig**, chairman and CEO of the family-run firm **Puig**, told a session in the MBA Global Leadership Series in Barcelona titled “Key Success Factors in Building a Global Company.”

Puig recounted something of the history of the company founded by his grandfather in 1914. At **Puig**, he said, the emphasis is on passion, teamwork and treating people with respect. He said he was particularly proud of the rise in market share, given that they are a small player compared to their competitors, which include giants such as Procter & Gamble and L'Oréal. Market share is currently 8.1 percent and the goal is to reach 10 percent.



PROF. JOSÉ MANUEL GONZÁLEZ-PÁRAMO

Facing new challenges

IESE professor and former member of the executive committee of the European Central Bank, **José Manuel González-Páramo** was recently appointed chairman of the European DataWarehouse, which is responsible for responding to the need for transparency and disclosure in asset-backed securities.

Of his new role, **González-Páramo** has said that he is “...very happy to be able to continue collaborating in the development of the organiza-

tion” that he himself helped launch, and which guarantees the highest standards of transparency, while at the same time breathing new life into the market.

Since May he has also joined the Board of Directors at BBVA as executive director in charge of regulatory affairs, and president of the bank's International Advisory Council. **Prof. González-Páramo** will combine these new challenges with his current role at IESE.

ABERTIS CEO TALKS ABOUT STRATEGY AND CHANGE

The Long Haul to Sustainability

There's no room for short-term thinking in the infrastructure business, because you have an investment window of 50 to 100 years, **Francisco Reynés**, CEO of Abertis, told MBA students on IESE's Barcelona campus in April. The talk, titled "How a CEO Thinks About Strategy and Change: The Abertis Case," was part of the Global Leadership Series. He said the company needed to be redefined strategically. First he changed the culture, "the hardest job I've ever done." The company had to shift from complexity to simplicity and from a national to an international outlook. "Management is like conducting an orchestra," he said. "You don't have to know how to play all the instruments but you need to know about music and you need to pick the best musicians."



Francisco Reynés, CEO of Abertis.

PROF. ÁFRICA ARIÑO

New Editorial Position

IESE Prof. **África Ariño** has been appointed associate editor of a new online journal published by the Academy of Management (AoM). The publication, titled *Academy of Management Discoveries*, will debut in 2014. "The mission of the journal is to promote the creation and dissemination of new empirical evidence that



strengthens understanding of important new or poorly understood phenomena relevant to management and organizations," according to the editorial statement.



SUSANA MONJE

A good leader has to be a collector of dreams, hopes and wishes

"The bosses that I have had have always been like that, starting with my father. With the ability to have a dream, follow it and get all of us to follow and work to achieve it," said **Susana Monje**, president and CEO of Grupo Essentium and the first female treasurer of F.C. Barcelona, talking about what makes a good executive.

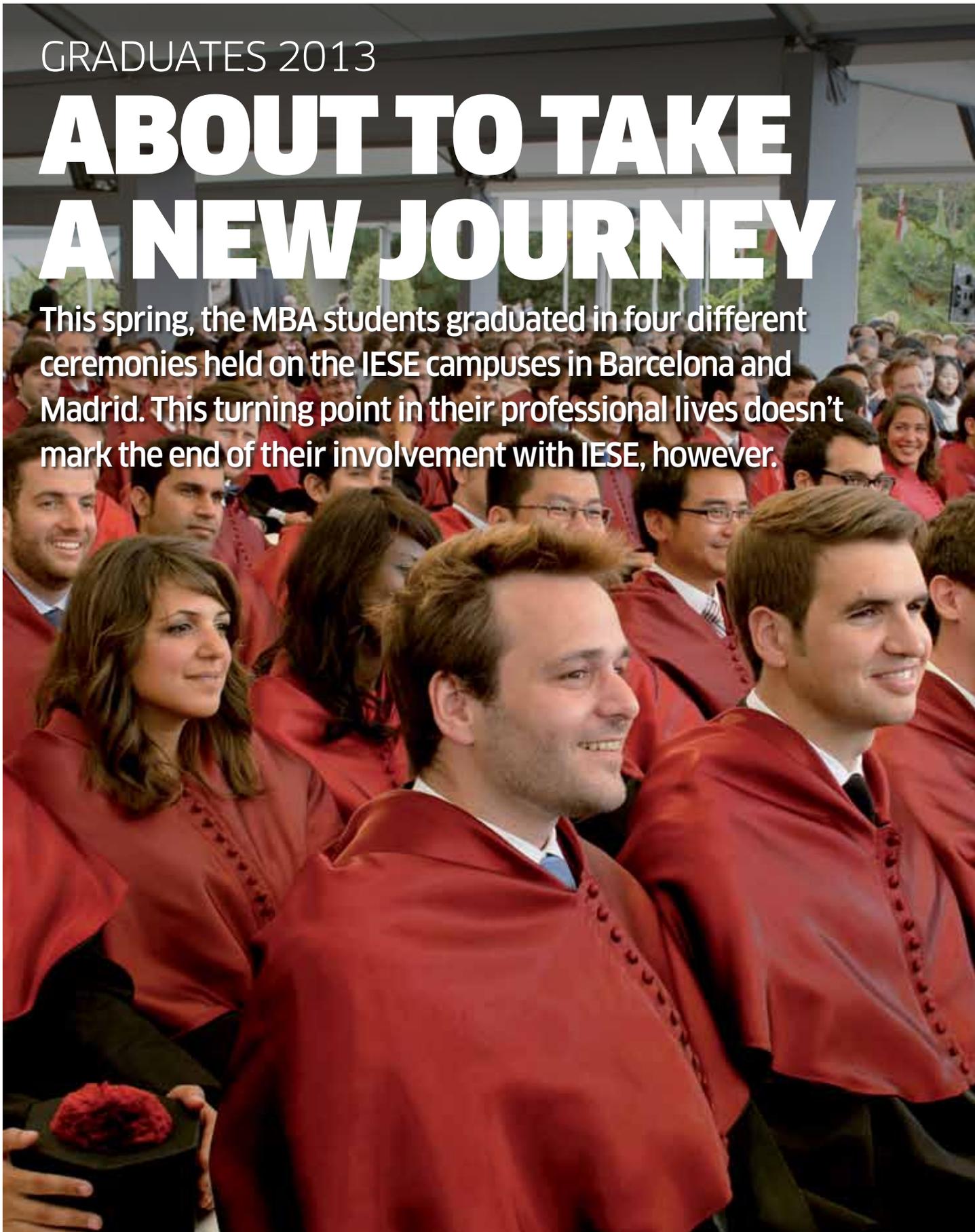
Monje leads the family business Grupo Essentium, which was founded by her father **Valentín Monje** and is a conglomerate that once led Spain's construction sector. Three decades after it was established, the group has diversified into activities such as infrastructure, health and education and operates in five continents, with an annual turnover of 500 million euros.

Monje was at the Apr. 18 IESE Alumnae Breakfast in Barcelona, organized by IESE's International Center for Work and Family. During the session, which was moderated by **Nuria Chinchilla** and **Mireia Las Heras**, she was asked about her leadership style. "Communicative and participatory. I want to know the opinions of my team. You have to know how to listen, and that discussion leads to better decision-making," she said.

GRADUATES 2013

ABOUT TO TAKE A NEW JOURNEY

This spring, the MBA students graduated in four different ceremonies held on the IESE campuses in Barcelona and Madrid. This turning point in their professional lives doesn't mark the end of their involvement with IESE, however.





Their age, nationality, the experience they had before IESE, the professional path they've chosen and the time they've spent at the school make no difference—at the moment of graduation every student receives their diploma with emotion and pride and with one eye on what the future might hold. Graduation marks a new milestone, and celebrates the end of one chapter of their lives and the beginning of another.

With these new chapters and challenges in mind, IESE Dean **Jordi Canals** spoke to the graduates about character and its importance in leadership. “Character is sometimes associated with tough decision-making or an aggressive approach, but that is not what it really is,” he said. “Character is revealed in the drive to be rigorous, in seeking sound solutions to complex problems, in the quality of our values and the way we consistently maintain them under all circumstances, and in the resolve to do what needs to be done at all times, without thinking about the sacrifice that might be demanded of us.”

He also reminded the graduates of the words with which **Abraham Lincoln** encouraged U.S. citizens during the Civil War. Lincoln urged them to always seek “the better angels of our nature,” just as the graduates should in this next phase of their lives.

MBA '13

● “I think the best role model is the servant leader,”
● **Brian Duperrault**, president & CEO of Marsh & McLennan Companies, told graduates of the 2013 class of IESE's MBA Program, on May 10 at the Barcelona campus.

“The servant leader recognizes that the team and the team's success are primary. In order for the team to be put first, the leader needs to put him or herself second,” said **Duperrault**, adding that a leader must diminish himself or herself so that the team's power can grow.

“Extracting the best from the team requires you to care more about them than you care about yourself. You have to be concerned about their work life and their home life. You have to listen to them.”

He also advised them to allow team members to answer questions first. “Even if you think you know the right decision, you must let them offer alternatives,” he said. “This doesn't mean anarchy. You are still controlling the process. This doesn't mean indecision. Ultimately, you will make the call. But you will have benefited from their input. You will have done it together and they will support it and work hard to see that it gets done. Of course, you may not always know the answer. That's okay and it is okay for the team to know that. You are in search of the truth together. That is very powerful.”

Duperrault's speech was preceded by words from class president **Lola Puerta** (MBA '13), who thanked IESE's faculty, Career Services team and MBA Affairs team for their dedication and support.

“It is time for us to give back. We have a responsibility. We need to transform all the lessons learned into results, results that drive and change the world,” she said.

In order for the team to be put first, the leader needs to put him or herself second”

BRIAN DUPERRAULT
(President and CEO of Marsh & McLennan Companies)



As well as Dean **Jordi Canals**, Prof. **Franz Heukamp**, Director of the MBA Program, also spoke during the ceremony. He congratulated the graduates and said: “For 19 months you have centered your lives on this program: the academics, career planning and job search. You have learned a lot about yourselves and made many friends from all over the world and for life.

“You came to the program because you were looking for preparation to do business in a global context. You wanted to strengthen your humanistic and ethical vision of management and to reinforce your leadership skills and decision-making capacity, and all of this at a top-ranked institution. I am very proud of you and how you went through the program, and I am sure you will continue to be successful in the future.”

“Let me highlight one aspect of our MBA program that I consider especially important: personal feedback and mentoring,” he added. “Nowadays, you can watch video lectures on pretty much any academic topic for free, wherever and whenever you want. But in the educational process it is more difficult to obtain extremely valuable personal conversation with a mentor, faculty member or staff member who knows you and cares about you.”

Final words of advice came from **Alfonso Sánchez-Taberner**, President of the University of Navarra. He encouraged the graduates to continue learning throughout their lives.

“If we accept the core value of people, we have no choice but to cast our eye on focus on education, that collective undertaking in which people and the government make an effort to offer the best to new generations of young people.”



The fundamentals of doing our job well have not changed and only need to be modified and adapted to our times”

RAFAEL VILLASECA
(CEO of Gas Natural Fenosa)

EMBA BARCELONA '13

● Perfectly turned out in their gowns and mortarboards in the bright spring sunshine, on May 3 the Class of 2013 of the IESE Executive MBA Barcelona put an end to two years of hard work that have changed their lives. On the one hand, they have learned concepts that will help them to develop their careers. On the other, the experience and IESE's humane approach to business affairs have made it clear that they have a responsibility to be aware of their impact on society.

The keynote speech was given by **Rafael Villaseca** (MBA '76), CEO of Gas Natural Fenosa and a member of the executive committee of the IESE Alumni Association, who looked back nostalgically at his time at the school almost 40 years ago.

“It's inevitable that I would look back to how 37 years ago I was sitting here in a gown, in one of those first rows of seats, graduating in a similar ceremony. Nor can I help but look back over the adventures of these almost 40 years. Many things have happened, many have changed and many clearly have not.”

After congratulating graduates on the hard work of the past two years, **Villaseca** discussed what are, in his view, the keys to studying at IESE. “Without any doubt we chose well by studying at IESE; me 37 years ago and you now. Without what I learnt then, without some fundamentals, I would never have been able to fully develop my professional career. Ignoring fashion and confusion, in spite of crises and bubbles, our profession can and must be based on solid and consistent foundations. This



doesn't mean that change is unnecessary, but the fundamentals of doing our job well have not changed and only need to be modified and adapted to our times."

Villaseca also talked about risk. He said that for an executive "there are two factors for assessing whether we are doing the right thing: profit and risk. The first is justified by the second. We mustn't lose sight of this: we make profits because we take and manage risks." And he added that "it is essential to know how to correctly manage the professional and also personal risks that life presents you with."

"You must be rigorous and professional but not optimistic when it comes to taking on a challenge," he said. "In time, you will see what is the best way to move forward and devise an action plan. That is the moment for confidence and optimism! After rigorous and realistic planning, you have to go into action without hesitating, optimistically and confidently, with resolution and the desire for success. Do it professionally and intelligently, and don't look for the easy way."

Prof. **Julia Prats**, Academic Director of the Executive MBA program, reminded graduates that now was the time to respond. "Now it's time to continue with your commitments to your family, job and country, but now with even more responsibility," she said. "In this new phase in your career, there will be times when you will have to respond (which is precisely the root of the word 'responsibility'), report and contribute. And there will be more pressure to do so, given that you have received a great deal and therefore a great deal will be expected of you. In this new phase, I would like to offer you two pieces of advice. The first is that you should not lose perspective. The second piece of advice is this: be passionate about whatever you do."

José Narbón and **Lluís Quintana**, class representatives (both EMBA '13) ended the proceedings with a review of their time at IESE. **Narbón** said that the graduates were leaving "with a feeling of having accomplished something important at this stage in our lives. However, receiving the excellent human and academic training offered by the Executive MBA also presents us with a great deal of responsibility to our loved ones and society, which is currently under such stress because of the crisis and the lack of values."

Quintana said that "the blows of adversity can be very bitter, but we can't let them come to nothing. It is up to us to fight against them, possibly much more than we imagine. But we can only change things if we first change ourselves, and the EMBA we have completed today is certainly one more step in this direction."

EMBA MADRID '13

- Effort, commitment, sacrifice, generosity, consistency and leadership. These were some of the values stressed during the Executive MBA graduation ceremony, held on May 30 on IESE's Madrid campus. Commencement speaker **Helena Revoredo** (PADE '00), president of Prosegur, told the new graduates that "leadership isn't possible without maximum ethical diligence. This diligence, in fact, becomes an enormous competitive advantage," she said.



Leadership isn't possible without maximum ethical diligence"

HELENA REVOREDO
(President of Prosegur)



Revoredo explained how she manages Prosegur, one of Spain's largest multinational companies, which has operations on three continents and more than 150,000 workers.

After two decades of growth, the company had more than 20,000 employees and was a leader in its sector. In 1987, the firm went public, and when **Revoredo's** husband **Herberto Gut**, who founded the company, died in a traffic accident in 1999, she took the reins. At the graduation ceremony, she discussed some of the basic decisions she made that helped Prosegur become what it is today. From the outset, she was clear on the point that the company was not for sale. "Companies need to have a clear horizon. Doubts influence and affect leadership and the execution

of goals," she said. She also decided to gain an in-depth understanding of the firm. "Commitment is necessary, but not always enough" for success, she said, advising graduates to be wise in knowing their limitations, as well as their possibilities.

In his remarks, IESE's Dean **Jordi Canals** expressed his regret that so many companies, which are experiencing "complicated times," have become the target for strong criticism. "What can we do to help companies recover their reputations?" he asked. IESE's role in this milieu is to "develop leaders who stand out because they can have a deep, positive and lasting impact on people, companies and society," he said.



The key is to introduce simplicity throughout the company”

VICENTE TARDÍO
(CEO of Allianz, Iberia and Latin America)



The president of the University of Navarra, **Alfonso Sánchez-Taberner**, highlighted the efforts made by participants to complete the demanding Executive MBA program. “Without effort, no one can learn anything,” he said. “We hope that you work with the desire to help others, with gratitude and with optimism. An optimist is someone who knows that it’s worth it to make an effort, because with effort things can advance and improve. Working in this way makes life worth living,” he said.

Executive MBA Director **José Ramón Pin** noted “the importance of fighting to do things well and helping others.”

“A business leader is a servant whose main goal is to create job opportunities for others. And work is an important benefit in the 21st century,” he said, also urging the participants to cultivate magnanimity in their lives.

“Be generous, think of others. Give back to society this opportunity that you all have had,” he said, cautioning them that: “Before triumph there is always anguish.” “You will have periods of hardship and calamities. These moments are what will demonstrate your mettle, when you must not lose hope. When you are in distress, IESE will be here. It is your home,” he said.



Finally, **Pilar Linares-Rivas**, **Ángel Martín** and **Jaime Travesedo**, class representatives (EMBA '13), thanked the professors and staff members, along with family members and fellow students. "Now, a new era begins and we face it with a sense of freedom, but also responsibility to give back to society what it has given us and always with respect to those around us," they said. "Our real journey starts now. It won't be easy, but we know what the key to success is: work."

GEMBA '13

● "Without your support, patience and care over these many months, today's graduates would have had a much harder time completing the program," Prof. **Sandra Sieber**, academic director of the Global Executive MBA program, told family and friends at the Global EMBA graduation ceremony in Barcelona on May 31.

The program had changed the center of gravity and the way graduates look at the world, she said. "In our visits to New York, China, India and Silicon Valley, and in our day-to-day interaction, we saw again and again that the world is definitely not flat. We learned to navigate a world with so many different ways of perceiving business, work and society."

The keynote speaker, **Vicente Tardío**, CEO of Allianz, Iberia and Latin America, talked about how his company has developed a business model it can use globally. "We are creating an international pool of talent within the same business model and this facilitates mobility," he said.

"The key is to introduce simplicity throughout the company. All human beings have a tendency towards complexity and so do corporations."

In conclusion, **Tardío** said that you have to think globally and feel that you are an engine of change. "A strong code of ethics and long-term success are intimately linked," he said. "Respect other people's talent and avoid being arrogant just because you have a better education."

Eghosa Oriakhi (GEMBA '13), a class representative, told the gathering "my commitment to you is that I will be an ethical business leader. My commitment to you, as an African, is to make an impact not only on my company or my industry, but also on the economic situation of my country."

Lisa Wright (GEMBA '13), the other class representative, added that "Just 21 months ago we stepped into this building prepared to attain an MBA. We got so much more than we expected."

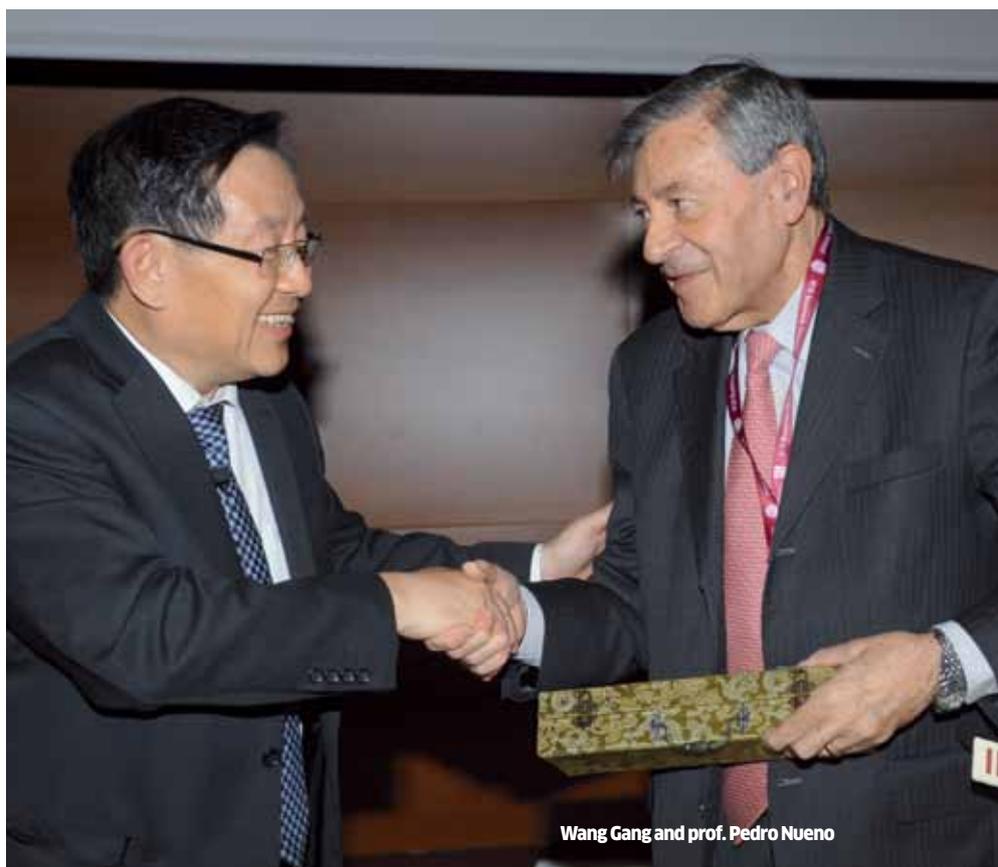
1,300 ALUMNI ATTEND MBA REUNION

More than 1,300 MBA graduates attended the reunion held on the IESE Barcelona campus on March 25 and sponsored by Otsuka Pharmaceutical. They participated in various sessions led by IESE professors on a wide range of topics; these included market orientation, building companies in the digital age, how to enhance portfolio return, the outlook for the global economy and the rise of multichannel retailing, among many others.

During the day alumni were also invited to attend sessions given by special guests: **Wan Gang**, China's minister of science and technology, the celebrated chef **Ferran Adrià** and the Japanese architect **Makoto Tanijiri**.

Prof. **Mike Rosenberg** moderated the session in which **Ferran Adrià** and **Makoto Tanijiri** talked about innovation and creativity. **Adrià** said that few people manage to remain creative for more than 10 years and that he had set up an organizational framework to encourage innovation.

"We are studying and carrying out a scientific analysis of what is the DNA of creativity and how we can be both creative and more efficient. You need to create an organization and a model that encourages and facilitates creativity," he said, adding that you need to keep an open mind. "I don't know anything about cooking, I have to learn every day. You need to be open to new ideas but at the same time you have to believe in yourself."



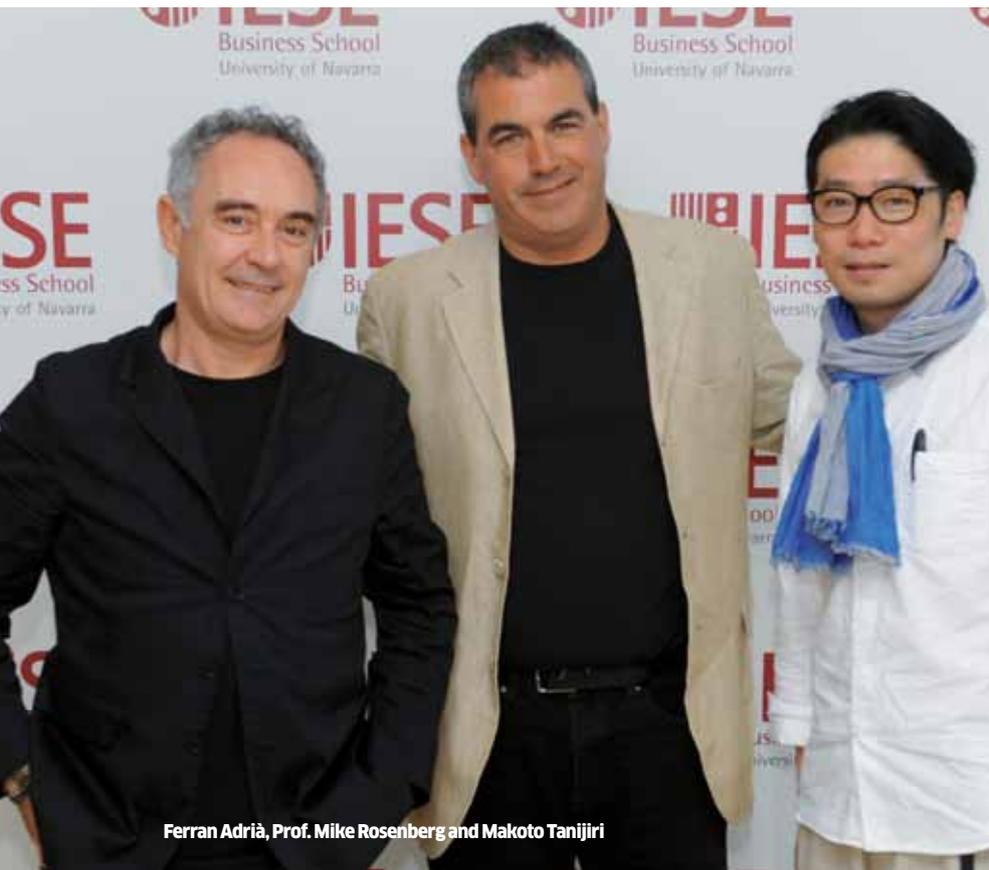
Wang Gang and prof. Pedro Nueno

Tanijiri then presented an imaginative slide show that illustrated ways of thinking and looking at things from a different angle. "Simple ideas can have dramatic impact, but you have to be creative," he said. In his work as an architect he says he likes to blur the distinction between exterior and interior spaces. Asked about how he deals with failure, **Tanijiri** said: "If you don't fail it means you're no longer learning."

"You need to remain a child," he said. "Knowledge and experience can get in the way of creativity." **Adrià** added that when faced with

tradition, your first impulse must be to ask, why? "You mustn't let yourself be manipulated by tradition," he said.

In a meeting moderated by Prof. **Pedro Nueno**, **Gang** encouraged Spanish companies to collaborate with China in exchange programs for mutual scientific and technological development. He said that international companies need to compete to invest in sectors such as the auto industry, infrastructures and biomedicine. He said that China expects to have 170,000 electric vehicles on the road by 2015, four times the current fleet.



Ferran Adrià, Prof. Mike Rosenberg and Makoto Tanijiri



XXVI ANNUAL MEETING OF THE SPONSORING COMPANIES,
ACADEMIC CHAIRS AND RESEARCH CENTERS

PILLARS OF IESE

The invaluable help provided by sponsoring companies is reinforced every year when IESE welcomes new members, along with those that have supported the school since the beginning.

Anuntis, Banco Madrid, Caser, Clear Channel, Coface, El Consorci de la Zona Franca de Barcelona, Encofrados J. Alsina, Línea Directa Aseguradora, Meta4, PepsiCo, Remitsa Invest, Saba Infraestructuras, Société Générale and Zardoya Otis have all joined IESE as sponsoring companies over the past year. Dean **Jordi Canals** gave them diplomas of accreditation at the Annual Meeting of Sponsor Companies, Academic Chairs and Research Centers held on May 13 on IESE's Barcelona campus. He also mentioned the Chair of Sustainability and Business Strategy created for IESE by Schneider Electric, which also received a diploma.

"There are four dimensions to companies that we need to focus on now," said **Canals** during his presentation. "All of them will create respect for companies, and their impact will leave a positive mark on society. The first is governance with a long-term view. The second is to focus on clients, independent of the product or service offered. Companies that really take care of their clients are the ones that will survive. The third dimension derives from the first two: people

are fundamental to the company. We need to come up with plans that will better serve the needs of both companies and the people who work in them, in terms of personal development. All of which leads to the fourth dimension – the pursuit of excellence in management."

Juan Carlos Vázquez-Dodero talked about the "new anthropology" required if business is to play the part it needs to play in society and said that IESE aims to provide society with professionals who will improve it. "IESE is committed to the development of an integrated concept of the company," said Prof. **Vázquez-Dodero**. "Their mission must be humane, and therefore they must include the psychological, social and moral dimensions as well as the purely financial," he said.

In conclusion, Prof. **José M. González-Páramo** explained that, "The structural reforms are advancing, although the state of the Spanish economy is still complex," he said, adding that "the reforms have been announced and are in place but they urgently need to be completed." He also warned that recovery without credit would be slow and fragile.



1. Jordi Canals, Dean of IESE, and **Joan Molins** (PDG '71), CEO, Cementos Molins. **2. Francisco Ballbé**, Director of IESE's Executive Education Programs, **Antoni Brunet** (PADE '10), Corporate Director, Studies & President's Office, Abertis, and **Josep Martínez Vila**, CEO, Saba Infrastructures, and General Manager of Business & Operations, Abertis. **3. Jaime Grego**, President, Laboratorios Leti, and **Juan José Planes** (PDD '88 & PADE '99), General Manager, Konsac. **4. Simón Pedro Barceló**, President, Grupo Barceló, and **Bernardo Fernández Calleja** (PADE '06), CEO, Zardoya Otis. **5. Vicente Tardío**, CEO, Allianz for Iberian Region and Latin America, and **Iván de la Sota**, CEO, Allianz. **6. Jesús Lizarraga**, General Manager of Elosa; **Cristina García**, Director of Elosa in Catalonia and **Rosa Pich-Aguilera**, Councillor, CORINPA. **7. Pedro Gato**, Director of IESE's Executive Education Programs, and **Bill Derringer** (ST/ADECA '09), CEO, Clear Channel. **8. Joaquin Molina**, Director of Corporate Development, IESE Madrid, **Ramón Agenjo**, Councillor & Secretary, Grupo Damm and **Jordi Casas**, Director of Human Resources, SEMA Zardoya Otis.





9. José Emilio Serra (MBA '90), Vice President, Customer Satisfaction, Quality and Business Development for the Iberian Region, Schneider Electric, and **Helen Bradley**, Senior Vice President of Human Resources & Internal Communication, Schneider Electric. **10. Luis Tejero**, Director of Crédit Suisse, Spain and **Javier Muñoz**, Director of Career Services, IESE with **Manuel Ehrensperger** (PDD '06), CEO and General Director of Pronovias. **11. Antoni Puig** (PADE '66), Councillor of Grupo Puig, and **Carlos Cavallé**, Former Dean of IESE. **12. Anna Sagués**, Director of Communication, Comsa Emte, **Joan Llonch**, Councillor, Banc Sabadell, and **Jaime Alonso**, General Administrator and CFO of IESE. **13. Jordi Ollé**, partner at Ernst & Young, and **José Miguel Andrés**, President, Ernst & Young. **14. Mauricio Gordillo**, Managing Partner, Gordillo Procuradores; **David Pérez Renovaes**, Chief Financial Officer, Línea Directa Aseguradora, and **Francisco Valencia**, Director of Corporate Governance, Línea Directa Aseguradora. **15. Lluís Carulla** (PDD '87), Council Member, Arborinvest, and **Antoni Esteve** (PDD '87), Councillor, Grupo Esteve. **16. Jordi Canals**, **Erundino Neira**, Director of Human Resources, ENAGAS and **Juan Majada**, Director of Human Resources, Red Eléctrica de España.



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- CORPORACIÓN ASESORA
- COVAP
- CREDIT ANDORRA
- CUATRECASAS
- DANONE
- DELOITTE
- DEUTSCHE BANK
- DIAGEO
- DKV
- EL CONSORCI DE LA ZONA FRANCA DE BARCELONA
- ENAGAS
- ENCOFRADOS J. ALSINA
- EPSON
- ERES RELOCATION
- ERICSSON
- ERMENEGILDO ZEGNA
- ERNST & YOUNG
- ESPIRITO SANTO INVESTMENT
- ESTATES & WINES
- EUREST
- EVERIS
- EXPERIAN
- FERROVIAL
- FICOSA INTERNATIONAL
- FMC FORET
- FOSTER WHEELER
- FUNDACIÓN BERTRÁN
- FUNDACIÓN HORIZONTE XXII
- FUNDACION M^a. FRANCISCA DE ROVIRALTA
- FUNDACIÓN RAFAEL DEL PINO
- FUNDACIÓN RAMÓN ARECES
- GARRIGUES
- GAS NATURAL FENOSA
- GENERAL CABLE
- GENERAL ÓPTICA
- GFT IT CONSULTING
- GINMOVIAN
- GRUP CATALANA OCCIDENT
- GRUPO BANCO POPULAR
- GRUPO BARCELO
- GRUPO CELSA
- GRUPO CODORNIU
- GRUPO DAMM
- GRUPO ELOSA
- GRUPO ENDESA
- GRUPO ESTEVE
- GRUPO GESTESA
- GRUPO LECHE PASCUAL
- GRUPO LOGISTA
- GRUPO MAHOU-SAN MIGUEL
- GRUPO NOVARTIS
- GRUPO PARERA
- GRUPO PUIG
- GRUPO SANTANDER
- GRUPO TELEFÓNICA
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- KPMG
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- LENER
- LINEA DIRECTA ASEGURADORA
- MANGO
- MARTINSA-FADESA
- MECALUX
- MERCAPITAL
- MERCURY CAPITAL
- META4
- MICRO-BLANC
- MIQUEL Y COSTAS & MIQUEL
- MUTUA MADRILEÑA
- NEGOCENTER
- NESTLE
- NEXTRET
- NISSAN
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- PANRICO
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- PEPSICO
- PHILIP MORRIS
- PLÁSTICOS TA-TAY
- PORTAVENTURA
- PORT DE BARCELONA
- PPG
- PROSEGUR
- PWC
- RANDSTAD
- RAY HUMAN CAPITAL
- RED ELÉCTRICA DE ESPAÑA
- REDUR
- REMITSA INVEST
- REPSOL
- REUTERS
- REYAL URBIS
- RICOH
- ROCA
- ROCHE
- ROLAND BERGER
- SABA INFRAESTRUCTURAS
- SAGARDOY ABOGADOS
- SANITAS
- SANOFI AVENTIS
- SCHNEIDER ELECTRIC
- SDL-TRIDION
- SEAT
- SENER INGENIERIA Y SISTEMAS
- SEUR
- SIEMENS
- SIKA
- SOCIAL TRENDS INSTITUTE
- SOCIÉTÉ GÉNÉRALE
- SOLVAY
- SONY
- STAIG GRUPO INMOBILIARIO
- SWAROVSKI
- TALDE VENTURE CAPITAL
- TANDBERG
- TECHNO TRENDS
- TETRA PAK
- TEXSA
- THE ROYAL BANK OF SCOTLAND
- TOUS
- TOWERS WATSON
- URALITA
- VALINSA
- VESTAS
- VOCENTO
- WILLIS
- WÜRTH
- ZANINI AUTO GRUP
- ZARDOYA OTIS
- ZURICH



IESE BOLSTERS ITS TIES WITH ASIA

DEAN GOES ON TOUR OF TOKYO, HONG KONG, SHANGHAI AND SINGAPORE

The IESE community in Asia continues to grow, especially in recent years. The school maintains a close working relationship with a range of Asian institutions. With the aim of forging new links with companies and universities, consolidating contacts with alumni in Asia and promoting IESE's work around the world, Dean **Jordi Canals** visited the cities of Tokyo, Hong Kong, Shanghai and Singapore on March 11, 12, 13 and 15 respectively.

Tokyo was the dean's first stop and his visit coincided with the second anniversary of the tsunami that devastated eastern Japan. He was greeted by **Enrique Asorey**, the ministerial advisor and assistant head of mission at the Spanish embassy in Japan. **Asorey** gave a welcoming speech before the session, which was held at the embassy, and which focused on how the financial crisis is changing the future of capitalism.

Canals delivered the same session, "How the Financial Crisis Is Changing the Future of Capitalism," when he visited Shanghai, where the business school CEIBS hosted the meeting. The Spanish consul general in Shanghai, **Gonzalo Ortiz Díez-Tortosa**, opened the session along with **Myra Yu** (MBA '99), president of the alumni Chapter in China and who is also executive director of Cisco

Systems China. The meeting was also attended by participants in the Madrid EMBA program who were taking part in the Shanghai module at the same time.

In Hong Kong the conference was held in the facilities of the ABN AMRO bank, thanks to the collaboration of **Martijn Hoogerwerf** (MBA '06). The bank's CHRO, **Rob Mom**, gave the opening address at a meeting that was attended by important figures such as **George Yeo**, a member of IESE's International Advisory Board and who is a former Singapore foreign minister, and **Christodoulos Margaritis**, Greece's consul in Hong Kong. In his talk, **Canals** outlined the current macroeconomic situation in Europe and explained why he believes there is cause for optimism in the eurozone. While in Asia, the dean also took the opportunity of visiting a range of institutions and companies, including the Institute for International Monetary Affairs, Nomura Securities, Mizuho Financial Group, Mitsubishi Corporation and NTT Docomo.

The last port of call on this whistlestop tour was Singapore, where the meeting was sponsored by KPMG. The session opened with talks by the company's executive director **Vishal Sharma** and **Jamesy Laya** (MBA '03), president of the Singapore and Malaysia alumni Chapter. **Canals** then delivered the same academic session that he gave in Hong Kong, "The European Union after the Crisis and the Global Economy."



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1. Enrique Asorey



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2. Guests at the Tokyo conference. Among them were two alumni: Terry Nelidov (MBA '94) and Richard Roque (GEMBA '05)

3. Guests after the Hong Kong session. Terry Nelidov (MBA '94) is in the center

4. Jordi Canals, Rob Mom and Junichi Kagaya in Hong Kong

5. Participants at the Tokyo and Shanghai sessions

7. Jordi Canals during his talk in Shanghai

8. Myra Yu (MBA '99), President, China Chapter

9. 10. Students of the EMBA Shanghai module during the session



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10

IESE IN ASIA

Asia is playing an increasingly important role in IESE's development. In recent years the school has continued to extend its activities in this part of the world and currently offers:

- * MBA, EMBA and G-EMBA modules.
- * Global CEO program and Global CEO for China program:
www.iese.edu/globalceoprogram
www.iese.edu/global-ceo-china
- * There are five alumni Chapters in Asia: Japan, Hong Kong, China, India and Singapore.
- * Every year 15 Continuous Education Programs are presented in the area.
- * There are currently 25 percent Asians in the MBA program.
- * The IESE web has a blog in Mandarin:
blog.iese.edu/iese-mba-china



THE LATEST ON IESE'S ALUMNI CHAPTERS

CHAPTER NEWS

NEW YORK

March 6

A group of alumni met to celebrate Bar of the Season. The support shown by **Sun-Sun de Swaan** (MBA '08) has been crucial to maintaining this initiative.

March 14

The debate on healthcare titled "Rethinking Healthcare in the Current Economic Context. What Can We Learn from International Experiences?" was the focus of the session at IESE's New York Center given by the Stern Business School

professor **Daniel Atman** and IESE Prof. **Núria Mas**.

LONDON

March 7

Björn Thomas Atterstam, former Group Head of Talent & Leadership Development at Prudential PLC, and currently at Boomtags, led a conference titled "Career Development and Personal Development: Success in Business and Life", organized by the UK Alumni Chapter, and its president, **Chris Daniels** (MBA '00). Calling on his experience in human resources, developing talent and

coaching, **Atterstam** talked about managing personal and professional careers.

BRUSSELS

March 11

IESE Prof. **Albert Ribera** shared a round table with **Anne-Marie Roumieux-Demoucelle** and **Patrick Demoucelle**, partners and founders of Demoucelle. They discussed how to benefit from adverse situations in the conference "Give Meaning to Your Setbacks," which was held at the facilities of BNP Paribas Fortis thanks to help from **Luc Haegemans** (AMP '11).



LONDON

APRIL 3

U.K. alumni celebrated their annual reunion with guest speaker **Denise Kingsmill**, a member of the House of Lords and IESE's International Advisory Board (IAB), who gave a conference titled "Corporate Governance: The Role of the Board of Directors." The meeting was opened by IESE Dean **Jordi Canals**.

PARIS

March 19

Prof. **Paddy Miller** led the session "Innovation as Usual. How to Help Your People Bring Great Ideas to Life" for alumni who met in the French capital. The event drew a significant number of alumni, who were eager to hear insights from one of IESE's experts on innovation and enjoyed sharing their experiences and networking with old and new colleagues.

April 8

For the April 'Dîner du premier lundi' de april, French alumni met in the restaurant Carmesi, property of **Marta Huidobro** (MBA '89) and convened by **Gloria Perrier-Châtelain** (EMBA '93 and AMP '10), president of the France Chapter.



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1. Brussels. 2 and 3. Paris.



AMSTERDAM

March 20

- Prof. **Paddy Miller** gave the same session he had led in Paris the previous day. The Chapter thanks TMG for the use of its facilities.

GENEVA

March 20

- Swiss alumni met in Geneva for their traditional Bar of the Month celebration.

March 24

- A further Bar of the Month was held before the Easter vacations.

WARSAW

April 11

- Alumni from the Polish Chapter met in Warsaw for a session titled “The Four Pillars of an Enterprise’s Strength” given by Prof. **Carlos Cavallé** and introduced by Prof. **Radoslaw Koszewski**.

SAN FRANCISCO

March 28

- Alumni met in the IESE Entrepreneurial Forum organized in the Californian city as part of the

activities undertaken by the MBA students as part of their module in Silicon Valley. **Andrew Chung**, partner in Khosla Ventures, delivered the presentation, “Inventing the Future.”

Later, Prof. **Mike Rosenberg** moderated a panel of entrepreneurs and investors titled “The Interaction of Capital and Ideas.” The panel was made up of **Chris Gottschalk** (MBA ‘12), vice president of Blumberg Capital; **Sunil Rajaraman**, founder and CEO of Scripted.com; **Alex Niehenke**, Principal of Scale Venture Partners; **Tommy Leep**, Chief Connector at Floodgate Fund and **Elies Campo**, CEO and founder of FastDove.

LIMA

April 4

- **Hugo Alegre** (MBA ‘91), president of the Peru Alumni Chapter, convened the first monthly meeting in Lima.

KUALA LUMPUR

April 10

- Malaysian alumni attended a session “Decision-Making in an Uncertain World” delivered by Prof. **Franz Heukamp**. IESE thanks the Kuala Lumpur chamber of commerce for sponsoring this event.

MUNICH

April 11

- Prof. **Philip Moscoso** gave the conference “The Future of Retailing: Interesting Trends and Possible Points of View,” in which he talked about the changes in the distribution sector, the factors behind these changes and how to adapt to them.

VIENNA

April 12

- The Austria Chapter held its 7th alumni lunch in Vienna. This was organized by its president, **Markus Schwarz** (MBA ‘96).

ZURICH

April 12

- Swiss alumni gathered for one of their periodic lunches.

BOGOTÁ

April 12

- In the session “Totems in an Executive’s Life” Prof. **José R. Pin** used totems (the eagle, spider, kangaroo and owl) in a unique presentation to illustrate problems executives encounter at different stages of their careers.



4. Amsterdam. 5. Lisbon. 6. Santiago de Chile. 7. Düsseldorf.

MEXICO CITY

April 12

- The Mexico Chapter met for a meeting with Prof. **Ahmad Rahnema** on the outlook for business in Mexico and Brazil in 2013.

FRANKFURT

April 18

- Prof. **Núria Mas** gave the talk “Rethinking Healthcare in the Current Economic Context. What Can We Learn From International Experiences?”, in which she talked about the reforms the sector needs to carry out and the challenges the health sector faces if it is to remain sustainable.

LISBON

April 18

- The annual alumni reunion in Lisbon, organized by the Portuguese Alumni Chapter and its president, **José Gabriel Chimeno** (PDG ‘95) focused on the nature of the reforms and efforts that government, society and business need to carry out to deal with the crisis and to be more competitive. There was a panel comprising Prof. **José Manuel Campa**, **João Talone**, partner and founder of Magnum Capital, former executive president of Energias de Portugal and former special

commissioner of the Portuguese government, **António Vitorino**, partner in Cuatrecasas, **Gonçalves Pereira**, ex minister of national defense and ex European commissioner for justice and internal affairs. The session was moderated by the financial journalist **Camilo Lourenço**, a columnist for the *Jornal de Negócios* and one of the founders of the *Diário Económico y Valor*.

MIAMI

April 23

- The session “Effective Management of Professional Networks,” delivered by Prof. **Marta Elvira**, focused on the importance of relationships in leadership and professional development.

DUBAI

April 29

- Alumni met at the headquarters of Egon Zehnder International, thanks to the help of **Mark Paviour** (MBA ‘91), for the session “Relational Leadership” given by Prof. **Alberto Ribera**.

SANTIAGO DE CHILE

April 29

- The session “Key Areas in Results, Creativity and Initiative:

Combining Forces to Translate Innovation into Results” emphasized a method which has been promoted by IESE for many years regarding management and innovation, and which is producing good results in a range of companies. There was a discussion about how to make the method effective through developing management competencies in order to innovate and create a culture that favors change and innovation.

The talk was led by Prof **Joaquim Vilà**. IESE would like to thank BCI for the use of its facilities.

DÜSSELDORF

April 29

- Prof. **Paddy Miller** delivered the talk “Innovation as Usual. How to Help Your People Bring Great Ideas to Life.”

TORONTO

May 6

- Toronto hosted the session “Digital Society and Digital Business: Are You Ready?”, led by Prof. **Sandra Sieber**, who talked about the transformation that “digital society” is going through and the technological innovations that are integrated into society before business has been able to make use of them.

YOU'RE IN THE NEWS

ARE YOU IN THE NEWS?

We are interested in all your latest news. Send your comments to revista@iese.edu

MBA '71

Joaquim Molins is the new president of the Gran Teatre del Liceu opera house in Barcelona.

MBA '75

Antonio Duarte has a new grandson.

MBA '86

Aurelio Vázquez has been appointed president of the Federació Hotelera de Mallorca.

MBA '93

Ezequiel Miranda has been made a partner in the legal firm Cortés Abogados.

MBA '95

Begoña de Benito has been named as director of institutional relations and associate companies at Ecoembes.

MBA '04



How can you educate in such a frenetic and demanding world? How can you ensure that a child, and later an adolescent, can be inspired, calmly observe what's going on around them, think before they act and is motivated to learn without fear of hard work? These are some of the questions answered by **Catherine L'Ecuyer** in her book *Educar en el asombro* (Plataforma Editorial, 2012), with a prologue by IESE Prof. **Santiago Álvarez de Mon**.

ENTREPRENEUR

MBA '85



Rafael Rubio has founded Olivitate, a company that offers online sales of extra

virgin olive oil produced from their own harvest on demand from clients. Their services include an online shop, a members' club and gifts.

MBA '99

Félix Solís has been named as Best International Entrepreneur by the German publishing company Meiningen Verlag. He was awarded the prize for his work as international sales director of Félix Solís Avantis.

IN MEMORIAM

Thank you, Maruja!

On April 28 Prof. **Maruja Moragas** passed away after a struggle with cancer that was diagnosed last October. A tireless worker, Maruja stood out both professionally and as a person for her integrity, respect, high standards, pursuit of excellence, dedication and her ability to inspire those around her.

She had a PhD in business management from the Universitat Internacional de Catalunya and joined IESE in 2004 to run the Spanish Business Unit on the MBA program. In her role as professor of the management of people in organizations she also contributed to other MBA courses and executive education programs.

She worked indefatigably with the International Center for Work and Family (ICWF), participating in numerous conferences and congresses. She also co-wrote with me *Dueños de nuestro destino* (*Rulers of our Destiny*)

and started the IESE Women's Lobby in 1998. She acted as coach on executive programs and regularly contributed opinion pieces to *La Vanguardia* newspaper and international media.

Her separation from her husband helped her to reaffirm the loyalty to family and led her to create a group to help separated women to maintain these attachments. People were her great passion. She had a deep understanding of the human condition and an ability to positively inspire those around her.

She always had an extraordinary ability to make peace and build bridges. All of us who had the pleasure of working with her at IESE were aware of her unbending principles based on a philosophical outlook, magnanimity and tremendous professionalism.

More than 500 people of all ages attended the funeral service at the Sant Gervasi funeral home. The



stream of people who passed through the chapel of rest to pray were a testament to the impact Maruja had on people's lives.

Maruja has arrived at the finishing line with a gold medal, having given a real lesson in life and as an example of the spirit of overcoming difficulties, sacrifice and consistency for all of us who remain.

Nuria Chinchilla

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A UNIQUE LEARNING EXPERIENCE

BARCELONA CAMPUS HOSTS THE AMP MUNICH '13 GRADUATIONS

The AMP Munich graduation ceremony was held in March on the Barcelona campus and was addressed by IESE Dean **Jordi Canals**, **Rudolf Reppen**, director of the AMP Munich, and **Oliver Schulte Ladbeck**, executive director, Morgan Stanley Bank AG.

“What I particularly liked was the focus on employees,” said **Ladbeck**. “The employee wasn’t seen as a means to an end. It was fascinating to experience how the other participants

integrated this idea in their model of leading.” **Michael Brauer** (AMP Munich ‘13), vice president, Siemens AG, said: “The people at IESE obviously invest a lot of effort to structure the program in the best way possible.” For **Stephan Rösch-Rütsche**, a partner at Ernst & Young, “the unique learning experience gave me the framework to decide things in a way I couldn’t and wouldn’t have in the past.” **Tina Höfinghoff** (AMP Munich ‘13) managing director, Amerika Haus e.V. NRW, commented on the “extraordinary atmosphere of mutual respect.”





POLISH ALUMNI SHINE

CEREMONY FOR THE 7TH AMP WARSAW HELD IN BARCELONA



On April 26 the graduation ceremony for the 33 graduates of the 7th AMP Warsaw was held on IESE's

Barcelona campus. Many of the graduates brought their partners and, in some cases, their families. After opening remarks by **Radosław Koszewski**, the director of the AMP Warsaw program, and the class president **Michał Spoczynski** (AMP Warsaw '13), IESE Dean **Jordi Canals** addressed the graduates.

The graduates join over 230 existing Polish members of the Alumni Association and 370 Polish IESE alumni in total.





PARTING WITH A PARTY

SEP NEW YORK-MIAMI CLASS OF 2013 GRADUATION CEREMONY

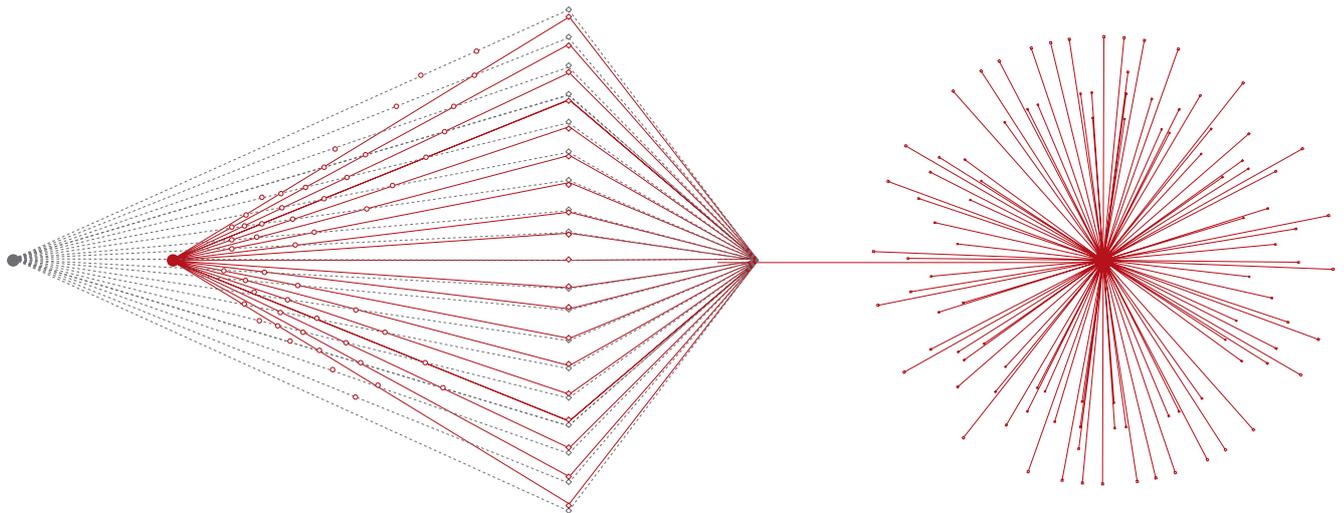
The graduation ceremony for the Class of 2013 Senior Executive Program New York-Miami was addressed by IESE Prof. **Javier Estrada** and class president and vice-president, **Mauricio Arnábar** (SEP '13), from Walmart and **Hélène Weesie** (SEP '13), from Heineken.

The diplomas were awarded by **Begoña de Ros Raventós**, IESE's program director. Everything was smoothly coordinated by **Katie Wollesen**. "There was a really good atmosphere at the ceremony" said **Juan Castaneda**, from UBS. "We were really happy to be there together and also a little sad that this would be our last night together before we all went back to our countries", said **Ralph Woll**, from Volkswagen.



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ALUMNI CLUB

BENEFITS IN 3D

Opportunities, discounts, special offers products and services at prices uniquely offered to members of the Association. But not only that: the alumni club allows you to offer your company's products and services to your IESE colleagues. And the third dimension: exchange and sell goods on a daily basis. More benefits in 3D!

There are more than 300 offers in 13 distinct areas consisting of a whole range of possibilities that IESE alumni have been able to enjoy since March. All you need to do is to become a member of the Association, register and discover the world of advantages created by this virtual tool EasyLife. It's a made-to-measure initiative, a space that is safe and free where the community's entire potential can be realized. The website is divided into three sections:

Members benefits (special offers in more than 300 establishments), Business Exchange (where alumni can establish professional relationships among themselves) and finally, Member Exchange (a virtual noticeboard for members.)

ADVANTAGES OF BECOMING A MEMBER

As well as becoming part of the Alumni Club, Association members enjoy many services and benefits, such as:

- 1 **Learning:** The opportunity to continue learning in a business context, through the Continuous Education Program sessions and e-conferences, allowing you to make the most of your executive abilities once you have completed your studies at IESE.
- 2 **Networking:** IESE offers the necessary tools and services for alumni to extend their personal and professional contacts. To this end, the alumni directory is made available and sessions and meetings are organized in order to encourage and facilitate the exchange of ideas and experience, or through the virtual communities where it is possible

to open up a dialogue and establish professional relationships.

- 3 **Professional support:** Through professional career cycles which offer various learning opportunities to make the most of your executive abilities; personalized coaching services; online learning and direct contact with the faculty; job opportunities through the updated database with offers from around the world; and financial advantages such as discounts on short focused programs and on purchases from IESE publishing.
- 4 Thanks to members' contributions, the academic and international potential of the school, teacher training and the work of its research centers and chairs is fully realized.

MEMBER BENEFITS

The Club is a space where members will find special offers from a large number of establishments. They can take advantage of discounts, suggest new products and services and offer their own, as long as they meet the requisite standards, such as a real price advantage. Any product or service must also comply with IESE's ethical standards.

DISCOUNTS

They also have the opportunity to get discounts and special offers according to which channel is used. They may also benefit from:

- **Online**
Direct discounts at the moment of purchase or credits for the accumulation of euros in "My € Account".
- **In the establishment**
On presenting their IESE alumni Club card members gain access to discounts on products and services. They can

also download "discount vouchers" on the offers mocked with the "voucher" icon.

MY € ACCOUNT

Thirty days after carrying out an operation they can check how many euros have been accumulated in online purchases in the form of indirect discounts. Once €20 or more have been accumulated the funds can be transferred to the current account interIESEdo.

PROPOSE AN ESTABLISHMENT

Club members can send information about any establishment that they know about and wish to share with their colleagues, always assuming that that they are interIESEdo and belong to the Club.

BUSINESS EXCHANGE

Any Club member may establish commercial relationships and offer professional services and products such as: marketing, financial advice etc.

MEMBERS EXCHANGE

Members can make sales, purchases or rentals of everyday goods. For example, if they want to sell a motorcycle or rent a beach house, this is the ideal place to advertise. Photographs, descriptions and the preferred form of contact can also be included.



Influence Through “Soft Power”

Brian O’C. Leggett

BRIAN O’C. LEGGETT

Professor of Managing People
in Organizations, IESE

How frustrating it can be for us as managers, group leaders, when we feel we lack the ability to influence others except by using our positions. How many group leaders actually try very hard to motivate their teams, but fail dismally? Technically speaking, we feel we are on top of our jobs, but we know that those around us listen to us only because of our position. Indeed, an ability to freely influence others may seem to be beyond us. But the good news is that we can learn to be influential people if we learn to be persuasive speakers; it is within everyone’s grasp. If the world were certain, we would not need persuasion, but it is not. We need to persuade others to accept change, new attitudes, or even to reinforce old ones.

The art of persuasion as a management tool has been ignored by management specialists for far too long. Peter Drucker, an astute observer of management behaviour, told us decades ago that: “Good communication and interpersonal relationships are imperative to overall business performance and sustainability. Yet they tend to be neglected in terms of their importance.” Researchers such as Robert Cialdini have tried to redress this situation and have opened the door to a more scientific approach to persuasion.¹

The ability of managers, group leaders and supervisors to influence through persuasion not only their groups’ motivation and identification but also their learning process has been termed by Joseph Nye, the Harvard academic, Soft Power.² For Nye the terms “soft power” and “persuasion” are synonymous. Soft power or persuasion has four principle dimensions: emotional intelligence, vision, rhetoric and non-verbal communication.

Emotional intelligence, our first dimension, is the ability of a speaker to recognise her own feelings and those of the person or persons she is speaking to. In other words it calls for a degree of empathy and centers on self-management and relationship management.

The second dimension of persuasion has to do with the message or vision we wish to communicate. This need not be some grandiose vision, but one that is relevant to the situation where the speaker finds herself. But she should be able to visualise the message herself before attempting to communicate it.

Then there is rhetoric, our third dimension. This concerns the verbal communication of our vision. The most important element here is our credibility, both personal and professional. This credibility may already exist, or if not, it must be established. Our message or vision must be grounded in rationality supported by argumentation to give it credibility. Rhetoric also requires us to create the right emotional environment for our message to be received. We have a mixture of three languages available to us: the languages of feeling, meaning and action. Aristotle’s advice here was clear: the speaker must feel the same emotions while speaking that he expects his audience to experience. Most good speakers know this cannot be faked.

The fourth dimension, non-verbal communication, covers such areas as our tonality, facial expression, body language and the use we make of symbolism. Joseph Nye, while acknowledging Gandhi was no first rate speaker, uses him as an example of a master of both non-verbal communication and the clever use of symbolism. This mastery made Gandhi one of the great inspirational speakers of the mid-20th century.

Finally, many of us may think there is very little difference between persuasion and manipulation; wolves dressed in sheep’s clothing, so to speak. But there is a clear difference. Persuasion gives others the right to say “no”. Manipulation, on the other hand, creates a degree of dependency and takes away the person’s right to say “no”. Using persuasion we can become a lot more influential than we are today.

1. Influence: *The Psychology of Persuasion*, Robert Cialdini. HarperBusiness, 2006.
2. *The Power to Lead*, Joseph Nye. Oxford University Press, 2008.

MORE INFORMATION: *The little book of rhetoric: Soft Power*, Brian O’C. Leggett. EUNSA, 2012.



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to the right
information, in the
right place and at
the right time.
It imagined an
excellent service
for the future
executives.
That goal was
achieved.

RICOH
imagine. change.



One day
RICOH
imagined
change.

   /ricohspain

 900 818 302