

**Sandalio
Gómez**

How to Manage Expatriates?

**Nuria
Chinchilla**

Control Your Agenda

Guido Stein

Higher Management Comes
From Assuming Responsibility

ALUMNI ASSOCIATION:
**THE ONGOING
IESE EXPERIENCE**



SOME
DATES
MARK
THE
BEGINNING
OF
NEW
DESTINATIONS.

Make a space in your
agenda for the
IESE Global Alumni Reunion
next October in Madrid.

A pause in the hectic
routine of today's business
world to stop and analyse
where the future is taking
us, and where
it should be taking us.

CHANGING
TACK

SHAPING EUROPE
AS A GLOBAL
REFERENCE

**GLOBAL ALUMNI REUNION
30-31 OCTOBER
CENTRO DE CONGRESOS PRÍNCIPE FELIPE
MADRID**

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Editor

Antonio Argandoña

Executive Editor

Aida Rueda

Managing Editor

Olga Boluda

Senior Editor, English Edition

Sally Davies

Art Director

Enric J. Gisbert

Contributors

Cristina Aced, Laia Antúnez,
Marisa Bombardó, Stephen Burgen,
Carles Canals, Mercedes Castelló,
Clara Castillejo, Edu Ferrer Alcover,
Cristina Freeman, Suzanne Hogseth,
Alberto de Olano, Alejandro Lavara,
Javier Pampliega, Marta Sardà,
Sara Sicart, Larisa Tatge, Gemma Tonijuan
and Miquel Utset

Editing Secretary

Alejandra Arrocha

Photography

Javier Arias
Manuel Castells/Universidad de Navarra
Jordi Estruch
Edu Ferrer Alcover
Pili Martínez
Nacho Pérez
Quim Roser
Roger Rovira

Illustrations

Luciano Lozano
(www.ilustracionesposibles.blogspot.com)
Carme Baltà

Infography

Sandra Villar
Errea Comunicación

Design and Layout-Cover Art

Enric J. Gisbert

Proofreader

Mary Brennan

Advertising

M&N Consulting -Antonio Moré
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Avda. Pearson, 21. 08034 Barcelona
Tel: 93 253 42 00 • Fax: 93 253 43 43
Cno. del Cerro del Águila, 3
Ctra. de Castilla, km 5, 180. 28023 Madrid
Tel: 91 211 30 00 • Fax: 91 357 29 13
www.ee-iese.com



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A LIFETIME OF LEARNING



ANTONIO ARGANDOÑA

Editor of
Alumni magazine
argandona@iese.edu

Among the many things that caught my attention when I joined the IESE faculty some years ago, several are described in our cover story on the continuing IESE experience. One: at IESE you don't participate in a program of a given length, you plunge into a learning experience. Two: this experience doesn't end when you get your diploma, but lasts a lifetime. Three: it lasts a lifetime because the participants build it from their own experience. Four: no two participants learn the same things. Five: everyone can continue to learn. Six: it's for this reason that IESE remains open to its members and alumni for the duration of their lives. Therefore – the experience continues.

Of course, I didn't realize all this when I arrived. In fact, it seems to me that I didn't fully understand what IESE was until several years later. I understood the classes, the case studies, the professors and the programs but I didn't know what underpinned it, and I'm still finding out. What I soon saw was that alumni kept coming to IESE, that they were a part of it and that the school needed them because they were part of the project. All of this forms the basis of the Alumni Association.

As always, there's a lot more in the magazine. In Ideas, **Sandalio Gómez** talks about expatriation, while **Nuria Chinchilla** explains how to manage an agenda. We have interviews with **Nitin Nohria**, Dean of Harvard Business School, and with **Ermenegildo Zegna**, CEO of the Grupo Zegna. We hear about the work of the U.S. Advisory Council, the Doing Good & Doing Well conference and many sector meetings, Continuous Education sessions, IESE and Fundación ONCE scholarships and much more. We pay grateful tribute to **José M. Rodríguez Porras**. There is news of alumni and, on the last page, **Guido Stein** revives an idea expressed by **Juan Antonio Pérez López**, another professor who departed some years ago, "Face it – leadership is about generating business and setting an example." The experience continues.

**All the services,
benefits and advantages
for members have an**

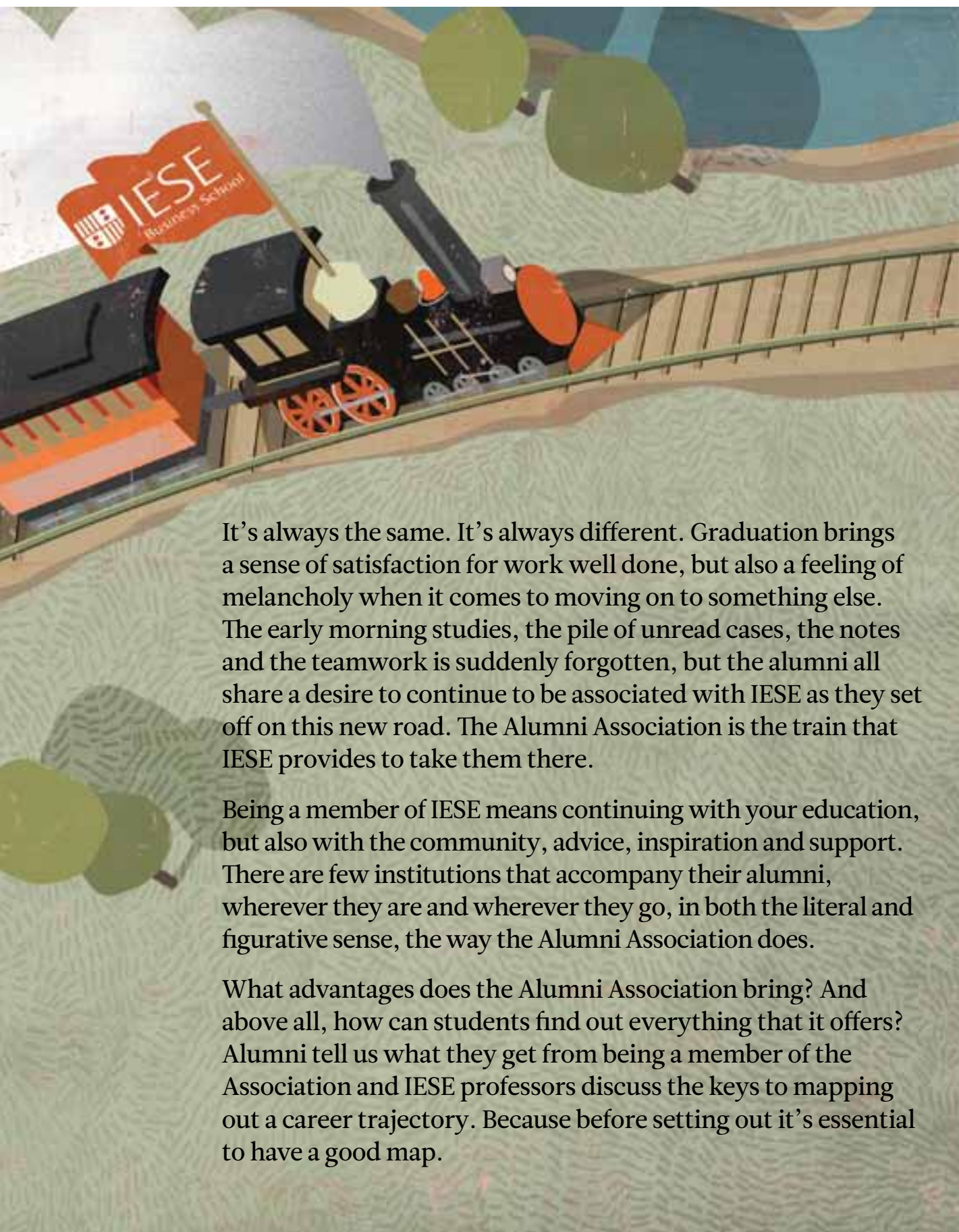


**Have you found
all of them yet?**

Alumni Association:
At IESE 'goodbye' always means 'see you soon'

THE ONGOING IESE EXPERIENCE

CRISTINA
ACED



It's always the same. It's always different. Graduation brings a sense of satisfaction for work well done, but also a feeling of melancholy when it comes to moving on to something else. The early morning studies, the pile of unread cases, the notes and the teamwork is suddenly forgotten, but the alumni all share a desire to continue to be associated with IESE as they set off on this new road. The Alumni Association is the train that IESE provides to take them there.

Being a member of IESE means continuing with your education, but also with the community, advice, inspiration and support. There are few institutions that accompany their alumni, wherever they are and wherever they go, in both the literal and figurative sense, the way the Alumni Association does.

What advantages does the Alumni Association bring? And above all, how can students find out everything that it offers? Alumni tell us what they get from being a member of the Association and IESE professors discuss the keys to mapping out a career trajectory. Because before setting out it's essential to have a good map.

THE UNION OF ALL OF US WITH THE SCHOOL GIVES IT THE SOLIDITY IT ENJOYS, WHICH IS WHY I HOPE YOU WILL CONTINUE TO PLAY A ROLE BOTH AS OBSERVERS AND AS KEY PLAYERS IN ITS FUTURE, AS ACTIVE MEMBERS OF THE ASSOCIATION”

Jorge Sendagorta (PADE '90)



“The 42,000 members and the active role they play in it form the driving forces behind the Association, as well as the reason we can remain motivated to stay on the two-way path that it represents,” according to **Mireia Rius**, the director of the Alumni Association.

“We accompany alumni during their entire career, we help them to continue learning so that, as executives, they can make a positive impact on society,” she says. With this in mind, the services offered by the Alumni Association are continually updated.

It was in this spirit of continuous improvement that the new alumni website was launched with a clearer and more intuitive structure and a better range of services, so that IESE alumni can continue learning and growing, both professionally and personally.

The alumni are not alone on their journey and they can count on the support of the IESE faculty and the rest of

the alumni. The Association guides them through different stages, not necessarily chronologically, of their journey, as we shall see. The aim is to continually strengthen the link with IESE.

THE FIRST STAGE: CONTINUOUS EDUCATION

Continuous education is one of the main planks on which the Alumni Association’s activities are based. Within the framework of the Continuous Education program every year it organizes more than 300 sessions grouped into 13 thematic cycles such as professional development, entrepreneurial initiative, family business, leadership, major sectors and digital marketing. Many of these conferences are broadcast via streaming on the Internet so that alumni can follow them from any part of the world.

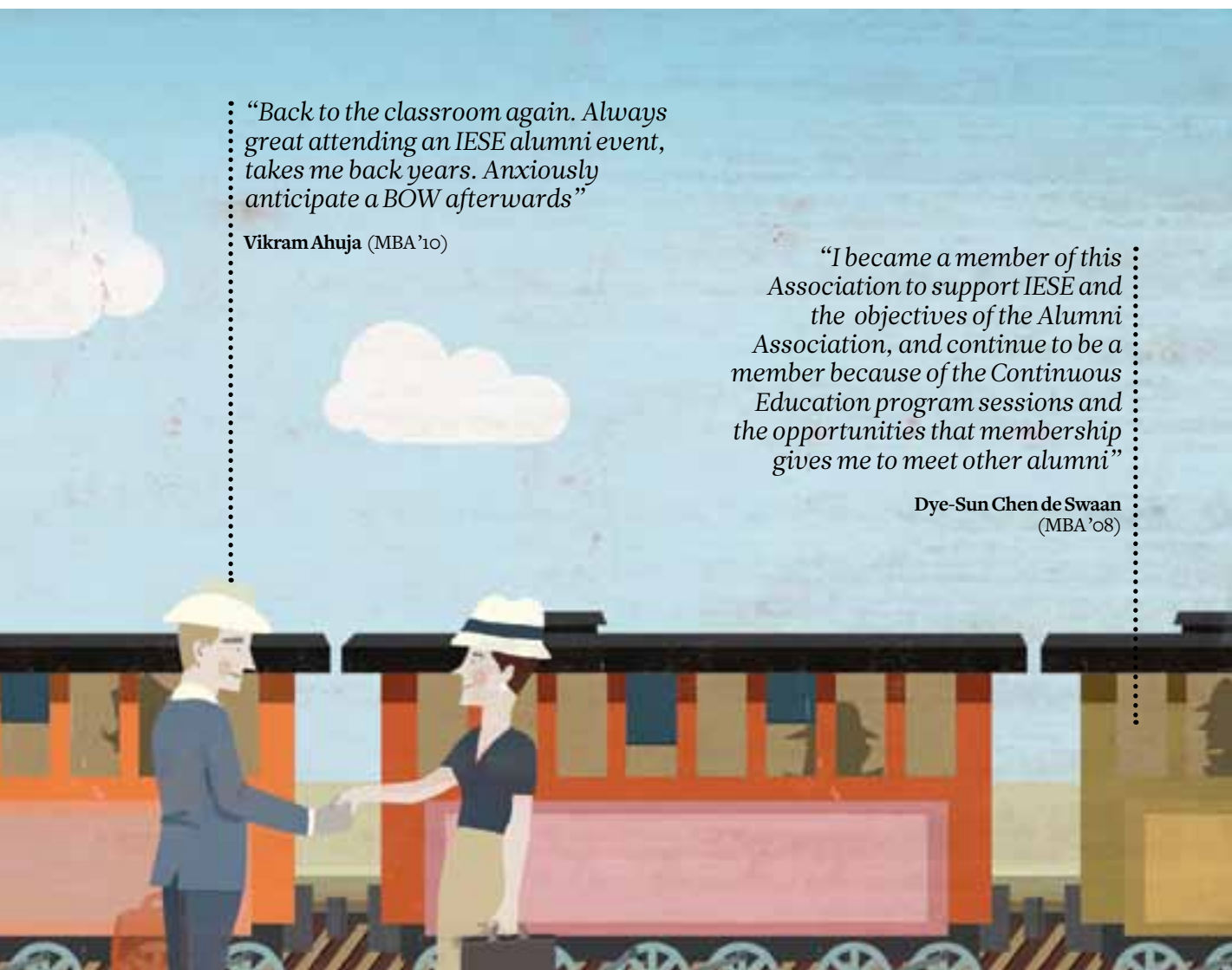
Thanks to new technologies there are no longer any frontiers, which is essential for a school that has alumni in 122 countries. Furthermore, members of the Association have exclusive access to e-conferences, webinars

“Back to the classroom again. Always great attending an IESE alumni event, takes me back years. Anxiously anticipate a BOW afterwards”

Vikram Ahuja (MBA '10)

“I became a member of this Association to support IESE and the objectives of the Alumni Association, and continue to be a member because of the Continuous Education program sessions and the opportunities that membership gives me to meet other alumni”

Dye-Sun Chen de Swaan
(MBA '08)



and other digital resources through the alumni website which has been totally redesigned. It now carries more than 300 titles and each year more than 80 new sessions are added.

From screen to book to classroom and back again. “This is the path of learning,” says **Guido Stein**, professor of managing people and organizations, who believes that these three things should complement rather than substitute each other. He believes that technology helps but warns that it isn’t a panacea that we can hide behind as an excuse to not continue learning.

A typical excuse is lack of time “and neither computers nor the Internet are going to solve that,” says the professor. He believes that lacking time is “more psychological than real” and that “we always find time for what we really like” so the secret is to enjoy learning. “And pity the executive or the business person who doesn’t have a hunger for learning,” he says.

Another key strategy, according to the professor, is to take advantage of those spare fragments of time, those

few free minutes that we have between meetings and tasks. It might be a good moment, for example, to visit the alumni webpage, where all the members of the Association have access to IESE’s knowledge and other electronic resources.

THE SECOND STAGE: NETWORKING

- IESE’s programs demand a high level of dedication.
- Participants and the professors share many hours together and form lifelong friendships. With more than 40,000 alumni the potential for networking within this community is unquestionable.

“The ability to develop and nourish your social network is essential if you’re going to be a leader,” says **Fabrizio Ferraro**, professor of strategic management. He adds that most of this network of relationships needs to be created long before we need it. A good place to start is the Alumni Directory, which contains personal and professional data that alumni have authorized to be shared with the rest of the Association.

In spite of what is commonly thought, networking doesn't come naturally to people. **Ferraro** compares it to maintaining a garden that "doesn't spring up overnight. You have to choose the plants carefully, look after them and give them time to grow."

It's important to be clear about what we want, and to know in which sector, function and place we want to be, says **Mike Rosenberg**, professor of strategic management. "It will then be easier to identify the people who know about this area and to reach them." He says it's important to understand that each social network of people has its own rules which you need to understand and respect if you want to be a part of it.

Once you've joined the circle, **Rosenberg** says that in order to make yourself known "you have to be proactive and bring something that makes you noticed," which may be a set of unique skills or an interesting point of view. The aim is to "succeed in bringing attention to yourself."

In order to make the most of networking it's essential to have a long-term view and be ready to give before receiving. "We have to think about what we have to offer and not just ask for favors," says **Ferraro**. "Nor is it a question of increasing your contacts through LinkedIn," says **Rosenberg**. You need to build up real relationships "and you're not going to find these through Facebook," he says. Social networks are useful for keeping in touch with alumni and the rest of the IESE community, however. A good example is the alumni group on LinkedIn where there are contacts with professionals and debates about current affairs.

Ideally relationships started through virtual channels should translate into face-to-face ones. Both professors

recommend taking advantage of real events to meet people face to face and make closer links. A good opportunity is the Global Alumni Reunion, which brings together some 3,000 alumni from around the world every year.

In addition, during the year the 33 regional chapters dotted around the world regularly organize educational sessions and meetings of alumni from the various programs to encourage an exchange of ideas, strengthen existing links and establish new relationships.

THE THIRD STAGE: CAREER DEVELOPMENT

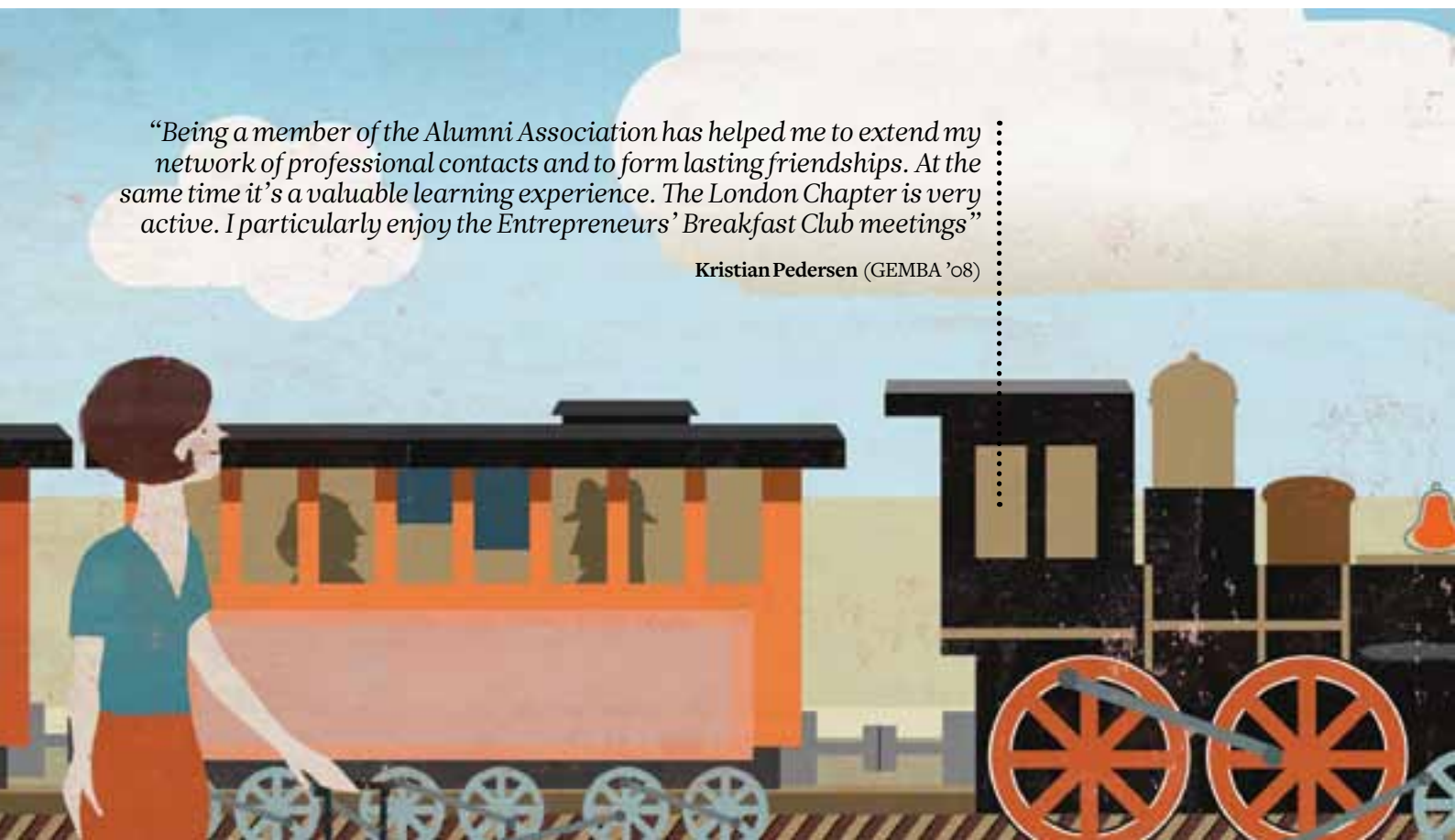
● Having a job for life is a thing of the past. "We will work all our lives but not in the same place," says **Luis Manuel Calleja**, Professor of Business Policy. One way of reducing the anxiety that this uncertainty creates is to continue to learn and, most importantly, according to the professor, "learn to think." Improving the ability to learn is a key aspect of all IESE programs, which go far beyond mere technical questions.

Prof. **Guido Stein** agrees that the most important thing about continuous education is not so much the knowledge acquired: "continuing to learn is like a mental gymnasium in which your ability to deal with challenges and problems is continually renewed."

It was within the framework of this holistic executive learning process that the SUCCEED platform was launched, to act as a consultancy and to assist autodidactic learning. SUCCEED is an acronym representing the various steps in the plan to improve personal and professional development, designed by the Alumni Association in collaboration with IESE's department of managing people.

"Being a member of the Alumni Association has helped me to extend my network of professional contacts and to form lasting friendships. At the same time it's a valuable learning experience. The London Chapter is very active. I particularly enjoy the Entrepreneurs' Breakfast Club meetings"

Kristian Pedersen (GEMBA '08)



The seven phases of the platform, which don't necessarily have to be followed chronologically, are: self-knowledge, understanding the market, choosing your options, creating your brand, executing your action plan, evaluating your opportunities and altering the plan according to the results that are coming in. The platform provides exercises for self-teaching, although this doesn't purport to be a substitution for face-to-face teaching, but rather a complementary tool. From time to time workshops are organized in Madrid and Barcelona. The career plan focuses on both professional and personal life because we can't dedicate ourselves exclusively to work, says **Calleja**. Nor does it seek to reconcile these two aspects but rather to establish priorities, he says, and in order to do this it's essential to map out our journey.

"Then you have to be clear about what you do and don't want but without being too rigid," says **Calleja**. At the same time, you must leave yourself open to new opportunities. "You have to be open to exploring new professional horizons and dare to experiment," says Prof. **Mireia Las Heras** of the department of managing people and organizations.

The first step, as SUCCEED makes clear, is self-knowledge, which, in spite of what the term suggests, shouldn't be based solely on personal reflection, says **Calleja**. "Other people can help you to know yourself: your family, your friends, your colleagues. Because from the outside they see things that you don't." They are the ones who can give us clues to our particular skills and competencies, says **Las Heras**, who adds that it's useful to look at and learn from past experience, but in order to do so "we

"THANKS TO THE ASSOCIATION I GOT IN TOUCH WITH AN ALUMNUS IN PERU AND IT WAS AN EXCELLENT ENCOUNTER"

When **Carlos Martínez Jarabo** (EMBA '02) began to internationalize Admentum, one of his first ports of call was the IESE Alumni Directory. He decided to start in Peru and he looked for alumni working in relevant areas. As the database is organized according to categories, "it was easy to make that choice."

He sent e-mails to various alumni and said their response was "excellent." The replies didn't take long to come and **Jorge L. James** (MBA '92), then president of the Peru alumni chapter, was one of the first to respond.

"Carlos told me that he planned to come to Peru to look at the investment possibilities," **James** says. "We arranged to meet in Lima," says **Martínez Jarabo**, "and we began to see what was needed and if James could help me. From that point on we were on a roll." "I helped Carlos and his partners make contacts in Peru," says **James**. Since then they've worked together on a variety of projects.

Admentum now has an office in Peru and it helps Spanish companies to establish a base in the country.

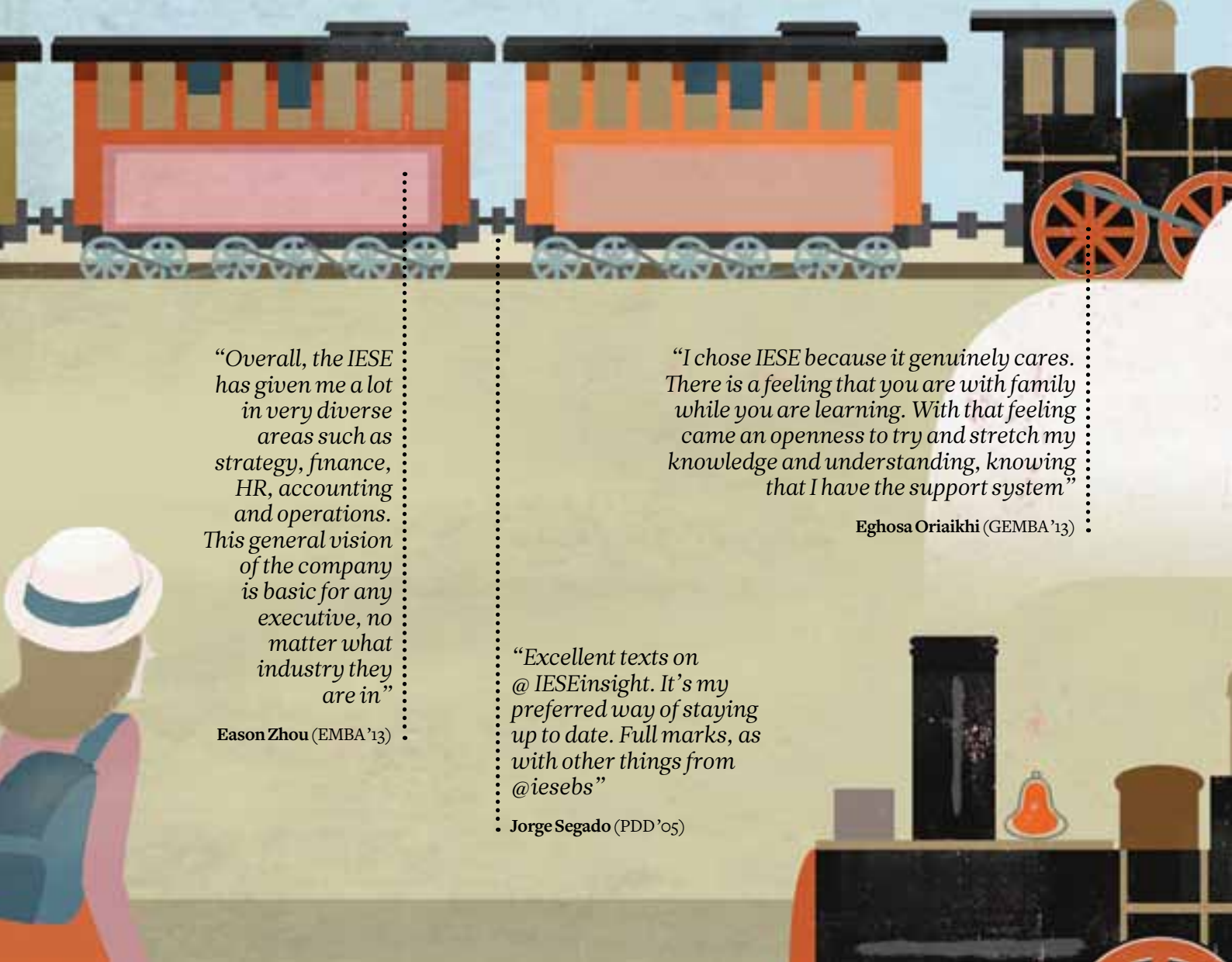
After many journeys, phone calls and meetings the professional relationship became a personal one, says **James**. "We spent the last few Christmases together in Madrid with our respective families," he says.

Neither is in any doubt that the Alumni Association has played a key role in their friendship. "Belonging to the Association helped us to develop a trusting relationship very quickly," says **James**. According to **Martínez Jarabo**, being a member of the Association is "a great privilege and, furthermore, an excellent personal and professional investment."

... "At IESE we are 40,000 alumni in 110 countries, receiving great services from the Association. Additionally, the IESE community on LinkedIn enables thousands of alumni to collaborate and contribute to the success of their organizations. Thank you!"

... **Gloria Perrier-Châtelain**
(EMBA '93/AMP'10)





“Overall, the IESE has given me a lot in very diverse areas such as strategy, finance, HR, accounting and operations. This general vision of the company is basic for any executive, no matter what industry they are in”

Eason Zhou (EMBA '13)

“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”

Eghosa Oriakhi (GEMBA '13)

“Excellent texts on @IESEinsight. It's my preferred way of staying up to date. Full marks, as with other things from @iesebs”

Jorge Segado (PDD '05)

THE ASSOCIATION'S SERVICES IN NUMBERS

IESE offers its **alumni members** a series of tools to ensure their ongoing education and provide support in their career path.

13 Continuity Program cycles

186 e-conferences

11 live sessions via Webex

5.000 regular users of the employment platform

1.500 published job opportunities

3.000 companies registered with the employment platform

5.000 regular users of the SUCCEED platform

20 specialist workshops

500 personalised interviews

11.000 alumni on LinkedIn

4.900 alumni active on Twitter


4.000 alumni on Facebook

have to give ourselves time.” Stopping to think, ceasing to give advice and knowing how to listen to others are all important, says **Calleja**. This is the only way that we can discover things about ourselves that we didn't know and which may help us to take a new professional path that we hadn't planned on.

In fact, new jobs (such as data analysts and application programmers) are continually appearing and existing sectors have new needs (such as services for the elderly) that we may also be able to fit into, says **Las Heras**. “One doesn't reinvent oneself, one discovers oneself,” says **Calleja**. We discover which things work for us and which don't.

Looking at the career opportunities offered on the alumni website is a way of identifying new professional horizons. There are more than 2,000 offers of work around the world only a click away and you can create alerts to receive notifications when a vacancy of a particular type is announced. In order to register in the selection process all you need is an active online profile, which can be imported from LinkedIn.

Furthermore, alumni have access to coaching services. Through personal interviews carried out by external consultants on campus in Madrid or Barcelona, alumni can



"The library offers you access to very up-to-date books and documents both on paper and in digital versions in a quiet and perfectly organized environment. The excellent team answers any question with friendliness and efficiency. The teaching sessions that they hold periodically should also be highlighted as well as the up-to-date contents of the blog BizKnowledge Watch"

Joaquín Solana (PADE'99)

"The SUCCEED Is highly recommended, especially when you're in the midst of a career change and you need a good guide"

Carlos Entrala (MBA '95)

share their views and discuss their strategy for seeking new professional opportunities. These interviews can also be carried out by video conference if the alumni live in other areas.

FOURTH STAGE: OTHER SERVICES

● During this journey of personal and professional growth there will be many times when it will be necessary to research which road to take. The *IESE Insight* magazine and the knowledge portal at IESE can offer you the relevant information you need, based on research carried out by the school, with a practical focus.

Alumni also have access through the IESE library website to the complete texts of 1,450 academic publications, such as the *Harvard Business Review*, business magazines such as *Business Week* and company analyses carried out by prestigious firms such as MarketLine and GlobalInsight.

They also have at their disposal a collection of more than 80,000 electronic books, sourced from top international publishers such as McGraw-Hill, Wiley, Harvard University Press and EUNSA. These cover such diverse topics as social sciences, economics, IT, religion, history and medicine. Registered alumni can create

their own personal libraries that they can consult from a computer or any mobile device that operates with Android or iOS.

For those who prefer to read on paper, the library has more than 50,000 books to lend and is part of an international network of business libraries that allows access to any material that isn't in a particular collection. Furthermore, the library staff will help alumni find the content that they are seeking and also offer teaching sessions on how to get the most from the resources.

Halfway between knowledge provider and professional service, the new entrepreneur website is being launched in March. This will bring together in one place the content and services offered by FINAVES and IESE's department of entrepreneurial initiative. This is just one way that IESE encourages the alumni's entrepreneurial spirit.

The challenge is "to continue to bring value to the Alumni Association," says director **Mireia Rius**. The aim is for participants to continue to be linked to IESE and to "be part of this big family and help the school continue to grow and make an impact on society." It is committed to guaranteeing that other executives and business people can continue to learn in the future. In short, so that the IESE experience continues and the journey never ends.

EVERY SERVICE WITH ONE CLICK: www.iese.edu/alumni

Alumni Launches a Website

The Alumni home page has had a makeover with new and better functionality, adapted to the look and feel of IESE's website. It's a quick, intuitive and direct platform, where alumni will find up-to-date information that will guarantee their ongoing education, support their professional trajectories and where they can find new and better networking opportunities, as well as a wealth of exclusive services.

HOME

THIS WEEK AT THE ALUMNI ASSOCIATION
NEWS AND EVENT HIGHLIGHTS

LEARNING



CONTINUOUS EDUCATION



E-CONFERENCES
Synopsis of sessions for non-members

CONTINUOUS EDUCATION PROGRAM

PROGRAM CALENDAR
+ 232 sessions
+ 27,547 participants

CYCLES
The Continuity Program is arranged into 13 cycles

DOCUMENTS
Studies presented in the sessions

E-CONFERENCES
186 a year

Live sessions via **WEBEX**

Discounts in **IESE PROGRAMS**. Training for professionals and companies in pursuit of excellence

KNOWLEDGE RESOURCES

ECONOMIC OVERVIEW
Analysis of macroeconomic indicators in easy and accessible form

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ALUMNI



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ABOUT THE ASSOCIATION



Information about the Association's governing bodies and the initiatives through which members can support IESE's development

PRESIDENT'S WELCOME

HISTORY

GOVERNANCE BOARD

- EXECUTIVE COMMITTEE
- REGIONAL CHAPTERS
- > 33 chapters
- > 41,860 alumni

ANNUAL REPORT

CONTRIBUTING TO ACADEMIC EXCELLENCE

- Research Excellence Awards
- MBA Program scholarships
- Collaboration with new case studies

THE ALUMNI TEAM

NEWS

MY PROFILE



Online profile facility

PERSONAL INFORMATION

PHOTO

PROFESSIONAL INFORMATION

PERSONAL AND PROFESSIONAL INTERESTS

PREFERENCES

ALUMNI DIRECTORY

Updated personal details imported from LinkedIn for IESE alumni

INTERNATIONALIZING COMPANIES

HOW TO MANAGE
EXPATRIATES?**SANDALIO GÓMEZ**

Professor Emeritus,
Management of People
in Organizations,
IESE Business School

Expatriation is a necessary element in the process of growing business at an international level in an increasingly globalized economy. In the current crisis, it has become an absolute necessity in order for businesses to survive, while at the same time it has become the means for preparing the professional team to cope with an increasingly competitive and global environment.

A few years ago, companies saw internationalization as a challenge for the future. Now, for many companies, it has become the only possibility for growth and for others, the only option for survival. The internationalization of the economy triggered expatriation, obliging professionals to change their location with varying degrees of frequency. In some cases this involves travelling rather than moving house (displacement) but in others it involves living abroad for a long period of time (expatriates).

Ten years ago, expatriation was inextricably linked with business expansion, but now it has become a key process in guaranteeing the company's survival and, at the same time, for retaining and developing the organization's staff. As it facilitates the communication of the company's thinking and corporate culture to other countries it becomes an excellent means of personal and professional development.

The process of expatriation demands professional management in order to take advantage of all the possibilities and achieve objectives. The company should be aware that it's managing a phase that affects people's professional, personal and family circumstances and, as a consequence, should give the necessary time and attention to each phase of the process: the initial selection of staff, the content of the professional and financial offer, planning and

monitoring of the process, an analysis of the eventual results and the difficulties of finding a new role for the repatriated employee afterwards.

Companies that have spent years in mobility processes have been forced to define an expatriation policy that sets out a common framework, although only 76 percent of them have created an actual manual. One key piece of data is that six out of 10 companies have no specific indicators for assessing their success, which prevents them from making the most of expatriations and improving them in the future. These are the tasks yet to be undertaken by some multinational companies, according to the joint study "Expatriation Policies in the Current Economic Context," carried out by IESE and Ernst & Young.

It's the third such report on the topic of expatriation and the first that has focused on the company's perspective and the development of expatriation policies in recent years. The two previous reports looked at the issue from the expatriated employee's point of view.

The aim of the study was to understand how they plan their expatriation processes and the challenges they have had to overcome, especially since the start of the current economic crisis. (Diagram 1)

CHOOSING THE CANDIDATE

● The expatriation process begins with choosing the individual most suited to the proposed business project. Candidates may present themselves voluntarily, having found out about the vacancy through the



Intranet, for example, or they may be selected by management. Most companies keep all avenues open in order to find the candidate best suited to the job.

When choosing a candidate the main criteria that the company bears in mind are: professional performance and career, potential and talent, and flexibility and technical

knowledge. Meanwhile the criteria that employees use when deciding to accept an offer have changed over time and with the economic crisis.

Financial incentives have given way to a wider range of motivations, such as the learning experience involved in moving abroad, and enthusiasm for the project, although sometimes the main reason for accepting

DIMENSIONS OF THE EXPATRIATION PROCESS

- * **Business:** defines the aims of the company.
- * **Financial:** takes into account the total cost of the expatriation from the point of view of the company, and, from the point of view of the employee, looks at the overall remuneration in real terms, once the costs of moving are considered.
- * **Professional:** opens the doors to new possibilities in the development of the employee, and the potential for internal promotion.
- * **Family:** becomes a support mechanism to achieve balance and stability in the life of the employee. This is fundamental for the success of the project.

Diagram 1.

the offer is in order to keep their job. Family issues are a significant factor in rejecting the offer, particularly in the matter of the partner's job and the children's education.

However, companies look for the best candidates among their staff without bearing in mind their personal or family situation, although they admit that family issues are a determining factor in accepting the offer and even in the success of the project. The reality is that it is increasingly the case that the partner is working and cannot, or does not want to, interrupt their professional career nor reduce their income. In order to solve this problem, some companies offer the partner a job in the same destination. In France, for example, they have created a business platform with the aim of facilitating international mobility in which companies commit themselves to holding open the partner's job during the expatriate's stay abroad.

But aside from the above factors, in many cases expatriation is the only way for the company to survive the current economic crisis. The current context makes it easier to find candidates as there are more people willing to accept an international assignment and take on new professional challenges abroad.

BEYOND FINANCIAL INCENTIVES

Once a candidate has been selected, the next task is to draw up an offer that covers all forms of financial compensation as well as the benefits associated with the expatriation of the individual and their family. The financial package will depend on the circumstances of the country of destination, the standard of living, the ease of finding decent education facilities for children and the personal security situation. In some countries, as well as offering the employee a vehicle, it is essential to employ a chauffeur for security reasons.

Medical insurance, help in renting or buying a home, annual trips home for the expatriate and their family and help in finding and paying for their children's schooling are

the most common extras offered by companies.

It is important also to be clear about the legal dimension, residency in the country and the regulation of the new contract (if there is one), as well as dealing with tax issues, social security and the norms associated with pensions in their country of origin and in the country of destination in order to avoid problems that are difficult to solve *a posteriori*. Each country has its own peculiarities in this respect and in order to avoid unnecessary risks they should be well understood before launching oneself on an adventure.

A few years ago, the financial package was generally the most important incentive to get someone to agree to expatriation. Now, however, the main motivation isn't to get rich. Although some companies still use salary as the main stimulus, 50 percent say that compensation only varies if the expatriation involves a job with greater responsibility than that held at the current office or if the cost of living is significantly higher in the destination country than it is at home. That is to say, salary is more closely linked to the content and responsibility of the function required within the company's normal criteria than to the expatriation itself.

The benefits packages are no longer so generous and are reserved for those people who are moving to strategic executive posts. For the rest, good, but more modest, conditions are offered in order to reduce costs and thanks to the recognition that a large part of the compensation comes from the professional development gained through international experience.

MONITORING AND ASSESSING THE PROCESS

To varying extents, all companies monitor the expatriate process through formal mechanisms such as an assessment of performance and salary reviews, and also through the usual channels such as phone calls, emails, visits to the country by people from the head of-

fice and meetings in the country of origin, taking advantage of the expatriate's annual trips home.

However, in spite of having monitoring mechanisms, only half of the companies say they maintain frequent and fluid communication with the expatriates. Supervision is usually focused on professional development, but pays little attention to personal and family aspects, something that emerged in earlier studies and is seen in a negative light by the expatriates. In this fundamental aspect of the process, companies recognize that there is much room for improvement.

More than half of the companies admit that they don't have adequate indicators in order to measure the complete results, indicating that here there is also room for improvement for future expatriations. However, when the expatriate comes home they talk to their colleagues about both the good and bad aspects of their experience abroad. This contributes to favourable and unfavourable attitudes within the company towards expatriation and its reality in practice, something that can influence the future expatriation process. The accounts given by expatriates and repatriates have a decisive influence on future candidates.

REPATRIATION

● Expatriation ends when the manager returns to their country of origin. This is the most complex phase for both the company and for the displaced employee. In a fast-changing situation, companies don't have much time to deal with their commitment to the conditions on the employee's return. In fact, only 14 percent of companies wait for the expatriate to return before defining their new responsibilities and the vast majority usually agree terms six months before they return. This presents a significant problem: the ability to take advantage of the knowledge and experience acquired by the individual. The company risks losing a good member of staff if on their return they're not offered what they feel is a suitable position.

The current process of globalization makes it easier to find different solutions to this problem and it is increasingly frequent that, at the end of a period of expatriation, the expatriate is offered the possibility of a new business adventure in a different country. In fact, we are beginning to see the creation of a "diplomatic corps" of professionals who have to be prepared to move from one country to another, thus removing from companies the responsibility of finding them a job at headquarters.

Companies and expatriates do not agree about the degree of success of international assignments. If success is measured by whether the expatriate completes or extends their stay abroad it could be said that nine out of 10 are a success from the companies' point of view, given that only 5 percent of expatriates don't complete the agreed period and 41 percent choose to extend it. However, 33 percent of expatriates say that they didn't finish the agreed term, while 17 percent say that they changed companies on their return, something that, according to the companies, only occurs in 5 percent of cases.

Without doubt, the planning and monitoring of the expatriation process, along with fluid communication between both parties, is key not only to ensure the success of the international assignment, but also for making the most of the process. On the one hand, one should not forget that, as we said at the beginning, in the present climate mobility is not only necessary to grow the business but has a strategic role in ensuring the survival of the company and preparing it for an increasingly competitive global environment.

On the other hand, the expatriation process is undergoing continual evolution in order to adapt itself to the requirements of multinational companies, to the global economic situation and technological advances that force companies to be open to new outlooks and possibilities, some of which have been pointed out in this article.

THE MANAGERS RETURN TO THEIR COUNTRY OF ORIGIN IS A COMPLEX PHASE FOR BOTH THE INDIVIDUAL AND THE COMPANY

TIME MANAGEMENT: A COMPETENCY OF LEADERSHIP

CONTROL YOUR AGENDA



NURIA CHINCHILLA

Professor of Managing
People in Organizations,
IESE Business School

More haste, less speed, as the saying goes. Labor-saving technology has in fact served to accelerate our lives as, bombarded with information overload, we are often at a loss as to what to do next. Time management is the key to professional efficiency and personal fulfillment.

DECISION-MAKING • TIME MANAGEMENT •
PEOPLE MANAGEMENT • SCHEDULING

We live in times of rush, rush when everything has to be done right now. This situation is made worse by new technologies that have made us see time as the enemy. Now everything is immediate; via the Internet, and with an SMS or WhatsApp nothing takes longer than seconds to arrive. And this often leads us to commit ourselves to things and dates when we would be better off saying no. The technology may be immediate but we are not. We need time to do things.

A lack of time, and too much work for the time available seems to have become an endemic evil. The paradox is that executives are confronted with more and more work and information in spite of technological innovations designed to reduce it. In the information age, time management has become an absolutely essential leadership competency, because if an executive is not capable of good time management what else will they be able to manage?

TIME IS A TYRANT

- Time is a scarce resource, absolutely inelastic and impossible to re-

place. Everyone gets the same amount, 24 hours a day. We can't control time. But we can manage it efficiently and invest it in a way that fits in with our key objectives, be they familial, professional or personal. That said, meeting this challenge involves remembering some basic rules, such as Parkinson's Law, according to which "every job tends to expand until it fills all of the available time needed to carry it out." Other significant laws about time which we have all had occasion to test are:

- The amount of time spent on a task grows in proportion to the number of times it is interrupted and restarted.
- Programming and carrying out a lengthy job is much more difficult than a short one.
- The value of a job does not grow in proportion to the time spent on it but rather in the form of an S curve.

FINDING OUR PERSONAL MISSION

Many of us are in a hurry and running for our lives. Often we are so worried about what we're doing (and worried about what we still have to do) that we forget why we're doing it. We fall into the trap of activity.

At such moments we need to be able to stop and reflect and ask our-



MAKING THE MISSION OPERATIONAL

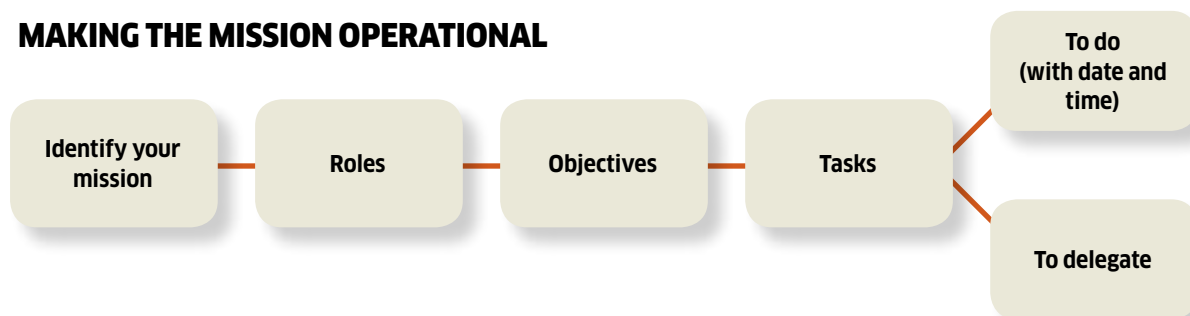


Diagram 1

WE NEED TO ORGANIZE OUR LIFE AS A WHOLE, NOT IN A FRAGMENTED MANNER

selves, where exactly are we running to? Each of us has a personal mission in this life that is unique and unrepeatable. Finding it and not losing sight of it is the only way to face up to the challenges of our different roles – as father, mother, partner, child, professional, person – which in reality are opportunities for growth. We will only achieve them by taking each step in our own time and seeing it like a highway towards our personal development and not like a derailed train that threatens to run us over.

The different aspects of our lives can be seen as separate circles, fragmented or well integrated. We need clear priorities: first of all me (because if I crash everything else falls apart), then my family, then work. The mission is what gives meaning and coherence to our lives.

COMMIT YOURSELF TO AN AGENDA

- An agenda is a tool for operating your mission. The way we act shows what matters to us and the agenda reflects this because it shows us what we have time for. There should only be one agenda (not one in the kitchen, another in the office and a third elsewhere at home) because it is the instrument of our commitment to ourselves to prioritize and build our life. We need to organize our life as a whole, not in a fragmented manner. (*Diagram 1*).

Five keys to good time management:

1. Prioritize. Summarize your objectives, separating those that can be delegated from those that can not. We tend to deal with the urgent first and the important later. In order to define our goals and priorities we have to know where we're going. The only efficient way to work is to establish the priority of each activity. Furthermore, faced with conflicts or a quandary in the agenda, prioritizing becomes the key factor in decision-making. The "80/20" or "Pareto principle" analysis is a technique that allows us to separate the "very important" from the "very trivial." It dictates that "Key elements always make up a small part of the total."

The best way to improve time management is not, as many believe, to dedicate less time to each activity but to invest the necessary time in each one. Nor does it consist of doing more things in the same amount of time but of doing the most important. It is preferable to tick off five completed jobs at the end of the day than to attempt 10 and leave several pending. Work completed motivates and stimulates us. In contrast, work pending makes us feel tired, overworked and stressed. Many executives live in what has been called "yesterday's frenzy," that is to say, anxiety about what remains to be done.

2. Planning. Many people see their future obligations, whether at home or at work, as a mass of unstructured and disorganized tasks.

Large and small are mixed together without any sort of order. It becomes impossible to distinguish the important from the trivial. This is what the Americans call Flapsi Hapsi. Without good planning of goals and tasks the mind can't cope as it is overburdened with processing a multitude of unrelated interrelated tiny details.

It is not just a question of prioritizing, but of beginning by breaking up and scheduling long and medium-term tasks and projects and then carrying out the smallest and easiest tasks (first the rocks, then the pebbles).

3. Set out realistic, clear and specific goals. Making excessive demands on oneself, perfectionism, unrealistic and unachievable goals, excessive need to control and resistance to delegating are stress factors. In many situations, executives lose time because they demand too much of themselves, are excessively perfectionist and set unrealistic and unachievable goals. They lose sight of what they really have to do while thinking about how to do it. Others demand too much control and don't wish to delegate which results in them spending unnecessary time on tasks instead of doing what a manager should do, which is to program, lead, motivate the team, manage and take decisions. Stress factors have a negative effect on time management.

4. Be proactive. An executive has to behave like an orchestral conductor, not like a puppet. Taking a proactive approach to time management is useful for detecting and neutralizing "the thieves of time." (Diagram 2)

5. Leave yourself some free time. It is vital to program in some pauses (biorhythms, the time/productivity relationship) and contingency time (a rigid agenda is the enemy of reality). It's not possible to plan tasks for all eight hours of the working day. Unexpected things happen (for which you need to have space to serve as a cushion for unexpected or urgent events) and personal time (it's also very important to set some time aside for ourselves). (Diagram 3)

THIEVES OF TIME CAUSES

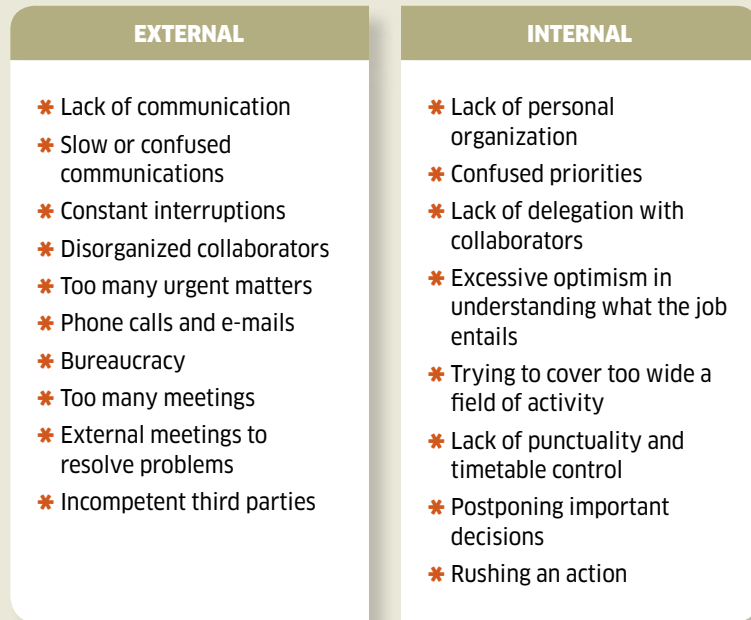


Diagram 2

TOO MUCH PAPERWORK!

The golden rule: "Do not touch a document or e-mail before deciding on one of these actions"

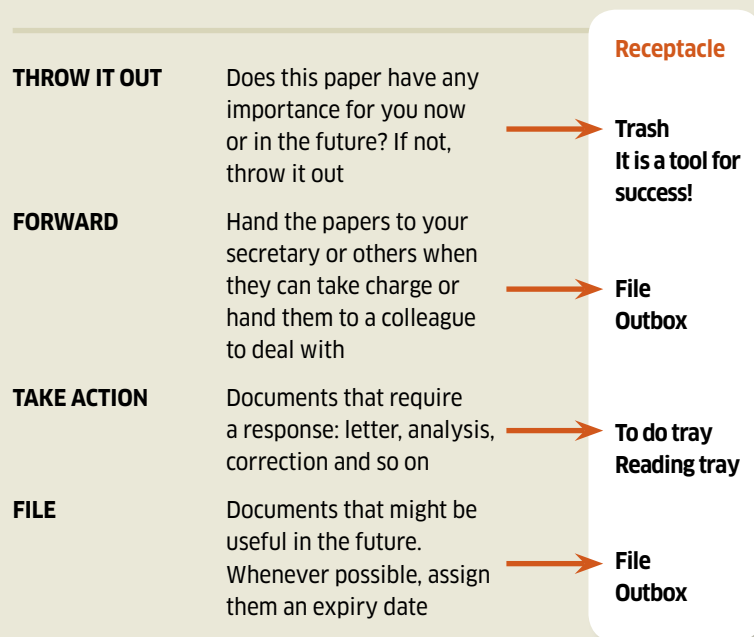


Diagram 3

MORE INFORMATION:

Nuria Chinchilla; Maruja Moragas: *Masters of our Destiny*, Universidad de Navarra, 2008.

Social Media Policies Slowly Catching up

EVGENY KÁGANER & EMMANUELLE VAAST

● Social media present challenges for organizations, but also new opportunities. So far, however, organizations have tended to focus on the potential downsides, and their policies surrounding social media have often concentrated on risk mitigation. This appears to be changing, according to the findings of a study published in the *Journal of Computer-Mediated Communication*. As social media have become more ubiquitous, organizations have started to perceive their benefits, and this is reflected in subtle changes in their policies.

The study suggests that social media represent a new and changing environment that cannot be adequately governed by existing policies created for other purposes. To cope with this, organizations have attempted to develop new governance mechanisms and establish some means to deal with problems on a case-by-case basis.

MORE INFORMATION:
IESE Insight / Information Technologies

THE WORK/LIFE BALANCE

MARY DEAN LEE, ELLEN ERNST KOSSEK,
MIREIA LAS HERAS & DOUGLAS TIM HALL

● The authors tracked the experiences of a diverse group of high-level professionals over six years to see how successfully they managed to balance family and career success. They divide success into two categories: objective success, i.e., the objective indicators such as income and position; and subjective success, i.e., the individual's own perceptions of the quality and worth of his or her attainments.

Some career-oriented individuals – notably the Aligned Achievers – are able to balance a high commitment to careers with a high commitment to family, achieving success according to measures both objective and subjective. However, these individuals were also the chief breadwinners and, as such, had spouses highly involved in holding together the family side of things.

MORE INFORMATION:
IESE Insight / Leadership and People Management

CASE STUDY

How to Manage Star Talent?

JOSÉ R. PIN, ENRIQUE RODRÍGUEZ & LOURDES SUSAETA

❖ The presentation of Christian Dior's Autumn/Winter 2011 Collection got off to an unprecedented start when the French fashion house's president, **Sidney Toledano**, appeared on the catwalk to denounce "disgraceful statements" by **John Galliano**, who had been sacked before the show began.

In 2012, Dior finally announced it had found a replacement in the Belgian designer **Raf Simons**, formerly of the minimalist German fashion house **Jil Sander**. Dior seemingly went for the polar opposite of **Galliano** in its choice, with **Simons** saying in an interview: "I will never be theatrical, that I

know. Kick me out when I'm theatrical – I think it's disgusting."

Could Dior have handled the **Galliano** situation differently, not just during the crisis, but during the years before things went too far? By opting for such a different designer, how should the company manage its future relationship with **Simons**? Ultimately, when your business is ruled by superstar talent, how do you make sure that the outsized personalities don't overshadow the personality of your brand?

TO PURCHASE THE CASE STUDY:
www.iese.com

Dior



HOW KODAK LOST ITS FOCUS

ANINDYA GHOSH, XAVIER MARTIN, JOHANNES PENNINGS & FILIPPO CARLO WEZEL

● To understand the complex factors that condition inventive impact, the authors of a new report examined the patents filed by organizations competing in the photographic imaging industry between 1977 and 2002.

During this period, the sector was evolving fast. Many different electronic and optical technologies were being “recombined,” as it is known, resulting in today’s digital photography, as well

as producing casualties like Kodak along the way.

The report suggests that the most successful and innovative companies leverage their overarching R&D experience, but concentrate on fewer “re-combinations.” Firms maintaining a tighter focus on innovation registered more patents.

MORE INFORMATION:
IESE Insight / Innovation and Change

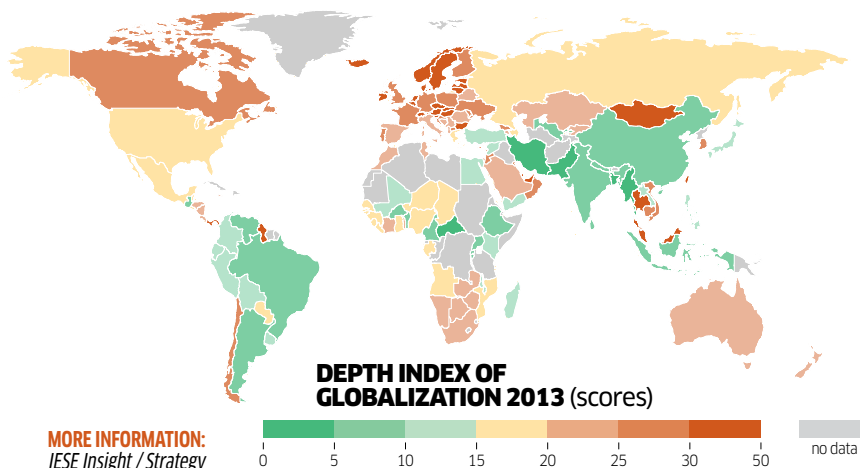
Policy and the Big Shift in Globalization

PANKAJ GHEMAWAT & STEVEN ALTMAN

Though developed multinationals are globalizing their operations and sales targets, their staff often lag behind in both diversity and mobility, echoing the broader pattern of international trade and capital flows outpacing people flows. Emerging economies are the ones driving most of the growth of international trade flows, and this shift is profoundly changing the pattern of globalization.

The Depth Index of Globalization 2013 compares the overall size of a country’s economy with the percentage of international flows of trade, capital, information and people. The 2013 index ranks 139 countries, which together account for 99 percent of the world’s GDP and 95 percent of its population.

The report highlights five factors: the world is less interconnected than in 2007; trade and foreign direct investment have fallen; despite the Internet, the majority of interactions, flows and calls happen at a local level; multinationals from emerging economies are gaining ground; and Europe is the most globalized continent.



IESE Insight Competencies for Positive Impact

Making a positive impact at work – and in the world – is especially important during these trying times. To build effective teams, increase employee satisfaction and get more done requires certain competencies, which can be learned, trained and practiced. This is the central theme of the latest *IESE Insight*.

Alberto Ribera and J.L. Guillén share techniques for developing “mindfulness” – a state of heightened awareness and attention that has proven to enhance listening, decision-making and productivity.

Research by Anneloes Raes into the behavior of top management teams suggests that when the C-suite models “teamness” – collaboration, information sharing and joint decision-making – the rest of the organization feels the benefit.

Being “positively deviant” is the subject of Kim Cameron’s article in which he highlights five keys for staying positive under pressure, based on research into firms that have beaten the odds by embracing virtuous practices.

Elsewhere, IESE’s Mario Capizani and U.S. colleagues explain how the Internet has changed the nature of customer feedback. Being talked about online can be a blessing or a curse, depending on how well you manage online reviews.

Visiting professor and former U.S. Army colonel Fred Krawchuk draws on his experiences in Afghanistan to show managers how to bring diverse stakeholders together to drive change in the world.

This theme is echoed in IESE Dean Jordi Canals’ interview with Unilever CEO Paul Polman who urges readers to “be the change you want to see.”

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NITIN NOHRIA, DEAN
OF HARVARD BUSINESS SCHOOL

**“WE ARE UNITED BY
THE SAME VALUES”**



At a special meeting held to mark 50 years of the HBS-IESE Committee, the Dean of Harvard Business School visited IESE's Barcelona campus. Nitin Nohria said that "more even than our shared interest in the case method, Harvard and IESE are united by the same values"

**STEPHEN
BURGEN**

Nitin Nohria, the Dean of Harvard Business School, visited IESE's Barcelona campus in January to mark 50 years of the HBS-IESE Committee, which helped IESE launch its MBA program in 1964. IESE Dean **Jordi Canals** said the committee had provided "indispensable help in developing business school initiatives to make a positive social impact."

Nohria gave a talk to alumni as part of the Continuous Education program titled "Innovative Leadership: Learning from Asian Companies," in which he discussed how the competitive advantages enjoyed by emerging countries have as much to do with innovative management and leadership as with low wages.

This was followed by a question and answer session, an edited version of which we reproduce here.

On the 50th anniversary of the committee, how would you describe the relationship between HBS and IESE and what do you feel the two schools get from it?

It's a very strong relationship. It's great for us to have a school in Europe that is so committed to the same fundamentals that we are. As both organizations have become more global, IESE has probably made an even more concerted effort to become global than we have in terms of its educational programs.

IESE has a mission based around certain values. What is your view of what it's striving to achieve that distinguishes it from other business schools?

The values of integrity, of people who are committed to making a positive difference in the world, people who do it in a way that is principled, these are the values that actually unite our two schools together, so more than even our shared interest in the case method is our shared interest in the same values.

Many people believe that companies need to be rethought in order to regain much of the trust that's been lost. Often it's seen that corporate governance lies at the heart of this problem. What are your views on that?

We keep hoping that someday, someone will invent the perfect board that will provide great corporate gover-

nance. My view of this is that as much as we can create regulations and we can create independent boards that improve corporate governance, at heart, corporate governance lies in internalising values by the leaders of these companies. I don't know of any board that can insulate itself from a CEO who's determined to cheat the board.

We are witnessing in the U.S. what some describe as a jobless recovery. What can business leaders do to create both wealth and employment?

This to my mind is the most important question that faces everybody in the world right now. The advances in productivity that information technology has enabled make the linear relationship between growth and job creation different from how it was in an industrial economy. So we have to really ask the question: where will the next set of jobs come from? It's the most vexing question because the stress between business and society will increase if businesses grow but jobs don't come.

As the U.S. is becoming independent in energy, might it also start to bring more manufacturing back home?

That's the great hope and you begin to see some evidence of energy-intensive manufacturing coming back. So you see refineries reopening around the Gulf shore, you see chemical manufacturing come back, you see some cement productions. So, there are some early signs of manufacturing coming back to the U.S., but simultaneously you have the rise of 3-D printing, nano materials and very low energy intensive ways of thinking about manufacturing going forward. An energy-independent America will certainly lead to growth and industrial output, but the future of manufacturing is a much more interesting question.

What do you think Western companies and business leaders can learn from leadership styles in economies such as India?

I would say that this emphasis on leadership styles is overstated. I think people make too much of Indian management style, Chinese management style, European management style, American management style. I think good management and good leadership looks more alike than different across countries. However, their style is stronger in two dimensions. One is the degree to which they believe



THE EMPHASIS ON LEADERSHIP
STYLES IS OVERSTATED. I THINK GOOD
LEADERSHIP LOOKS MORE ALIKE THAN
DIFFERENT ACROSS COUNTRIES"

that costs can be taken out of the system. I believe that in the West we become too comfortable with our costs. The second thing is that they're much more cognitively flexible. They don't expect everything to work. These are countries in which things don't work always. So there's a certain level of flexibility, a certain level of nimbleness, a certain level of willingness to adapt to issues as they arise. We expect too many things to be orderly. In these countries, nothing is orderly, so they end up having a lot more cognitive flexibility. I think that those are two important leadership assets that they have.

How do you see best practices of Western companies in emerging countries trying to help local governments build infrastructure that is going to be good, not just for foreign direct investment, but also for local companies as well?

What's striking to me is that even in those areas where there are remarkable strengths, competition from the East is rising very rapidly. You see as many examples now of Chinese and Korean companies bidding for projects in India as you see European companies. These are certainly enormously important areas in which Western expertise can help emerging markets, because infrastructure is one of the things that in developed countries is so much better developed. Even in these areas where we think we have natural strengths, I would say that Western companies have to be more conscious of the competition from other parts of the world. Again, there's a little bit of a Western bias that when someone does well from an emerging market, we always feel that they do it with poor quality. This was the problem with Japanese cars. This was the problem with Korean cars. This was the problem with Chinese phones. There has been a consistent pattern in all of these countries that they may start with poor quality, but quality improves over time.

Over the years, do you see a specific pattern of behavior that contributes substantially to the success of joint ventures between Indian companies and European or U.S. companies?

I don't think that there is such a thing as an enduringly successful joint venture. In my judgment, joint ventures are temporary devices that eventually end with one party getting control. There are great examples of European companies and American companies that have entered India with joint ventures where eventually they have secured control. There are other great examples of Indian companies that had joint ventures who have subsequently become independent. Hero Honda is a great example of an Indian motorcycle company that had this wonderful joint venture with Honda for many, many years as the largest motorcycle manufacturer in India. But the joint venture has eventually proved to be unstable. Hero is going to go its own way. Honda is going to enter the market too, independently, and sell motorcycles in India. You see this pattern repeat itself again and again, except where there is government intervention. My view is that you should be the best joint venture partner that you can,



The Dean of IESE with the Dean of Harvard Business School as he arrived at IESE's Barcelona campus



After the conference, Nitin Nohria with some MBA students, Dean Jordi Canals, Prof. Franz Heukamp and the director of the Alumni Association, Mireia Rius



THERE ARE WAYS IN WHICH WE CAN BECOME BETTER AT EDUCATING LEADERS. IF ALL WE DO AT BUSINESS SCHOOLS IS TEACH PEOPLE NOT TO LIE AND CHEAT AND STEAL, THAT'S NOT ENOUGH"

but you should always imagine that the endgame is not staying in a joint venture.

How can business schools help business leaders become more sensitive to the changing perception of society towards the corporate world?

I was very lucky to be involved even before I became Dean in creating a required course at Harvard Business School called "Leadership and corporate accountability." In most of the courses that we teach, 80 percent of the cases are about business success, 20 percent of the cases are about business failure. "Leadership and corporate accountability" is a course that is 80 percent about corporate failure, and it's about corporate failure to society in a wide variety of ways. It helps students understand that corporate failure to society can occur in ways that don't involve just outright cheating or theft. You don't have to teach people that outright theft is a problem. It's far more instructive to teach people using a subtle example, such as a company that sells apple juice sold as 100 percent apple juice when it is really water with apple juice flavoring. The product is actually safe, in the sense that nobody is getting hurt. Nobody is dying. Nobody is getting killed. It's not like it's causing physical harm of any kind to anybody. But the general manager of this company in the end goes to jail. We teach this case to remind people that you have an obligation to consumers. What you say you're giving them is what you're required to give them. In these ways, we try and teach people how subtle and how important it is for business leaders to be mindful of their obligations to society and to all constituents in society, even if they operate a company with the belief that shareholder maximization is their most important principle.

So rather than debating whether there should be shareholder management or not, we try and say, "You still have specific responsibilities to society in a number of ways, which if you don't meet will cause you great trouble," whether you believe in shareholder maximization or not. Then we try and get them to think beyond shareholder wealth maximization as well. I think these are the ways in which we at business schools have to become better at educating leaders, because teaching them not to lie, cheat or steal, that to me just feels like table stakes. If that's all we do, that's not enough. We're also trying to push the envelope harder in terms of saying, "How can business, through its natural business activities and without compromising profit, actually create more value for society?"

What's your view on the global MBA oath and the deeper question of the professionalization of management?

The origins of the oath were very simple. I have a sister who's a doctor, and I know how much the Hippocratic oath in medicine influences her everyday behavior. The ethic of patients first is an ethic that is so deeply embedded in the professional values that come in medicine that you know that even though there are many pressures, there is something very sacred about those responsibilities. I don't think we have, collectively in business, agreed on what constitutes a set of expectations that we have of each other as business leaders. The idea of the oath was to see if we could articulate something like that. I must confess that I've done many things in life and that is one that hasn't been as successful as I had hoped it would be. I haven't given up. But it's a very hard problem. People say, "Oh, it's an empty promise, unlike medicine where you can be disbarred if you violate the oath. In business we don't have the right set of sanctions for people. How do you make this oath actually have teeth?" It took the medical profession, at least in America, 45 years of trying before it could come up with a code of ethics that everybody was willing to sign.

How do you see Harvard Business School over the next 25 years? How would you like to see it change to usher in an era of renewal of management educational leadership development around the world?

We have to have the courage, those of us who are committed to management education, to paint a different view of the value proposition of business education. Business people have to get better at learning how to work with people across many other sectors. I think business, which was always quite interdisciplinary, is going to become even more so. That's the last priority that we have in our educational programs at Harvard Business School, which is to become better at integrating Harvard Business School with other intellectual disciplines that exist at Harvard and other parts of the world. Innovation is the answer, and I'm very glad that we're trying to do it. I'm equally delighted that our partner of 50 years, IESE, is trying to do the same thing. Hopefully, we will both be business schools that will be relevant going forward.



LEADERSHIP THE COMPETITIVE ADVANTAGE

Innovative management, leadership and a ruthless learning curve in production is what is driving the emerging countries as they increasingly challenge the West on efficiency. And while before, they copied, now they are beginning to innovate.

❖ “If the 20th century was an American century and the 19th European, the 21st century will be a global one, and no one country will dominate,” predicted Nitin Nohria, HBS Dean, at a special session marking the 50th anniversary of the HBS-IESE Committee.

In his talk, “Innovative Leadership: Learning from Asian Companies,” Nohria discussed how the competitive advantages enjoyed by emerging countries have moved beyond low labor costs to include innovative management and leadership.

When Nohria started teaching at Harvard 25 years ago, students were drawn to the institution to learn about American business, he explained. Today, Harvard MBAs are initiated into the case method with Narayana Hrudayalaya, an Indian hospital that, thanks to extraordinary leadership, offers open-heart surgery at a tenth of the price of Massachusetts General, the leading U.S. hospital.

According to Nohria, Asian companies combine three key dimensions in competitiveness: efficiency, local responsiveness and innovation.

Japan was the first country to challenge the U.S. on efficiency, followed by Korea and China. Nohria cited Foxconn, the Chinese company that employs over a million people and makes many of Apple’s devices, yet bids for projects with no margin. They do this as a strategy, convinced that they can improve productivity faster than the competition. “They have a ruthless learning curve in production,” he added. He also mentioned the huge efficiency savings of Indian IT service companies like Infosys, which trains 100,000 programmers a year. To illustrate the importance of local responsiveness, he pointed out that in all emerging markets the dominant local player is growing faster than the global players because they recognize the realities of the local market. “We

each bring into global competition a home country bias. But what works at home may not work locally.”

“Reverse innovation” where you take an existing product and deliver it at a tenth of the price, is, according to Nohria, the third lesson we can learn from Asian companies. “There are 5 billion people who don’t want new stuff because they still don’t have the old stuff. They don’t have anything. They haven’t even got a fridge. To capture this market you need to innovate on price,” he said. And while emerging markets have tended up till now to copy, he warned against selling them short in their capacity to innovate. “We should not underestimate the quality of management and leadership in emerging countries,” he continued, adding later that he thinks the debate on Western vs. Eastern leadership styles discussion is overstated. “Good management is more alike than different,” he said.



If you are a member of the Alumni Association you can watch the e-conference of the session at www.iese.edu/alumni

U.S. ADVISORY COUNCIL ANNUAL MEETING

THE GLOBAL PICTURE

Council members discuss the very different outlooks for the United States, Africa and the media industry in a series of sessions presented to MBA students on March 7 at IESE's Barcelona campus

How do you monetize digital? This is the million-dollar question for the billion-dollar media and entertainment industry. And it has no easy answers. Converting digitization from threat to opportunity will take innovative thinking on the part of the industry's major players.

There are many new possibilities ahead, so long as the major players, especially advertisers, are able to transform their traditional business models. There is money to be made in how content is curated and distinguished.

The more tailored the content is to the individual, the more they are willing to pay for it. The solution to the dilemmas ahead for media and entertainment may be as varied as the multiple ways consumers are finding to satisfy a "voracious desire for quality content."

These were some of the observations made by **William Baker**, president emeritus of the Educational Broadcasting Corporation; **Gerry Byrne**, vice president of PMC; **Carmen DiRienzo**, president of DiRienzo Consulting; and **Alan Glazen**, formerly of Glazen Creative Studios.

AFRICA: FROM HOPELESS CONTINENT TO RISING STAR

In just one decade, the *Economist* magazine has gone from referring to Africa as "the hopeless continent" to a "rising star." And the forecast is getting even better. While speaking at a conference at IESE, **Jay Ireland**, president and CEO of GE in Africa, assured listeners that during the next ten years we will see "tremendous growth" in indicators such as the GDP (near 6 percent); in the growth of mineral resources (from 31 percent to 40 percent of world production); as well as in the percentage of settlements with electricity (from 35 percent to 55 percent)."

Powering this move forward will entail an investment of between \$50 billion and \$90 billion in infrastructure, with a median return of 29 percent, which equals a great opportunity for business investment in Africa.

The areas with the greatest potential in Africa are those that deal with basic needs such as transportation, health and electricity, as well as industries involved in gas and mineral extraction. In each of these cases, it is necessary to create infrastructure and to make up for a lack of local experience, a lack of qualified technical staff, administrative obstacles and problems with financing. Nevertheless, **Ireland** says that these types of difficulties can be a source of innovation for business. "Innovation means providing advanced solutions to meet local needs," affirmed **Ireland**.

THE U.S. ECONOMY, A DICKENSIAN "BEST AND WORST OF TIMES"

The economic recession has left the U.S. economy in a state of long-term "dislocation." While it is in better shape today than in 2008, the degree of damage done then was so great that we should not be excessively excited about recent improvements.

This was the view expressed by **Tom Castro**, President and CEO of El Dorado Capital and member of the board of Time Warner, **John Schmitz**, partner & principal of Bingham Consulting LLC, and **Juan Pujadas**, Global Leader of Advisory Services for PwC. "We are experiencing recovery but it's a divided one," said **Pujadas**. "There are many pillars that need to be put in place by the government."

Education is at the heart of economic growth, all parties agreed. They talked about whether American parents need to change their lax approach to their children's studies, and if arts subjects are overpromoted.



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1. William F. Baker, Gerry Byrne, Carmen DiRienzo & Alan Glazen
2. Eric Weber, Thomas H. Castro, John Schmitz & Juan Pujadas
3. Jay Ireland

U.S. ADVISORY COUNCIL

With a mission to help guide IESE's development in the United States based at its New York Center, in March 2010, the U.S. Advisory Council was formed. The group includes U.S.-based business and civic leaders as well as Dean Jordi Canals and IESE faculty and staff.

William F. BAKER
Channel Thirteen

Gerry BYRNE
PMC (Penske Media Corporation)

Jordi CANALS
IESE Business School

Thomas H. CASTRO
El Dorado Capital

Carmen DiRIENZO
DiRienzo Consulting

Alan GLAZEN
Glazen Creative Studios

Francis J. HAGER
Opp CAP Group, LLC

Claire HUANG
JPMorgan Chase & Co.

Jay IRELAND
GE Africa

Tom KANE
CBS Television Station Group

Katherine OLIVER
NYC Mayor's Office of Media & Entertainment

Kate O'SULLIVAN
Microsoft Corporation

Carlos PADULA
Stelac Advisory Services, LLC

Juan PUJADAS
PricewaterhouseCoopers

Edward T. REILLY
American Management Assn. International

Tom ROGERS
TiVo Inc.

John SCHMITZ
Bingham Consulting LLC

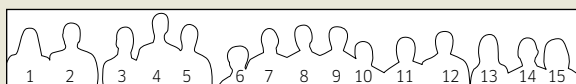
John F. STURM
University of Notre Dame

Christopher VOLLMER
Booz

Eric WEBER
IESE Business School

Josh WESTON
Automatic Data Processing Inc.

Kathryn WYLDE
Partnership for New York City



1. Prof. Sandra Sieber
2. Carlos P. Hornstein
3. Alan Glazen
4. Prof. Franz Heukamp
5. Jay Ireland
6. Carmen DiRienzo
7. Gerry Byrne
8. Prof. Jordi Canals
9. Tom Castro
10. William F. Baker
11. John Schmitz
12. Juan Pujadas
13. Kate O'Sullivan
14. Prof. Eric Weber
15. Mireia Rius

IESE'S AMERICAN DREAM

The opening of its center in New York in 2010 marked the official beginning of IESE's expansion in the United States. Since then, the number of activities, sessions, events, programs, professors, associate schools and alumni has continued to grow. All of this is a mark of the school's international spirit and its development across five continents. The map shows IESE's presence in North America.

DATA

1,034

ALUMNI IN THE UNITED STATES 2013-2014

13

CONTINUOUS EDUCATION SESSIONS A YEAR

544

PARTICIPANTS

WHERE	SES.
NEW YORK CITY	7
MIAMI	3
SAN FRANCISCO	2
SANTA CLARA	1

20

PROGRAMS

PROGRAMS

GENERAL MANAGEMENT

- Senior Executive Program
New York-Miami
- Advanced Management Program in Media and Entertainment
New York-Los Angeles
- Program for Leadership Development
New York-Miami
- Global CEO Program: A Transformational Journey,
São Paulo-Philadelphia-Shanghai

SHORT FOCUSED PROGRAMS

- Doing Business Globally
- Advanced Digital Media Strategies
- Making it Work
- Managing People Across Cultures

INDUSTRY MEETINGS

- 2nd Sports Management Industry Meeting
- 1st Media and Entertainment Industry Meeting
- 11th Retail Industry Meeting

CUSTOM PROGRAMS

The custom programs held in New York have continued to grow over the last few years, establishing relationships with companies such as Citi, BMW, Technicolor, Oracle, Puig and Gas Natural



IESE IN THE U.S.



IESE'S EXPANSION IN THE UNITED STATES

Map legend



IESÉ
INSTITUTIONAL
EVENTS



ALLIANCES
WITH BUSINESS
SCHOOLS



REGIONAL
CLUBS

"We are all part of a bigger community, a bigger family. Whatever I do, I will always remember that the greatest pleasures are to share, give and participate. The idea of the interrelationship between people, in business and in life, is fundamental to IESE"

ALAN PACE (MBA '94), U.S. CHAPTER PRESIDENT



“CHANGE HAPPENS BECAUSE A FEW DECIDE TO ACT”

The 11th Doing Good and Doing Well conference shows how social impact, sustainability and profits are not mutually exclusive.



“**S**ocial entrepreneurs are like giraffes – they have big hearts and a long reach,” **Ana Sáenz de Miera**, director of Ashoka for Spain and Portugal, told the 11th Doing Good and Doing Well conference in Barcelona in February, adding that social entrepreneurship can go far beyond what is achieved by CSR and philanthropy. “Change happens because a few people decide to act,” said **Jo Confino**, executive editor at the *Guardian* newspaper and another keynote speaker at the conference.

“We have to change our minds. The challenges we face are so interconnected that we can only change things by working together.”

The largest student-organized conference on responsible business in the world opened in Barcelona under the slogan “Innovate, Impact and Inspire,” and was attended by some 500 students, entrepreneurs and speakers. Its central message was that profits and sustainability go hand in hand.

The conference was opened by **Eric Weber**, IESE associate dean, who reminded the audience that responsibility and service to society has always been at the heart of



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7



5

1. Thomas Schick 2. John Bird 3. Ana Sáenz de Miera
4. Christopher Schuetze 5. Raimund Stuer 6. Jo Confino
7. Bjorn Lomborg

IESE's mission and is not just a response to the irresponsibility that triggered the current financial crisis.

PRACTITIONERS' PERSPECTIVE

● **Thomas Schick**, vice president of Corporate and External Affairs at American Express, began the keynote sessions by saying that “CSR is more of an art than a science.” In his opinion, it is not so much a policy as making day-to-day business decisions in a socially responsible way. “Today we recognize that beyond the three traditional constituencies in business – employees, customers

and shareholders – there is a fourth: stakeholders. You can only operate in society because it allows you to.”

The problem, however, is that the social contract is unwritten. “Corporations have signed up to this unwritten contract that they will behave in a responsible way, but they grapple with this every day making real business decisions.”

“A corporation has to ask itself – what does society expect of me in these circumstances?” he said. “There is a second question which is: in these particular circumstances, do we want to meet these expectations or would we be better off falling short?” This, he said, is the day-to-day reality of CSR.

WORKING TOGETHER FOR A BETTER WORLD

This year's conference brought together more than 500 people. The aim: to inspire professionals from every sector to be "better people and responsible leaders," as **Ana Laura Virzi** (MBA '14), vice president of the organizing team, put it. **Virzi** thinks that "social responsibility extends from our homes into the workplace." She joined the organization to contribute to raising awareness of what it means to be a responsible company, a vision the entire staff shares, believing that "success is reached through hard work and collaboration."

Brian Hennessey (MBA '14), vice president and content manager of the organizing team says that the main challenge is "to manage to instill the spirit of the conference via interesting, provocative and inspiring sessions." To achieve this, this year the event has incorporated a new element: workshops that complement the plenary sessions and bring the content closer to the attendees. At the organizational level, one change is the inclusion of first-year MBA students, who have been invited to participate in the organizing to make the future hand-over smoother. "Some first-year participants have become involved in the organization of this conference. I'm looking forward to next year's to see what they surprise us with," said **Hennessey**.



Dr. **Bjørn Lomborg**, director of the Copenhagen Consensus Center and assistant professor at the Copenhagen Business School titled his talk "How and Where to Do the Most Good?" He said that as we can't solve all the world's problems, or not all at once, we have to prioritize and, as it all costs money, figure out where the money can be most effectively spent.

The Consensus Center has drawn up a list of the ten most pressing global problems, which include armed conflict, preventable disease, natural disasters, education, climate change, hunger and malnutrition and then analyzes how best to deal with them.

In a demonstration of how innovation doesn't necessarily demand new technology, the entrepreneur **Raimund Stüer** discussed sustainability and logistics and showed how his company, using a very old technology – rail transport – and a new approach to joint ventures, managed to cut CO₂ emissions by over 60% in transport from the north of Europe to depots in the center and south.

In a panel discussion on the media, **Jo Confino** and **Christopher Schuetze**, correspondent for the *New York Times* discussed how social media has increased transparency and therefore accountability. But they agreed there is also a problem of information overload and lack of editorial control and the risk that with online journalism readers simply target what interests them and don't browse. "Media should also help to inspire people to change," **Confino** said.

The entrepreneur **John Bird**, founder of the *Big Issue*, which is sold on the streets by homeless people in

Britain, urged the conference to take social enterprises into the mainstream and make them part of the fabric of society.

However, for many the most thought-provoking session was given by Ashoka's **Sáenz de Miera**. Supporting "changemakers" is what Ashoka is all about and it supports some 3,000 social entrepreneurs around the world. Among the schemes that Ashoka supports are a program to train rats to scan minefields, which they can do much faster than a human, a video game to diagnose malarial parasites, a disease with a low rate of accurate diagnosis, the "discovering hands" program in which blind women are trained to detect breast cancer because they find 30 percent more tumors than sighted doctors and a joint venture with technology company SAP to employ autistic people to spot software programming errors, which they do with greater accuracy than non-autistic people.

The conference also hosted an Impact Investment Competition, in which MBA alumni from various universities around the world pitched their projects to the conference attendees. The MBA teams were assessed by real investors from the IFC, Toniic and the Acumen Fund organizations. The event was sponsored by Banc de Sabadell and the winners were the team from Oxford Saïd Business School.

MORE INFORMATION:

Investors, MBA students and entrepreneurs interested in participating in the 2015 competition should go to: <http://www.ieseic.com>

NEW PROGRAM

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Advance your strategic plan to execution and implementation with guidance from distinguished faculty at IESE and Wharton.

For two intensive non-consecutive weeks - one in San Francisco and one in New York - you will learn how to bridge the two essential elements of long-term strategy and daily operations through a business simulation combined with global market insights, company visits, faculty experts, and relevant speakers.

2 SCHOOLS

+

2 U.S. LOCATIONS

+

2 BLENDED
LEARNING APPROACHES

+

2 DIMENSIONS
(Strategy & Execution)

Hone your capabilities and better understand connections between strategy execution, operational excellence, marketing metrics, and change management, and return to the office with an evolved strategic and operational mindset that you can put into practice to accelerate your business.

Learn more:

www.iese.edu/bsoe

Jointly presented by:



9TH BANKING INDUSTRY MEETING

BANKING
IN TRANSITIONDISCOUNTED
SERVICES

“The transformation of the banking system has been so intense it’s enough to give you vertigo,” one speaker commented at the 9th Banking Industry Meeting held on IESE’s Madrid campus on December 12. However, while the view was that reforms mean the Spanish banking system will be able to face the next stress test, “banking union is crucial because fragmentation is incompatible with the euro,” said another.

The meeting, jointly organized by IESE, the Center for International Finance (CIF) and EY (formerly known as Ernst & Young), brought together some 200 professionals from the sector to discuss the current situation under the title “Banking: Beyond the Crisis.”

“Over time, banking has shown a capacity to overcome adversity,” said IESE’s Prof. **Juan J. Toribio**, who is also president of CIF.

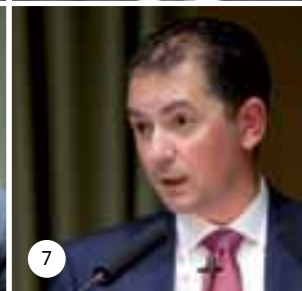
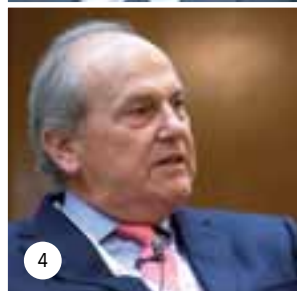
“The sector has made a huge effort,” said **José M. Andrés**, president of EY. “Now we need to figure out what the future model will be. What’s certain is there will be more competition in European markets, which will force banks to find other sources of income.”

According to **Ángel Cano**, CEO of BBVA, because of this “the sector has to move towards a much more digital model. We have to design products that fit the environment and which bring value to our clients. For this reason, we have to be capable of developing a differential experience.”

MONITORING REGULATION

● **Jaime Caruana**, general manager of the Bank for International Settlements, agreed. “The goal now isn’t to create new regulations but to finish what we’ve started.” He added that regulation is necessary for financial stability. “We have to implement these rules consistently at an international level and monitor how they affect financial markets,” he said.

The session was wrapped up by **Luis M. Linde**, the governor of the Bank of Spain, who predicted that 2014 “will be an intense year in the field of international financial regulation. What the Bank of Spain wants is for all of this to be included in the restructuring of the banking system.”



1. José M. Andrés, EY, and Prof. Juan J. Toribio
2. Ángel Cano, BBVA
3. Jaime Caruana, Bank for International Settlements
4. Juan Rodríguez Inciarte, Banco Santander
5. Josep Olliv, Banco Sabadell
6. Luis M. Linde, Bank of Spain
7. Francisco Gómez, Banco Popular

The Price of European Power

High prices and the lack of a common energy policy is making the European Union uncompetitive, although there are positive signs in its goals for increasing renewable energy.

“What Europe needs to do is rethink its industrialization if it is to remain competitive, and this means having reasonable energy prices,” says **David Calleja**, director general of the European Commission for business and industry.

He was speaking at the 11th Energy Sector meeting held on IESE's Madrid campus on February 13. The meeting, which was attended by more than 200 experts from the sector, was organized by IESE under the academic direction of Prof. **Juan L. López** with the support of Deloitte.

“Europe has failed to be competitive,” commented **Jorge Lanza**, president of BP in Spain and Portugal. Many of those taking part agreed – the price of gas and electricity in Europe is as much as three times higher than in the United States, making it difficult to be competitive.

The European Union doesn't appear to be moving towards a common energy policy,” according to the president of CLH, **José L. López de Silanes** (PDD '90). **Pedro Mielgo** (PDD '86), president of Nereo Green Capital, commented that such a policy would be conditioned by non-national factors that would affect not just the energy sector but other parts of the economy. Several speakers said that European energy policy also needs to be open to tech-



Graham Weale

nological developments and unconventional sources of energy.

Robin C. Mann, a partner in Deloitte, said the United States is experiencing a bonanza in unconventional energy sources such as gas fracking and tar sands. He claims this is the result of the entrepreneurship of a number of small U.S. and Canadian firms some 20 years ago. Once the gap between supply and demand gets too wide, he said, government and the corporate community have to make decisions.

Graham Weale, chief economist at RWE, said that there has been a recent refocusing of energy policies and an understanding that you can't separate energy policies from environmental ones. “The European Union seems to be close to agreeing that the primary emphasis should be on greenhouse gas reduction. They do have in mind a renewables target of 27% by 2030. It looks as though they're minded to give more freedom to individual countries as to how they reach those goals,” he said.



Holding Firm in the Top 10 FT Ranks IESE's MBA at No.7 in the World

Holding firm for a fourth consecutive year in its position among the top 10 MBA programs worldwide, IESE placed number seven in the world according to the *Financial Times* rankings published in February.

The ranking surveys the class of 2010's career progress and salary increase while taking several other factors into account, including aims achieved and diversity.

This year the *FT* noted Hong Kong's rise in the rankings and the fact that, despite the economic downturn, the world's elite business school graduates have seen their salary almost double since completing their MBA.

IESE continues to consolidate its position among top tier MBA programs. As the first two-year MBA in Europe, since the program's inauguration in 1964 the school has enjoyed the support and guidance of the Harvard-IESE Advisory Committee.

It became the first bilingual MBA program in 1980 and today attracts a student body that is 80% international. IESE also offers Executive MBA and Global Executive MBA programs.



**SANDRO BORTESI:
LESSONS FROM A
FAILED BUSINESS**

BETTER TO TRY AND FAIL THAN NOT TRY AT ALL



TECHNOLOGICAL METAMORPHOSIS

**SANDRA SIEBER,
TALKS ABOUT THE NEW REALITY**

“It’s no longer enough to think that there’s someone in the organization who understands technology. Executives themselves have to have a certain level of competence in order to think of value propositions that incorporate technology,” said Prof. **Sandra Sieber**.

She was speaking at a session about technological change in companies, and looking at the ways in which executives need to understand and adapt to a world so driven by information technology.

“One afternoon we decided to close the business. I think it was a good decision.” **Sandro Bortesi** started a business and failed. His Racing Masters, an entertainment center for professional pilots, despite its expensive and delicate cars, its engineers and corresponding team of mechanics, barely lasted 18 months.

Sandro not only had the courage to recognize his failure in time – which meant the investors were able to recover 80% of their capital and **Sandro** could continue working for them as a private equity consultant – he also was generous enough to share his experiences with those attending the Continuous Education session “Learning About Entrepreneurial Failure from the Entrepreneur’s Perspective” organized by Finaves.

IESE Prof. **Albert Fernández**, director of Finaves said: “In 90% of cases that I see, the predictions are very optimistic although the entrepreneur is always convinced they’re very conservative.” He recommended an exhaustive analysis of both the market and the competition and factor in “every variable:” costs, salaries, and remember that the cost of the management team has to match and be linked to the speed at which income is arriving.



ETHICS

ENFORCING NEW RULES

The recent tightening of regulations and increased legal responsibility of companies is calling for new roles as in-house enforcers and advisors. “Identifying risks, taking any necessary measures, education and training of employees, monitoring their performance and reporting,” are the main functions of the Compliance Officer or the person responsible for the supervision and management of questions related to complying with rules and regulations, explained **Eduard Pérez Olmo**, General Counsel & Compliance Officer from Bureau Veritas.



LEADERSHIP AND CORPORATE GOVERNANCE

WHAT HAVE WE LEARNT

FIVE YEARS AFTER THE FINANCIAL CRISIS?

Five years after the economic crisis that shook the world economy in 2008, we have to ask ourselves what we have learnt, how much has actually changed and, above all, what has been done to repair the damage done to the corporate reputation.

“We should not underestimate the impact of business decisions on the unfolding of the financial crisis,” IESE’s Dean **Jordi Canals** said at the start of a session on IESE’s New York center.

The betrayal of values witnessed by the public over the past half-decade has threatened consumer trust in corporations at large. Corporate affairs around the globe have too often failed to measure up to the public’s ethical and moral expectations.

“A company is a web of relationships,” **Canals** explained. But in recent years, many businesses have become near-sighted, often betraying their original visions and values.

“These issues are important not only to protect the reputation of the company and the management team, but also to make these companies more sustainable in the long run. We need to come up with leadership patterns and processes that help companies to be successful in the long term—but more importantly to become respected institutions,” said **Canals**.



E-COMMERCE

SOCIAL NETWORKS TRANSFORMING BUSINESS

“Planning social media isn’t that different from rolling out general strategy. First you have to situate the company and its clients in the digital framework. Secondly, you need to define what you want to achieve through social media (there won’t be direct sales but aspects such as fame, reputation, service). Thirdly, settle on how to achieve those objectives (channels, formats and messages). And fourthly, measure results and be able to react,” said IESE scientific collaborator **Pablo Foncillas**.

“Companies have to embrace mobile technology if they want to maximise their potential. We look at our mobiles 100 to 150 times a day. Of them, 14 visits are to Facebook,” claimed **Fernando Gracia**, Facebook sales director in a session moderated by Prof. **Julián Villanueva**.





IESE ROLAND BERGER
INTERNATIONAL MBA CASE COMPETITION

A Case of Wine

Members of the IESE team share their experiences of taking part in the competition.

“It was basically three days of concentrated camping, hours and hours of reading and trying to come up with a road map. Doing everything from scratch in such a short space of time was tough,” said **Jihun Cheong**, a member of the IESE team who took part in the 19th International Case Competition that was held in Barcelona in February.

The competition, organized each year by IESE and Roland Berger Strategy Consultants, brings together MBA students from the world’s leading business schools to resolve a case study. This year there were

teams from IESE, London Business School, Tuck, Yale, Chicago Booth, HKUST, CEIBS and INSEAD. The eventual winner was the University of Chicago Booth School of Business.

The teams comprised four first-year MBA students who spent three days discussing and resolving the IESE case “LVMH’s Estates & Wines: A Global Strategy for Luxury Wines?” The case was developed

by professors **Bruno Cassiman** and **Fabrizio Ferraro** and written by **Jordan Mitchell**. It looked at the challenges facing **Xavier Ybarguengoitia** on being named CEO of LVMH Estates & Wines, in particular how he could turn a business unit in decline into a profitable arm of one of the world’s biggest luxury brands.

“We had very little time and the biggest problem was that none of us have a background in the wine business,” said **Soichiro Fuji**, another member of the team, along with **Hideaki Onishi** and **Michael Billington**. “So we had to do a lot of research and we had to divide the tasks. The teamwork is important because everyone has to present a different aspect of the case.”

“We took on roles based on our specialties,” said **Cheung**. “Soichiro has worked in consultancy so he worked on the presentation, as did Michael, and Hideaki and I were the bankers. We did the financial analysis. One of the questions related to the brand synergy within LVMH. One of our strategies was to use the synergy with other brands within LVMH to promote the wine but then we found out there isn’t any synergy. But it was a good experience, lots of learning and talking with the industry experts and the consultants. And it was a good opportunity to network with other prestigious schools.”

Fuji agrees, and adds that it was different from working in a team in class. “The difference from doing things in class was that there each person has different priorities, so

while everyone is doing their best, they are not necessarily doing their best for the assignment. But with this, everyone wants to win the competition so there was perhaps more

conflict. But we also harnessed all our energy to win the competition. From a teamwork point of view, it was very positive.”

“The teamwork is important because everyone has to present a different aspect of the case”

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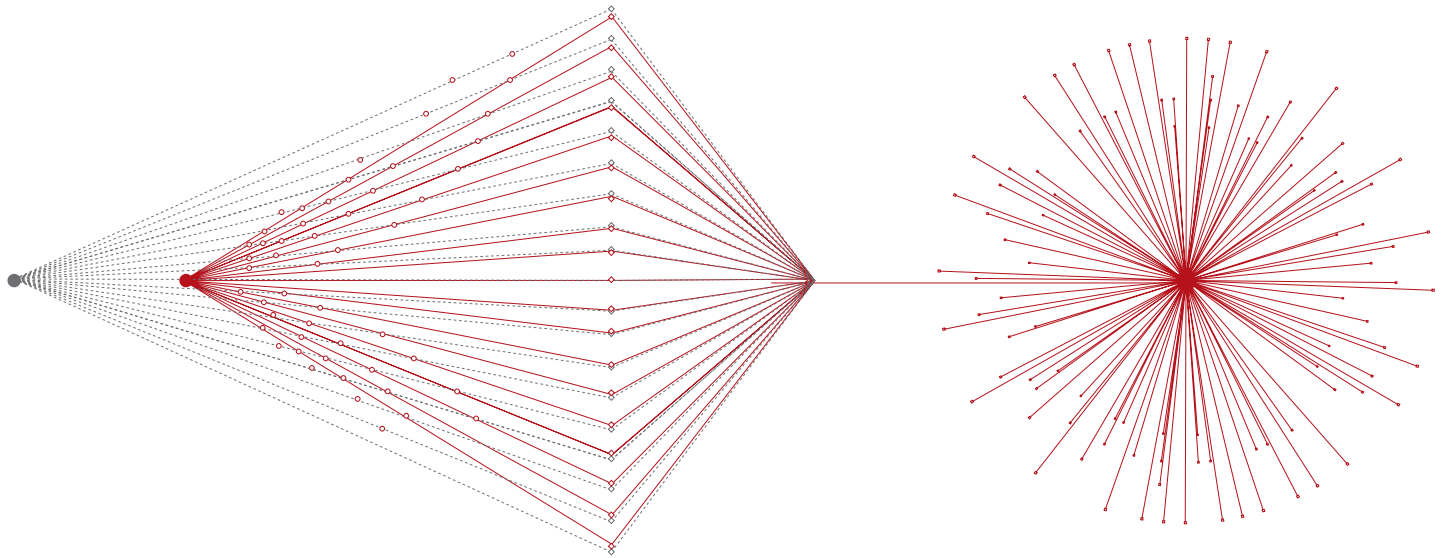
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Vibha Kothari (front row, second from the right) with her classmates at the Summer School on IESE's Barcelona campus

VIBHA KOTHARI DESCRIBES HER EXPERIENCES ON CAMPUS

IESE Summer School Crosses Generations

● **Vibha Kothari** is something of a veteran of summer schools. IESE's Summer School marked her third experience, after attending two other programs at top universities in the U.S. and Europe. At the end of her experience, **Kothari** gave IESE the highest marks by far.

"The atmosphere at IESE, compared with the other schools, is just amazing – the teachers and the environment," said **Kothari**, who participated in IESE's 2013 Summer School.

Kothari's father, **Vinay**, graduated from IESE's full-time MBA program in 1992. At that time, he was one of just two Indian students in the program. **Vibha**, 21, was born just a few months before he completed his degree.

Her father, who is currently president of IESE's Alumni Chapter in India, encouraged her to take part in summer schools at other top institutions, in addition to that of his alma mater. "He said, you should just go

to IESE and see how they teach," she said, noting that his experience at IESE always sounded "amazing." Her father's mentors at IESE, such as Prof. **Pedro Nueno**, also made a big impact on him while at the school, she said.

The high level of interaction among students and professors, as well as the international diversity of the classroom made the IESE experience stand out from the others, she added. "And the campus is gorgeous. It's one of the best I've ever seen—the North Campus is stunning."

WISE DECISIONS

● **Vibha**, who earned her bachelor's degree in accounting and finance in India, will soon make a decision about which MBA program to apply to, she said. In the meantime, she is busy with her own clothing design company, Vault.com. The knowledge and skills provided by an MBA will help her decide how to either diver-

sify her fledgling firm or successfully concentrate on one area, she said. The summer school experience itself taught her valuable lessons, in addition to giving her a close-up look at IESE, she said.

"As a whole, it has been really enriching, because in my daily life I wouldn't have heard about the cases that we have covered here, such as Enron," said **Vibha**. "The way they make you think, and the way they insist on putting everything into figures is great."

Her father's IESE experience has led her to reflect deeply on choosing a school, she said. "I asked him, 'Is going to IESE one of the best decisions you ever made in your life?' And he said, 'Yes, maybe.' The way he looks at things and analyzes them... I feel IESE has really made him the person he is," she said.

MORE INFORMATION:
www.iese.edu/summerschool



Fast Forward Program

BARCELONA, JUNE 2-6

The Fast Forward program will celebrate its second edition next June on IESE's Barcelona campus. This innovative program allows senior managers to gain firsthand knowledge of the global shifts and socioeconomic trends that matter most to them by offering a customizable menu of highly relevant themed tracks and personalized sessions.

www.iese.edu/fastforward

MANAGEMENT PROGRAMS

IESE offers a variety of executive programs focused on managers and entrepreneurs who wish to make a quantitative leap in their professional journey. These are designed to develop leadership skills, improve strategic thinking and bring about effective organizational change. Managers can choose from a wide range of programs in cities including Barcelona, Munich, New York, Sao Paulo and Warsaw.

www.iese.edu/executive-education



SHORT FOCUSED PROGRAMS

**Develop your Communication Skills:
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Barcelona, April 8, 9 & 10

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Getting Things Done

Barcelona, May 20, 21, 22 & 23

Developing Leadership Competencies

Barcelona, May 27, 28, 29 & 30

Managing People Across Cultures

New York, June 4, 5 & 6

Customer-Focused Organizations

NEW

Barcelona, June 16, 17 & 18

Real Estate in Growing Economies

NEW

Barcelona, July 1, 2 & 3

High-Performance Negotiator

Barcelona, July 8, 9 & 10

Optimizing your Retail Business

Barcelona, July 15, 16 & 17

Program dates are subject to change. For the latest information see:
www.iese.edu

51st Harvard-IESE Committee Meeting

BOSTON, MAY 23

Since its establishment in 1963, the Harvard-IESE committee has become a place where the two schools share experiences, exchange ideas and projects, and debate problems that they have in common.



Alumni Reunions

FIVE-YEARLY MBA (MBA, EMBA & GEMBA)

May 31 in Barcelona



27th Annual Meeting of Partner Companies, Academic Chairs and Research Centers

MADRID, MAY 6

In this meeting IESE shows its appreciation for the invaluable support given by companies that work closely with the school and introduces new partner companies and academic chairs. The academic sessions are led by IESE professors.



Industry Meetings

Next semester the school is hosting a series of Industry Meetings that cover a wide range of industries. New additions include a meeting on sports management, to be held in Sao Paulo and New York, and a meeting on e-commerce in Barcelona.

1ST SPORTS MANAGEMENT MEETING

Sao Paulo, April 24 & 25

1ST E-COMMERCE MEETING

Barcelona, May 14

2ND SPORTS MANAGEMENT MEETING

New York, May 19

18TH FOOD & BEVERAGE INDUSTRY MEETING

Barcelona, June 4

20TH TELECOM, DIGITAL MEDIA & INFORMATION SOCIETY INDUSTRY MEETING

Madrid, June 17 & 18

1ST MEDIA & ENTERTAINMENT INDUSTRY MEETING

New York, July 1

IESE International Advisory Board Meeting

BARCELONA, APRIL 4

Comprising renowned business and social leaders from around the world, the IAB meets periodically to assess the evolution of business management at an international level and to discuss challenges and opportunities.



MBA Graduations

May is a special month for second-year MBA students. Surrounded by their families and faculty members, they graduate in a solemn ceremony, which ends with speeches by prominent business people.

EMBA

Barcelona, May 9

MBA

Barcelona, May 16

EMBA

Madrid, May 28

GEMBA

Barcelona, May 30



P E O P L E



ERMENEGILDO ZEGNA, MEMBER OF IESE'S
INTERNATIONAL ADVISORY BOARD

“WE HAVE TO RAISE THE BAR”

The CEO of Grupo Zegna talks to professor **Fabrizio Ferraro** about the challenges of running a family luxury goods business that has pioneered moves into China, India and Africa while never losing sight of its founder's determination to give something back to society.

Ermenegildo Zegna is the fourth generation to run the family luxury clothing business that his eponymous grandfather established in 1910. As well as being one of the world's largest producers of luxury goods, the family has a long tradition of philanthropy. In the 1930s his grandfather created a village for the workers with a hospital, restaurants and a swimming pool, believing that the quality of a product is closely connected to the quality of life of those who make it, as well as the beauty that surrounds it. With this in mind, the company planted half a million conifers along a panoramic route, the “Oasis Zegna,” a nature reserve under private ownership, just outside Trivero, where the Merino sheep that produce the famous wool for their owner can graze. This is the spirit in which **Zegna's** grandfather created the company, long before corporate social responsibility became a marketing tool. Even today his successors share this same spirit, in the meticulous sourcing of the raw material and in the care of staff and the environment.

Zegna's wool factory, founded in 1910, has been the backbone of the success of a company known throughout the world for making the finest fabrics, from wool, cashmere, mohair and alpaca. Zegna's tailoring rests on the pillars of modernity, precision and the excellence of its fabric, with a classic style and elegant sophistication. Innovation is also a cornerstone. **Zegna** himself has become interested in silk and produces suits that, while made of silk, have the texture of cashmere. The firm has also invented an invisible mem-

brane that makes suits waterproof, as well as a special fabric that keeps the wearer cool in summer and warm in winter.

In over a century, innovation has been key to the success of this family business and **Ermenegildo Zegna**, CEO and member of IESE's International Advisory Board, is carrying on the tradition. During his visit to IESE's Barcelona campus for the celebration of the Grupo Zegna España's 50th anniversary, he spoke to IESE Professor of Strategic Management **Fabrizio Ferraro**, who is director of the school's Luxury Goods Industry Meeting.

What are the challenges that you face as a leader in a global firm operating in 100 markets with different kinds of consumers?

In fact, these days we operate in more than 100 countries and I think that since 2005 we have changed dramatically. In those days we were more wholesale and less retail, whereas today we are exactly the opposite; we are 70 percent retail and 30 percent wholesale, so the organization has to change and the culture of the organization has changed. I think that today, in a world that is becoming more and more complex, the challenge of a leader, regardless of the field, is having to cope with complexity, and to cope with unknown variables, such as continual devaluations, for example. How do you price your goods? How do you confront a market in a situation like this? Or, if we look at markets, there were five emerging markets, but only three made it. India and Brazil are going through a hard time. How do you meet this challenge?



I realize, as we move forward, there are more and more unknown variables that you have to cope with quickly to avoid the worst. Unless you have an effective organization and you are also capable of making unpopular decisions, it's hard to achieve.

How did you build this flexible organization? What are its key elements?

You have to be good at speed, you have to be good at making the decisions, and you have to be good at executing the decisions. I think many executives and entrepreneurs make their decisions, but then apply them badly, and as a consequence don't get the expected results. Also I think that there are certain people in the organization who are very good in boom years, others less. In my view flexibility is like the brake on a car. I mean if it doesn't work, you have to know how to fix it.

Going back to the original question, speed, flexibility and flawless execution are the three most important points that I think that I'm trying to apply. It's never good enough, but I'm trying my best.

How much do you centralize the decision-making and how much do you let the regions decide?

It's a good question. I think we do both, in that you cannot delegate the part of the brand that has to be controlled centrally. I think branding, the brand positioning and the intangible aspects of the firm really have to be controlled

at headquarters. Certain rules have to be applied and all the markets have to follow that.

In terms of certain aspects of the service and understanding the desire of the customer, I think that you have to listen to those in the field. It is a mix between the two, and the challenge is how to regulate the organization, and create a strong team by motivating all sides.

Market visits are very important. It's important for people from central office to visit the regions and the heads of regions to come and meet the people in charge of various tasks and products. It's very important to travel.

I usually do four to six major trips (to Asia and the Americas), and I tend to go with different people, because we often make decisions in the territory and often we solve problems in the territory. It's only by getting inspiration or living through the challenges or the problems that you really can create this strong teamwork.

That's a big investment of your time. It's a very personal touch for a leader.

Very much so. But I think that the ones that don't do it miss opportunities. In particular I'm talking about our field. We are a luxury consumer market, which is a special market; it's impulse buying. I think it goes very much in cycles, short cycles.

The other aspect, which is fairly new – I'm talking about the past three to five years – is the flow of travelling. Bear in mind that 40 percent of the luxury purchases are



BEAR IN MIND THAT 40% OF LUXURY PURCHASES ARE CARRIED OUT BY PEOPLE TRAVELLING. UNLESS YOU CONTROL YOUR BRAND METICULOUSLY, WHETHER WHOLESALE OR FRANCHISE, YOU'RE IN TROUBLE"

carried out by people travelling. Unless your brand is positioned in a consistent way, unless you offer a superior service, unless you control your brand meticulously, regardless of whether you are direct, you are franchising or wholesaling, you're in trouble. Because the customer watches you and can notice differences on the spot. I think that controlling the intangible parts of the brand centrally is key.

Another challenge is mobility of staff. For instance, we now have several Chinese sales associates in our retail sectors in Europe and America, and Russian sales associates in Europe. To welcome the customer, to make them feel at home and to understand what they need. Some like it more formal, some like it less. I think that you have to be constantly aware, because as long as the pattern of travel changes, so do you.

Over the past few years some of your competitors have been acquired by large conglomerates. How has this changed your competitive landscape? Will it also lead you to carry out more acquisitions in the future?

It's a good point. We're seeing it in different sectors; in airlines, in banking, in the car industry and also in the luxury business. I think there will be a future for independents like ours. You know, compared to them, we are a mid-sized company. We are not public; we are totally private.

I think that provided we know what we are doing, and provided we differentiate and we bring something new to the customer, I think that we can remain independent and keep going. I also think that if you go for growth and if you generate the right resources, and if you have a great team, you can remain attractive. To compete with them, you need resources.

There are no plans for acquisitions at the moment?

No. We are always looking for opportunities, and actually we made a few small acquisitions, but nothing major. On the other hand we have formed a great team with other

Italian brands at the Camera Nazionale Della Moda Italiana, to create a new energy, to exchange information, to be more attractive in cities like Milan, which are the center of fashion and to work with the public sector.

So you're working more with other privately owned firms?

There is Prada; there is Ferragamo; there is Max Mara, there is Diesel. All these companies are working to create a better system, even though we don't have much in common in terms of capital or marketing.

Is this a form of network strategy?

Yes. It's making the system more competitive, more attractive to the outside: the press and, ultimately, the customer. I also think the private sector should work with public entities; with the city of Milan, with the mayor of Milan and with the governor of Lombardy to make our city more welcoming.

It's about competition, because nowadays we are not only competing with Paris, New York and London. These are merely the fashion capitals. We have to raise the bar in the interest of the system, and we can't do it alone. I think this is a form of expression. We have to unite against major luxury groups that have endless resources available, when we don't.

Is the industry generating more growth in Europe?

The industry is still very important in Europe, and particularly in Italy, where we are famous for our skill at producing top-end products. Sixty percent of the French luxury products are made in Italy; this is incredible, and tells you a lot about what we can do. Naturally, Italy promotes this ability, while with Zegna, we promote our own internal ability. We produce in Spain, we produce in Switzerland. But since your question is about Europe, yes, the industry is important, but as far as Italy is concerned, it is vital.



DANIEL FRANKLIN SHIFTS AND SHOCKS IN STORE FOR 2014

Daniel Franklin, executive editor of “The Economist” talks about what to expect in the year ahead

This year will be one of economic shifts and political shocks, according to **Daniel Franklin**, executive editor of *The Economist*. On January 9, **Franklin** was invited to IESE’s Madrid campus to present “The World in 2014,” which he predicts will arouse both anxiety and excitement. He made his comments in a special session moderated by Prof. **Juan José Toribio** as part of the Alumni Association’s Continuous Education program.

Although several notable landmarks will dot the global landscape in 2014—demographic change in Asia, a potential slowdown in the rate of technological advancement and the first tentative steps toward commercial space travel—the year will largely be shaped by global economic shifts and political shake-ups.



A LOT OF THE GOOD NEWS IS EXPECTED TO COME FROM THE WEST, AND A LOT OF THE BAD NEWS MAY COME FROM THE EMERGING MARKETS, WHICH IS THE EXACT REVERSE OF WHAT WE'VE SEEN IN RECENT YEARS."

A clear swing in the global economy is under way, according to **Franklin**, with a dwindling disparity in growth rates between developed and emerging markets. "A lot of the good news is expected to come from the West, and a lot more of the bad news may come from the emerging markets, which is the exact reverse of what we've seen in recent years."

REVERSAL OF FORTUNES

● Economic growth is expected in developed economies such as the United States, Europe and Japan, whereas emerging markets such as China and the BRIC nations will suffer a marked slowdown. "For the first time in a very long while, [these] three big regions will probably grow," Franklin noted. These economic shifts, he remarked, would undoubtedly resonate in executive con-

versations worldwide. "There is a greater sense of opportunity emerging once again in the rich world and a greater awareness of troubles in the emerging world."

Growth in the United States will be especially noteworthy, fueled primarily by the energy bonanza and its ripple-effect boost to other energy-related industries. "The energy revolution is really having an impact. The shale gas revolution is extraordinary, not just for that market but for the industries that feed off it." **Franklin** noted the positive trend in key economic markers in the U.S., such as the recovery of the housing market, the improved state of the banking system, and a decline in household debt, although he added that most Americans would still express frustration at the slow rate of the recovery.

The Japanese economy is also expected to continue its upward trend despite concerns surrounding the decision of prime minister **Shinzo Abe** to raise the consumption tax from 5 to 8 percent in April. "Abenomics is having an influence but the question is whether the raising of the consumption tax stops the growth dead in its tracks, as it did last time that tax was raised." **Franklin** also predicted a slight uptick in the European economy, stating, "Even Europe is likely to be growing even again if it's only around 1 percent."

This is not to say that emerging markets won't add to the global growth, but their overall contribution will diminish in 2014. Many emerging markets still have higher growth rates than developed markets, but their economies are smaller. Also, larger emerging markets like China will drop out of the top 10 fastest-growing economies this year.

AN IMPORTANT YEAR FOR TRADE AND DEMOCRACY

● The year could be significant in terms of trade, according to **Franklin**. The World Trade Organization reached a historic agreement in December 2013 aimed at facilitating global trade, while the Trans-Pacific Partnership continues to work toward an agreement. The Transatlantic Trade and Investment Partnership could also significantly boost global trade. "This is a chance for Europe and America to really give some impetus to their relationship around the huge economic ties that they share."

In terms of "political shocks," 2014 will be an unprecedented year for global democracy, as more than 40 percent of the world population resides in countries that will hold a general poll, including India, Indonesia and member states of the European Union.

Although voter turnout may be low, particularly in Europe, **Franklin** believes that a significant fragmentation away from mainstream parties in favor of fringe groups could send political shockwaves through the system. **Franklin** added the Scottish Referendum as another significant political event in 2014, since the outcome could reverberate far beyond Great Britain.

Overall, **Franklin** underscored the fundamental need for political leadership in light of the upcoming elections and potential geo-political and social unrest in many countries. In this regard, all eyes will turn to U.S. and European political leaders to pave the way.

VÍCTOR SÁNCHEZ (PDD '11) CEO AND FOUNDER OF ONBILE AND ZEENDO

Smart Solution Increasing Companies' Online Presence

Smart devices mark a before and after in the development of the web's programming language. **Víctor Sánchez**, CEO and founder of Onbile, spotted the need for people to be able to view content easily on any mobile device, especially at a time when it is essential for companies to have online presence and visibility.

"There are more than 5 billion mobile devices in the world and more and more people use smartphones to navigate around the web rather than a computer. On the other hand, only about 3-4 percent of websites are adapted to be viewed correctly on these devices."

Onbile was born in 2012 with the aim of finding a solution for web pages developed with flash technology—incompatible with tablets and smartphones—to improve their download speed and develop a format that immediately adapts to the device used and eliminates the need to zoom and reposition to clearly see webpages using HTML. Almost two years later, Onbile offers the end user a technology that enables any webpage to be viewed on any device without the need for special technical knowledge or expertise. "We now have around 150,000 clients who are using this platform, half of them in the United States, but also in India, Turkey, Brazil and, of course, Spain," **Sánchez** says.

Sánchez is a born entrepreneur. With a degree in information technology, he worked and studied in tandem until, at the age of 24, having completed his studies, he decided to set up his first business. Since then many successful web projects for large companies have passed through his hands while he has continued to develop his entrepreneurial skills.



Victor Sánchez

"We have made it possible for any company, however small, to have access to the means of communicating their brand online in an effective way," he says, with pride.

And FINAVES had a lot to do with it, he says. "they're the alma mater" of the project. A year ago FINAVES IV invested in the growth of the company. Since then, he says, "the fund has formed part of our board of directors. But it has not just taken on the role of investor but has also helped us with everything from resources to strategy. Being able to count on the support and experience of this level is of incalculable value."

The share capital increase led by FINAVES IV, as well as well-known business angels from Barcelona and Valencia, made it possible for Onbile to launch a second project: Responsive Web Design Zeendo, the first cloud computing platform that makes it possible to easily create or adapt a single website that may be immediately viewed on any device, while raising its profile and visibility in search engines, increasing its storage space and providing for an analysis of

visits and performance, as well as its own domain and hosting.

With offices in Valencia, Barcelona and Palo Alto, California, Onbile now has 20 employees and a great future ahead. Joining forces with the Japanese multinational NEC and through the distribution channels of major telecommunications operators, Zeendo will be able to access and provide its solutions to corporate clients and small and medium sized enterprises, and independent professionals and users. At present it has agreements in place with the French company Bouygues Telecom, the Algerian firm Nedjma, Qatar Telecom, Indonesia Indosat, and, in Dubai, with Etisalat. In Spain "we are in contact with Orange and Vodafone and may soon work with Telefónica," he says. At the age of 39 and with 15 years' experience as an entrepreneur, **Sánchez** doesn't hide his enthusiasm when he talks about the future of the company. "It's already exploding, and this is just the beginning!"

MORE INFORMATION:
www.onbile.com
www.zeendo.com

STEVE CAPUS, FROM NBC NEWS TO IESE

Media Veteran Joins New York Faculty

❖ IESE Business School has announced that award-winning broadcast veteran **Steve Capus**, former president of NBC News, will join the school's New York Center to share his expertise and help promote its executive education and business leadership programs. With 30 years of experience in management, journalism, TV, cable, radio and in online-digital production, **Capus** will take on a central role in promoting IESE in the U.S., especially with the school's focus on programs in the media and entertainment sector in that region. Since 2011, IESE's New York Center has been hosting the Advanced Management Program in Media and Entertainment (with a module in Los Angeles) and the Advanced Digital Media Strategies Program. "We are thrilled to welcome a leader of **Steve Capus's** stature and look forward to sharing his wealth of management experience with our IESE community," said **Eric**



Weber, Associate Dean of IESE and head of IESE's New York Center. Commenting on his new appointment, **Capus** said, "I've always been inspired by the work of innovators and entrepreneurs. We nurtured that spirit during my tenure at NBC News, and I'm delighted to find that same invigorating atmosphere throughout the IESE community. IESE is an exceptional international institution. I'm honored to be joining their esteemed ranks."

FRANK BENNACK JR EX-CEO OF HEARST SPEAKS AT MEDIA AMP

No Time to Wait and See

"Fail early and fail fast." That was the advice of **Frank Bennack Jr.**, executive vice chairman and until recently CEO of Hearst Corporation, addressing top-level media and entertainment executives during an exclusive Leadership Forum organized as part of IESE's Advanced Management Program in Media and Entertainment, the fourth edition of this, the only industry program of its kind.

Given the rapid pace of change in the media industry, no one can afford to wait and see which way things will ultimately go before deciding to take action, said **Bennack**, sharing his insights from three decades at the helm of one of the world's largest media conglomerates.

KOJI ONO

MAKING MOBILE THE UNIVERSAL LANGUAGE

● In 2008, NTT DoCoMo, Japan's largest telecommunications company, made a \$2.7 billion investment in Tata Teleservices, one of India's leading providers. Tata's Chief Strategy Officer, **Koji Ono**, spoke at IESE about his role, how DoCoMo and Tata are managing the partnership, and the road ahead for successful investment in emerging mobile world markets.

He emphasized how the rules governing mobile communication markets vary from country to country. "We need to analyze the license, the government, and regulations. And that is difficult in a foreign country," he explained. "Mergers are messy," he said. "When two countries have completely different cultures, an additional and very significant variable can stand in the way of effective communication."

Although the merger between DoCoMo and Tata was smooth, cross-cultural misunderstandings are unavoidable. "I'm Japanese and I live in India and I love both countries but understanding is really difficult," **Ono** explained. "To bring something from another place doesn't work." Rather than import a Japanese-based marketing style to another culture, DoCoMo brought their technology to India. **Ono** insisted that his sales managers justified their knowledge of the Indian market not through intuition but numbers. "Create a hypothesis and prove it," he told his sales force.



Koji Ono

RAINER FEURER, BMW GROUP

We Cannot Limit People's Wish to Have a Better Life"

Until seven years ago, BMW had wanted to be the leading provider of cars. Today, it aims to be the leading provider in mobility. Strategists at BMW recognized that, facing the limits of our resources, the world was going to go through some very fundamental changes.

Accordingly, "sustainability has become a key factor in BMW's corporate strategy," explained Dr. **Rainer Feurer**, BMW Group Senior Vice President for Corporate Strategy and Planning, Environment, at IESE's Munich Business Summit on Wednesday, February 26. At an event opened by Prof. **Marc Sachon**, over 150 alumni and friends gathered in BMW's spectacular "BMW Welt" facilities to learn how one of the world's leading premium car manufacturers envisions its future.

In his presentation, Dr. **Feurer** laid out how sustainability today features in every aspect of the company's strategic planning. A car manufacturer needs to think in long product life cycles: A series that hits the market in 2018 will be produced until 2025, while the cars themselves will be expected to live until 2040. "Yet, considering the rapidity of changes over the past ten years, it is extremely hard to predict what the world will look like in 2025," Dr. **Feurer** said.

The goal is clear, though. Through a combination of "evolution and revolution," BMW wants to head towards building sustainable cars with zero emissions. This also implies sustainable ways of production: "We carefully think about what materials we use and how we recycle materials." Already today, a new car leaving BMW's Munich plant produces no more than 30 grams of waste.



Dr. Rainer Feurer, BMW Group Senior Vice President for Corporate Strategy and Planning, Environment

However, regardless of the sustainable solutions and no matter how restrictive the regulations through government policies, customer choices cannot really be influenced. When it comes to buying their own car, clients don't want to compromise on performance, space or functionality. "Car manufacturers have to solve this central dilemma if they want to sell their products," Dr. **Feurer** said. "We need to show that sustainable cars can be fun."

With its compact city car "i3," which entered the market in 2013, BMW is already tackling the road ahead. This year, it will release the "i8," a battery-driven sports car which can do up to 250 kilometers per hour. In the near future, advancements in

battery technology will lead to lower prices and entail doubling or tripling the car's capabilities.

Another trend that strongly influences BMW's strategy is the change in customers' attitudes towards mobility. Preferences have shifted from owning a car, to using it (through leasing, for example, or occasional access in carsharing models such as DriveNow).

BMW needs to adapt to the consumer's changing needs while simultaneously devising solutions for the density of traffic, such as innovative IT solutions for parking in inner cities. "The car of the future," Dr. **Feurer** predicted, "will be fully connected." He concluded that "We cannot limit people's wish to have a better life."

BMW wants to build sustainable cars with zero emissions

JULIO RODRÍGUEZ, SCHNEIDER ELECTRIC

“We Need to Achieve More With Less by Being a Global Specialist”

Schneider Electric, with 140,000 employees in over 100 countries, is no stranger to transformation. From steel in the 19th century to electrical distribution and automation in the 20th century, to energy management today, the company has evolved with a changing world. “We have been successful in our transformation over the last 10 years,” **Julio Rodríguez** (PDG '97), executive VP of global operations, told EMBA students in a session of the IESE Global Leadership Series. “Yet the coming decades will require thinking about the challenges ahead and making decisions accordingly.” Schneider enjoys a strong position as one of the largest technology-based companies in the world, reporting €24 billion in sales in 2012. “The new vision is to get more done with less; it’s about helping people make the most of energy by becoming a global specialist in energy management.”



UMRAN BEBA, VICEPRESIDENT OF PEPSICO

“You Need a Cool Head and a Warm Heart”

❖ In 2006, PepsiCo selected **Indra K. Nooyi** as the first female CEO in its half-century history. Today, she is in good company with **Umrán Beba**, vice president & chief HR officer in Asia, Middle East and Africa. A native of Turkey with 25 years of experience working in consumer goods, Ms. Beba shared her views with IESE alumni in Barcelona. She discussed the challenges ahead, not just for multinationals like PepsiCo, but for leaders who need to step up to the plate in demanding times.

The food and beverage industry in particular has many concerns

that will play out over the next several decades. “In our highly complex environment, leaders need to be ready for crisis and related fast-action planning. But with close to 300,000 employees watching, you particularly need to be cool-headed and warm-hearted,” said Beba.

Doing so doesn’t always come naturally, but, Beba believes, it is attainable with some practice and by working on leadership skills. “I believe it’s about every leader finding their true north and discovering their own authentic leadership.”



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#2 BUSINESS SCHOOL IN THE WORLD FOR EXECUTIVE EDUCATION
Financial Times, May 2013



CÉSAR CERNUDA, MICROSOFT

Microsoft Reshapes Itself for the Mobile World

In a Continuity Program session held on 26 February on Barcelona's IESE campus, Asia-Pacific Microsoft president **César Cernuda** (PDD '02) discussed the company's new device and service focus with IESE alumni. Microsoft is taking a four-pronged approach to its transformation: redesigning the company organization, implementing training, deciding on incentives, and defining its culture and values. He refuted the idea that we are simply living in a post-PC era and therefore at a PC dead-end. Microsoft has to embrace this challenge and decide how to penetrate the mobile phone market, in a world in which new devices (from the smartphone, to the tablet, to the fablet and beyond) are constantly coming into play.

POETS & QUANTS
WEBSITE PICKS YOUNG
TALENT

IESE Professor in Top 40 Under 40

IESE professor Eduard Calvo has been chosen as one of the top 40 professors under 40 by the popular business school website Poets & Quants. The "40 Under 40" ranking recognizes these rising stars, who represent the best business schools from around the world, after polling faculty, students, alumni and business school officials.



DANIEL CARREÑO, PRESIDENT GE SPAIN & PORTUGAL

"EXECUTIVES HAVE TO BE TRUE TO THEMSELVES"

Hard work, strong convictions and the desire to be competitive are the key characteristics of a good executive, **Daniel Carreño**, (PDD '98) president of GE for Spain and Portugal, told EMBA students in Madrid. "You have to believe in what you're doing and base your actions on intuition and commitment," he said.

"It's essential to make people you work with feel that you are approach-

able, to be close to your team and be clear about the series of values you have to adhere to. Having strong convictions is a big help but not all battles are worth fighting. I'm loath to say yes to things when I'm not convinced." Executives should always be aware of their origins and remain true to themselves, he said, adding that it was the only way to avoid complacency and vanity.

INNOVATIVE INVESTMENT

Seven Principles for Strategic Wealth Creation

**HENRICH VON
LIECHTENSTEIN ET AL**



**The
Empowered
Investor**

Palgrave Macmillan,
2014



● Banks and brokers, stocks and bonds: These are the ingredients of traditional investing, but no matter how well thought-out your portfolio, investment expenses, taxes and inflation will ultimately impact your attempts at wealth creation, say the authors of a new book, *The Empowered Investor: 7 Principles for Strategic Wealth Creation in a New Financial World*. Creating wealth requires moving away from the standard distribution investment paradigm, and entering into the realm of strategy.

In this new approach, Cuno Puempin, **Henrich Liechtenstein**, **Fariba Hashemi** and **Brian Hashemi** outline seven strategic principles to help investors take control of their capital and maximize their returns.

The key principles they suggest are the following:

- Build on core strengths and competencies. This is the essence, the key to help investors succeed.
- Exploit opportunities. Build on your knowledge of a specific field. Scan the environment, and be sure to take a long-range view.
- Make use of networks. Beware of network quality. Keep core competencies at the heart of the network. Do not overlook the impact of weak ties.
- Apply an investment approach that differentiates yourself from

others. Decide where you want to differentiate: A niche asset class, industry or geography? Build core competencies that differentiate you, and apply an indirect approach.

- Prevent threats and understand how to handle risks reasonably. Threats and risk may lead to losses. Manage them through rigorous analysis and careful selection of core competencies that need to be developed.

- Fit the time dimension by observing trends and cycles. Timing is crucial. Be sure to think in cycles. Apply the big picture, and clarify your investment horizon. Also, ensure strategic flexibility. Be creative and courageous, but also patient.

- Execute with efficiency. Implement strategy at a low cost. Watch out for opportunity costs.

INVOLVE THE INVESTOR

● After the recent shakeups from the global financial crisis, you would think that the investment industry would not suffer from inertia, yet it does. An overreliance on mathematical formulas, based on the

normal distribution of a bell curve, is one of many flawed approaches.

Reality fits the bell curve poorly, but financial advisers tend to create generic investment recommendations based on analyzing opportunities quantitatively.

This advice neglects the immense value of clients' personal knowledge, skills and resources. These should be at the heart of any successful investment endeavor.

MARCH TO YOUR OWN DRUM

● Investors can no longer achieve high returns by following traditional stock/bond recipes. Instead, they should develop their own unique strategy and learn from the many real-life examples that the authors offer in their book.

Successful investors are those who play on their own strengths and competencies to create wealth. In doing so, they have brought wealth creation from the realm of the elusive to that of the tenable. *The Empowered Investor* illustrates this concept with real-world case studies and interviews with highly successful strategic investors.



Prof. Henrich Von Liechtenstein

In the current **IESE**insight

www.ieseinsight.com/review

Competencies for Positive Impact



- 5 Keys to Being Positively Deviant in Trying Times
- Mindfulness: Multiply Productivity Through Undivided Attention
- Top Team Behavior for Winning Results

Plus...

- How to Make Online Reviews Work for You
- Bringing Your Stakeholders Together to Transform Your World
- Dior vs. Galliano: How to Manage Star Talent?
- The Importance of Listening, From a Scotland Yard Negotiator

Paul Polman,
CEO of Unilever

“The World Is Short
of Two Things:
Trees and Leaders”



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JOSÉ M. RODRÍGUEZ PORRAS' ACADEMIC LEGACY

THE ESSENTIALS OF TEAMWORK

IESE professors, colleagues and friends pay tribute to José M. Rodríguez Porras, his academic legacy and intellectual passion, and look at the ways in which he made his mark.

José M. Rodríguez Porras' "intellectual passion" that he developed throughout his career as an IESE professor was "teamwork and its impact on business," said Prof. **Sandalio Gómez**. In the last edition of the *Alumni* magazine (January-March, 2014, p. 78), we published a personal profile of **José M.**, who passed away on November 22. It showed how highly he was thought of by those who had dealings with him, but here we look in depth at what was also a considerable impact academically.

José M. joined IESE in 1961 and during his early years he doubted his abilities as a teacher. He admitted this to his friend **Ralph Hower**, a Harvard professor, who replied: "Teaching is the most important thing in life." His doubts vanished. He wrote the phrase down and hung it in his office.

He maintained many contacts within the international academic community, "both offering his ideas and receiving tho-

se of others," said Prof. **Carlos Rodríguez Lluesma**. He had a close relationship with **Edward Lawler** and **Edgar Schein** in the U.S. and **Geert Hofstede** in Europe, "all of them leading intellectuals with whom José María carried out a fruitful academic exchange."

"José María," said Prof. **José R. Pin**, "had the virtue of acquiring his scientific experience in the field. He was a clinical scientist," like a doctor in a teaching hospital who improves his knowledge through treating many patients. As well as academic treatises, **Rodríguez Porras** wrote, for the benefit of the alumni, many case studies, technical notes and books that were based on his studies, observations and his experience as a teacher and a business consultant.

"José María," commented Prof. **Joan E. Ricart**, "knew how to take difficult topics and deal with them with simplicity and practical wisdom. This is difficult to achieve and so important for our daily work at IESE, in creating professional business leaders with ethical values and a spirit of service." According to **Esther Jiménez** (manager of IESE's International Center for Work and the Family), he dealt with the issues of managing people, which was his department, "with the intimate tone of someone who has not only studied but internalized and lived what he is communicating, which gave his words credibility."

Prof. **Josep M. Rosanas** remembers his time as a student of **José M.**, in particular "his ability to observe

IN THE WORDS OF HIS COLLEAGUES:

“José M. was a man who gave clear and profound advice. All of those who had the good fortune to know and work with him will miss him”

Carlos Rodríguez Lluesma

“He was a humanist, and as such was able to immerse himself in any human action. He studied everything in depth and didn’t accept established wisdom”

Mireia Las Heras

“An exemplary family man, an entertaining faculty member, a close and warm teacher, a beautiful person”

Santiago Álvarez de Mon

“What was attractive about him was his authenticity, his simple and serene style which made things easy, so easy that you could start to believe that we could all be leaders”

Esther Jiménez

people’s behavior with the aim of putting it into words, understanding situations and then taking appropriate action.” If he was a good observer, **Rosanas** says, it’s because among his intellectual ideas he had “a clear theoretical model that allowed him to organize these observations and put them into a package that made sense.”

Prof. **Santiago Álvarez de Mon** says that “the complex and exciting universe of thought, feelings, values and emotions that are part of human communication,” were what fascinated him.

Much of **Rodríguez Porras**’ prowess as a researcher and teacher came from “the way he tried to better understand decision-making, encouraging the debate of ideas, while at the same time reducing personal conflict to a minimum,” says **Rodríguez Lluesma**.

According to **José M.**, the basic elements of teamwork are: trust, spontaneous communication, mutual support, understanding, identification with the aims of the organization, dealing with the inevitable disagreements in a way that they don’t generate confrontation and misunderstanding but rather lead towards a consensus over the best solutions, intellectual skills (thinking and deciding co-

llectively), social skills (communication, listening, supporting, seeking consensus), and a unifying team leader. “The degree of trust, frankness and consensus depends to a large extent on the trust, frankness and participation of the director. He’s the one who defines the territory in which the team can grow.”

Prof. **Mireia Las Heras** says “what he brought to the world of communication began with an aspect overlooked by other academics, the listening process, which **Rodríguez Porras** defined as being proactive, assimilating and getting close.” Listening included aspects such as eye contact, with which it is possible to communicate interest, create trust and express feelings. Visual contact, according to the professor, “makes us really conscious of the other’s presence as a human being.” **José M.**, says **Las Heras**, “was ahead of his time in recognizing the emotional component in communication which, along with intelligence and will, distinguishes humans from other creatures.”

“It’s difficult to listen,” said **José M.** “To begin with, you have to be silent in order to let the other express themselves.” In face-to-face meetings, “you have to look



“He knew how to listen to me, understand and help me and had a positive impact on many people’s lives. Without showing off, so that you hardly noticed, always attentive and always discreet”

Joan E. Ricart

“He expressed his ideas with increasing simplicity, a sign that he understood them and was able to make them understood by anyone else”

Sandalio Gómez

“He was a careful observer who understood that there are reasons behind every human action. He communicated respect for other opinions”

José R. Pin Arboledas

“He helped others to think about what a person really is, how their defects might become qualities and what can be gained through how they are treated”

Fernando Pereira

people in the eye.” In addition, it’s important not to interrupt “because it discourages the other person and cuts short their argument.” You also have to “make an effort to understand the other person’s point of view and feelings. When people speak they do it through their personal perspective in such a way that if I am not familiar with this perspective I may not understand what they’re saying or feeling.”

For many people who work at IESE or who studied under him, **Rodríguez Porras** was also a master both of managing and taking part in meetings. “In meetings people are often more eager to respond quickly and express their opinion rather than make the effort to understand the speaker’s point of view,” he would say. He pointed out that sometimes, people don’t say everything or they say it badly. When a conscious effort is made to let everyone say their piece and be listened to, “the reasoning that was underneath the initial postures flourishes and becomes intelligible.”

Listening implies respect “and respect encourages consensus. In the end it produces a tendency to accept at least a part of the alternative that was initially rejec-

ted.” Listening “makes us reasonable and increases our willingness to consent and negotiate.”

On boards of directors, when someone disagrees with someone else, the best reaction isn’t to say that you don’t agree, but to ask respectfully why they think what they do. “A question is always the best response to a opinion that you don’t share.”

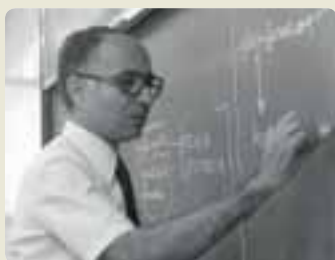
What’s the best way of presenting a problem to collaborators? According to **Rodríguez Porras** it depends on the situation but one should (without judging the behavior of the people involved) invite them to speak freely (without suggesting that we have a solution in mind), incorporate mutual interests (such that the collaborators are motivated because they feel it is their problem and it affects them), relate it to an ongoing goal (in order to depersonalize the problem) and speak with brevity.

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THE LATEST ON IESE'S ALUMNI CHAPTERS

CHAPTER NEWS

MUMBAI

November 1

During the session “What is Impact Investing?”, Prof. **Heinrich Liechtenstein** discussed the limits of impact investing based on the findings of the report “In Search of Gamma: An Unconventional Perspective on Impact Investing.” He wrote the report with **Uli Grabenwarter**, an IESE lecturer, with the support of the Family Office Circle Foundation. The event was opened by **Anjaney Borwankar**, director of corporate development in Southwest Asia. At the end of the session **Liechtenstein** opened a panel with **Reshesh Shah**, president, founder and CEO of Edelweiss

Financial Services and **Sandeep Anreja**, founder and managing director of Kaizen Private Equity. **Vinay Kothari** (MBA '92), president of the India Chapter, gave the closing speech.

LIMA

November 7

Peru Chapter president **Hugo Alegre** (MBA '91) brought alumni together for the social meeting they hold on the first Thursday of the month.

November 13

Alumni met at the headquarters of the PAD Business School,

where Prof. **Antonio Argandoña** talked about the international economic situation.

December 5

The Peru Chapter met for a Christmas dinner.

SAO PAULO

November 12

Prof. **Pedro Videla** gave a talk about the apparent fragility of emerging markets. With growth slowing and share prices falling many experts foresee the start of a crisis. The talk “Crisis in Emerging Markets?”, which he gave at ISE's



headquarters, focused on the issues in Brazil in particular.

February 14

● ISE hosted the first Brazilian
● Entrepreneurs Breakfast Meetings. The guest speaker was **Adelmir Santana**, founder of the Drogarias Vison network of 28 drug stores and a distribution center that was later sold to Grupo Drogasil. **Santana** is now president in Mexico City of the Federação do Comércio, SESC (Serviço Social do Comércio), SENAC (Serviço Nacional de Aprendizagem Comercial) and Fecomércio. The talk was introduced by **Mathieu Carenzo**, an IESE Lecturer, and moderated by the Brazil Chapter president **Adriano Amaral** (MBA '94 and AMP '07).

SHANGHAI

November 12

● Risk is an essential variable in
● investment but there are many views on how to deal with it and investors don't all share the same point of view. In the session "Risk: Controversies and Impact on Investment Decisions," Prof. **Javier Estrada** highlighted the difference between short- and long-term risk and the impact that the different ways of measuring risk has on long-term investment decisions, especially in pension funds.

January 20

● Alumni met at CEIBS to celebrate the Chinese New Year and were joined by MBA students who were in Shanghai for a module.

SANTIAGO DE CHILE

November 13

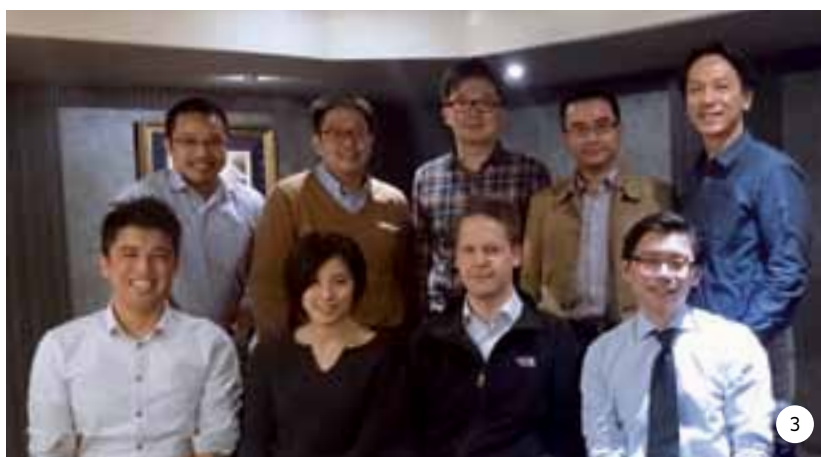
● Chilean alumni met for their annual reunion, where they were addressed by Prof. **José R. Pin** who discussed "Totems in the phases of an executive's life." He was accompanied by the president of the Chile



1



2



3

1. Munich 2. Hong Kong 3. Taipei

Chapter **Lionel Olavarría** (MBA '75). The Chapter thanks BCI for hosting the meeting.

DIVONNE-LES BAINS

November 16

● Alumni met again for the "Joint
● Business School Ball," a festive event that brings together alumni

from numerous business schools, including INSEAD, Chicago, Harvard and LBS.

MIAMI

November 20

● Prof. **Alejandro Lago** gave a
● talk to alumni titled "From products to services: An attractive



4. Schaffhausen 5. London 6. Singapore

but challenging move.” Offering services as well as products has acquired increasing importance for many companies and can deliver better income and margins, more personalized solutions and a way of distinguishing yourself from the competition. However, it carries the risk of failure.

January 22

Alumni met for a talk by professors **Javier Estrada** and **Pedro Videla** on the economic situation in a session titled “Economic and Financial Situation and Outlook.”

PORTO

November 20

The AESE business school in Portugal hosted the session “The triangle of sustainability: creating companies of the future” in which Prof. **Nuria Chinchilla** discussed the case of Sara Sinclair, a small business where the management introduced flexible working practices and presented the IFREI model of the company with Corporate Family Responsibility. She also talked about the correlation between flexible working and greater commitment and performance.

ISTANBUL

November 21

Pablo Foncillas, IESE Marketing Lecturer, talked about the four essential steps that managing directors need to take on social networks and why no company should ignore them in its marketing plans.

UTRECHT

November 21

The often overlooked role of superstition in developing business strategies was addressed by Prof. **Koen H. Heimeriks** of the TiasNimbas Business School in a session held by the Netherlands Chapter. The Chapter thanks **Geert-Jan Peters** (MBA ’91) for organizing the meeting.

VIENNA

November 22

The session “Emotional Leadership – Learnings from Peter Drucker’s legacy” was led by Prof. **Guido Stein**. The Chapter thanks **Niklas Schmidt** (AMP ’12) for organizing the meeting.

GDANSK

November 26

Managing risk is a hot topic in the world of general management and managing directors play a key role in formulating risk strategies and taking critical decisions about its implementation. Prof. **Markus Maedler** discussed the issue in the talk “Corporate Risk Management - A General Manager’s Perspective.”

GENEVA

November 27

Alumni met for the traditional Bar of the Month, and another one on February 26.



ANDORRA LA VELLA

November 28

● Prof. **Antoni Subirà** gave a session titled "Clusters and Competitiveness," moderated by Prof. **Josep M. Rosanas** and organized by the Crèdit Andorrà Chair of Markets, Organizations and Humanism. The conference looked at how clusters can attract new businesses from outside and increase competitiveness.

February 24

● Prof. **Josep M. Rosanas** moderated the session "Adapting ourselves to major changes: demography, work and business," delivered by Prof. **Alfredo Pastor** and organized in conjunction with the Crèdit Andorrà Chair of Markets, Organizations and Humanism.

REYKJAVIK

November 28

● Prof. **Eric Weber** talked about IESE's future projects during the conference "An update on IESE's projects: Building the IESE of the future" at the Reykjavik University's School of Business. The session was introduced by the school's Dean **Thorranna Jonsdottir**.

PARIS

December 2

● The France Chapter president **Gloria Perrier-Châtelain** (EMBA '93 and AMP '10) invited alumni to the Dîner du Premier Lundi. The next dinner was held on February 3 at Neuilly sur Seine.

BUENOS AIRES

December 3

● Alumni met for the annual Argentina-Uruguay reunion at the IAE Business School accompanied by **Sergio Berenzstein**, partner in Poliarquia.

NEW YORK

December 5

● Prof. **Yih-Teen Lee** gave the talk "Chinese multinationals go abroad: Haier in Japan and beyond," about Haier's expansion and its management model in Japan, where it is challenging the big players there.

February 19

● IESE Dean **Jordi Canals** gave a special session at IESE's New York Center on the lessons we can learn about leadership and corporate governance from the five years of financial crisis.

WROCLAW

December 9

● Prof. **Markus Maedler** led the conference "Corporate Risk Management - A General Manager's Perspective."

DÜSSELDORF

December 11

● Prof. **Xavier Oliver** invited alumni to create brands that "dream," based on his book, *Marcas que sueñan* (Libros de Cabecera, 2013) as a way of standing out among the multitude of brands.

MUNICH

December 12

● Prof. **Xavier Oliver** gave the session "Brands without a dream will not survive."

HONG KONG

January 16

● "Did Corporate Governance Fail?" asked Prof. **Carlos Cavallé** in a session organized by China alumni. IESE thanks **Maggie Zhou** (MBA '08) and Banco Santander for help in organizing the event.

SCHAFFHAUSEN

January 16

● Prof. **Marc Sachon** and Georg Fischer's CEO, **Yves Serra**, spoke about "Shifting Business in a Globalized World" at the Switzerland Chapter meeting. **Serra** offered free use of the company's facilities for the session.

TAIPEI

January 16

● Prof. **Franz Heukamp** met alumni to celebrate the Chinese New Year. The meeting was jointly organized by the MBA admissions department.

SAN FRANCISCO

January 22

● Information is power but only if you know what to do with it. We are in the era of big data and Prof. **Javier Zamora** discussed its possibilities and implications in the conference "Connecting the Dots with Big Data: Turning Gigabytes into Business Insights."

DUBAI

January 23

● In a meeting organized by the Dubai Chapter and International Open Programs, Prof. **Ahmad Rahnama** set out to demolish the myth that only a few people can design financial plans. "Everyone should have a financial plan," he said in the session "Personal Financial Planning." He regretted that people believed it was extremely complex and required complicated models.

MEXICO CITY

January 24

● During the session "Business internationalization: arguments and strategies for executives," Prof.

Jaume Llopis talked about how and why to internationalize a company, how to create value in a globalized world and the necessity for consistency in strategy. The Chapter thanks **Lourdes Arana** (EMBA '92) and SURA México for organizing the event.

TOKYO

January 24

- Prof. **Yih-Teen Lee** talked about
- Haier's expansion in Japan, and the cultural differences the company faced.

LONDON

January 30

- The U.K. Chapter held a session
- at the Instituto Cervantes with Prof. **Marta Elvira** who discussed the successful management of professional networks.

ETTERBEEK

February 3

- Alumni met in Brussels for an
- informal dinner to celebrate the New Year.

WARSAW

February 5

- Prof. **Alejandro Lago** led the
- session "From Products to Services: An Attractive but Challenging Move," which he also gave to alumni in Miami on November 20.

SINGAPORE

February 18

- "Innovation as Usual" was the
- title of the talk given by Prof. **Paddy Miller** in Singapore. It focused on the importance of integrating innovation into the company's DNA.

YOU'RE IN THE NEWS

ARE YOU IN THE NEWS?

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

AMP '09



Jorge Arteaga is the new director general of Grohe Spain.

AMP '10

Josep Puig has joined BCN Consultants as an executive in charge of assessing the firm's expansion in Barcelona.

MBA '86

Pedro Goenaga has joined the world executive committee of Russell Reynolds.

MBA '97

The cohort met for a Christmas dinner on December 2 in Madrid.

MBA '03

Former classmates **Francisco Pestana**, a partner at Advisium Growth in Barcelona, and **Filberto Amati**, a partner at Amati & Associates in Warsaw, have an-



MBA '96. Alberto Durán, also PADE-A-08, executive vice president of the Fundación ONCE, presided with the European Commissioner **Lázló Andor** at the presentation of the first award of the "European prize for social entrepreneurship and the disabled: promoting social investment," which was awarded to **Gregor Demblin**, an Austrian entrepreneur, for his project "Career Moves," which helps disabled people use information technology. **Durán** emphasised the "importance of social entrepreneurship on behalf of disabled people as the driving force for sustainable growth and social cohesion in Europe."



MBA '07. Classmates living in Madrid organized a Christmas dinner on December 12.

ENTREPRENEUR

nounced their firm's first joint publication "18 Innovation Trends in Beer and Spirits." The study looks at the main global trends in the sector for 2014, with a focus on the consumer.

MBA '04

Cristina Ávila has been named director general of Redexis Gas.

PLD '12

Soren Arndal has been named Group CFO of Argos Energies.

PLD '13

Xavier Pujol has joined as director of the legal department of Prisa Radio and Prisa Noticias.



MBA '96

The knowledge economy is taking over from the industrial era. Knowledge will become the new scarce resource and the main driver of innovation and continued improvement. In "*No la toques otra vez, Sam': Cambio, mejora e innovación como caminos hacia el éxito en la nueva era del conocimiento*" ("Don't play it again, Sam': Change, improvement and innovation as the roads to success in the new knowledge economy"), only available in digital format from Amazon, **Esperanza Regueras** discusses these topics and what our companies and our projects require to face up to this new future.

PDD-1-11



David Ubide has established DidacticApps to develop mobile apps to help children with autism, Asperger's, ADHD and other developmental conditions. After months of work he has launched his first app, called "Alex learns how to dress himself," a game that helps children learn how to get dressed using animation and audio in five languages. In Spain the app has reached the Top 10 Children's Apps in the App Store.

PDD-2-12

Marta de Llauder was director general of JOBarcelona '14, the first International Meeting on Jobs and Orientation for University Students. It was an innovative meeting that aimed to improve university graduates' access to the world of work. Some 85 companies seeking talent took part and between them presented 1,500 offers of jobs, work experience and collaborative projects to the 14,000 candidates. More than 56,000 interviews were held and the participants also took part in branding employment, career workshops and conferences. JOBarcelona is supported by JOB-just4U.com, an innovative talent management and crowdsourcing platform, across which companies can offer jobs and quickly and efficiently find talent through advanced searches.

PDD-V-92

Alfredo Pérez, CEO of the Spanish company AC It's Possible, has developed the mobile app "Help Me - SOS International," a free app that connects the user to the emergency services (police,

ambulance and fire department) in 200 countries while sending the caller's GPS coordinates. It also allows the user to contact other people via SMS or email.

PDG-1-02



Pilar de Torres has created Puentis, a platform through which private investors can invest directly in companies seeking finance from non-traditional sources. They are medium-sized companies and the interest on the loans is about 9 percent over three years. The firm was established in Barcelona, but aims to cover all of Spain. It's a new online service that cuts out the middle man for both the company and the investor.

PDG-A-04



After two years working in insurance, **Tomás Martín** has launched DepenD, a project aimed at companies and other groups interested in helping people who are experiencing personal or family difficulties. DepenD offers simple solutions to complex problems over the phone.

PDG-A-07

Carlos Cabezon has founded Let's Talent, a jobhunters' and headhunters' business that aims to "help professionals and companies to meet so that they can get the best from each other." It has an international outlook and a network of consultants in the principal markets.



IN MEMORIAM

Francisco Carbonell (MBA '93 and PADE '05) died last December, and his friend and classmate Francisco Álvarez wished to pay homage to him in an obituary that he sent to the

Alumni Magazine. In his letter he described his friend as “religious and very intelligent,” “lively and enthusiastic,” sociable and a great conversationalist” and a “model family man.”



WELCOME TO THE ALUMNI ASSOCIATION EXECUTIVE EDUCATION GRADUATIONS



PLD Barcelona Fall

President: Dietmar Gehle • Vice president: Marouane Rihoum



IESE MEETS THE VALLEY

San Francisco, April 14-18, 2014

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A group of 25 students and sponsoring mentors will get to meet with some of the world's most innovative start-ups, as well as top Venture Capital firms and Incubators, in order to deepen their understanding of Entrepreneurship from the inception of the their idea to the scaling of their company.

This learning trek to Silicon Valley is fully organized by IESE students and is made possible through their hard work, dedication, and their passion for Entrepreneurship and Technology.

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EXECUTIVE COMMITTEE MILESTONES AND FUTURE PROJECTS IESE ALUMNI ASSOCIATION

On February 14, the presidents and secretaries of the cohorts along with the presidents of the chapters met in Barcelona and Madrid to map out the Alumni Association's activities for 2014. During the meeting, **Jordi Canals**, the Dean of IESE, **Jorge Sendagorta**, president of the Alumni Association and **Mireia Rius**, director of the Alumni Division, discussed future projects, recent milestones and the Alumni Association's annual report.

"As you all know, the Association wrote a new chapter in our history in São Paulo," **Sendagorta** (PADE '90) wrote in the annual report, which was approved by the executive committee. **Sendagorta** summarized the activities carried out over the past academic year, emphasizing that "as well as the consolidated educational services the Association offers, this year it has launched initiatives such as the Alumni Club and the updating of the directory using the LinkedIn professional network."

Mireia Rius announced that "in the next few weeks a new platform to help entrepreneurs will come on stream. It is a service that will provide access to all the knowledge and activities that IESE has to offer in order to help alumni set up businesses and make the most of networking opportunities."

Jordi Canals thanked the alumni for the support they give the Association and encouraged the participants at the meeting to continue building bridges between their cohorts and the Association. The session ended with the presentation of the Research Excellence Awards, which were established in 2002 in recognition of the research carried out by IESE professors in three categories: best article, best book and best course (see facing page).



MORE INFORMATION:
Code BID1 with video
of the event

41,860
ALUMNI

33
CHAPTERS

232
CONTINUOUS
EDUCATION
SESSIONS

27,547
PARTICIPANTS

186
E-CONFERENCES

11,200
MEMBERS ON
LINKEDIN

40,000
FOLLOWERS ON
LINKEDIN

4,500
FOLLOWERS ON
TWITTER

4,100
LIKES ON **FACEBOOK**



Mireia Rius, Jorge Sendagorta and Jordi Canals

Prizes Awarded by the Alumni Association and Members of IESE

ACKNOWLEDGMENT OF TOP-QUALITY RESEARCH

This year's winners of the IESE Alumni Association's Research Excellence Awards were presented in early February in Barcelona. The awards were created in 2002 to encourage the development of general management research and teaching. The prizes are awarded for three categories: best book, best paper and best course. The three prizes are awarded annually, each with a value of €10,000.

The prize for best book went to Prof. **Josep M. Rosanas** for the book *Decision-Making in an Organizational Context: Beyond Economic Criteria*, which was published by Palgrave Macmillan in 2013. The author illustrates how decision-making in organizations has to go beyond economic criteria and the individual level, due to the impossibility of making decisions that do not affect other

human beings. The book first reviews the conventional analyses of decision-making, including the classical analysis of uncertainty and multiple criteria decision-making with qualitative aspects that do not explicitly take into account how decisions affect other people. The award for best academic article was presented to Prof. **John Almandoz**, for his article "Arriving at the Starting Line: The Impact of Community and Financial Logics on New Banking Ventures" published in the *Academy of Management Journal* in 2012.

The article looked at the role of financial and social logics in the setting-up of a bank. According to the report, if the team is made up primarily of professionals from the financial sector, the bank is more likely to stay on the starting block

if there are difficulties. If it is made up mostly of people involved in the community, however, the bank is more likely to become a reality. A team made up of both types is good for covering all the bases and strengthening support, but in moments of crisis conflict can arise from this division and derail the project before it has even started.

The award for the best course was given to Prof. **Eduardo Martínez Abascal** for the course "Corporate Finance." Using simple tools, the course sets out to explain the financial consequences (in profit and loss account and balance sheet) of any decision taken by a company, and to help executives understand the actions of the financial officer. This course has already been used on various continents, in both MBA and ExecEd programs.



Prof. John Almandoz
BEST ACADEMIC ARTICLE



Prof. Josep M. Rosanas
BEST BOOK



Prof. Eduardo Martínez Abascal
BEST NEW COURSE

Higher Management Comes From Assuming Responsibility



GUIDO STEIN

Associate Professor of Managing People in Organizations,
IESE Business School

In Pamplona at the beginning of the 1990s I was involved in a “Gastronomic Focus on Efficiency” consisting of two dinners in grill houses. During the first dinner, and the only class I ever attended given by **Juan Antonio Pérez López**, he said to me: “Face it – leadership is about generating business and setting an example.” Later, reality stubbornly showed me the example set could be good or not, but in both cases it is effective, albeit in different ways. At the second dinner, the CEO of a then medium-sized bank immersed in change (also known as ‘a crisis’) told me his secret for efficiency: “I tell my employees ‘I don’t want you to do it, I want you to achieve it.’” He also told me “Be sure and practice what you preach.” Now, with my eyes open, I enjoy seeing how others do exactly that.

Peter Drucker, an ever more successful business guru, pointed out some ways of improving personal efficiency (which is a question of habit and attitude) and converting that into organizational efficiency. The first step is to understand how we spend our time. Time has a tendency to trickle away. **Gregorio Marañón** said that “To achieve anything you have to be like a rag and bone man. Great things are stitched together from scraps.” What this teaches us is that concentration is good and distraction is bad. And in order to do some things, you have to drop others. This is what **Jack Welch** at General Electric called ‘Work-Out.’ It cost blood, sweat and tears to introduce into General Electric because it requires what amounts to a huge and backbreaking personal and corporate training, although this is repaid with productivity and with freedom. Why is it then that we put up such resistance to giving up doing things that we’ve always done?

Perhaps by formulating a couple more questions we can find a clue: Why do they pay me? What do they expect of me? Which is different from “What motivates me?”, which is frequently given as a response to “What do I want?” I’m going to try these

out before each session and perhaps one day I’ll tell you how it went.

Something else that **Drucker** talks about is that being the boss has more to do with playing to the executives’ strengths than with making up for their weaknesses. Those who know how to lead know that it is synonymous with prioritizing. This requires character, dedication and determination and the ability to understand the options in each situation.

The penultimate idea suggests that being efficient means making real decisions, that is to say, ones that are genuinely practical. In theory there should be no difference between practice and theory but the reality often proves otherwise.

And finally, being intuitive or clever doesn’t amount to anything if you don’t act. It’s interesting to point out that the most efficient organizations aren’t efficient just because they employ the best professionals. Their efficiency is based on the fact that those same professionals lead the company well, helped by the fact that knowing what they’re doing has real value for others.

We shouldn’t forget that it’s usually the people over whom the executive has no direct control on whom efficiency mostly depends. There’s no other reasonable option but to establish a professional relationship with them, which means a personal relationship too. Through this direct contact the executive creates lines of communication that lend support to real action.

“Whoever focuses on their power and emphasizes their superiority is a subordinate, however grand their title or job description,” **Drucker** reminds us. “The man who focuses on efforts and who stresses his downward authority is a subordinate no matter how exalted his title and rank. But the man who focuses on contribution and who takes responsibility for results, no matter how junior, is in the most literal sense of the phrase, “top management.” He holds himself accountable for the performance of the whole.

The Steelcase logo is positioned in the top right corner of the page. It consists of the word "Steelcase" in a bold, sans-serif font, with a registered trademark symbol. The background of the entire page is a photograph of a modern office interior with a high ceiling, exposed steel beams, and large windows. In the foreground, a man in a red shirt is standing and pointing at a whiteboard, while others are seated at desks with computers. The office has a clean, industrial aesthetic with grey and white furniture and red accents on the chairs.

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