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How to Stamp Out
Corrupt Practices

Jaume Ribera and Weiyin Yang
Insights from a Manufacturer's
Perspective: Sourcing from China

MBA 50TH Anniversary
Lessons Learned During
an IESE MBA ... and in Life

EUROPE: IDEAS TO BOOST GROWTH

Global Alumni Reunion 2014



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A MARK TO MAKE
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UMNI IN MADRID HAVE FOUND AND SHARED NEW WAYS
ROLE IN AN INTERNATIONAL BUSINESS CONTEXT.



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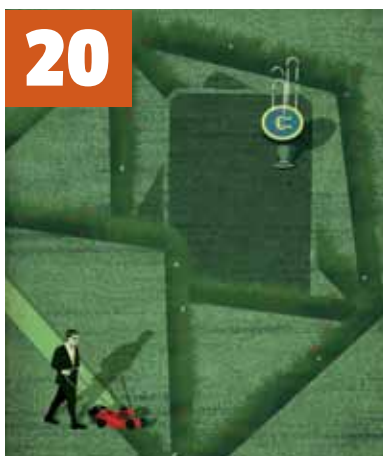
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HOW TO STAMP
OUT CORRUPT
PRACTICES

DOING BUSINESS
WITH INTEGRITY

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PEOPLE

**GEORG FREIHERR VON BOESELAGER
(AMP-MUNICH-08). SENIOR PARTNER OF
MERCK FINCK & CO, PRIVATBANKIERS**

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"LOVE IT, CHANGE IT,
OR LEAVE IT"





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ANTONIO ARGANDOÑA

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Alumni magazine
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don't know if one can generalize from my experience, but it seems that Christmas makes us more optimistic. It must be the spirit of the holiday, which is about simplicity, humility, caring for others and giving. I think this new issue of the *Alumni Magazine* will give you some idea of the optimism that was present at the event featured in our cover story – the Global Alumni Reunion 2014 – “Changing Tack: Shaping Europe as a Global Reference.”

I suspect that the choice of topics, speakers and location of the Global Alumni Reunion, held at the end of October, was designed to do just that: strengthen our growing optimism. And it succeeded, without a doubt. I don't think this has been reflected in the shopping trips of recent weeks. How families decide to spend their money doesn't depend on what they hear at a meeting of alumni, of friends, at IESE. Cultivating optimism had another goal altogether: convincing us, once again, that our work as business leaders contributes to the creation of wealth and the transformation of society, to making a positive mark on the people around us.

The “Crossroads” section looks at the 50th anniversary of IESE's MBA program. “Fifty years ago, something extraordinary happened,” said our dean, **Jordi Canals**, as he introduced five MBA alumni who related their experiences in the program. We believe that the decision to start a two-year IESE MBA has had a great impact on the lives of many executives, on their companies and on the societies in which they live.

In “Ideas,” we write about how to fight corruption – a scourge on growth and quality of life in many countries – and how to tap into China's production potential. We also discuss entrepreneurship, health, Africa and family businesses, because at IESE we always come back to the issues that concern entrepreneurs around the world. And don't miss our interview with **Georg von Boeselager**, the new president of the German Chapter of IESE alumni.

Earlier I mentioned the optimism with which we all begin the year 2015. I hope that when we arrive at the end of this year, you will conclude that it has been a year well spent in the service of your companies, your families and your countries.



The Agile CEO: Strategies for Success

- The Genuine Responsibilities of the CEO
- Three Trends That Will Change How You Manage
- Leadership Tips for Today to Stay in the Game Tomorrow



Plus...

- Six keys to release ideas for profitable growth
- Content strategies for ads that drive online sales
- Competitive Intelligence: Use data to your advantage without giving too much away
- Torres Winery: Tips for uncorking the market

Thomas Rabe,
Chairman & CEO,
Bertelsmann

**“It’s important
to foster a digital
mind-set in
everything we do.”**



GLOBAL ALUMNI REUNION 2014

EUROPE: IDEAS TO BOOST GROWTH

Europe needs to adjust its sails as it continues to navigate through the uncertain waters of a continuing global financial crisis. The coordinates for the new route were drawn up at the Global Alumni Reunion 2014, which brought together 2,200 IESE alumni. Eminent speakers from the fields of business and academia convened in Madrid from October 30 through November 1. The event this year took place under the theme of “Changing Tack: Shaping Europe as a Global Reference” and its academic directors were IESE professors **Philip G. Moscoso** and **Juan M. de Toro**.

Europe, the panels agreed, faces many challenges on a macro and micro level. But, if the Old Continent plays its cards right, such challenges will become the recipe for manifold opportunities. What were Europe’s strengths and how could it capitalize on them now? These were the seas through which the panelists navigated.





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1. Javier Muñoz, Alumni Association director since November 2014. 2. Ana Botella, mayor of Madrid. 3. Professor Francisco Iniesta interviewing Juan M. Villar Mir, chairman of Grupo Villar Mir. 4. Jorge Sendagorta, president of the Alumni Association. 5. Jordi Canals, Dean of IESE. 6. Mireia Rius, former director of the Alumni Association and member of the IESE Executive Committee in charge of Executive Education. 7. Professor Alfredo

With 2014 marking 100 years since Europe tore itself apart during World War One, now is a pertinent time to remember that the continent is better together. This was the overriding message of the reunion. Former President of Poland and Nobel Laureate **Lech Walesa** spoke to a standing ovation, and stressed how a Europe divided by its values had to be a remnant of the past. “Common values will help us have an understanding and behave in a similar way throughout the continent,” he said. “At the moment, we have mistrust – we don’t understand other religions and cultures well enough, but by reinforcing common values, we will have a basis upon which to learn what others are really like.”

IESE Dean **Jordi Canals** proclaimed: “Europe is a continent which stands out for its ideals and values. The rest of the world expects us to be loyal to these ideals, which have made Europe great.”

At times of financial crisis, businesses find themselves reassessing their values. **Fernando Ruiz**, CEO of Deloitte Spain, said that values are what lend businesses and entire countries their character. “The main competitive advantage of a country boils down to its

values, culture and the quality of its institutions, and not to natural resources,” he explained.

THE FINANCIAL SYSTEM NEEDS STRUCTURAL REFORM

Many commentators on the financial crisis hold the banks responsible, and therefore logically believe that these same entities are capable of drawing the crisis to a close. IESE Professor **Núria Mas** summed up the way in which a new banking strategy became a key message at the Global Alumni Reunion. She said, “Some people say, bring three economists together and you’ll get four opinions; well this time we have three economists and one opinion: the need for structural reforms.”

IESE professor **Juan J. Toribio** said “Europe needs a more expansionary monetary policy. The question is whether it should be more fiscal, more monetary, or a bit of both.” What was clear, said **Toribio**, was that “Taxes in Europe are the highest in the world. We are financing a welfare state that might not be sustainable in the future.” Meanwhile, **Kenneth Rogoff**, professor of economics at Harvard University, said that, in Europe, “it would be desirable to have more inflationary monetary policies and to have fiscal room to have more expansionary fiscal policy,” and added that “it would be really helpful for Northern



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Pastor and Lech Walesa, Nobel Laureate and former president of Poland. 8. IESE professors Núria Mas and Juan J. Toribio, José Viñals, financial counsellor and director of monetary and capital markets at the IMF and Kenneth Rogoff, professor at Harvard University.

Europe to be magnanimous and find ways to write down debts in peripheral countries”.

José Viñals, financial counsellor and director of monetary and capital markets at the IMF, looked at the wider financial landscape saying, “We see a global disconnect between too little economic risk-taking (such as firms making investments), which is what you want for growth, but too much financial risk-taking (i.e. people investing a lot in financial assets, which are too richly valued). The question is: which one will catch up first with the other? I think that the better option would be that economic reality catches up with the markets by improving and we need to make that happen.”

MOVING FORWARD IN DIFFICULT TIMES

● There are companies that have not merely dodged the financial crisis but have also grown in it and they have tended to share one trait, said IESE professor **Juan M. de Toro**. “Some companies have seen the crisis as an opportunity to start projects that they wouldn’t otherwise have done, rendering them a source of inspiration for other companies of today and the future.”

Amparo Moraleda (PDG ’95), member of the board of Meliá Hotels International and CaixaBank, talked about



“In Europe, it would be desirable to have more inflationary monetary policies and to have fiscal room to have more expansionary fiscal policy.”

Kenneth Rogoff,
professor of economics at
Harvard University



“We see a global disconnect between too little economic risk-taking and too much financial risk-taking. Which one will catch up first with the other? Economic reality should catch up with the markets by improving.”

José Viñals, director of monetary and capital markets at the IMF

ALSO HEARD AT THE GLOBAL ALUMNI REUNION

“Significant changes in company financing markets are taking place.”

ANTONIO ZOIDO, Chairman and CEO of BME, Bolsas y Mercados

“The ideas we have heard point to Europe being in a good position to take the initiative again, after a period of absent-mindedness.”

JORGE SENDAGORTA, President of the Alumni Association

“For the first time, the Spanish economy is growing and some of its imbalances are even disappearing.”

IÑIGO FERNÁNDEZ DE MESA, Spanish Secretary of State for Economy and Business Support

“You all here share a common dimension – an entrepreneurial spirit, a mindset of knowing what you want and wanting to change the world.”

MIREIA RIUS, director of the Alumni Association until October 2014 and recently appointed member of the IESE Executive Committee in charge of Executive Education



“Europe’s biggest need is for brain power. Limiting the free movement of brain power across borders is a major threat to productivity.”

Luis Cantarell, executive vice president of Nestlé in charge of Europe, Middle East and North Africa



1. Professor Philip G. Moscoso, Thomas Rabe, chairman and CEO of Bertelsmann, Steve Capus, executive director of CBS News and executive in residence at IESE, and Ferdinando Beccalli-Falco, CEO of GE Europe.

the Meliá hotel chain’s successful strategy. “They ceased to be obsessed with monitoring costs and scraping together enough money to cover costs, instead redefining their business model so that the whole company was focused on generating income.” She added that “it is entirely possible for an organization to reduce its spending without having to compromise on innovation.”

Julio Rodríguez (PDG ’97), executive vice-president of global operations and member of the global executive committee at Schneider Electric, said that his company had adopted a two-pronged approach towards growth by means of focusing on energy efficiency. “Schneider diversified geographically and invested in new economies. Then, we redesigned our business portfolio, changing technologies and making the most of the digitalization trend.”

COMPANIES CANNOT AFFORD TO FEAR DIGITALIZATION

Another of Europe’s major concerns is building strong companies, and to achieve this means to take digitalization seriously. The message here was that companies cannot afford to fear the revolution – quite the opposite:



"We are not concerned by the sharp increase in device penetration and availability of digital software. We see it as an opportunity."

Thomas Rabe, Bertelsmann's chairman and CEO



"Too many people have 'Googlephobia' or a fear of technology ruining human life. Technology is not a personal invasion – it is machine to machine."

Ferdinando Beccalli-Falco, CEO Europe at GE



2. Adrian Wooldridge, Senior Editor at the *Economist*, Ana Maiques, co-founder and business development at Starlab, Aymar de Lencquesaing, President EMEA and senior vice president at Lenovo Group and Luis Cantarell, executive vice president of Nestlé in charge of Europe, Middle East and North Africa.

apps and software should be at the forefront of all companies' strategies. **Ferdinando Beccalli-Falco**, CEO Europe at GE, explained that "GE has invested a billion dollars in software and we didn't consider we were a software company at first. Too many people have "Googlephobia" or a fear of technology ruining human life. Technology is not a personal invasion – it is machine to machine," he said.

IESE Professor **Philip G. Moscoso** said that the skeptical view which some people have of the Internet "led most of us to all too often fall into the trap of thinking that digitization is the way to commoditization," or, in other words, to proprietary things becoming generic. He cited online book publishing as an exception to this formula, flagging up how healthy the profits were looking in this arena, in which Bertelsmann operates.

The company's chairman and CEO, **Thomas Rabe**, responded that the media industry wasn't in sharp decline, contrary to some people's views on the media's ability to adapt to innovation. "We at Bertelsmann are not concerned by the sharp increase in device penetration and availability of digital software. We see it as an opportunity."

Steve Capus, executive editor at CBS News and executive in residence at IESE, went further on the media

stance, declaring: "I am tired of people saying our industry is dying. The digital revolution is an opportunity." But, he warned, "Whilst technology enables excellence, it doesn't ensure it." Companies, he said, still need to cultivate their brands: They cannot not simply sit back and rest on the laurels of their legacies.

INNOVATION IN COMPANIES WILL FEED EUROPE'S COMPETITIVENESS

Change happens not only because of relentless digitalization but also due to a steady feed of innovation in science and technology. Tapping into this will be a key move in making Europe a more competitive business environment, panelists concurred. **Adrian Wooldridge**, senior editor of the *Economist* magazine, posited "ideas" as an alternative way in which Europe could be a key player on an international level, given that "Europe cannot compete on a cost level, by being a low-cost producer like China or Africa."

Luis Cantarell, executive vice-president of Nestlé in charge of Europe, Middle East and North Africa, pointed out that if innovation was to be maximized, there would have to be a loosening of borders restrictions: "Europe's biggest need is for brain power. And we've publicly said

"Globalization is about identifying, understanding and negotiating cultural pitfalls"

René Aubertin, CEO Haier Europe



1. Professor Juan M. de Toro, Julio Rodríguez (PDG '97), executive vice-president global operations and member of the global executive committee of Schneider Electric, Amparo Moraleda (PDG '95), member of the board of Meliá Hotels International and CaixaBank, Fernando Ruiz, CEO at Deloitte Spain. 2. Fernando Ruiz, CEO at Deloitte Spain. 3.

"It is entirely possible for an organization to reduce its spending without having to compromise on innovation."

Amparo Moraleda (PDG '95), member of the board of Meliá Hotels International and CaixaBank



"We redesigned our business portfolio, changing technologies and making the most of the digitalization trend."

Julio Rodríguez (PDG '97), executive vice-president global operations and member of the global executive committee at Schneider Electric

that limiting the free movement of brain power across borders is a major threat to productivity."

Innovative ideas must also be woven into the education of children across Europe, said **Ana Maiques**, co-founder and business development manager at start-up Starlab. "It is our responsibility as parents and scientists to change education and to change technology. Robotics, learning code and entrepreneurship should be compulsory subjects in schools for both girls and boys," she asserted. **Aymar de Lencquesaing**, senior vice president and president of EMEA at Lenovo, stated how "the laws of Darwin are not too favorable to your business if you don't innovate. If you miss one cycle of technologies or two, you end up being a footnote in history." He added that "innovation is the mindset of being a challenger, of not assuming you have the answers and of constantly trying to look for a better way. This takes effort to cascade down a company and to become its culture."

GLOBALIZATION GOES HAND IN HAND WITH INNOVATION

Europe has an excellent strategic advantage, geographically speaking. In the words of IESE Professor **Marta Elvira**, "Europe has a role as a link between continents,



Jürgen Stackmann, chairman of the executive committee at SEAT. 4. Professor Marta Elvira, Jürgen Stackmann, chairman of the executive committee at SEAT, and René Aubertin, CEO of Haier Europe. 5. David Mills, CEO of Ricoh Europe. 6. A record-breaking number of alumni gathered in Madrid at the 2014 IESE Global Alumni Reunion. 7. Íñigo Fernández de Mesa, Spanish Secretary of State for the Economy and Business Support, closed the academic program.

markets and cultures. It's a strength." But the challenge is for Europe to exploit this geographic advantage and to "embrace globalization as a source of competitiveness," to quote **Luis Cantarell**. "In Europe we still believe that the world revolves around us. It has moved east," he said.

However, **Jürgen Stackmann**, chairman of the executive committee at SEAT, reminded listeners that globalization also came with risks, and called for Europe to "come together as a unified source of strength and power to withstand the pressure cooker of global competition." René Aubertin, CEO of Haier Europe, said "globalization is about identifying, understanding and negotiating cultural pitfalls." The focus therefore fell on the way in which a local-global balance needed to be struck.

Juan M. Villar Mir, chairman of Grupo Villar Mir, was interviewed by IESE professor **Francisco Iniesta**, who described the company as standing out for two major reasons: "Firstly, it has helped to rescue companies in difficulties and, secondly, it has shown that there is no such thing as an unprofitable sector." Expanding on his business philosophy, **Villar Mir** said "Any business operating in today's world needs to accept it is living in a global environment, if it is to be competitive. And this also includes local businesses, who

come against ample competition thanks to greater freedom of movement and internationalization."

Europe's companies need to work twice as hard now; locally and on a wider network, in equal measure. **David Mills**, CEO Europe at Ricoh, stressed that "Companies need to share resources. We need to work in a matrix organization and not in silence as we have done in the past." Going global is one sign of a business's ability to constantly adapt and will lead to a return to sustainable growth. "Change," he said, "is the only constant and the only pace."

IESE Dean **Jordi Canals** thanked the alumni for attending the meeting, and talked about the school's mission, which aims to create an environment in which business leaders can reflect upon ways to have a deep, positive and lasting impact on other people, on companies and on society, and how to do it with professional excellence, integrity and spirit of service. He spoke of **Álvaro del Portillo**, the second Grand Chancellor of the University of Navarra, and how he was "helping and encouraging us to do more things in countries in need, and promoting social initiatives that could actually help: not only to develop the education of business leaders but also with the creation of jobs and the care of those people who are sometimes left behind in our society".

COVER STORY



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1. José Ramón Suárez, Mikel Balda, Íñigo Balda and Diego Freire. 2. Prof. Javier Santomá, Matthias Ehrhardt and Martin Schröder.
3. Professors Morten Olsen, Ken Rogoff and Núria Mas. 4. Christoph Stradiot, Piotr and Beata Wojciechowska, Fons van der Ham and
Benedita Martins. 5. Juan Manuel Tierra, Margarita Cenador, Arturo de la Huerza, María Almazul, Andrés González and Amaya Guisasaola.
6. Carmen Dufur, Rodrigo Maia and Prof. Joan Enric Ricart. 7. Javier Gómez Otero, Alberto Fernández and Ildefonso Arenas. 8. Luís
Romanos, Eva Almeida and Marcos Perezpaya.



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9. Iratxe Rodríguez and Carmen Salas. 10. Begoña de Ros, professor Eric Weber and Steve Capus. 11. Beatriz García, Laura Pastor and Antonio Gallego. 12. Luis Casas with Fernando and Claudia Fernandes. 13. Peter Mugendi. 14. The holy Mass in memory of the deceased alumni preceded the academic program.



A VERY GLOBAL REUNION

Many alumni travelled from far-flung corners of the world for the occasion, to network, socialize or expand their intellectual horizons. **Fernando Fernandes** (SEP '14) said, "When I graduated I heard about the Global Alumni Reunion and said to my wife: 'We should be there,' and so we came from Brazil! And now you feel that everyone is here for you, to support you, to recommend you." Kenyan **Peter Mugendi** (GEMBA '14) said he was "very glad to be here, to connect back with alumni and also to be aware of what is happening in Europe. I believe that Europe sets a standard for what happens in emerging economies in Africa, and I like to remain ahead of the pack, to see what's going on and how it impacts back home."

On location

As well as the intellectual input, there was time to enjoy the city too. The Global Alumni Reunion kicked off on the Thursday night with a reception at the historic Madrid Stock Exchange building, where Dean **Jordi Canals** and the Chairman and CEO of BME, Bolsas y Mercados, **Antonio Zoido**, gave a welcome speech.

On Saturday, there was a golf tournament arranged by Golf Santander at Boadilla del Monte, and a visit to the Reina Sofía Museum, home to Picasso's "Guernica."

The 2013 film *Walesa: Man of Hope* was screened at the Cine Conde Duque Santa Engracia, to slake the appetite of those who were left wanting more of **Lech Walesa** after his poignant presentation at Friday's panel discussions.

Other alumni went to the Naval Museum, and others still enjoyed a tour of Madrid's old town, the so-called "Madrid de los Austrias" area.

COVER STORY



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8

1. Antonio Sánchez, Victoria de Miguel, Carmen Alonso and Enrique Francia. 2. Manuel Monterrubio, Francisca Merino, Mª Carmen Prieto and Martín Sanz. 3. Fran Luque and Emilio de León. 4. María del Mar Raventós and Itziar de Ros. 5. Luis Sanz, Mar Turrado and José Luis Villafranca. 6. Fernando de Vicente, David Cohen, Clara Assan, Nicoletta Occhiocupo, Graciella Salazar and Trinidad Cortés. 7. Ana Casas, professors Juan José Toribio and Francisco Inieta and M. Asunción González. 8. Professor Juan Manuel de Toro, Juan Ignacio Fornés, Ana Ortiz de Zárate and Fina Romani.

THE 2014 IESE GLOBAL ALUMNI REUNION IN NUMBERS



NUMBER
ATTENDING

> 2,200



COUNTRIES
REPRESENTED

48

COMPANIES SUPPORTING
THE EVENT



20

AENA • BANC SABADELL • BRAVO CAPITAL • CODORNIU
RAVENTÓS • DAMM • DELOITTE • ERMENEGILDO ZEGNA •
GAS NATURAL • HAVAS MEDIA GROUP • IBERICOS COVAP •
LA CAIXA • MARTIN- TISSERA-LAMBERT • NESPRESSO •
NH HOTEL GROUP • QUELY • RICOH • SAMSUNG • TELEFÓNICA
• VILAPLANA • ZERTEM

NUMBER OF
SPEAKERS

29



NUMBER OF
SESSIONS

10



GLOBAL
ALUMNI
REUNION APP

954

DOWNLOADS

720

ACTIVE
USERS

2,999

COMMENTS

714

PHOTOS
UPLOADED



IMPACT ON
TWITTER

3

TIMES
TRENDING
TOPIC
in Spain

31st OCTOBER

69,904

USERS OF THE
HASHTAG #IESEGAR
(ESTIMATED REACH)

ACCREDITED
MEDIA

> 20



FINANCIAL TIMES • WALL STREET JOURNAL •
NEW YORK TIMES • REUTERS • XINHUA • BLOOMBERG •
BUSINESSWEEK • EL PAÍS • EXPANSIÓN • CINCO DÍAS •
EUROPA PRESS • ANTENA 3 TV • ENTRE OTROS...

NEXT STOP: MUNICH!

IESE GLOBAL ALUMNI REUNION 2015

OCTOBER 17, 2015

INTERNATIONALES CONGRESS CENTER MÜNCHEN (ICM), MUNICH



DOING BUSINESS WITH INTEGRITY

HOW TO STAMP
OUT CORRUPT
PRACTICES**ANTONIO ARGANDOÑA**Professor Emeritus of
Economics and Business
Ethics, IESE

Corruption is a deeply rooted social and economic problem in many countries and can have serious consequences for business. Executives need to take action to prevent it, and avoid putting their company's reputation and efficiency on the line. Here we set out various proposals to overcome and avoid corrupt practices.

BUSINESS ETHICS • REPUTATION •
PEOPLE MANAGEMENT • CORRUPTION

Corruption is a serious problem throughout the world. It slows economic growth and investment (especially foreign investment), reduces tax income, distorts the workings and effectiveness of public spending, leads to an unjust distribution of income and wealth, makes competition difficult, undermines the democratic and economic rules of the game, reduces economic efficiency and the quality of goods and services, raises risk premiums and weakens the rule of law. It's most manifest in emerging economies, but also in those that we like to call developed.

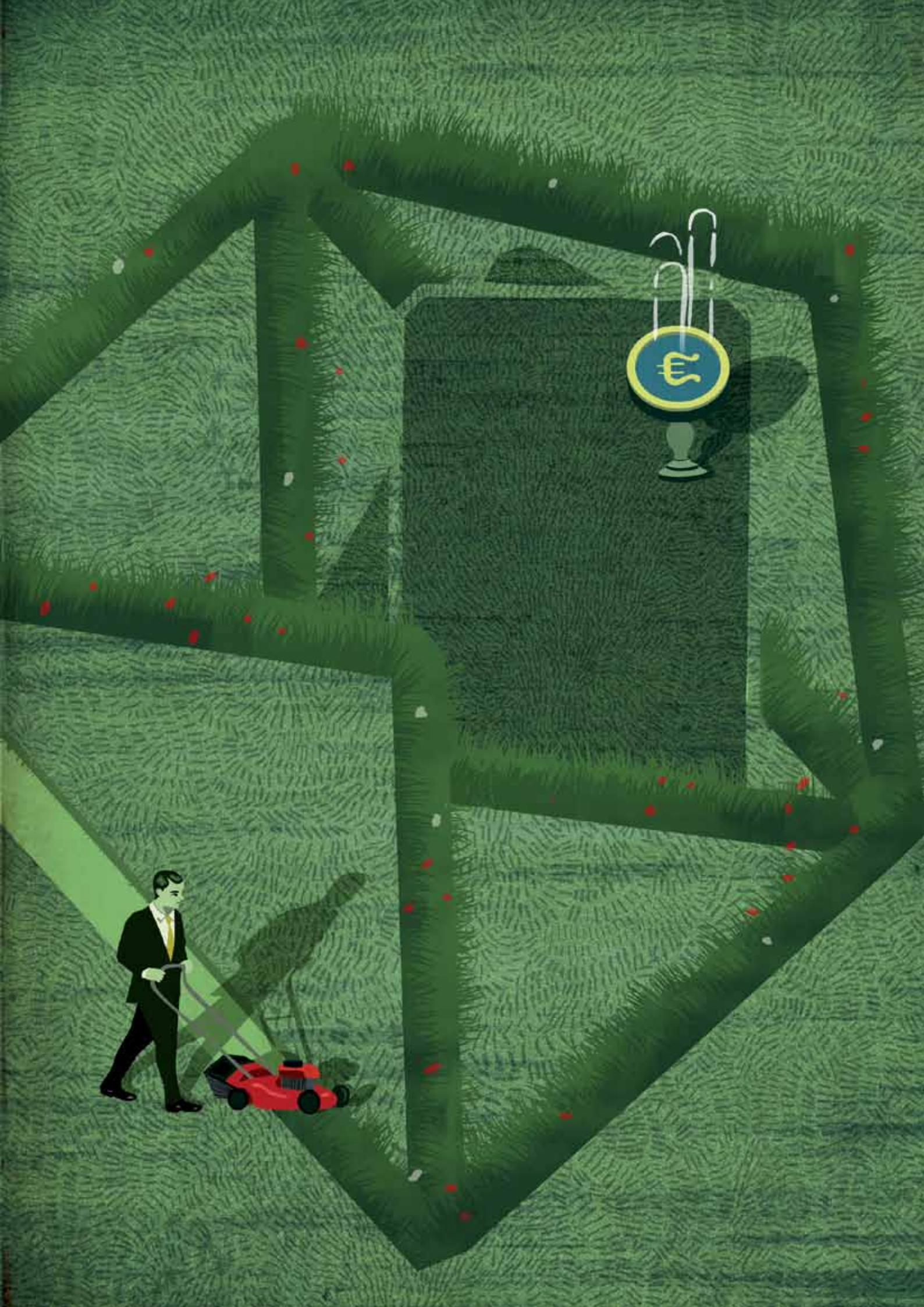
It often has terrible consequences for business. It leads to high direct costs (fines, jail sentences, loss of reputation) and indirect ones such as the worsening of the working environment, poorer corporate governance and rejection by clients and investors. The problem tends to spread because it goes hand in hand with tax evasion and false accounting. It creates bad feeling and encourages attitudes such as "Ev-

eryone else does it, so why not me?" It affects other companies that follow the example of the corrupt and feel obliged to pay up because, if they don't, they won't get the contract or the concession.

It is, above all, a sign of bad management. Paying bribes to a politician, a civil servant or a client company's purchasing director is an easy strategy to imitate but it's indiscriminate and therefore expensive and unsustainable. Corruption tends to be endemic to the company, the industry and the country. It's very difficult to escape from and can land you in very difficult situations, above all when "specialists" appear on the scene and organize business in such a way that generalized, opaque and resilient corruption becomes the *modus vivendi*.

"ONE ROTTEN APPLE SPOILS THE BARREL"

The most popular explanation for corruption is that it's the result of unscrupulous individuals; rotten apples that threaten to spoil the whole barrel. So what has to be done is to separate these apples from the rest through judicial



CORRUPTION IS A SIGN OF BAD MANAGEMENT. PAYING BRIBES TO A POLITICIAN, A CIVIL SERVANT OR A CLIENT COMPANY'S PURCHASING DIRECTOR IS AN EASY STRATEGY TO IMITATE BUT IT'S INDISCRIMINATE AND THEREFORE EXPENSIVE AND UNSUSTAINABLE

means, fines and prison sentences. This diagnosis has some basis in reality because there are some, sometimes a lot, of these rotten apples in our companies.

However, it's more likely that it's the barrels that are causing the apples to rot; business cultures that exploit every opportunity without considering whom it harms or the consequences of their actions, or incentive systems where remuneration is based on quantitative results without asking how they have been achieved. Very often there is complicity at the highest levels of management, which at once prohibits bribery but turns a blind eye when the company benefits. Not only that, but the blame can later be laid on the executive or the employee who committed the offense. There are also commonplace but flimsy arguments to the effect that "everyone does it," and "if I don't do it my competitors will," or "this is the only way to do business in this country."

The case against the barrel could be extended to the warehouse where the barrels and the apples are kept, because in some countries there is a social and political culture that not only allows for, but encourages corruption. For example, because political parties are not financed in an efficient, adequate, transparent and fair manner, inevitably their leaders obtain income illegally, first of all for their political groups, and then later for themselves. Meanwhile, civil servants may be paid poor wages in the knowledge that there is not only a possibility, but an absolute necessity, for them to top up their salaries through extortion.

But in this article we do not seek to condemn but rather to find solutions. On the political, social and government level the solutions involve a solid rule of law, an independent and effective judicial system, independent and active media, transparent institutions and clear rules of the game, which are both understood and demanded by a

well-educated public with ethical criteria and a sense of justice.

But on top of this, business also has to make a serious effort to avoid corruption.

THE TASK FOR COMPANIES

① A clear message from senior management. The attitude of top management is key, beginning with the board of directors, which is the body that sets out the organization's ethical parameters. What is needed is a formal declaration, a commitment of zero tolerance, from the organization's highest body. This message needs to be made clear to everyone and should be repeated frequently. A leader, the most senior manager, needs to get behind this message.

Making this declaration of integrity will inevitably create debate and this should be encouraged, because it's essential to identify all the conflicts that might arise and to get everyone on board. Otherwise the program will fail.

② Create an integrity program. Call it what you will, an integrity program must spell out the broader objectives that can then be implemented at each level and location of the company. Identify the resources needed: people, organization and budget. The program should be based on the company's mission statement and its values and translate into an analysis of risk management, correct procedures, controls, audits and communication and – above all – it should define responsibilities, not in order to crack heads when something goes wrong but so that everyone understands their role within the program.

Corruption usually arises not in the company but in its milieu; for example, with the people who arrange contracts in other countries, joint ventures, subsidiaries and agents, contractors and sub-contractors and suppliers. This is why the integrity program has to cover them all. They should be aware of and abide by it and must be subject to due diligence processes (ideally at the start

of the relationship) as well as to inspections and audits. They must accept the procedures or at least show that they have other equally acceptable ones. They will resist at first but in the long run will benefit from a program that improves their efficiency and enhances their reputation and their position in the globalized economy.

There are those who believe that extending the program beyond the company is unnecessary and unviable. But what has to be borne in mind is that in many countries the law extends to punishing corrupt practices carried out beyond its shores, either directly or via the sort of intermediaries mentioned earlier. Bribery, whether on the part of the company or one of its agents or suppliers, damages a firm's reputation among its clients, investors, employees and suppliers.

Establishing an integrity program may look like an easy task, but achieving a complete program that is flawless, efficient and not too expensive, manageable and scalable and which doesn't interfere with internal structure is not. At the same time it's important not to distract from executive tasks beyond ensuring that everyone knows the weak points in their business, the risks they face, the price paid for illegal behavior and the procedures they have to follow. It is not enough to delegate the job to the legal or compliance department. Each executive must be responsible for their patch, as well as for the people in their charge and the coordination with other offices.

3 Offer training. As it has to filter right from the chairman of the board of directors and the CEO down to the last employee working in at-risk areas or activities, there has to be training. And it has to be for everyone, including the chairman, because no one is born knowing what the problems linked to corruption are or what actions to take to stop them.

This training should be intense to begin with and periodically repeated. Ideally it should deal with

the corrupt practices that people are likely to encounter in their area of work (sales, purchasing, logistics, accounting and so on), the reasons why they should always avoid these practices and the consequences they may have for the company, its executives and themselves. Practical cases, whether real or not, should be included to help them to identify the risks, such as which civil servants, politicians or executives can ask for illegitimate payment and on what basis and through what means, so as to avoid these sort of requests and know how to behave if they receive them.

4 Best practice. In especially corrupt environments specific steps need to be taken and, although they may appear insignificant, they are important. For example, never give out a private mobile number but direct all calls to the company's phone and point out that all conversations are recorded. Never enter into a dialogue about dubious requests, but pass them on to a superior who has the authority to make decisions. You should never have to act alone but always with someone empowered within the company (the legal department or general management) or outside (the country's embassy, an NGO that specializes in fighting corruption or the legal services of the local chamber of commerce). It is essential to establish criteria about how this information, however insignificant it might appear, is collated and also to establish audit procedures and the periodic revision of the integrity program.

It's complex but necessary; perhaps not so necessary for a small company that buys from known local wholesalers and sells to various local clients, but absolutely essential for big multinationals that operate in countries with corrupt governments or industries where extortion and bribery are a daily reality. In the end what's at stake is the company's reputation, its moral standing and the efficiency of its governance.

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PATCH

INSIGHTS FROM A MANUFACTURER'S PERSPECTIVE

SOURCING FROM CHINA



JAUME RIBERA

Professor of Production,
Technology and Operations
Management, IESE



WEIYIN YANG

Industrial Engineer and
MBA '09, with extensive
experience in manufacturing
and operations in China

To help managers make better decisions about sourcing in China, it's useful to look at perspectives from a Chinese manufacturer. Rising manufacturing costs, strategies to improve quality, changes in manufacturers' business models and uncertainties linked to the new political leadership can all have an effect on managerial decisions.

OPERATIONS MANAGEMENT • SOURCING •
MANUFACTURING • CHINA

Over the last 30 years, China has experienced growth that has been unprecedented both in speed and scope. It has become the factory of the world, and is a favorite sourcing base for companies looking to lower their costs. With its comprehensive infrastructures and specialized industrial clusters, its abundant supply of low-cost skilled labor and its favorable government incentives, China offers competitive products and services to a broad range of industries.

However, sourcing from China is complex and full of challenges. Costs in the country are gradually nearing international levels, scandals linked to poor quality abound and long lead times make it harder to react quickly to market trends. Moreover, China is currently undergoing another round of transformations bringing operational uncertainties and risks.

COSTS

Even with all the recent talk about China losing its competitiveness, sourcing from China still plays a major role in many companies' global sourcing activities. In Deloitte's latest Global Manufacturing Competitive Index (GMCI) – and in

line with its 2010 GMCI – China was ranked the most competitive manufacturing nation of the 38 countries evaluated by CEOs – and five-year predictions indicate that it will remain so.

However, the rising costs in China cannot be overlooked. Contributing factors include: commodity and wage inflation; the rising value of the Chinese currency; the increasing environmental, safety, health care and social costs, and the failure of many manufacturers to consistently improve their efficiency and operational systems. All of these factors are eroding competitiveness for a Chinese supplier. As such, what are Chinese manufacturers doing to maintain their competitive position?

One strategy already taken by many companies involves moving production bases inland, towards Western regions of the country. This strategy allows for taking advantage of cheaper labor, more favorable local government policies, and lower social and environmental costs. Problems arise, however, when companies fail to consider the importance of skilled and experienced workers (blue collar as well as white collar); when they underestimate the challenges of changes in the supply chain, and when they fail to address the question of how long the comparative advantages will last.



IN COMING YEARS WE CAN EXPECT NEW POLICIES AND LAWS TO BE INTRODUCED, ALONG WITH CHANGES TO THE EXISTING FRAMEWORK

Managers are also making aggressive cost improvements. They understand the importance of scale in keeping overhead allocation low and maintaining power over suppliers. To enable the cutting of fixed costs, they are actively pushing out small customers that have no potential for future growth and are associated with operational complexities with too much product customization. Furthermore, there has also been a huge wave of investments in low-cost automation and production line re-engineering with the aim of saving on labor and increasing quality consistency.

In terms of the supply chain, decades of manufacturing have resulted in an ecosystem of suppliers that are specialized by sector, forming different clusters throughout China. Each cluster has a sustainable cost advantage due to specialization because they are able to capitalize on existing scale through a high utilization of capacity, accumulated know-how and skilled and experienced workers, as well as a business model that is based on a network of interrelated partners and, or, competitors, which allows for supply chain reconfiguration, making rapid changes possible.

QUALITY

● When it comes to improving costs, supplier squeezing has led to tension between the parties involved. As a result, companies have found it difficult to cultivate long-term relationships with quality suppliers. All the same, most buyers still use this direct approach to cutting costs and many Chinese factories will do anything to please. When prices are famously low and production cycles are short, buyers need to wonder how factories can be so efficient and what exactly it is they are doing to achieve so much so fast, and so cheaply.

Serious buyers and manufacturers understand the challenges they face when it comes to improving quality. To start with, a significant number of quality recalls are caused by design flaws or omissions, independent

of the supply chain or manufacturing practices. In many cases, both suppliers and customers share accountability. To reduce design risks, manufacturers with R&D capabilities rely on accumulated know-how and experience by focusing on one specific industry and using independent testing centers. They also ask third-party specialists for assistance and maintain close relationships with their customers to encourage communication should problems arise during the development or production processes. Above all, both parties understand the risks and share the responsibility for maintaining their reputation in order to keep doing business in the industry.

Decades of exposure to best practices in manufacturing have trained a generation of Chinese managers to have a good understanding of continuous quality improvement, lean manufacturing philosophies and the associated tools. Be aware, though, that there are some who only scratch the surface and achieve only appearance. Serious managers understand the need for adapting theories to local circumstances in China, as opposed to strictly sticking to the books. When it comes to assessing a supplier be skeptical if all the quality management documents are complete, updated and, above all, clean. A well-used and dirty statistical process control chart is more indicative that the tool is actually being used during the production process.

FLEXIBILITY

● For a big multinational corporation that sources huge volumes, an important criterion, though it is less explicitly mentioned by sourcing managers, is flexibility: production flexibility that allows for adapting to huge order variations at a scale that few suppliers can accommodate. Think of the launch of a product like the iPhone. The temptations are huge for companies to delay their order confirmations so as to pass on demand risks to their suppliers, requesting short lead times and avoiding inventory as much as possible.

This often implies huge costs for manufacturers – costs that manufacturers often struggle to digest.

This situation creates a strong motivation for manufacturers to change their business models. Most of them manufacture products that are commercialized by another company with its own brand name. Original design manufacturers (ODM) provide their own design, while original equipment manufacturers (OEM) use the customers' designs. ODM suppliers probably face situations involving all-or-nothing orders from big retail chain customers, especially when it comes to new products for private labels. There is often a mix of complex products in a single order for a fixed delivery date and customers are more inclined to exercise their bargaining power than to cooperate. An OEM supplier might have more room to share risks and enter into a constructive dialogue with customers, and a company dealing with its own brands will have more control over the whole operation. Companies strategies vary: for example, moving from OEM to ODM and then to an original brand manufacturer (OBM), which is a company that evolves from ODM, incorporating marketing and sales with their own brands and distribution networks. Other strategies include working with a mix of clients in order to balance capacity and utilization rates, or looking for complementary industries to offset cyclicalities.

NEW POLICIES AND BUSINESS TRENDS

● In addition to cost, quality and flexibility, there are other issues which should be taken into consideration.

With new political leadership's awareness of the need to effect profound change in the Chinese growth model, in coming years we can expect new policies and laws to be introduced, along with changes to the existing framework. In addition to the uncertainties that this may generate, a sudden insistence on complying with or executing existing policies

IN SHORT:

- * **Manufacturing costs are rising fast in China. Having scale, good infrastructure and improving productivity will keep Chinese manufacturers competitive**
- * **In product quality, both parties – suppliers and buyer – need to understand the risks and share the responsibility for maintaining their reputation in order to keep doing business**
- * **As many Chinese companies move up the value chain, they are turning down opportunities with limited volume and growth and too much product customization**
- * **With the new political leadership, China is currently going through big changes and reforms that increase operational uncertainties and risks**

could also result in unpredictable consequences at a macro-economic level, potentially even creating a direct impact on a particular industry.

It is common for serious Chinese companies to make the transition from manufacturers to service providers by developing the ability to offer customers an efficient and integrated solution for their needs. Attractive as this can be for a customer, be aware that it can also become a threat when your provider suddenly becomes your competitor.

In addition, though there have been significant improvements and in many industries you see suppliers who commit to long-term partnerships, it is still common local practice to engage in short-term actions that create advantages at the expense of a healthy long-term partnership with a customer. Issues like intellectual property infringements have made many companies skeptical when it comes to establishing long-term partnerships with suppliers in China.

Managing sourcing operations in China has its challenges, and when the stakes are high there are not many options apart from investing resources and management effort in setting up a proper strategy and building a strong local team to run daily operations and to provide information and feedback.

The Benefits of Recording Losses First

JUAN MANUEL GARCÍA,
BEATRIZ GARCÍA &
FERNANDO PEÑALVA

Conservative accounting insists that losses should be recognized as soon as they are discovered and gains only after they have been verified. IESE professor **Fernando Peñalva** and co-authors present strong evidence that conservatism on financial statements is useful for both debt- and equity-holders.

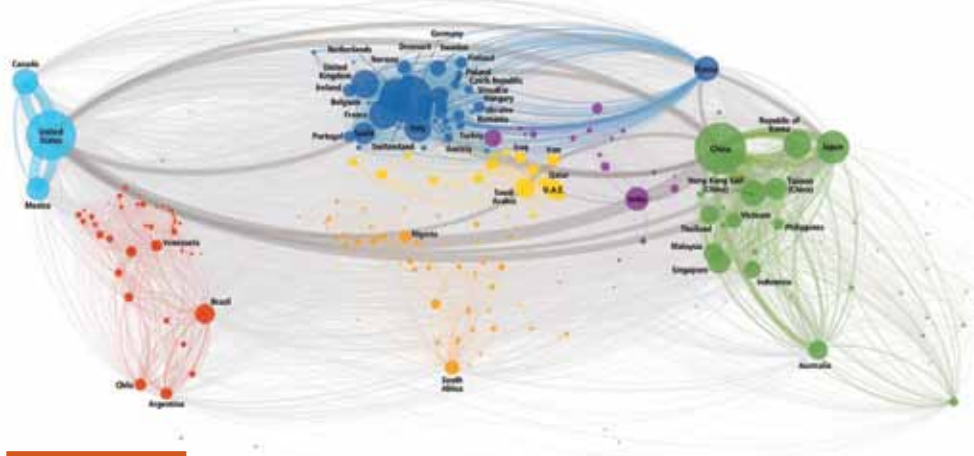
The results of more than 63,000 observations of U.S. stocks are published in their article “Information Consequences of Accounting Conservatism.”

The co-authors find that conservatism improves the accuracy of equity analysts’ forecasts, decreases the disparity between these forecasts, and increases analyst coverage (i.e., the number of analysts following a particular stock). The net gain to investors is better information to help make wiser capital-allocation decisions.

With increased conservatism, the co-authors find lowered stock-price spreads and volatility, as well as signs of decreased information asymmetry.

“All of these results are consistent with conservatism improving the information environment of the firm,” they conclude.

MORE INFORMATION:
IESE Insight / Accounting and Control



Stalled Globalization Picks Up Speed Again Post-2012

PANKAJ GHEMAWAT & STEVEN A. ALTMAN

The DHL Global Connectedness Index 2014, authored by IESE professors **Pankaj Ghemawat** and **Steven A. Altman**, has found that globalization has picked up since 2012, but that we still have some way to go to recover pre-crisis levels of capital flow and trade depth. The Netherlands takes top spot globally for connectedness, followed by Ireland and Singapore. The index also reveals that Europe is the most globally connected region, with nine of the top 10 ranked countries.

MORE INFORMATION:
IESE Insight / Strategy

HOW IS VALUE CREATED AND WHERE DOES IT GO?

ROBERTO GARCIA-CASTRO & RUTH V. AGUILERA

In an article published in the *Strategic Management Journal*, IESE’s **Roberto Garcia-Castro** and co-author **Ruth V. Aguilera** summarize how to use a new tool called the “Value Creation and Appropriation” (VCA) model for insights into how value is created and distributed in firms. The VCA model is intended to simultaneously measure two things: 1) how much economic value a firm creates over a set period of time and 2) how the value is distributed among the various stakeholders.

MORE INFORMATION:
IESE Insight / Decision Analysis

THE BALANCED ART OF PROCURING SUPPLIES

AADHAAR CHATURVEDI, DAMIAN R. BEIL & VÍCTOR MARTÍNEZ DE ALBÉNIZ

When procuring supplies in auctions, getting the lowest possible price today may raise costs in the future by discouraging potential suppliers. In their article, “Split-Award Auctions for Supplier Retention,” IESE’s **Víctor Martínez de Albéniz** and co-authors show that, in contrast to “winner-takes-all” auctions, split-award auctions allow the question of “how much cheaper” to determine business-award quantities and keep suppliers interested in participating in future auctions.

MORE INFORMATION:
IESE Insight / Service and Operations Management

Four Competencies for Developing Global Leaders

JORDI CANALS

Corporate strategy has evolved faster than leadership development in many global companies. This has created some management problems: companies may not have enough leaders in their growth markets or leaders with the required global competencies in their headquarters.

In his paper “Global Leadership Development, Strategic Alignment and CEOs’ Commitment,” IESE Dean **Jordi Canals** offers a conceptual framework to help companies create successful leadership initiatives. This framework is based on global leadership development programs in many global companies. Professor **Canals** defines five functions and four leadership competencies:



1. Knowledge. This includes the information, notions, models and ideas that global leaders need to acquire.

2. Capabilities. This includes problem analysis and synthesis,

problem-solving and decision-making.

3. Interpersonal skills. To help leaders manage, engage and motivate people.

4. Attitudes. These are the personal traits that shape leaders’ conduct and behavior and define the foundations of their relationships with others. Based upon classical virtues, **Canals’** model looks to integrity, humility, self-awareness, self-control, strength and temperance in leaders’ attitudes.

MORE INFORMATION:
IESE Insight / Leadership and People Management



CASE STUDY

Torres: Reinventing Wine

JOSÉ LUIS NUENO & SILVIA RODRÍGUEZ

When the Spanish winery Torres introduced Natureo, a non-alcoholic white wine, it was well received in several markets. Yet General Manager **Miguel Torres Maczassek** had doubts: Was its current target market of urban women the right positioning? Given wider social trends toward responsible consumption, might there be different segments worth exploiting? This IESE case stimulates discussion on how to market a disruptive product where tradition is valued.

GO TO THIS CASE STUDY'S FORUM:
www.ieseinsight.com/review





Lessons Learned During an IESE MBA ... and in Life

“Something amazing happened 50 years ago,” IESE Dean **Jordi Canals** told a packed auditorium at the opening event of the business school’s MBA half-century celebrations.

That amazing event was, of course, the first-ever IESE MBA program. **Canals** saluted IESE’s pioneering visionaries, doers and backers, and invited the audience to keep their legacy of “very, very high standards” alive. Real-life examples of how to achieve this were presented by a panel of distinguished MBA alumni, moderated by professor **Franz Heukamp**, associate dean for MBA programs. Five business leaders reflected on the impact of the IESE experience on their management careers and the lessons they had learned both in and out of the classroom.

THE VALUE OF HAVING VALUES

“Learning and incorporating certain values into your spirit is one of the most important things that you can get from IESE,” Abertis CEO **Francisco Reynés** (MBA ’89) told the audience. “You’ll see many examples in life where you think that values and business can’t match. That’s absolutely not true. Being consistent in your values allows you to do business in a proper manner. I didn’t fully believe that when I was told it here 30 years ago but it was true.”



“How a person achieves his or her objectives is very important,” said **Núria Cabutí** (MBA ’92), CEO Spain & LatAm of Penguin Random House Grupo Editorial. “To create an inclusive working culture we need people who respect others, people we can trust, with integrity, with cross-cultural sensitivity. Sometimes we’ve said no to people who had very good skills but who didn’t share the values of the company.”

“Without understanding values, without understanding the people around you, it is impossible to achieve success,” added **Rafael Villaseca** (MBA ’76), CEO of Gas Natural Fenosa.

Juncal Garrido (MBA ’03), partner and head of Diversity for Europe at Russell Reynolds Associates, underscored the opportunity that the MBA gave her to absorb values inside and outside of the classroom. She said that during the program, “You are building your network, your circle of trust; you are shaping yourselves through a lot of input.” Together with the overall focus on people and the faculty’s open-door policy, the values from the MBA stayed with alumni for a lifetime, she added.

EMBRANCE CHANGE

● **Kristoff Puelinckx** (MBA ’96), founder and CEO of Delta Partners, said that globalization and the digital revolution had altered the role of leaders.

“CEOs used to have a simple job: Define a strategy, set a vision, build and motivate a team then relentlessly execute the strategy. But a CEO now is not just someone who sets a general direction for one company; it’s someone who sets a direction for an industry and isn’t afraid to go and change its paradigms,” he said.

Change was also the subject of advice from **Villaseca**. “One of the pillars of my career was learning the importance of adapting company strategy to a changing environment: Changes in technology, changes in marketing, changes in customers,” he said.

Cabutí agreed, saying, “Things change so rapidly that managers need to be able to adapt their strategy and change structures. They need a flexible mindset.”

LISTEN WITHOUT PREJUDICE

● **Cabutí** emphasized the benefits of keeping an open mind. “Communication skills and the ability to influence and inspire are crucial,” she told the audience. “Managers need to know how to listen to what people want. The most important thing is to ask the right questions, to the market, to the industry and to people. It’s very important to meet people from other industries and to become inspired by them,” she said, before adding a cautionary note: “Don’t become isolated or you’ll only meet people who tell you what you want to hear.”

Garrido pointed out that in an increasingly globalized world, “It’s essential to understand other cultures in order to be a true leader and engage them. At IESE you can do this in a controlled environment.”

In the opinion of **Reynés**, “You should want to listen more than you want to dictate and you should be prepared to accept a variety of different ways of thinking. Teamwork is something you learn at IESE right from the start.”

CHECK YOUR EGO

● To achieve this requires a specific attitude. When asked what he considered to be the most important



(From left to right)

Kristoff Puelinckx (MBA '96),
founder and CEO of Delta
Partners

Francisco Reynés (MBA '89), CEO
of Abertis

Nuria Cabuti (MBA '92), CEO Spain
& Latam of Penguin Random
House Grupo Editorial

Rafael Villaseca (MBA '76), CEO of
Gas Natural Fenosa

Juncal Garrido (MBA '03), partner
at Russell Reynolds Associates

Professor Franz Heukamp,
associate dean for MBA programs



A GREAT MANAGER IS A COLLEAGUE WHO TRIES TO HELP PEOPLE GET THE BEST FROM THEMSELVES”

Francisco Reynés, CEO of Abertis

attribute of any new hire, **Reynés** was direct. “Teamwork,” he said. “I would look for the same attitude from an MBA as I would from an admin assistant. A great manager is a colleague who tries to help people get the best from themselves.”

He added, “The two most important characteristics in business are common sense and managing people. The first will show you that you are surrounded by really well-trained, very dedicated, very knowledgeable people who are better than you. What they need are management and leadership. What you need is a good team to rely on.”

A TOOLKIT FOR CAREER SUCCESS

● The demands placed on leaders have changed drastically since the program was founded in 1964. Yet for both **Villaseca**, who completed the program in 1976, and

for the panel’s most recent graduate, **Garrido**, the program has given them the same core compass to navigate the ups and downs of their careers. “My IESE experience was key in helping me to manage the changes in my career,” said **Garrido**.

Villaseca added, “There are three pillars. The first is to know the technicalities of your industry and the second is to understand and adapt company strategy. Fashions change but the basics of general management that I learned at IESE have been fundamental to my understanding of how companies work. The third is to lead teams. At IESE you can learn what it means to lead.”

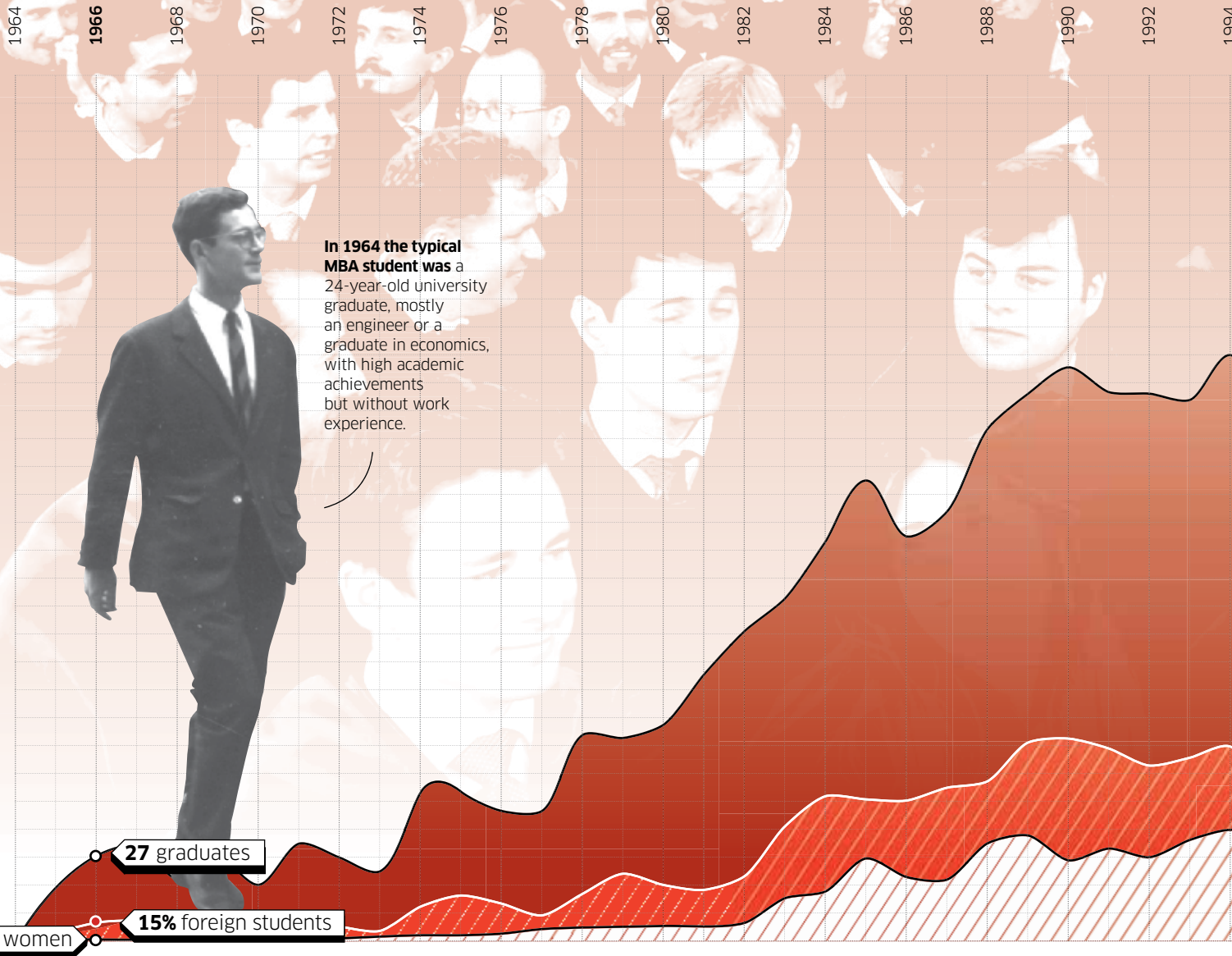
Puelinckx also felt that there were three key areas for IESE MBA participants to concentrate on during their time in the program.

“Technical skills like finance and marketing – but don’t get obsessed with them. Cover the bases. There are two other things that are more important now. Learn to identify real experts, people who have knowledge and skills, and drive decision-making from there.”

“The third area,” he went on, “is emotional intelligence – in other words, the ability to understand different cultures and how people operate and why they make certain decisions,” he explained. “I’m from Belgium and I grew up surrounded by people from other countries, speaking other languages, but when I came to IESE, my understanding of cultural diversity was taken to a whole different level.”

Reynés concluded with some advice for current students: “Don’t think about the return on investment from the MBA. Think about the return on yourself. You have learned; now it’s time to deliver.”

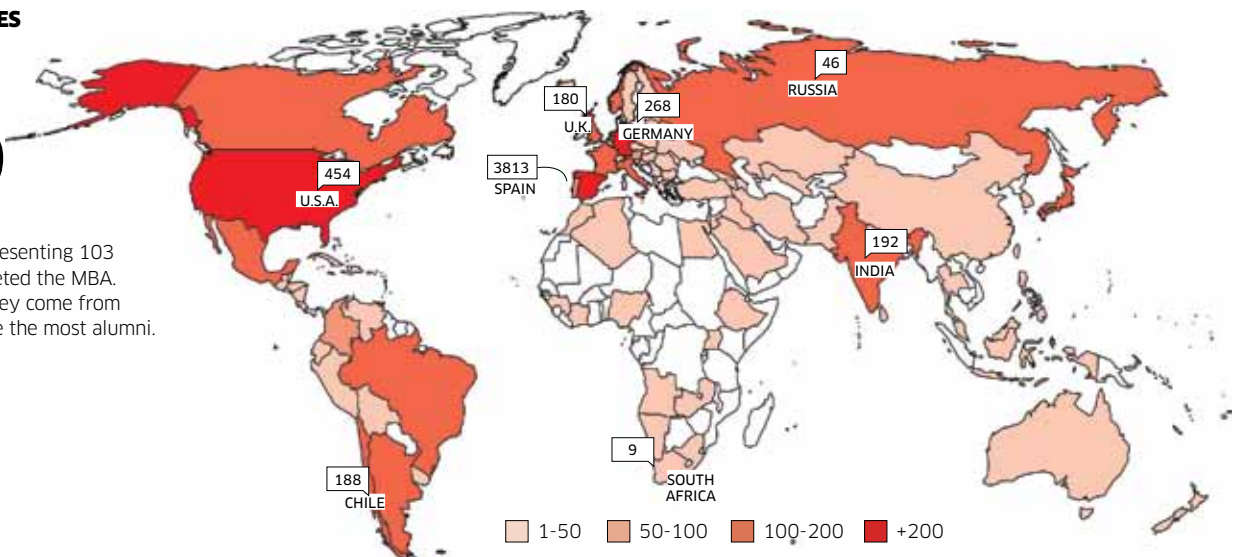
The IESE MBA, 1964-2014



MAP OF NATIONALITIES

103

Since 1964 students representing 103 nationalities have completed the MBA. The map shows where they come from and which countries have the most alumni.



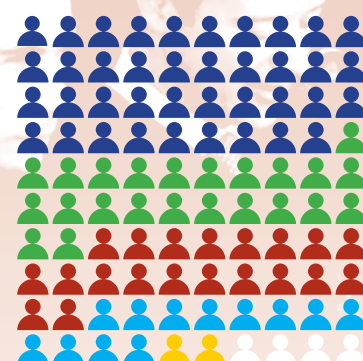
Looking back we can see that today's MBA has evolved from what it was 50 years ago, although it has maintained its essence. An MBA program designed for high-achieving young professionals; looking to boost their careers and make a world impact. This is how the student body looked in 1964 and how it looks today.



STUDENTS BY REGION

The MBA class that started in 2014 includes students from 56 countries and the following regions:

EUROPE	39%
ASIA	23%
LATIN AMERICA	20%
NORTH AMERICA	12%
MIDDLE EAST	2%
REST OF THE WORLD	4%



PERCENTAGE OF MBAs WORKING IN VARIOUS SECTORS

STRATEGY/MANAGEMENT CONSULTING	23,1
FINANCIAL SERVICES	18,9
E-COMMERCE	11,3
HEALTH CARE*	9,9
INFORMATION TECHNOLOGY	7,1
CONSUMER GOODS	6,1
ENERGY & UTILITIES	4,7
RETAIL	3,8
TELECOMMUNICATIONS	2,8
EDUCATION	1,4
EQUIPMENT	1,4
ADVERTISING/MEDIA/PUBLISHING	1
TOURISM	0,9
CHEMICAL	0,9
REAL ESTATE	0,9
IT CONSULTING	0,9
OTHER SECTORS	4,9

* Pharmaceuticals, biotech, medical supplies, hospital management

SOURCE
IESE 2014

7.474

IS THE TOTAL NUMBER OF MBA ALUMNI.

In the first year (1964) 120 people applied for 31 places, in the second 220 for 40 and in the third 313 for 45 places. In 2014 the school received 2.000 applications for 291 places.



35%

of IESE MBAs have founded a company within 10 years of graduating



90%

of students receive a job offer within three months of graduating.

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THE OUTCOME OF THE YOUNG TALENT PROGRAM

“At IESE You Learn to Work With People, Not to Compete With Them”



Daniel Junker, participant in the Young Talent Program, takes part in a discussion in a MBA session.

A few months before he graduates from the MBA program, **Daniel Junker** recalls how in 2010 the Young Talent Program became one of the best experiences of his life.

● A chilly morning on the Barcelona campus. The second-year students work intensely in what they know is the home stretch of the MBA and the beginning of a new stage. They pass each other in the corridors of IESE with the ease of people who feel at home, and prepare for the next classroom debate. Fourteen members of this class participated in the Young Talent Program, a record number and evidence of the success of the program, which students who aspire to enroll in the IESE MBA undertake when they finish university.

The day begins with a session given by Prof. **Joan de Dou**, who doesn't talk about business models or profits or sales. He talks about people, freedom and commitment. And it's the students' opinions that contribute to an increasingly far-reaching debate

about leadership and human relations, both in business and in society.

Speaking excellent Spanish, the German student **Daniel Junker** takes part in the discussion in a way that suggests it's one of his favorite topics. "One of the things I like best about IESE is the focus on the human being. It's all about working with people, not competing with them. I think it's really important that we talk about all this, because it's fundamental to good leadership," **Junker** said at the end of the session.

PREPARING FOR THE MBA

● Commitment, a key concept in such discussions, has played a fundamental role in **Daniel's** career. He studied management at the EBS University of Business and Law in Oestrich-Winkel (Germany) and opted for consultancy in order to broaden his business outlook. While still a student, he was an intern at Lufthansa and Roland Berger and once he graduated joined the company A-Connect. But he always wanted to do an MBA in order to complete his education. "First of all I wanted to to acquire professional experience and then study the most international MBA I could find. I was clear that this was the way forward for me."

"During my last year at university I started looking for what the best option might be. I knew about IESE and on its website I read about the Young Talent Program and I realized that was just what I needed. It allowed me to establish contact with the school, go through the admissions procedure well in advance and take part in the Next Steps Seminar, where I discovered the case-study method and got to know many of those who would later become my friends on the MBA program. After that, I could go back to my job for three years, safe in the knowledge that my place at IESE was waiting for me."

In addition to his passion for Barcelona, **Daniel** says that the opportunity that the MBA gave him to stop and reflect on the next step in his career was crucial for maintaining the commitment that he made in 2010. "The city, the Young Talent Program, the school's values, and the varied and international character of the students; all of this was and has been perfect for me. And now, although I still have to make important decisions about my future, I consider myself more mature and much more open-minded and have an approach to working that is much more developed than when I arrived."

GUY KAWASAKI, APPLE'S FIRST 'CHIEF EVANGELIST'

"To Sell an Idea, You Need a Prototype"



Guy Kawasaki gave advice for pitching to investors

“You can’t forecast five years into the future. It’s not so much about the business plan, it’s about demonstrating your idea. If you don’t have the prototype, you won’t sell the idea.” This was the advice the celebrated entrepreneur **Guy Kawasaki** gave MBA students during a session on the Barcelona campus.

Kawasaki knows a lot about the art of persuasion as, having been Apple’s “chief evangelist,” he helped to

create the brand’s legions of fans. He recommends that, in order to attract investors, the best thing is to give a demonstration of the product to help it to stand out in the competitive environment created by easy access to technology.

“The barriers are lower now, which is good because it’s cheaper and more straightforward to get started. But it’s also bad, because everyone is doing start-ups,” he said.

IESE’s First Seed Capital Fund Finaves I Winds Up Its Business

Finaves I has successfully completed its disinvestment phase and thus IESE’s first risk capital fund has been wound up. Since it was launched, Finaves I has invested in 11 companies in a range of sectors, six of which are still in business and are operating in 19 countries.

Finaves I was established in 2000 with the aim of supporting, promoting and financing new business initiatives created by the school’s alumni. It was a pioneering initiative on IESE’s part, something that set it apart from other business schools, and it was made possible thanks to the commitment of the partners in this seed capital fund.

IESE currently has other Finaves investment funds that offer support to entrepreneurs and which, between them, have helped to create 40 companies. These in turn have generated more than 2,500 jobs.

ENTREPRENEUR TECH FAIR

Backing Projects at Universities

On November 19, Finaves, IESE’s seed capital fund center, organized the Entrepreneur Tech Fair jointly with Acc10, as a meeting point for technology projects developed by university and research center students and professors. The businessman **Carlos Blanco (PADE ’12)** led the session “Entrepreneurial Mistakes,” which was moderated by Prof. **Alberto Fernández Terricabras**, the director of Finaves.

RITA ALMELA (EMBA ’12) FOUNDER OF BEAUTY PRODUCT WEBSITE

Finaves IV Joins Financing Round for AlmaShopping Beauty Site

Finaves IV, IESE’s seed capital fund, has invested in the company AlmaShopping. The firm closed a financing round with \$650,000. Three important Latin American partners – NXTPLabs, ENNOVVA and FADERMEX – also invested in the company.

AlmaShopping was founded in 2012 by **Rita Almela (EMBA ’12)**, **Ignacio Molins** and **Priscilla Maciel**. It is an e-commerce outlet for beauty products,

and offers the consumer added value by creating content and a sense of community through its subscription model. The parent company is based in Spain but AlmaShopping also operates in Colombia, Mexico and Argentina. In fact, it is very successful in Latin America, where it has its biggest portfolio, a large community of more than 600,000 women and alliances with the main players of the sector.

THE BIDAway AUCTIONS, SUPPORTED BY FINAVES

Luxury Holidays and Travel for Everyone

BidAway offers users the opportunity to enjoy experiences that would normally be outside their budgets.

● Lifelong friendships are developed in IESE's MBA classrooms. There are lengthy debates; previously unknown skills are developed and ideas that will revolutionize sectors flourish. Two years ago, the seeds of one such discovery began to germinate in the minds of **Luca Carlucci** (MBA '12), **Albert Valentí** (MBA '12) and **Brian Reichle** (MBA '12) while they were studying for their MBA. The idea was to offer luxury travel experiences to people who normally couldn't afford them. The result was the start-up BidAway, which, through a simple system of auctions, allows users to bid for an option that – through its very exclusivity – might otherwise remain unsold. "It's a linear auction in which you don't pay anything until you win," says **Carlucci**. "The best bidders are the ones with the most experience. It's a very clear and transparent set-up and a way of striking a balance between supply and demand and which offers suppliers an alternative way of selling inventory."

"As well as all the team being knowledgeable about the sector, our criteria are based on quality: we include four- and five-star hotels and a few three-star ones that have particularly interesting features," says **Valentí**. "Alumni who use the code BidAway4IESE when they make reservations will enjoy a 5 percent discount," he adds.

Although both of them admit that it has not been easy to convince suppliers and clients to try such a novel sys-



Luca Carlucci (left) and Albert Valentí, two of the founders of BidAway, during a recent visit to IESE.

tem, the fact is that in only two years the company has surpassed its own creators' expectations for development and investment. It employs nine professionals, having been accelerated by the near mythical 500 Startups, has a significant European operation and is beginning to explore the US market.

Asia is the other key continent in BidAway's development. It has just completed an important investment round with the Kamia group, one of the principal family offices in Taiwan, along with another local investor. "It will help us to open out to the Chinese market and to show that our model can function at a global level," says **Carlucci**.

In between journeys, **Valentí** and **Carlucci** set aside a few hours to visit the Finaves team, IESE's seed capital center, which has given them financial support. Their faces light up with excitement about a project that they love and the high-speed life of an entrepreneur. "After getting a degree in engineering and with three years experience in a strategic consultancy,

I decided to do the MBA because it seemed to be the next logical step in my career," says **Valentí**. "What I never imagined was that it would also help me launch a project such as this."

Carlucci already had a strong entrepreneurial spirit when he came to IESE but he didn't think it would bear fruit so quickly. "Before doing the masters, I had a degree in economics and had worked at the WTO and in the construction industry and, although I wanted to be an entrepreneur, I expected to spend some years as a consultant. But then the idea for BidAway came up and we convinced ourselves that we should give it a try."

The three entrepreneurs' lives have changed enormously in the past few months but what they learned at IESE – the idea that people lie at the heart of any project, along with the finely honed professionalism that will enable them to face all kinds of challenges – stays with them.

MORE INFORMATION:
<https://es.bidaway.com/aboutus>

21ST HEALTHCARE INDUSTRY MEETING

The Triple Challenge for Sustainable Health Care

● We live longer and better. Greater life expectancy is good news but it also jeopardises the viability of health care systems in advanced economies. It increases the amount of chronic conditions, which in turn increases costs at a time when debt is squeezing budgets.

Achieving sustainability hinges on what IESE Prof. **Núria Mas** defines as a triple challenge: better health, lower costs and better health care. Finding the balance between these variables is not easy, but it is the only way to guarantee the continuity and viability of our health systems. These were the ideas discussed by experts at the 21st Healthcare Industry Meeting, hosted by IESE and KPMG.

MORE INNOVATION AND BETTER MANAGEMENT

● **Mas** pointed to research carried out in hospitals in Europe and the U.S. that showed that without increasing their budgets, hospitals were able to improve efficiency simply by reorganizing teams, both human and technical; redesigning workflows with patient involvement; and prioritizing resources and facilities in a way that really delivered health and well-being to the patients. It has also been shown that “models that put the patient at the center of the process reduce costs by 30-40 percent,” according to Dr. **David Kaplan**, global leader for Clinical Solutions at Mercer.

“People are demanding that both companies and governments deliver cost-effective treatments,” commented **Josep Santacreu**, CEO of DKV Seguros Group.

A lot more can be done with the same resources but it's essential to



The managing director of Farmaindustria, Humberto Arnés, Prof. Núria Mas and Cándido Pérez, partner at KPMG in Spain, during the meeting.

rationalize the use of assets and the clinical operation as well as obtaining data to measure results, according to **Javier Colás**, managing director of Medtronic Ibérica.

THE IMPACT OF BIG DATA ON CLINICAL MANAGEMENT

● **Stefan Bungart**, leader of GE Software Europe at GE Global Research, talked about the impact of big data on health care systems. He said the computerization of large volumes of data makes it possible to optimize equipment and teams and the scheduling of operations. Technological innovation is unstoppable, but, according to **Ludovic Helfgott**, president of AstraZeneca Spain, “what we need to do is innovate in a clinical setting. We need to innovate in the way that everyday doctors in their practice, really get benefits for the drugs, for the treatments we provide.”

Given the consensus on the need to innovate, Prof. **Pedro Nueno** identified three other key ele-

ments: diversification, alliances and globalization.

“The more restricted a country's market, the greater the need to grow horizontally and move into more world markets,” said **Eduardo Sanchiz**, CEO of Almirall. As well as internationalizing through subsidiaries, at Grifols globalization means “treating each market in the same generalized way, with the same products and strategies,” said **Nuria Pascual**, the firm's financial director and head of investor relations.

Globalization also implies managing health care crises that cross national frontiers. “Collaboration is the key, no country can claim it controls everything that happens within its borders. The Ebola outbreak is a clear example of this,” said **Vera Nwanze**, ex-country group head for English West Africa at Novartis Pharma AG.

MORE INFORMATION:
<http://goo.gl/SZpvVD>

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Rainer Feurer, the vice president of sales and development strategy at BMW Group, with Prof. Marc Sachon

29th AUTOMOTIVE INDUSTRY MEETING

Go Green, Get Connected and Set Your Sights on Asia

The key talking point at the 29th Automotive industry meeting, organized by IESE with KPMG, was how the sector needs to rethink its value proposition in the light of changing consumer habits and growing concern about environmental issues.

● The meeting concluded that car manufacturers face three challenges: winning over and retaining young clients; producing greener cars without losing performance; and getting a good foothold in the Asian market, which is forecast to lead the sector.

❶ **From ownership to access:** For many young city-dwellers, buying a car is not a priority. It's expensive to purchase, maintain, insure and to park. Where possible, they use bicycles or public transport. Alternatively, they resort to car-sharing and other more flexible forms of achieving mobility, which don't necessarily involve ownership.

The change in paradigm from owners to users may see big companies moving from making cars to selling mobility services – a future envisaged by **Rainer Feurer**, vice president of sales and development strategy at the BMW Group.

Attracting and retaining young clients means rejuvenating brands without ceasing to innovate. Connected cars, that is, connected between each other and also to external infrastructure, will mark the next stage in the revolution. Proof of this is the fact

that Internet and telecoms giants such as Google, Microsoft and Telefónica now have major stakes in the automobile industry.

❷ **Mobility and sustainability.** Pressure to reduce CO₂ emissions, the search for alternative methods of propulsion that would reduce dependency on fossil fuels, and increasing regulation to limit and penalize the worst polluters is driving the sector rapidly towards sustainable mobility solutions. Electric cars present the best option for short city trips, while hybrids are a real alternative for longer journeys. However, speakers stressed that the demand for greater environmental consciousness should not only be limited to the combustion methods or to the materials used in making a car, but to the industry's entire value chain.

Cities are acquiring more powers to control emissions, something that has not escaped the sector's attention. The IESE Auto 2014 survey, presented by the meeting's chairman, Prof. **Marc Sachon**, revealed the key factors for Barcelona residents, according to age. For those over 30, the issues were safety and emission levels,

while for younger people connectivity and assisted driving systems were more of a priority.

❸ **Looking towards Asia.** In the United States there are 700 cars per 1,000 inhabitants, whereas in China the figure is fewer than 100. "This means there is great potential for growth," said Prof. **Pedro Nueno**. China already accounts for 25 percent of global car sales, and India, Japan, South Korea, Thailand and Indonesia are also expanding markets. With a growing middle class, Asia is becoming the center of gravity for the automotive industry. The continent is already the world's biggest car manufacturer.

Key speakers taking part in the meeting included **Dieter Becker**, global chair of the automotive sector at KPMG, **Surya Mendonça**, global m2m managing director at Telefónica, **Chandru Shankar**, EMEA Lead-Manufacturing & Distribution at Microsoft and **Gert Volker Hildebrand**, executive director of design at Qoros Automotive Co. Ltd.

MORE INFORMATION:
<http://goo.gl/0lx50Y>



Tim Brooks
Senior Director, Environmental Sustainability, LEGO



Nicola Villa
Managing Director, Global Analytics Practice, CISCO



Paul Dillinger
Head of Global Product Innovation, LEVI STRAUSS & CO



Dave Stangis, VP, Public Affairs and Corporate Responsibility; President, CAMPBELL SOUP



Carlos Mataix
Director itdUPM



Matthew Yeomans
Director of Custom Communication in Sustainability Communications.



Nicholas Allen
Traceability Manager at PATAGONIA



Nicko Nogués
Founder and CEO, MIRACLE



Laura Storm
Executive Director, SUSTAINIA



Owen Rogers
Partner, Design 4 Change at IDEO



Koann Vikoren Skrzyziarz
CEO and founder SUSTAINABLE BRANDS



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EXECUTIVE MBA AFRICAN STUDENTS AT IESE

“Africa Is a Market Where Businesses Thrive”

● “In the case studies we’ve looked at things that are relevant everywhere, every day. What was the business model used? And how were the challenges met? That’s what interests me: real challenges, not ones invented for a book.” Rwandan **Betty Sayinzoga**, Executive MBA participant in Kenya’s Strathmore Business School, is one week into her EMBA Pan Africa module at IESE’s Barcelona campus and is reflecting on how the experience will help her grow as a future business leader.

IESE was instrumental in the 2005 foundation of Strathmore and in shaping its philosophy of social awareness. That philosophy was one of the things that attracted mother-of-three **Sayinzoga** when she was looking at different MBAs. “The modular program also leaves me time to spend with my family,” she says. “I work at an insurance company and go to Kenya for two weeks every three months.” Her European experience has underlined the fact that excellence in business is, or should be, universal. “We should expect excellence from ourselves.

Our mindset should change. Africa’s not supposed to be dirty. It’s not supposed to be poor. People come to Kenya and they are surprised it’s clean. That should not be the case,” she says. “Africa is not an homogeneous continent but the philosophies of business are the same everywhere. However, the implementation will be specific to the way of living, the infrastructure and the cultural aspects of each market,” she notes.

BUSINESS OPPORTUNITIES

● Studying alongside **Sayinzoga** is entrepreneur **Chidi Anosike** from Nigeria’s Lagos Business School (LBS) whose telecoms company provides services to the government and financial sector. He also chose his school partly because of its links with IESE, which helped launch LBS in 1992. “I discovered I had a gap in my knowledge,” he says. “I knew the technical side of things but the business

side wasn’t as clear so I decided to do an MBA. Lagos had a lot of content from IESE and gave a lot of attention to doing business ethically.”

“The multicultural case studies we have done in Barcelona have been eye-openers and have given me different perspectives,” he says. “My thoughts have been chan-

neled towards sustainable investments that could make profits while giving back to society.”

Like **Sayinzoga**, **Anosike** strongly believes that there are abundant opportunities for companies in Africa. “If I could teach the world one thing about Africa it would be that it is a market where businesses thrive. Many successful businesses are started and built even in Nigeria and Kenya, in spite of the talk of instability. Do your own research, draw your own conclusions. If you only listen to the press you’ll miss a lot of opportunities,” he says.

“We should expect excellence from ourselves. Our mindset should change”



Executive MBA students from Kenya’s Strathmore Business School and Nigeria’s Lagos Business School in their Pan Africa module at IESE’s Barcelona campus.



José Manuel Campa was one of 16 IESE professors who took part in the 34th annual meeting of the Strategic Management Society in Madrid

34TH ANNUAL MEETING OF THE STRATEGIC MANAGEMENT SOCIETY

Strategic Management in a World of Networks

A thousand academics and executives took part in the Strategic Management Society's conference, which was directed by IESE professors **Africa Ariño** and **Pascual Berrone**, and **Alejandro Beltrán** (MBA '98).

● Networks are an essential component of business strategy. This was made clear at the Strategic Management Society's conference, which was held in Madrid under the sponsorship of IESE. This international academic meeting brought together more than 1,100 top-level academics and executives. The event's academic directors were IESE Profs. **Africa Ariño** and **Pascual Berrone** and **Alejandro Beltrán** (MBA '98), Managing Partner Spain & Portugal at McKinsey & Company. "Only five years ago, we viewed strategy as resource-based. Now we are shifting toward a more behavioral conception focused on those who will be making the decisions," said **Ariño**.

Companies operate in an ecosystem made up of various players that establish links between each other that create value. "Those who understand how these links function

are in a better position to create competitive advantage," said **Berrone**.

RECOGNITION FOR PAUL POLMAN

● "We have to find a business model that creates the least environmental impact," said **Paul Polman**, CEO of Unilever. In his view, sustainability goes beyond corporate social responsibility and has to extend along the entire value chain. **Polman** was speaking from experience, as – during his time as head of Unilever – the company has doubled in size, while reducing its environmental impact and increasing its positive social impact. His commitment to responsible business was recognized when he was presented with the Lifetime Achievement Award during the conference.

MORE INFORMATION:
<http://goo.gl/GpkG71>

MBA Women: Time to Lead From the Distaff Side

● Men still hold the majority of executive positions in the business world but the hierarchy is changing. This was the view shared by panelists at the Women's Leadership Forum at IESE's New York campus in October.

L'Oréal U.S. Vice President for Marketing, **Carrington Cole** (MBA '01), urged attendees to prepare for this change by "packing as much as you can into your toolbox." She cited her MBA as a key resource in building executive decision-making competencies.

The panelists, who included women leaders from a broad spectrum of sectors, together with the session attendees issued a unanimous call for women to play a more proactive role in redressing the gender imbalance in business.

IESE supports drives to increase the representation of women at leadership levels in business. Driving equal opportunities for both genders remains a strategic pillar in the school's transformational role in shaping the way people interact in the global business world. "IESE's educational model is clearly and consistently centered on people," said Dean **Jordi Canals**.



MBA graduates on the New York campus during the Women Leadership Forum

NEW JAIME GREGO CHAIR OF HEALTHCARE MANAGEMENT

Five Ways of Rethinking the Health Care System

“Science and management working together at the service of the patient and of society.” For **Jaime Grego**, president of Laboratorios LETI, this is the path to follow to guarantee the future of healthcare. It’s also the aim of the Jaime Grego Chair of Healthcare Management, which was presented at IESE in Barcelona at the end of the year.

FIVE STEPS TOWARDS MEETING THE TRIPLE CHALLENGE

Prof. **Núria Mas** outlined three challenges –financial pressure, an increase in chronic illness and complex information– that the future of healthcare faces and proposed five steps to confront them:

1 Keeping track. It’s impossible to improve what isn’t known and so it’s essential to analyze “in an ongoing and obsessive way.”

2 Identify and understand success stories and try to replicate them.



Jaime Grego, president of Laboratorios LETI, at the Chair presentation event

3 Encourage value in health care. Prioritize treatments and processes that really contribute to improving the patient’s health. Put the patient at the center of the process.

4 Align incentives. Priorities must be established that will ensure that decision-making aligns with the

motives and needs of the people involved.

5 Promote a culture of health. Ongoing education is required to encourage the adoption of habits that improve health as well as innovations that can contribute to better-functioning health care systems.



Marc and Manuel Puig, chairman and vice-president of Puig, with their respective fathers, Mariano and Antonio Puig

PUIG CASE STUDY

“Succession is a Suit That is Made to Measure”



A special Continuous Education session took place on the IESE Barcelona campus when a capacity audience of more than 500 people filled the Aula Magna for the presentation of the Harvard Business (HBS) case study “Puig: The Second Century.” The study, which marks

the cosmetics and fashion multinational’s centennial, was co-authored by IESE Prof. **Pedro Nueno** and HBS professor **Krishna Palepu**.

Following a short discussion of the study, focus turned to the topic of succession and the corporate governance in family businesses. Puig

stands out in this regard, having successfully managed not one, but two leadership hand overs across two generations in its history. Succession in leadership is like a “tailor-made suit,” says former chairman, **Mariano Puig** (PDG’64), father of current chairman and CEO **Marc Puig**.

CONTINUOUS EDUCATION PROGRAM

SAO PAULO, FEBRUARY 6, 2015

Session on Economics with professor **Pedro Videla**.

MUNICH, FEBRUARY 12, 2015

Leadership in a globalized world: Leverage differences for business results, with profesor **Yih-teen Lee**.

MÉXICO DF, FEBRUARY 25, 2015

Session with **Luis Fernández-Cid**, Spain's ambassador to Mexico.

LONDON, FEBRUARY 26, 2015

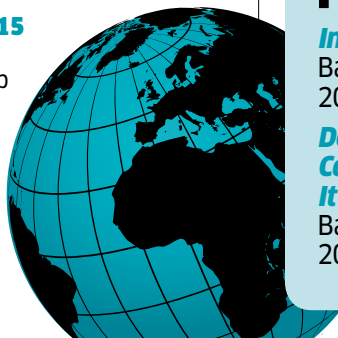
Managing your Career, with professor **Mike Rosenberg**, at LinkedIn facilities.

NEW YORK, MARCH 5, 2015

Improvisation: Skills to be creative in negotiation, with professor **Kandarp Mehta**.

MUNICH, MARCH 16, 2015

Social Entrepreneurship and Social Innovation Platform, with professor **Antonino Vaccaro**.



FOCUSED PROGRAMS

International Real Estate
Barcelona, February 3-5, 2015

Develop your Communication Skills: It's How You Tell Them
Barcelona, April 21-23, 2015

Industry Meetings

1ST IESE-IPADE FOOD & BEVERAGE MEETING

Mexico D.F, February 5, 2015

12TH ENERGY INDUSTRY MEETING

Madrid, February 11, 2015

5TH INSURANCE INDUSTRY MEETING

Madrid, April 15, 2015

1ST CFOs SUMMIT

Madrid, April 28, 2015

8TH SALES AND MARKETING OFFICERS MEETING

Madrid, May 12, 2015

www.iese.edu/IndustryMeetings



Doing Good, Doing Well

BARCELONA, FEBRUARY 27-28

"What is responsible business?" is the subject of the 12TH Doing Good, Doing Well conference. This annual event about corporate social responsibility is entirely organized and run by IESE students to hear directly from professionals and business leaders about how their jobs and organizations are interconnected with society.



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

Georg Freiherr von Boeselager (AMP-Munich-08)

“Love it,
change it,
or leave it”

Georg Freiherr von Boeselager has spent his professional life in private banking, and is senior partner at Merck Finck & Co, Privatbankiers. He was once a manager of an international aid organization, and sees success as a happy combination of family and business life.

Born in 1951, Georg Freiherr von Boeselager is married and has four children. He has extensive experience in private banking, and has been vice president of several German, US and Canadian companies dealing with stockbroking and real estate. He also served on the board of Germany-based Maltese Relief Organization of the Order of Malta, and spent a lot of time at their mission for Vietnamese refugees in Thailand, which specialized in those suffering from leprosy.

His family played a part in the history of Germany, as his uncle **Georg** and father **Philipp** were members of the failed July 20 plot against Hitler in 1944. Many other conspirators were shot, but **Georg Freiherr von Boeselager** survived, only to die in combat on the eastern front, while **Philipp Freiherr von Boeselager** lived until 2008. The July 20 plot was the subject of the Hollywood movie *Valkyrie*, starring Tom Cruise, which was released in 2009.



What do you think are the most important abilities and characteristics of a business leader?

The first thing is to think thoroughly about why you want to do whatever it is you want to do.

It is very important that you develop a viable and prudent vision for your company of where it should go. Secondly, you have to be able to convince your colleagues of your ideas. Last but not least, you need to be able to focus on people's strong points and place them in the right position in your company.

Decision-making is a key part of your current responsibilities. Do you mostly rely on processes or on your instinct?

I think it is a mix of both. In my company, processes are important because they make sure that everyone is involved. So it is vital to keep them short and to come to a decision fast. Nonetheless, at my age, you make a lot of decisions based on experience. But be careful: Experience and intu-

ition might mislead you. You certainly need good analytical skills – otherwise you are lost.

It is said that mistakes help us to learn. In your career, what's the professional mistake from which you learned the most?

I once found myself in a situation in a big company where I was banging my head against a wall. It took me a while to realize that you ought to be able to distinguish between what you can change and what not. Love it, change it, or leave it. I ended up leaving the company and never made the same mistake again.

At some point in your career you left banking and started to work for a worldwide aid agency. Why?

That was in 1981, after I'd had four fantastic years with B. Metzler seel. Sohn & Co., a private bank that had sent me to New York and Boston to take my brokerage exams, which was an enormous experience for me. I might have been



Georg von Boeselager (right) at the emergency hospital in Jezzine, Lebanon, with a member of Caritas Germany and a doctor from Beirut, during a visit from the Maltese Relief Organization in June 1982.

overambitious at that time. I really wanted to know what my next challenge was going to be, so when someone asked me to join the management team of this big NGO, here was my next challenge. I am Catholic, so helping others is in my genes, in a way. I signed up for three years, knowing that I would eventually go back into banking and, at the end of my service for the Maltese Relief Organization of the Order of Malta, Metzler asked me to join them again, which was superb.

How did your experience of leading an NGO help you to improve as a manager?

Above all, it changed the way I behave towards colleagues. When you work in an NGO, you work together with colleagues who are volunteers rather than professionals and most of them are quite idealistic. I learned to value them, and this changed the way I behave within my organization. Whether I deal with the person in the post room or with my partner: I respect them both equally. Everybody here knows that.

Also, once you walk out of a typical management role and work with the sick and the dying, it changes your view of the world and is something you never forget. It makes you realise the importance of doing something for people less fortunate than yourself. Today, when I make decisions, I not only look at the outcome for the company but also at the outcome for society.

Your father was part of a group that attempted to assassinate Hitler on July 20, 1944. How did this affect your family life?

It seemed quite normal to us. Survivors from the resistance movement frequently came to our house, and my father talked about World War II all the time, while most of his contemporaries just wouldn't. For me, it was so normal that I didn't realize that he'd done something special. I could not and did not see him as a hero.

We frequently fought because he had such a strong personality. However, my attitude changed during the student movement in the 1960s.

What happened?

He took me to some student event, where he was invited as a guest speaker, about the events of July 20. As he had previously served in the army, the audience attacked him: "Why did you fight for Hitler in such an immoral, illegal war, why didn't you leave the army?" I was shocked by the aggressive tone with which they questioned my father and how they felt they could tell him how he should have behaved. At the same time, it made me think a lot about what happened. Ultimately, this incident only confirmed my respect for my father and it what a superb thing they had done, trying to kill Hitler, finally sank in.

Did this shape your set of values personally and professionally?

Of course! In my family, values were very clear. For generations, my family had been educated by Jesuits. But unless you are challenged, values are easy to come by, but you can never really know until they are put to the test. This happens when you are forced to make difficult decisions at management level. That's when you really become conscious of your own values.

What is your idea of success in life?

If you can combine family life and business life in a way that makes you happy, that's a huge success.

You've been very successful in your various jobs. What made you decide to do an AMP?

Initially, I wanted to get an update on the latest findings in business administration. When I joined the program I found that it took me into unfamiliar territory. Take marketing: I did not know a lot before that and I learned a lot. Or take decision analysis: this was particularly interesting. The professor did not once comment on your decision but instead on the process through which you came to your decision. A revelation!

Did the program surprise you in any sense?

What I hadn't really expected was how inspiring it would be to learn among peers. I would have never met these remarkable leaders from all kinds of different industries, had it not been for the AMP Munich. These accomplished people challenged me and questioned me in a way that

➤ MY MAIN ADVICE IS THAT YOU SHOULD ACTIVELY LOOK FOR OPPORTUNITIES AND THEN TAKE THE CHANCES

would have been unthinkable in any other context – above all in my own company, where I always have to be in the driver's seat.

What advice would you give to IESE graduates?

That's a difficult question. I have four children and I decided not to give them any advice because the world has changed so much. Most of my children work in the Internet business so I have no advice to give them. My main advice is that they should actively look for opportunities and then take chances.

Did IESE's focus on values influence your decision to become president of the board of the German chapter?

Absolutely! Since the financial crisis in 2008, all these business schools have started to ask themselves what they had been lacking in business education. Ethics! I find that ridiculous. If you educate students and something goes wrong and only then you start realizing that you have missing ethics out, you're on the wrong track. At IESE, you can tell that ethics lie at the core. You feel it in the spirit. One of the professors told me that he'd had the choice between teaching at Harvard, MIT and IESE. He chose the spirit. And once you've been to an IESE campus, you know what he means.

IESE has been active in the Central European market for ten years now. Do you think that the new campus in Munich is significant?

It is key. Up to now we rented spaces for our programs but there weren't any IESE flags on the buildings. I think that it is important to have a hub of academic life: a place to run programs, to invite guests and guest speakers, give receptions, and most of all to create a place where people can get a feel for that special spirit that you can only get at IESE.

What do you think that the Munich campus will be able to offer?

I look forward to IESE Munich becoming a truly global campus. I think that companies from all over the world will welcome this opportunity of sending participants to our programs here in Munich. This is a unique occasion to connect with a wide range of companies from the strongest economy

in Europe. You'll get personal access to global players like Siemens, BMW and BASF, as well as to leaders of many Mittelstand companies. This opportunity is priceless.

Where do you see IESE in the German-speaking countries ten years from now – do you have a vision?

Yes – it should strive to be even better known than it is now. And all of the DAX companies as well as the most important companies in Central Europe should send their people to IESE. In ten years, this campus should be too small for all the programs that we will run.

In Germany, there are now several independent business schools and the more good ones that are around, the better, because professional, value-based information is really important for Central Europe. Therefore, I am thrilled that we're opening a campus in Munich next summer.

What plans do you have as president of the chapter?

Our first challenge is the Global Alumni Reunion here in Munich on October 17, 2015 and I am really enthusiastic about it. IESE makes a big commitment to the economic powerhouse of Europe, and this conference will offer a unique opportunity for alumni from other parts of the world to come and listen to some of the most successful and entrepreneurial drivers in this economy. I would love to see as many alumni as possible joining us. I guarantee they won't forget it.

Germany IESE Alumni Chapter

* **Board members of the Chapter:** Till Blaessinger, Georg von Boeselager, Michael Brigl, Bernhard von Canstein, Andrea Christenson, Leonhard Graf von Harrach, Katharina Lueth, Klaus Peter Müller, Klaus-Dieter Schmidt.

* **563 alumni** in the Chapter.

* **10 sessions organized every year in Germany** (in Munich, Frankfurt, Düsseldorf and Cologne).

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PROGRAMAS MÁSTER



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AREA OF HUMAN, LEGAL AND SOCIAL SCIENCES • EXECUTIVE MBA IN FASHION BUSINESS ADMINISTRATION • MASTER'S DEGREE IN BUSINESS LAW • MASTER'S DEGREE IN TAX CONSULTANCY • MASTER'S DEGREE IN ACCESS TO LEGAL PRACTICE DOUBLE MASTER'S DEGREE IN ACCESS TO LEGAL PRACTICE + BUSINESS LAW OR TAX CONSULTANCY • MASTER'S DEGREE IN HUMAN RIGHTS AND CONSTITUTIONAL GUARANTEES • MASTER'S DEGREE IN ECONOMICS AND FINANCE • MASTER'S DEGREE IN PERSONNEL MANAGEMENT FOR ORGANIZATIONS • MASTER'S DEGREE IN BANKING AND FINANCIAL REGULATION • MASTER'S DEGREE IN ORGANIZATIONAL GOVERNANCE AND CULTURE • MASTER'S DEGREE IN POLITICAL AND CORPORATE COMMUNICATION • EXECUTIVE MASTER'S DEGREE IN MEDIA AND ENTERTAINMENT MANAGEMENT • MASTER'S DEGREE IN SCREENPLAYS FOR FILM AND TELEVISION • MASTER'S DEGREE IN COMMUNICATION RESEARCH • MASTER'S DEGREE IN PHILOSOPHY: REALITY, KNOWLEDGE AND ACTION • MASTER'S DEGREE IN CONTEMPORARY STUDIES • MASTER'S DEGREE IN EDUCATIONAL AND PSYCHOLOGICAL INTERVENTION • MASTER'S DEGREE IN SECONDARY SCHOOL TEACHING • MASTER'S DEGREE IN MARRIAGE AND THE FAMILY AREA OF BIOMEDICAL AND EXPERIMENTAL SCIENCES • MASTER'S DEGREE IN BIODIVERSITY, LANDSCAPE AND SUSTAINABLE DEVELOPMENT • MASTER'S DEGREE IN BIOMEDICAL RESEARCH • EUROPEAN MASTER'S DEGREE IN FOOD SCIENCE, NUTRITION AND METABOLISM • MASTER'S DEGREE IN R&D&I IN MEDICINES • MASTER'S DEGREE IN PALLIATIVE CARE NURSING • MASTER'S DEGREE IN ADVANCED PRACTICE AND MANAGEMENT IN NURSING AREA OF TECHNICAL SCIENCES • MASTER'S DEGREE IN BIOMEDICAL ENGINEERING • MASTER'S DEGREE IN PRODUCTION MANAGEMENT IN THE AUTOMOTIVE INDUSTRY • MASTER'S DEGREE IN TELECOMMUNICATIONS ENGINEERING • MASTER'S DEGREE IN INDUSTRIAL ENGINEERING • MASTER'S DEGREE IN ARCHITECTURAL DESIGN • MASTER'S DEGREE IN ENVIRONMENTAL DESIGN AND MANAGEMENT OF BUILDINGS

NEW MANAGEMENT IN THE ALUMNI ASSOCIATION

JAVIER MUÑOZ

● **Javier Muñoz** (MBA '03) is the new director of the IESE Alumni Association. After more than a decade as the head of the school's MBA Admissions and Career Services he is enthusiastic about taking up his new career challenge.

"I've spent the past 14 years immersed in the MBA, two as a student and 12 as a director, helping alumni in whom I could see a reflection of my own experience," he says. "Now I have the chance to continue to support not only the MBAs but all IESE alumni in the period after they leave the school and, we hope, for the rest of their lives", he says.

Javier sees this new challenge as a great honor as, being an alumnus himself, he understands the importance of the Association's contribution to IESE's future and also to the development of the alumni's professional careers, networking and ongoing education. "The aim is to continue working with humility in the same direction," he says.

The new director also emphasizes that the Association "has a great team of professionals in Barcelona, Madrid, Munich, New York, Sao Paulo, Singapore, Shanghai and Tokyo." His message to alumni is that "We hope to count on them more than ever. We invite them to get involved, to be closer to us and to continue to lend us their support, because they are fundamental to IESE's very existence."



Javier Muñoz, the new director of the Alumni Association, and Mireia Rius, the new member of IESE's executive committee in charge of Executive Education.

MIREIA RIUS

● Seven years after taking over the running of the Alumni Association, the time has come for a change for **Mireia Rius** (MBA '94). Behind her lies a period of learning and emotion, and she is enthusiastic about continuing to work for IESE and the alumni as head of Executive Education on the school's Executive Committee. "It has been a privilege to witness the day-to-day affairs of the alumni's world," says **Mireia**. "I've learnt a lot and I've met wonderful people. In fact, I'd have loved to listen to the stories of more than 42,000 alumni: stories of overcoming the odds, of virtue, long-term projects and impact. I recall the words of the cardiologist **Valentí Fuster** at the Global Alumni Reunion in 2009 in New York, when he described the alumni as the heart of IESE," she adds.

Mireia describes the relationship between the school and the association as an ecosystem in which each part nourishes the other. "Much of IESE's recent development has occurred thanks to the alumni, their comments, proposals and projects. And IESE's improvement has made a huge contribution to the success of our alumni's careers."

Mireia's IESE professional path began in Career Services in 1997. Seven years later she was appointed head of MBA Admissions, and she has been its director since 2007. Her period at the Alumni Association also involved major projects. "All of this has been possible thanks to the Association's Executive Committee, presided over by **Jorge Sendagorta**, the fantastic alumni team and the boards of the Chapters whose voluntary work has made it possible to have a strong association," she says.

ROBERT E. RUBIN: "WE'RE FACING THE MOST UNCERTAIN ENVIRONMENT IN A LIFETIME"

Threats to the Global Economy

Europe's political leaders should focus on structural reform to find a fiscal balance that creates "confidence in markets and the business community and that leaves room for growth," former U.S. Treasury Secretary **Robert E. Rubin** told an IESE Global Leadership Forum in New York City last October.

As the global economy starts to recover from the financial crisis, focus is shifting to how we can move forward constructively. Rubin was invited to share his perspective as a veteran of industry and government in an exclusive interview with IESE Professor **William F. Baker**.

AN UNCERTAIN PRESENT

Rubin believes that investors and policymakers today are facing "the most complicated and uncertain environment in my lifetime." He attributes this in part to the "downside" of our financial system that was exposed by the recession.



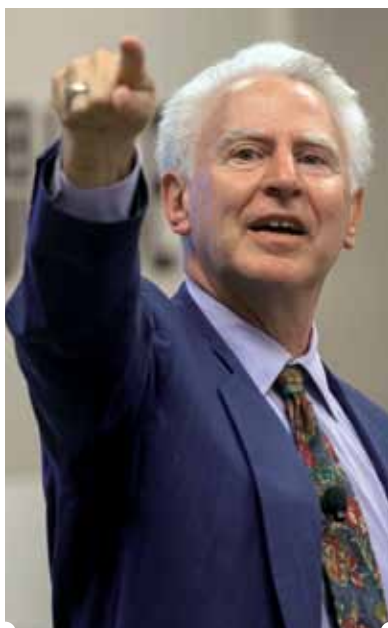
Robert E. Rubin, former U.S. Treasury Secretary, on the IESE campus in New York City

Regarding the **Obama** administration's "too big to fail" approach to saving the U.S. economy by bailing out individual institutions, **Rubin** believes it probably prevented the financial system from "going over the abyss."

However, he attributes the lack of a constructive fiscal policy in the

U.S. to a "totally dysfunctional government that resists compromise."

As for Europe, **Rubin** says that "the prospects for Europe muddling along with zero growth and increasing risk should be taken seriously because this is a tail risk for the whole global economy, with real geopolitical consequences."



HBS Prof. Michael Tushman

PROF. MICHAEL TUSHMAN, HARVARD BUSINESS SCHOOL

Learning to Play the Exploit-Explore Game



Complacency, short-term business thinking, and lack of investment and research can stymie a company's fortunes, not to mention a stagnant, inward-looking culture and poor leadership, Prof. **Michael Tushman** of Harvard Business School told IESE alumni.

Tushman is an expert on the relationships between technological change, executive leadership and organization adaptation, as well as innovation streams and organization designs. "The better you are at

exploiting what you currently do, the worse you are when there is an architectural change," he explained. "You have to play two different games well at the same time: exploitation and exploration."

To avoid the inertia pathology, what is needed is to build strong senior team integration with a cognitively complex model that can respond to the demands of exploration and exploitation. The team must be able to coherently communicate both messages to more junior teams, he said.



Shi Lirong, Yang Lan, Prof. Pedro Nueno, Jiren Liu and Mingpo Cai (GCPC '10)

RECOGNITION FOR CHINESE BUSINESS LEADERS

Presentation of the International Friendship Awards

Five Chinese business leaders have been presented with the International Friendship Award in recognition of their contribution to the global economy through investment and job creation in China and other countries.

The winners are **Yang Lan**, co-founder of Sun Media Group; **Shi Lirong**, CEO and chairman of ZTE; **Jiren Liu**, CEO and chairman of

Neusoft; **Mingpo Cai** (GCPC '10), president of Cathay Capital; and **Qiangdong Liu**, founder and CEO of JD.com.

The candidates were chosen by an international jury presided over by IESE Prof. **Pedro Nueno** and comprising business people and academics from Harvard Business School and Wharton School, among other prestigious business schools. The awards

were presented at IESE by Dean **Jordi Canals** and the economy and knowledge minister of the regional Catalan government, **Andreu Mas-Colell**, in the presence of members of the jury.

The awards reinforce IESE's links with the Chinese business community. Prof. **Canals** underlined how future prosperity depends on cooperation, building bridges and creating a "network of friendships."



PAUL J. FRIBOURG, CEO OF THE CONTINENTAL GRAIN COMPANY

Advantages of Family Business in Volatile Times

Less pressure to produce short-term results and the ability to form lasting business relationships are two advantages enjoyed by family businesses in confronting a volatile market, according to **Paul J. Fribourg**, chairman and CEO of the Continental Grain Company. In a dialogue with professor **William F. Baker**, held on IESE's New York campus, **Fribourg** explained how family businesses can tolerate greater volatility and can focus on long-term

objectives because they are not driven by quarterly profits.

Relationships are also key to creating business opportunities, he said.

In 1964 his father negotiated the first sale of wheat and rice to the Soviet Union. Continental went on to venture into China, driven by the belief that "by building relationships with people in burgeoning markets, you can achieve better political relationships," **Fribourg** said.

JOSÉ MARÍA ÁLVAREZ-PALLETE: COO OF TELEFÓNICA

Transformation is the Way Forward

“You are a privileged generation,” José María Álvarez-Pallete, COO of Telefónica, told a packed audience on the IESE Barcelona campus.

Privileged, because we are living in times of unprecedented change and near limitless possibilities, driven by the digital revolution.

This is an era where social media can dislodge governments, cars can drive themselves, 3-D printing is revolutionizing manufacturing – “and the personal smartphone has more processing capacity than NASA when it landed the first man on the moon,” he said. The Internet of Things currently has 10 billion connections. By 2020, it will have 50 billion.

CHANGE BRINGS RISK

A time of great change and opportunity is also a time of uncertainty and risk, calling for leadership and vision, said Álvarez-Pallete. Companies will have to adapt, improve and deliver to thrive in the new digital world. And to do so, we will need new rules and new values. The demand for technology has never been greater. Álvarez-Pallete cited the example of

the iPhone. In its first weekend, the original model sold 800,000 units. A staggering 10 million iPhone 6s were sold over the same period in 2014. “Technology is changing everything: social relationships, politics, economy – and it is not going to stop. People are beginning to see technology as something as necessary to them as eating and drinking.”

Calling for a “digital constitution,” he highlighted the risks posed by global cybercrime, with an annual cost to government, business and individuals in excess of €320 million. He also pointed to social media networks, which encourage people to “willingly give up vast amounts of their private data every minute of every day.”

The commercialization of our private lives is currently the price we pay for “free” services, he said. But the data we surrender – and how it is used – needs to be protected. Telefónica has to follow strict guidelines about the content carried on its networks and the privileged client information it holds. Google, Android, Apple and Facebook, on the other hand, don’t face restrictions.



José María Álvarez-Pallete, COO of Telefónica, at IESE's Barcelona campus



Hans Langer, CEO of EOS, on Munich campus

3-D PRINTING:

The Next Industrial Revolution

We are about to witness a second industrial revolution. And riding the crest of this wave of change is 3-D printing, a digital phenomenon that is transitioning from the realms of the avant-garde to the mainstream. Modern manufacturing is about to be transformed beyond recognition. These were the ideas up for discussion at the IESE alumni event hosted by Munich-based EOS, a “hidden champion” in the world of 3-D printing, and one which has become a market leader in this area.

EOS CEO and founder Dr. Hans Langer shared a vision of the future with IESE professor Marc Sachon and delegates in which the new technology is not only set to change the way in which products are designed and produced, but will “revolutionize manufacturing altogether and bring about business ideas we cannot even envision today.” He added that Europe is leading the field in 3-D printing R&D.



FACULTY

Awards for Research

• Prof. **Antonio Argandoña** has been awarded the Ramón Mullerat prize for promoting Social Responsibility and Sustainability under the aegis of the 5th Premios Corresponsables.

• Prof. **Pascual Berrone** has received the award for the best paper presented by the Academy of Management-ONE Division for “Let’s talk: Examining dialogue

among firms and outside actors on social and environmental issues.” The academic article was written in collaboration with the IESE PhD graduate **Horacio Rousseau**.

• Prof. **Nuria Chinchilla** was presented with the Global Inspiring Women Worldwide Award from the Women’s International Networking (WIN) at the Global WIN Conference 2014 held in Berlin in October.

• Prof. **Fabrizio Ferraro** has been presented with the 2014 Sustainability Academic Research Prize for the paper “Why talk? A process model of dialogue in shareholder engagement.”

• Prof. **Pankaj Ghemawat** received the Strategy & Eminent Scholar Award 2014 from the International Management Division of the Academy of Management.



Professors Antonio Argandoña, Pascual Berrone, Nuria Chinchilla, Fabrizio Ferraro and Pankaj Ghemawat

APPOINTMENTS



Luis Casas
(AMP '12)
DIRECTOR OF THE OPEN PROGRAMS ON THE NEW YORK CAMPUS
• Casas held senior positions at companies such as the Walt Disney

Company, before joining IESE in 2011 to continue developing the school's programs in the United States.



Javier Muñoz
(MBA '03)
DIRECTOR OF ALUMNI & INSTITUTIONAL DEVELOPMENT
• In 2003, he joined IESE as associate director of MBA Admissions and

in 2007 was named director of the division. Since 2011, he has been the director of Career Services. During this time, the placement of the MBA graduates has been increasingly international and over 90 percent of MBAs have found a job within three months of graduating.



Mireia Rius
(MBA '94)
MEMBER OF IESE'S EXECUTIVE COMMITTEE IN CHARGE OF EXECUTIVE EDUCATION

• Rius joined IESE in 1997, and has been director of MBA Career Services, director of MBA Admissions (2004-2007) and director of Alumni & Institutional

Development (2007-2014). In this last period, new services for alumni have been created; the Continuous Education Program has been extended to more than 300 sessions in 65 cities, and the Global Alumni Reunion has been established as IESE's major annual event.



Nico Van den Brink
(MBA '95)
DIRECTOR OF CAREER SERVICES ON THE MBA PROGRAM

• Van den Brink has a background in the finance industry and at an international headhunting firm. In 2012 he was named associate director of the IESE Global Executive MBA division.



Oporto

SEPTEMBER 24

● Alumni met in Oporto for a dinner discussion at which the special guest was **Paulo Rangel**. Rangel is a partner at Cuatrecasas Gonçalves Pereira, in addition to being a professor at the law faculty of the Universidade Católica do Porto; member of the board of the Associação Comercial do Porto; member of the board of the Robert Shuman Foundation; member of the European Parliament; coordinator of the European Group of the PSD and vice-chair of the European People's Party (EPP).

New York

OCTOBER 2

● Long considered a niche on the periphery of capital markets, responsible investing is becoming a significant trend, which many financial institutions are integrating into their investment process. This was the topic addressed by **James Gifford**, senior research fellow on the Initiative for Responsible Investment at Harvard Kennedy School, and IESE Prof. **Fabrizio Ferraro**, during the conference "Responsible Investing Takes Root: Exploring Recent Trends in the Field in Conversation," organized at IESE's New York center.

OCTOBER 21

● At the meeting called by U.S. Chapter president **Alan Pace** (MBA '94), Prof. **Javier Estrada** discussed the subject "Risk: Assessment and Impact on Investment Decisions."

DECEMBER 3

● Prof. **Mike Rosenberg** gave the talk "Strategy & Geopolitics" to alumni at IESE's New York center, bringing them up to date with today's geopolitical picture. He argued that business leaders should take on and understand global complexity if they hope to run a successful multinational.



Shanghai

London

OCTOBER 7

● Microsoft's offices hosted the latest in the IESE Alumni Workshop Series under the heading "Solving Intractable Problems and Learning at the Same Time - Experiencing the Power of Action Learning." The invited speakers were **Matthew Farmer** (MBA '03), managing director of Emerging World and director and cofounder of the World Institute of Action Learning (WIAL) in the U.K.; **Frank McCosker**, managing director of Affordable Access & Smart Financing 4Africa at Microsoft, and **Ed Williams**, executive coach and also director and founder of WIAL-UK.

DECEMBER 4

● U.K. Chapter members, presided over by **Chris Daniels** (MBA '00), attended a conference given by Prof. **Pedro Videla**, who discussed current macroeconomic challenges.

Munich

OCTOBER 7

● 3-D printing and its industrial applications were the focus of a gathering of alumni at Electro Optical Systems (EOS) in Munich. Prof. **Marc Sachon** moderated the session "Industrial 3-D Printing - A Driver for Sustainability," given by **Hans Langer**, founder and CEO of EOS. The Alumni Association thanks the company for providing its facilities for the event.

DECEMBER 11

● Prof. **Markus Maedler** gave the conference "Corporate Risk Management - A General Manager's Perspective," in which he underlined the importance of the manager's role in risk management.

OCTOBER 9

● MBA alumni took part in a special event to mark 50 years of the MBA and were invited to view the new facilities in Munich and take part in the first event to be held there. After a welcoming speech from the campus director **Rudolf Reppen**, Prof. **Heinrich Liechtenstein** moderated the panel "What is Success? A Long-Term Perspective for Professional Life," in which **Michael Brigl** (MBA '05), partner at BCG, and **Georg Freiherr von Boeselager** (AMP Munich '08), senior partner at Merck Finck & Co Privatbankiers, gave their personal views about the road to success. Both agreed that the ability to choose is a determining factor. "You're successful if you have the option to choose the challenges you want to confront," said **Boeselager**.

Sao Paulo

OCTOBER 9

● The world is going through a technological revolution. The spread of the Internet, mobiles, the cloud, social interaction and information in real time is leading to significant changes in society

and our way of interacting with products, brands and companies. This new reality presents great opportunities for business which were discussed at the conference "A World in the Process of Transformation: How Digital Technology is Impacting Business," organized at the headquarters of the ISE, and moderated by IESE Prof. **Ricardo Engelbert** and given by **Agenor Leão**, vice president of Tecnologia Digital da Natura.

OCTOBER 23

● ISE hosted another IESE alumni meeting with a session given by Prof. **José R. Pin**, who, using a fable, discussed how the different phases of an executive's life should develop.

DECEMBER 11

● Big data was the topic of this conference organized by the Brazil Chapter, presided over by **Adriano Amaral** (MBA'94). Under the title "Building Bridges With Big Data: Transforming Gigabytes Into Business Insights," Prof. **Javier Zamora** discussed this technology and its uses and applications in the business world with his audience at ISE.

Cologne

OCTOBER 13

● Prof. **Carlos García Pont** discussed "The Organizational Challenges of Differentiation" during this alumni meeting in Cologne. The professor talked about differentiation not only in the product but also in the form of organizing every facet of the organization.

Paris

OCTOBER 13

● The special guest at the latest Diner du Premier Lundi, organized by **Cristina Latorre** (PADE '11), Spain's permanent representative at the OECD, was **Axel Lambert de Rouvroit** (MBA '01), an international consultant on health security, who led a session titled "Ebola." The meeting was repeated on December 4.

Dubai

OCTOBER 20

● Dubai was the location for a meeting of alumni for a session



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1. Session in Zurich, with Professor Markus Maedler
3. Profesor Jorge González' talk, in Vienna

2. Alumni at December's session in Munich

titled "Innovation as Usual: How to Help Your People Bring Great Ideas to Life" given by Prof. **Paddy Miller**, who emphasized the importance of incorporating innovation throughout the company and not just in the product.

DECEMBER 7

- Alumni in Dubai attended the talk
- "Bridging the East and the West," given by Prof. **Alfredo Pastor**.

Brussels

NOVEMBER 3

- During the session "Authentic Leadership," the founder partner of Thomas More Partners, **François-Daniel Migeon**, talked to our alumni about the sort of qualities that a leader needs to positively differentiate a company's performance. The secret is to achieve full harmonization between the internal beliefs and tangible actions, which will win over many natural followers.

Warsaw

NOVEMBER 5

- Prof. **Guido Stein** gave the session
- "Leading People and Business in Uncertain Times." This session was held thanks to PwC Polska, which offered its facilities for the location.

DECEMBER 1

- The Poland Chapter, presided over
- by **Piotr Kaminski** (AMP '07), or-

ganized a Christmas dinner with Prof. **Pedro Videla** as the special guest.

Mexico City

NOVEMBER 11

- **Pedro Antonio Tabera**, president
- and CEO of Mercedes-Benz Mexico, discussed "The state of the automobile sector in Mexico" with alumni.

Zurich

NOVEMBER 14

- Alumni from the Switzerland Chapter, led by **Bence Andras** (AMP-Munich-07), met to hold a lunchtime discussion in Zurich. Almost a month later, on December 10, they held a new "Bar of the Month" gathering.

NOVEMBER 20

- Risk management has become one
- of the hottest topics in the world of general management. Managing directors play a fundamental role in this process, as it's up to them to formulate a risk strategy and make critical decisions over the implementation. Prof. **Markus Maedler** clarified some of the doubts that can arise in this process during the conference "Corporate Risk Management - A General Manager's Perspective."

Shanghai

NOVEMBER 18

- Prof. **Alejandro Lago** talked to
- alumni at CEIBS about the challenge of changing over from selling

products to offering services, during the session "From Products to Services: An Attractive but Challenging Move."

It's a trend that has been growing among many manufacturing companies in recent decades and can produce bigger sales, better margins, more personalized solutions and the opportunity to distinguish yourself from competitors. However, it also carries a considerable risk of failure.

Copenhagen

NOVEMBER 20

- Prof. **Evgeni Káganer** held a meet-
- ing with alumni in Copenhagen.

Lima

NOVEMBER 20

- The former Peru finance minister
- and president of Backus-SABMiller, **Fernando Zavala**, was the special guest at a session organized by the Peru Chapter, led by **Hugo Alegre** (MBA '91). The Chapter held a Christmas dinner on December 4.

Vienna

NOVEMBER 20

- Alumni met at the Handelsverband
- offices for the conference "Customers & Data: Trends and Facts," given by Prof. **Jorge González**. The Alumni Association thanks the company for the use of its facilities.

Lisbon

NOVEMBER 24

- The Portugal Chapter, led by
- **José Gabriel Chimeno** (PDG-I-95), attended a dinner discussion on "Organized Crime," given by Prof. **Antonino Vaccaro**, who discussed the impact of organized crime on economic performance.

Basel

NOVEMBER 27

- Alumni in the Basel region
- celebrated a "Bar of the Month," brought together by **Gustavo Melgar-ejo** (MBA '01).

The Hague

DECEMBER 1

- A special meeting of the Continuous Education Program was ad-

dressed by **Jan Zijderveld**, president of Unilever in Europe, who, in a session moderated by Prof. **Franz Heukamp**, shared with his audience unique experiences from one of the biggest fast-turnover consumer goods companies in the world. The event was opened by **Fernando Arias**, Spain's ambassador to the Netherlands, whom the Alumni Association thanks for his participation.

Rome

DECEMBER 1

● Prof. **Antonio Argandoña** talked to ● alumni about "The Challenges of the Economy in Europe and Emerging Countries," a conference that touched on concepts such as economic models, sustainable growth, growing debt, inequalities and new competitors. The event was made possible through the collaboration of BCG, which offered its facilities for the occasion.

Buenos Aires

DECEMBER 2

● The Argentina-Uruguay Chapter, ● led by **Martín Agramonte** (MBA '99), brought alumni together at the headquarters of IAE in the Argentinian capital. **Fernando Zerboni** (Ph.D '07), academic director of Sales Management at IAE, gave the talk "Imagining Future Organizations With Technological Change." He identified some of these changes and discussed alternative ways of taking advantage of them and making the most of their role in companies. He also discussed collaborative models such as crowd-sourcing, crowdfunding and crowd-thinking. **Eduardo Fracchia**, academic director of Economics at IAE, discussed the economic situation.

Santiago de Chile

DECEMBER 9

● A few days before his visit to ● Sao Paulo, Prof. **Zamora** gave the talk "Tying up Loose Ends with Big Data: Looking for a Needle in a Digital Haystack" in the Chilean capital where the alumni were brought together by the chapter, led by **Lionel Olavarria** (MBA '75).

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ENTREPRENEURS

MBA '96



Jorge Llamosas is CEO and founding partner of JoinForces (www.joinforces.es), a firm offering professional services on strategy and business development. Its mission is to help businesses develop marketing and sales strategies using ad hoc and outsourcing projects.

PDD-B-04



The CEO of Sunshine Energy Advisors, **Fernando Herrerías** has launched Sunshine Middle East in Saudi Arabia with his partner the Al-Hadyad Law Firm. The renewable energy firm, which has bases in Riyadh and Madrid, offers advice on business opportunities in GCC countries.

PDD-E-09



Íñigo Busto has founded Luraki, a mobile application designed to encourage people to eat healthy and local food. Luraki geo-localizes agricultural and artisanal products and tells users where they can be obtained for the best price.

PDD-5-11

MIC Healthcare, a strategic consultancy that specializes in planning and management of health care companies, has been launched with **Jordi Platja** as partner-director and cofounder.

PDD-A-10



In 2009 **Luis Vega** founded Patrocinalos, an initiative recently integrated in the sports daily *Marca*. Patrocinalos.marca.com is a crowdfunding platform designed to support sports people with forms of sponsorship open to individuals, small and medium-sized businesses and large firms.

PDD-C-14



Gemma Marcé has founded Marcé Comunicación where she is managing director. "We convert business ideas into communicable projects that can attract interest. We offer an integrated communication service to small and medium-size businesses, a sector which has limited resources to invest in communication," she says.

YOU'RE IN THE NEWS

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MBA '76



Rafael Villaseca, CEO of Gas Natural Fenosa, has been named president of the Chilean Compañía General de Electricidad (CGE).

MBA '86

Ignacio Martos is the new executive president of TINSa.

MBA '88

Carlos Eugui has been appointed as director of the board at Frisa.

Tomás García Madrid has been named director at the International Advisory Board of Banco Popular.

MBA '89



Luis Maroto is the new CEO of Amadeus.

MBA '90



Íñigo Parra, president of the Levante Chapter of the IESE Alumni Association, is the new president of the Asociación para el Progreso de la Dirección for the Eastern and Southern Spain.

MBA '92

Ignacio Llorente has been named as head of professional

orientation at IEB (Instituto de Estudios Bursátiles). He will combine this post with that of institutional relations at IEB.

MBA '99



Jürgen Rilling has been appointed associate professor at the Ludwig-Maximilians-Universität (LMU) in Munich.

MBA '00

Jordi Gutiérrez is the new managing director of UOC-Empresa.

MBA '09

Sergio Malagrida is the new International Manager at Galenicum.



Alumni from the AMP, PLD, PMD and SEP Programs met for the 2014 International Executive Education Alumni Reunion. The gathering took place on IESE's Madrid campus on October 30, just before the Global Alumni Reunion. The event included sessions on leadership and economic trends given by professors **Sebastián Reiche**, **Ahmad Rahnema**, **Pedro Videla** and **John Almandoz**.

A group of IESE alumni residents in Berlin, representing classes from 2002 to 2011, met on October 9 at an event organized by **Anne Gaschemann** (MBA '10).



PADE-1-09



Jordi Valls has joined Aguas Andinas as CEO.

PDD-1-05



Manuel Abat is the new EMEA president at Neoris.

PDD-4-09

Ana Isabel Gómez has been promoted to general manager for Spain and Portugal at Alcon, a

multinational in the Novartis Group.

PDG-2-04



Miguel Pérez Schwarz has been named member of the European regional leadership team at ZF

Services, a post he will combine with being the company's Spain and Portugal managing director.

PDG-2-11



Maurizio Cartone has assumed responsibility for sales in the global travel market division at Grupo Ferrero.

PDG-A-11



Arturo Olivé, until recently chief engineer in the industrial and naval division in Madrid, has been named head of Sener's Mexico division.

PDG-A-13

Juan Antonio Brun has been named head of EMEA operations at Atento.

PDG-C-09

Elena González Sánchez, manager of ANESE, has been chosen by the magazine *Metering & Smart Energy International* as one of the 40 most influential people on Smart Grids in Europe.

WELCOME TO THE ALUMNI ASSOCIATION EXECUTIVE EDUCATION GRADUATIONS



AMP-BCN-14 -Spring Edition. President: Laurence Battaille de Stappens • Vice presidents: Jennifer C. Montanez and José Cruset



PMD-1-Brazil-2014. President: José Roberto Giro Junior • Vice president: Neylor Brito

Returning Home as a Changed Person



B. SEBASTIAN REICHE

Associate Professor of Managing People in Organizations, IESE

Living and working in a foreign country is a fascinating experience that often shapes a person for the rest of his or her life – and stimulates both personal and professional growth. Ernest Hemingway summed it up when he said that “If you are lucky enough to have lived in Paris as a young man, then wherever you go for the rest of your life, it stays with you, for Paris is a moveable feast.” What Hemingway didn’t say though was that international experiences often have a profound impact on you as a person, which makes the return home challenging. In fact, my own research suggests that most international returnees experience higher levels of culture shock than when they moved abroad in the first place.

At first sight, this seems puzzling. Why should returning home be so difficult? Partly this has to do with a lack of mental preparation for readjustment back home. When moving to a second tier city in China, you know that every single aspect of your life is going to change. This is much more difficult to envision when going back to a place you know and whose language you speak. And the newly gained confidence in adjusting to a foreign environment often makes you even less conscious of the possible challenges you may face upon return, and at the same time, the longer you have been abroad, the more your social circles and life in general back home have moved on.

What’s more, people around you don’t tend to expect your return to be problematic either. This may explain why organizations continue to do a relatively poor job in managing repatriation. Friends and family also often fail to provide sufficient social support – and may even struggle at first understanding your changed self. Finally, upon return it often feels as if people around you are not interested in the rich encounters you

have had abroad. This is usually not intentional, it is simply a reflection of the difficulty of putting yourself into someone else’s shoes without any first-hand knowledge of what that person has experienced.

So what can you do to ensure your international experience remains a moveable feast? At the most basic level, sufficient self-awareness about changes in yourself, and an awareness about how other people, places and lifestyles back home may have changed can go a long way in preparing your reentry. It is also crucial to find home mentors while you are abroad, both at work and in your private life. They can help you with administrative and logistical requirements during your return, defend your career interests in the home organization, and keep you up to date about other important issues back home.

Regardless of the time spent abroad and the country you have lived in, there are always certain aspects that have remained the same at home, whether it is people, places or activities. Identifying such stable factors and focusing on them can assist you in managing your transition. Furthermore, if an international relocation changes you, then you will most likely also have different social needs upon return. While this is not to say that you ought to sever ties to former friends, finding a group of people with similar experiences can help you not only to debrief but also to expand your existing social circle.

Finally, it is worth having a clear plan for what you are going to do in this new phase of your life, both personally and professionally, especially given the likely changes in your capabilities, preferences and needs. You should start planning for re-entry at least six months before you return – and not just when you are on your flight home. Don’t expect your international feast to move itself!

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