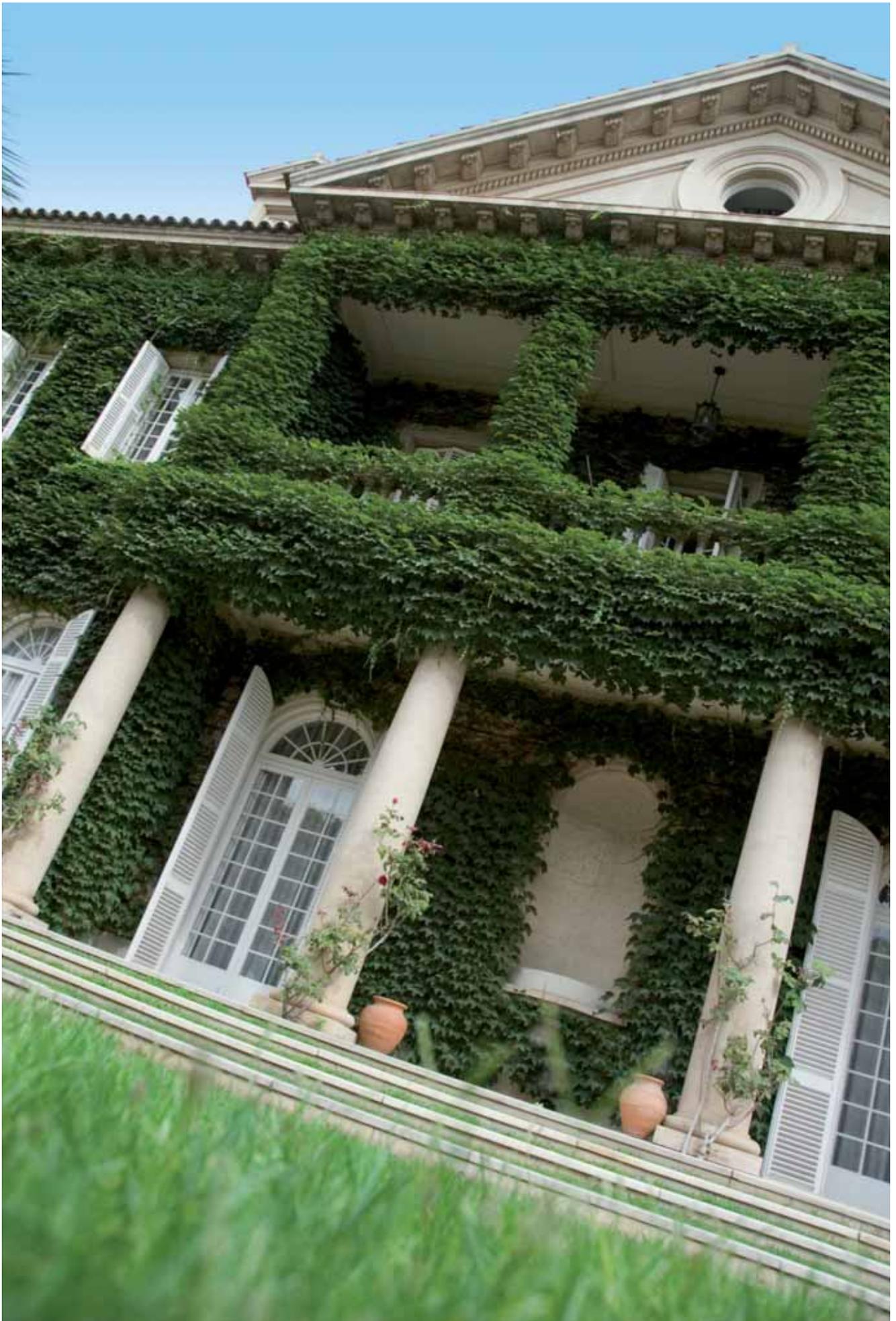


# **ANNUAL REPORT 2009-2010**

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# DEAN'S INTRODUCTION

Reflections on developing business leaders after the crisis:  
the IESE experience



The goal of economic recovery in Europe and the United States continues to capture the attention of senior managers. The weak recovery in these countries contrasts with the dynamic activity of emerging economies, which not only have proven immune to the crisis, but have harnessed it to try to accelerate their development process.

Companies should use the economic paradigm shift brought about by the transfer of economic activity to Asia as an opportunity to rethink their business model and business leadership. The financial crisis forced many companies to implement restructuring programs and cost adjustments. This, however, is not enough to boost long-term business development.

Experience suggests that companies that are able to map out their long-term activity are those with experienced professionals who are committed to the project and able to tailor their services to customers. They are employees who are comfortable operating in an international environment, are working under a profitable financial model, and who are able to innovate and have a positive social impact. These qualities call for reflection on the long-term development of the company and the skills needed by management teams. Among these skills, three are paramount.

The first is that a successful company is one that is able to reflect on its operation and draw up long-term plans. Short-term business planning and a focus on results were among the leading causes of the financial crisis. We must move away from this model. Companies are fragile institutions that are built over time. But construction cannot proceed haphazardly; it calls for systematic observation, reflection and implementation, undertaken within the framework of the company's mission and keeping an eye on long-term development. Senior managers must produce guidelines so that teams can act effectively in the short term, but keep always to a roadmap and long-term goals.

The second characteristic of these companies is that they generate internally the workforce they require; they develop their employees, provide them with opportunities to learn and grow professionally, and seek to retain them. These highly qualified employees, in turn, are able to attract outside professionals when needed. This means prioritizing employee development, both in long-term strategy and short-term implementation. Companies today require professionalism, innovation, creativity and a sense of entrepreneurship, all of which are qualities generated by individuals. A given company's prospects for the next 10 or 20 years will depend on its ability to develop employees and to create a context within the company that combines economic efficiency, an emphasis on excellence and a positive human environment, which constitute the foundation of better businesses and more sustainable societies.



The third characteristic is that successful companies seek new opportunities for expansion. The growth of emerging markets is a good reason to do so, and companies that leverage this tend to do better. In addition, international expansion is a source of learning and improvement, not only of growth. But there are also many opportunities in mature markets like Western Europe and the United States. Discovering these requires close contact with customers and potential customers, in order to discover their needs and improve how to meet them. We should not confuse the economic slowdown due to cyclical reasons with the inability to grow. In Europe and the United States there are still many opportunities to move forward and grow, building a better future for coming generations.

IESE seeks to contribute to the development and expansion of these necessary qualities through degree programs (MBA, Executive MBA, Global Executive MBA and PhD) and programs aimed at entrepreneurs and executives with many years of professional experience. We also promote the generation of solid ideas about these programs through our faculty's dedication to research and to the generation of new ideas and knowledge useful for businesses and governments. We attempt to promote a vision of the company that combines efficiency, humanism and ethics in a more harmonious way. We help companies strengthen their international activities through research and various programs the school offers in Europe (Barcelona, Madrid and Munich), the U.S. (New York), Latin America (Brazil), Asia (China and India) and Africa (Nigeria and Kenya).



Among the activities and events we carried out in 2009-2010, we should highlight the celebration of the Global Alumni Reunion in New York, with more than 1,200 attendees; the completion of the remodeling of IESE's new center in New York; the launch of new research chairs in areas such as leadership in the public sector and improving the competitiveness of manufacturing companies; and new programs in the U.S. and China.

IESE's goal since its foundation in 1958 has been to help develop business leaders who can have a deep, lasting and positive impact on their companies, on other people and on society in general. IESE has broken new ground in the 2009-2010 academic year thanks to this sense of mission in society, a truly exceptional team of professors and professionals, alumni and sponsor and partner companies that continue to lend us their unconditional support in our effort to realize IESE's vision. In other words, to develop better leaders who can create better companies and contribute through their companies to building a better society.

Jordi Canals  
IESE's Dean

# A NEW VISION

In 2009-2010, IESE continued developing new perspectives in establishing benchmarks for a more balanced approach to business success.



## RE-THINKING BUSINESS PARADIGMS

Themes pervading many of the IESE's events for the year included entrepreneurial creativity and reinvention; questioning conventional wisdom; infusing economic thinking and management practices with social and humanistic values; and erasing boundaries between countries, disciplines, and movements. Faculty, guest speakers, alumni and students sought to define new metrics for business success.

The theme of this year's Global Alumni Reunion in New York City said it all: Reframing the Future of Business. "Creativity and lateral thinking are crucial skills in the current economic context," noted Prof. Pedro Videla, who co-organized speakers for the event. The Center for Family Business and Entrepreneurship (CEFIE) translated concepts into action by promoting and rewarding new ideas and fresh approaches.

Voices echoing a paradigm shift came from guest speakers throughout the year. Micro-finance expert Mohamed Yunus reiterated that one can do well by doing good. William Clay Ford, chairman of the Ford Motor Company, showed the advantages of rejecting the government bailout. Michel Camdessus, former managing director of the International Monetary Fund, spoke of the seduction of money at the annual Doing Good and Doing Well Conference. At IESE's International Symposium on Ethics, Business and Society, Harvard Professor Rakesh Khurana criticized business schools' historic focus on accountability only to shareholders. And Henkel CEO Kasper Rorsted, the MBA 2010 commencement speaker, stressed that strong personal and professional values are what most help professionals in moments of crisis.

Finally, from its Global CEO Program in China, to its first-ever GEMBA residential week in Bangalore, India, to its maturing Africa Initiative, to an expanding international base of subscribers to *IESE Insight* management review, IESE continues to demonstrate that reframing the future of business demands a global vision that embraces all continents.

## PROMOTING ENTREPRENEURSHIP, GROWING FIRMS

To encourage entrepreneurial values, create dialogue, inspire budding entrepreneurs, and promote education: these are the objectives of Global Entrepreneurship Week Spain, an annual event that is part of a worldwide movement involving 80 countries. In November 2009, some 200 activities were organized in Spain, coordinated by IESE's Center for Family Business and Entrepreneurship (CEFIE) in collaboration with the Kauffman Foundation. Global Entre-

preneurship Week seeks to inspire a new generation of entrepreneurs to create innovative, sustainable firms and make a positive impact on their communities.

CEFIE's activities include the Technological Springboard, a support center for technology entrepreneurs in all start-up stages. Forums, fairs, panels, and industry meetings organized by the center – as well as Europe's 500, a network of the 500 fastest growing companies in Europe – expose entrepreneurs to opportunities, best practices, and new information. To help finance start-ups, CEFIE manages FINAVES, a venture capital fund that invested in more than 26 promising early-stage companies in Europe and North and South America. The fund gives priority to business projects drawn up by students and alumni of the IESE master's programs. CEFIE's Business Angels Network, a member of the European Business Angels Network, matches entrepreneurs seeking funding with investors having the capacity to contribute capital and expertise to new or young companies with growth potential.

## BUILDING BUSINESS WITH SOCIAL IMPACT

Nobel Laureate Dr. Muhammad Yunus, a model of entrepreneurship, spoke at a special session of the Continuing Education program at IESE's Barcelona campus, attended by Queen Sofia and Crown Prince Felipe of Spain. Yunus founded Grameen Bank in 1976 to offer micro-credit to would-be entrepreneurs in rural areas, mostly women, who were too poor to qualify for loans from traditional banks.

The germ for this idea began in the mid-70s, when, frustrated with the economic situation in Bangladesh, he said, "I decided to see if I could make myself useful... I found myself in an unfamiliar situation, had to fall back on my basic instinct, [and] stubbornly went on to find my own way." That "way" was Grameen Bank, a creative, innovative – and highly profitable – initiative to address global poverty. "I did the opposite of conventional wisdom and it worked," he said. "Conventional banks go for the richest, we go for the poorest...our starting point, the person who has nothing."

During his talk, entitled "Building Business with Social Impact," Yunus stressed that the current economic crisis is environmental and social as well as financial. Business went in the wrong direction, he said, by focusing entirely on profit instead of problem-solving. "Economists built a whole business theory on selfishness, but as human beings we are also selfless," he noted. "Why not create a business on the basis of selflessness, where everything is for others and nothing for me?"



### NEW YORK CENTER ACTIVITIES

IESE completed renovations of the New York Center in 2010. Occupying seven floors in an historic building nearly a century old, the facility includes two state-of-the-art classrooms, team rooms, an auditorium, and a boardroom overlooking Carnegie Hall.

CEOs and senior-level managers from a range of business sectors came from around the world to a variety of programs in 2009-2010. "Innovation Architect: Creating Breakthrough Companies," led by IESE professor Paddy Miller, offered strategies to stimulate creativity. The center also hosted a module of the school's Program for Management Development. The Branding in Media and Entertainment Program, led by the Institute for Media and Entertainment (IME), IESE's New York-based partner, and the Kellogg School of Management, was launched, as was IME's "Advanced Digital Media Strategies" led by IESE professor Josep Valor. Topics included the digital media value chain and the effect of underlying technologies on media product pricing.

In June, IESE's Academic Director (U.S.) and Professor of Economics Luis Cabral hosted a group of academic and industry leaders to discuss health care reform. Presenters included David Cutler, the Otto Eckstein Professor of Applied Economics at Harvard University, who served as a senior advisor for Barack Obama's presidential campaign; and Regina Herzlinger, professor of business administration

at Harvard Business School. Other scholars and industry leaders also participated.

### THE WALL STREET JOURNAL VIEWPOINTS SERIES

New York was also the setting for this past year's series, co-sponsored by IESE and BCG. The series featured William Clay Ford and David M. Rubenstein.

Ford is chairman of the Ford Motor Company, the sole major U.S. automaker not to accept a government bail-out. At the time that seemed a risky decision, but high public approval unexpectedly boosted sales. Compared to other countries, said Ford, the United States undervalues industry. "Until you value something, you're not going to save it," he said. "If anything good has come out of this country over the last couple of years, it's a dawning realization that a country that doesn't make things is not going to have a strong economy."

Rubenstein, managing director of The Carlyle Group, spoke on the investment firm's stature as the largest private equity investor in China. The firm has 45 Chinese professionals working in that country. Noting that China's economy has been the largest in the world for 15 of the last 18 centuries, he contends that China will regain that position – surpassing the United States – in about 2035. "We can't invest enough money in China, in our view," he said.

## GLOBAL ALUMNI REUNION

The 2009 Global Alumni Reunion offered an opportunity to travel to a different Atlantic shore for the first time: New York City. With “The Future of Business” as its theme, the 2009 program centered on four topics: technological development, the current economic landscape and globalization, the health sector and work-life balance, and the media.

Speakers included Kodak chairman and CEO Antonio Pérez; Kathryn S. Wylde, president and CEO, Partnership for New York City; and Dr. Valentín Fuster, director of Cardiology, Mount Sinai Hospital, New York. Mireia Rius, director of the Alumni Association, saw the reunion as a way to reinforce IESE’s presence in the United States and spur alumni giving to support continued renovation of the New York Center. “The building is stunning, but without our alumni it’s just bricks and mortar,” she said. “Equally, at the Global Alumni Reunion it’s the alumni that make the atmosphere so special.”

The event’s main venues were the Waldorf Astoria and Cipriani 42nd, chosen for their historic value and professionalism. Academic directors Paddy Miller and Pedro Videla organized a diverse and stimulating line-up of speakers.

## SPEAKERS

- Matthew Bishop, Chief Business Writer – U.S., *The Economist*
- Charles Calomiris, Professor, Columbia University
- Jordi Canals, Dean, IESE Business School
- Joaquín Duato, Group Chairman, North America Pharmaceuticals, Johnson & Johnson
- Baldomero Falcones, Chairman & CEO, FCC
- Dr. Valentín Fuster, Director of Cardiology, Mount Sinai Hospital, New York
- Pankaj Ghemawat, Professor, IESE Business School
- Jordi Gual, Professor, IESE Business School; Chief Economist, La Caixa
- Paddy Miller, Professor, IESE Business School
- Alan Murray, Deputy Managing Editor and Executive Editor, Online, *The Wall Street Journal*
- Pedro Nueno, Professor, IESE Business School
- Antonio Pérez, Chairman and CEO, Kodak
- Pedro Videla, Professor, IESE Business School
- Eric Weber, Professor, IESE Business School
- James D. Wolfensohn, Chairman and CEO, Wolfensohn & Company; former President of the World Bank
- Kathryn S. Wylde, President & CEO, Partnership for New York City



## BBVA – IESE MANAGEMENT PRIZE: STANFORD PROFESSOR JOHN ROBERTS

John Roberts, who pioneered the application of economic theory and game theory to management issues, the study of competition and the economics of organizations, received the IESE-BBVA Foundation Prize in October 2009. This annual prize, offered jointly by IESE and the BBVA Foundation, recognizes the research work of an international expert and luminary whose contribution to the management sector has been particularly relevant.

Roberts is the John H. Scully Chair of Economics, Strategic Management and International Business at Stanford University Graduate School of Business. He is also academic director of Stanford's Global Management Program and director of its Center for Global Business and the Economy.

## EXECUTIVE EDUCATION: EXTENDING ITS REACH

IESE executive education programs on several continents capped the year with accomplishments that sought to extend the school's global presence and impact.

The second session of the Global CEO for Latin America, a collaboration with the University of Pennsylvania Wharton School and CEIBS, completed three productive modules in Barcelona, Philadelphia, and Shanghai. The Global CEO Program in China, created in 2006 through an educational partnership with China Europe International Business School (CEIBS), Harvard Business School (HBS) and IESE Business School, was attended by sixty Chinese CEOs. The three-module program – in Shanghai, Barcelona, and Boston – was conducted with simultaneous translation in Chinese.

The Global EMBA (GEMBA) inaugurated a residential week in Bangalore, India, in addition to stays at CEIBS and in Barcelona. The week's activities included company visits, colloquia with CEOs and local authorities, courses at the Indian Institute of Management of Bangalore, and home visits. The success of this pilot brought requests to repeat it in the future.

In IESE's Africa Initiative, the school offers its Advanced Management Program (AMP) through two of Africa's leading business schools, Strathmore Business School in Kenya and Lagos Business School in Nigeria. For the second year in a row, the program's unique Pan-African AMP Module successfully merged AMP participants from both schools for a week in Barcelona. Citing networking opportunities that "allowed us to share our insights and experiences with one another," Bili A. Odum, managing director and CEO of Lagos-based BGL Asset Management, said, "IESE has helped bring East and West Africa closer together."

## LEADERSHIP AND PUBLIC SECTOR MANAGEMENT

The Rafael del Pino Foundation remains a major funder of Driving Government Performance – developed jointly with the Harvard Kennedy School of Government – as well as the Public Management Leadership Program (PLGP), and Strategic Management and Social Leadership Program. The goal is to develop leaders in the public sector with a keen social and ethical awareness of public service and insight into the impact of their policies on people, markets and institutions.

## IESE AND THE PRINCE OF GIRONA FOUNDATION

Among the advisory council members of the Prince of Girona Foundation is Dean Jordi Canals. The foundation, bearing the name of Spain's Crown Prince, was created in 2009 to build next-generation capacity to strengthen society. IESE professors Julia Prats and Pedro Nueno and IESE Advisory Board member Isak Andic were among those at the foundation's two "Impulsa" forums to identify entrepreneurship talent and best innovative practices.

## MOMENTOUS MILESTONES

This past year, the IESE community was pleased to attain three important milestones.

The number of entering students in the full-time MBA program reached a new high in September 2010, necessitating a fourth section for the first time in IESE's history. The size of the class of 2012 is attributed in large part to a robust recruitment campaign, and its quality to a rigorous admissions process. A new component of this process was a one-day assessment (conducted in nine separate sessions on three continents) in which prospective students engaged in a team project requiring a presentation.

As Executive MBA (EMBA) enrollment has risen, the program has expanded to two groups in Barcelona and three in Madrid for the first time in 2009-2010. Nearly 270 executives from nine different countries are due to graduate from EMBA in 2011.

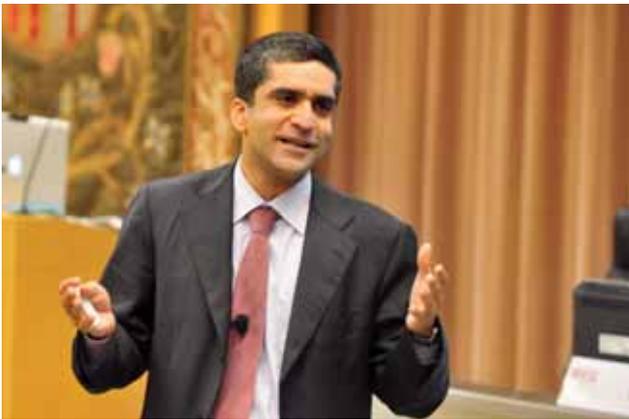
In April 2010, AACSB International announced that IESE Business School had earned business accreditation. AACSB is the longest serving global accrediting body for business schools offering undergraduate and graduate degrees in business and accounting. This accreditation, earned by less than five percent of the world's business schools, is achieved only after a years-long intensive process of internal review, evaluation, and adjustment.



Queen Sofia and Crown Prince Felipe of Spain heard Grameen Bank founder Muhammad Yunus speak at a special session of IESE's Continuous Education Program in July.



Renovations to IESE's historic seven-story New York Center were completed in June, with the aid of generous corporate and alumni gifts.



Harvard Business School professor Rakesh Khurana was a featured speaker at IESE's 16<sup>th</sup> annual International Symposium on Ethics, Business and Society last May.



Michel Camdessus, former International Monetary Fund managing director and member of IESE's IAB, with Dean Jordi Canals at the Doing Good and Doing Well Conference.



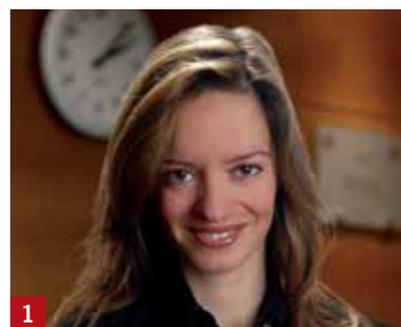
Mango founder and CEO Isak Andic, a member of IESE's International Advisory Board (IAB), offered his vision at a special Continuous Education session last March.

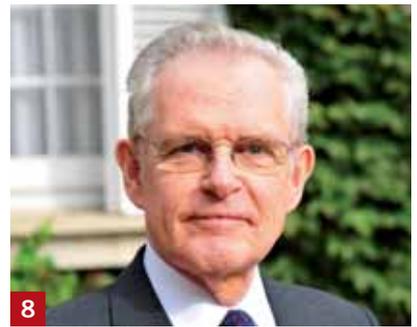


Henkel CEO Kasper Rorsted, delivering the MBA graduation address last spring, spoke to graduates on the importance of earning trust.

## NAMES AND FACES

- 1 Prof. Pinar Ozcan collaborated on two EFMD award-winning cases and on a paper that was a finalist in the AMJ Best Paper Award, in 2009.
- 2 Kathryn S. Wylde, president and CEO, Partnership for New York City, attended the Global Alumni Reunion.
- 3 William Clay Ford, executive chairman of the Ford Motor Company, spoke at *The Wall Street Journal's ViewPoints Series*. In June 2010.
- 4 Bill Baker, distinguished professor of the Practice of Management in Media & Entertainment, at the Global Alumni Reunion.
- 5 Lilly Vice Chairman Javier Ellena was invited to the EMBA-Q-10 graduation.
- 6 Francisco Belil, chairman of Siemens in South Europe, was invited to the Global EMBA-10 graduation.
- 7 David M. Rubenstein, director of The Carlyle Group, was in New York for *The Wall Street Journal's ViewPoints Series*. In March 2010.
- 8 Prof. Antonio Argandoña, "La Caixa" Chair of Corporate Social Responsibility and Corporate Governance, was cited as the third world's most prolific researcher in business ethics in an article in the *Journal of Business Ethics*, July 2010.
- 9 Vittorio Colao, CEO of Vodafone, at the Barcelona Continuous Education Program, February 2010.
- 10 Liberian President Ellen Johnson-Sirleaf, the first woman ever elected head of an African state, spoke at the Barcelona Continuous Education Program, March 2010.
- 11 Mario Greco, CEO of Zurich Global Life, visited IESE's MBA Global Leadership Series in Barcelona, March 2010.
- 12 Isidro Fainé, chairman of Criteria CaixaCorp, is a new corporate sponsor.
- 13 Prof. Julia Prats, with Prof. Juan Roure, advanced IESE's entrepreneurship initiatives during IESE's Global Entrepreneurship Week.
- 14 Laurence Fink, CEO and chairman of BlackRock, was interviewed in *The Wall Street Journal's ViewPoints Series*. New York, November 2009.
- 15 Dave Ulrich, University of Michigan professor and co-founder of Results Based Leadership (RBL), spoke at IRCO's 8th Human Resources Symposium, October 2009.
- 16 Siemens CEO and Chairman Peter Loescher was the featured speaker at the 8th Annual Colloquium of the European Academy of Business in Society (EABIS) in Barcelona, September 2009.
- 17 James D. Wolfensohn, ex-chairman of IMF, attended the Global Alumni Reunion.
- 18 Alan Murray, deputy managing editor and executive editor, online, for *The Wall Street Journal*, was one of the keynote speakers at the Global Alumni Reunion.
- 19 George Yeo, Singapore's minister of foreign affairs, recently joined IESE's International Advisory Board.
- 20 Juan Antonio Samaranch, honorary president of the International Olympic Committee (IOC) and a member of IESE's International Advisory Board, died April 21, 2010.

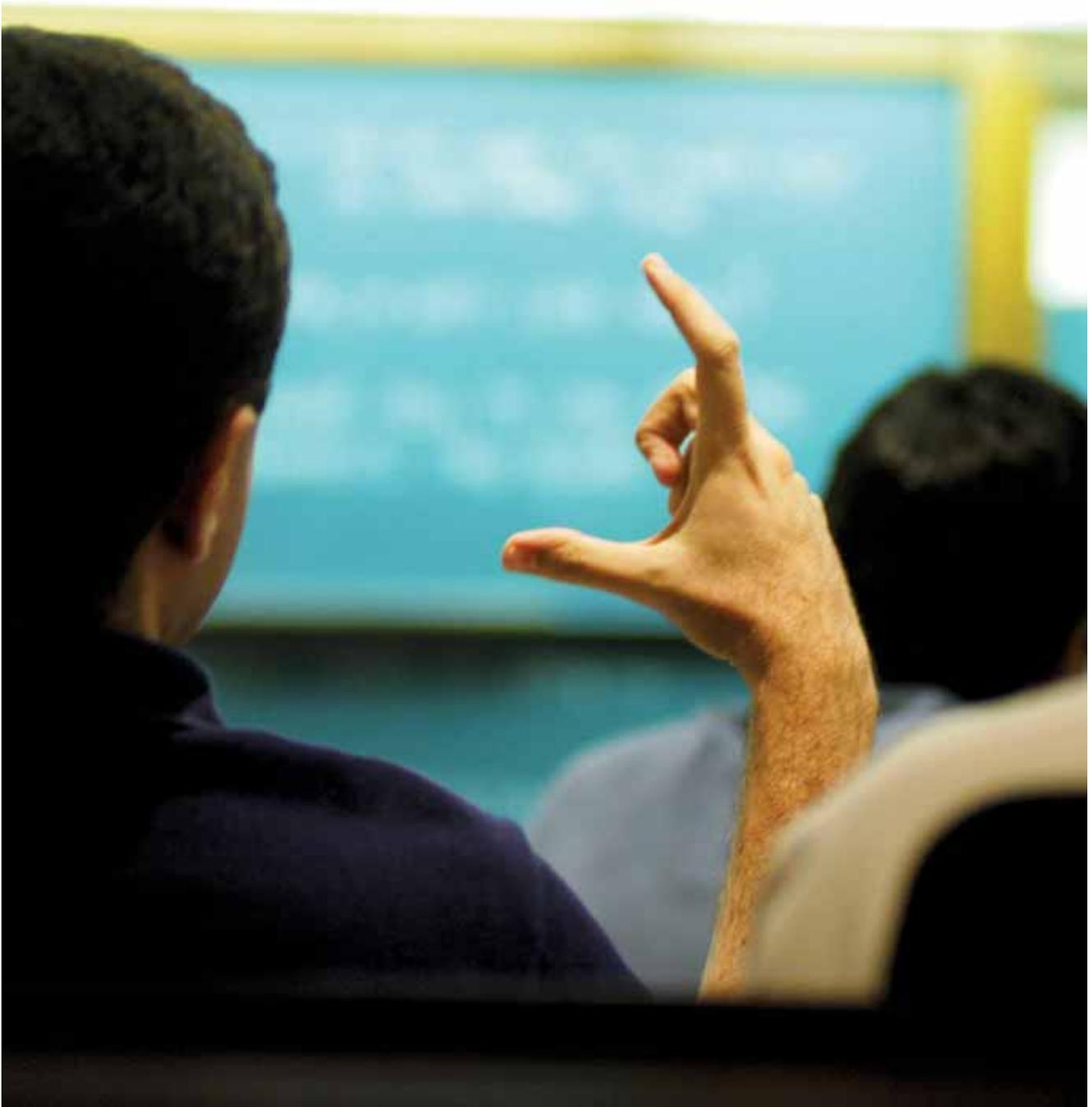




# PROGRAMS EXPANDING GLOBAL INFLUENCE

IESE's programs are designed to draw strong candidates who value the school's approach to management education. A dual focus on innovative long-term vision and immediate practical strategies is one aspect of this education. Another is the endeavor to weave the intricacies of global interdependence into every course, every topic, every class.

This approach — which has earned the school international recognition — continues to increase the demand for an IESE MBA. The result: greater admissions selectivity, which further strengthens the caliber of incoming students.



## FULL-TIME MBA: THE PROGRAM GROWS

With the class of 2012, the full-time MBA program reaches a new milestone: its first four-section class in IESE's history. But that is not the only noteworthy highlight of this class. Successful recruitment and a rigorous admissions process have created a group of 286 outstanding students of impressive diversity: the 81 percent come from more than 50 different countries outside Spain.

Applications for the year were up by 15 percent, a trend shared by only the top business schools. Recruitment events included two additional Open Days on the Barcelona campus, broadcast live online to 340 participants from more than 25 countries, and 74 events in 35 countries.

Attracting higher numbers is, however, only one metric of recruitment success. To seek candidates of the highest caliber, MBA admissions designed one of the most rigorous admission processes among business schools worldwide. The process consisted of two interviews and a one-day assessment involving a team project and a presentation. Of the incoming class, 81 percent participated in one of nine assessment days held in Barcelona, New York City, and New Delhi. These not only enabled admissions staff to see candidates in action, but also gave candidates a first-hand perspective on the IESE MBA experience.

Greater affordability – with a favorable euro/dollar exchange rate for USD-based economies – also played a part in IESE's admissions success, as did IESE's renewed agreement on global loans with Banco de Sabadell, available to all admitted IESE students.

Looking to the future, the Young Talent Program (YTP)<sup>™</sup>, in its second year, accepted 41 undergraduate students representing 17 nationalities. Students gain professional experience working for one of IESE's corporate partners and pre-admission to the full-time MBA Program. This year, four new corporate partners – Kellogg's, Indra, Zurich and Vodafone – brought the total to 19.

Other news includes IESE's win in the 15th annual IESE-Roland Berger International Case Competition. The IESE team prevailed over teams from CEIBS, London Business School, RSM, Chicago, Kellogg, Ivey and Michigan in last February's competition. Also, student exchange gained momentum as 64 IESE students and 78 students from other schools participated in IESE's program last year.

Finally, at last May's graduation ceremony, Henkel CEO Kasper Rorsted encouraged the 208 members of the class of 2010 to earn the trust of others through both words and actions. This is the only way, he told them, that business leaders can inspire others to follow them.

## INTERNATIONAL EXCHANGE PROGRAM: PARTNER SCHOOLS

- **Berkeley:** Haas School of Business, U.C. Berkeley, USA
- **CEIBS:** China Europe International Business School, China
- **Chicago:** The University of Chicago Graduate School of Business, USA
- **Columbia:** Columbia Business School, Columbia University, USA
- **Cornell:** Johnson Graduate School of Management, Cornell University, USA
- **Darden:** Darden Graduate School of Business Administration, University of Virginia, USA
- **Duke:** The Fuqua School of Business, Duke University, USA
- **HEC:** HEC School of Management, France
- **IAE:** Instituto de Altos Estudios Empresariales, Universidad Austral, Argentina
- **ISB:** Indian School of Business, India
- **Keio:** Keio University, Japan
- **Kellogg:** Kellogg School of Management, Northwestern University, USA
- **LBS:** London Business School, University of London, UK
- **MBS:** Melbourne Business School, The University of Melbourne, Australia
- **Michigan:** Stephen M. Ross School of Business at the University of Michigan, USA
- **MIT:** Sloan School of Management, MIT, USA
- **NYU:** Leonard N. Stern School of Business, New York University, USA
- **RSM:** Rotterdam School of Management, Erasmus University, The Netherlands
- **Tuck:** Tuck School of Business at Dartmouth, USA
- **UCLA:** The Anderson School at UCLA, USA
- **UNC:** The Kenan-Flagler Business School, University of North Carolina, USA
- **Wharton:** The Wharton School of the University of Pennsylvania, USA
- **Yale:** Yale School of Management, Yale University, USA



### MBA CLASS PROFILE\*

Students	436
Countries Represented	55
International Students	81%
Yield Rate (% of Admitted Students Who Attend)	75.7%
Average Age	27.2
GMAT Average	674
Average Work Experience	4.3 years
Women	27%
Students with Scholarships	50

\* Information from the classes of 2010 and 2011

### MBA STUDENTS' COUNTRIES OF ORIGIN

Andorra	Greece	Puerto Rico
Argentina	Iceland	Romania
Australia	India	Russia
Austria	Israel	Saudi Arabia
Belgium	Italy	South Korea
Brazil	Japan	Spain
Bulgaria	Lebanon	Sri Lanka
Canada	Luxembourg	Sweden
Chile	Mexico	Switzerland
China	Morocco	Taiwan
Colombia	Nicaragua	The Netherlands
Croatia	Nigeria	Turkey
Czech Republic	Norway	Ukraine
Ecuador	Pakistan	United Kingdom
Egypt	Panama	United States
Estonia	Peru	Uruguay
France	Philippines	Venezuela
Georgia	Poland	
Germany	Portugal	

## EXECUTIVE MBA

Executive MBA (EMBA) enrollment has risen as more executives from a wide range of countries are attracted to the programs' strong practical value and international focus.

Participating in EMBA 2011 are 269 executives from nine different countries: 105 are enrolled in two sections in Barcelona, and 164 in three sections in Madrid. At least 288 executives are expected for EMBA 2012: 133 in Barcelona (nearly double its 2010 enrollment) and 155 or more in Madrid.

There has been an increase in group diversity as well: international participation in Barcelona, for example, grew from nine executives in 2010 to 23 in EMBA 2012. The number of women executives has also risen, as 28 (21 percent) have joined EMBA 2012 in Barcelona. With the overall rise in enrollment has also come a diversity of professional backgrounds, with up to 36 industries represented by current participants. Individuals tend to shoulder most or all of the program expenses themselves; companies provided full or partial funding of fees for one-third of Barcelona participants and 42 percent of those in Madrid.

During 2009-2010, a concerted effort was made by departments involved in the program to further improve the EMBA experience. One product of this, the intensive week in Shanghai, was felt to be highly successful. Overall, program development efforts resulted in high levels of satisfaction reported by EMBA students in Barcelona and Madrid.

Commencement for the two Madrid EMBA programs and the Barcelona program took place last May. The graduation ceremonies in Madrid featured addresses by Javier Ellena, European vice chairman of Lilly and chairman of the Lilly Foundation; and Baldomero Falcones, chairman and CEO of FCC (MBA '72). Salvador Alemany Mas, Executive President of Abertis, delivered the commencement address in Barcelona.

### EMBA CLASS PROFILE - MADRID\*

Students	286
Students in each section	57
Women (average)	16.4%
GMAT (average)	640
Work experience (average)	7.6 years
Age (average)	32

### EMBA CLASS PROFILE - BARCELONA\*

Students	169
Students in each section	56
Women (average)	20%
GMAT (average)	637.4
Work experience (average)	8.5 years
Age (average)	32

\* Information from the classes of 2010 and 2011

## GLOBAL EXECUTIVE MBA

Under the academic direction of Professor Sandra Sieber, the monthly and bi-monthly Global Executive MBA (GEMBA) programs were redesigned. Both formats have increased their focus on innovation and sustainability, globalization, and ethics; and an in-company project now requires participants to apply knowledge gained in the program. The program also decreased out-of-office time and added sessions in Manhattan.

The monthly program, which graduated its first class in June 2010, earned strong ratings from participants; a new group of 24 (representing 12 nationalities) began in September. A new bimonthly session also started last May with 30 executives from 16 countries. The percentage of women in the bimonthly program has more than doubled since 2009. The IESE Foundation offers several International Women Entrepreneurial Challenge scholarships, giving priority to women entrepreneurs in business and emerging economies.

The residential week in Bangalore was a first for GEMBA and IESE. Participants appreciated the courses, the company visits, the full day at the Indian Institute of Management of Bangalore, and the home visits with middle-class Indian families. The program's stay at CEIBS (China Europe International Business School) and CEIBS week in Barcelona offered networking, sessions on innovation and leadership, and company visits.

### GEMBA CLASS PROFILE\*

Students	122
International	80%
Nationalities	20
Women (average)	25%
Age (average)	37
Work experience (average)	12 years

\* Information from the classes of 2010 and 2011

## EXECUTIVE EDUCATION

Thanks to favorable word of mouth, as well as the leads that participants and IESE alumni have provided, the division's pool of regular corporate clients has slowly but steadily increased. Still, the International Open Program Division saw a challenging year in 2009-2010, with the slow economy keeping investment down in employee development.

## HIGHLIGHTS

The *Financial Times* has ranked IESE as Europe's top business school for open enrollment programs. This international recognition provides gratifying feedback on program quality as it increases IESE's reputation and visibility abroad.

Brazil and Africa are two areas where IESE's impact is growing particularly stronger. In Brazil, the school is helping to develop ISE, a business school in São Paulo. The opening of the school's new building, scheduled for mid-2011, will enable IESE to offer a greater choice of programs in São Paulo – including a weekly PMD format – and provide better service. Capacity-building is also on course: two Brazilian professors who recently completed their PhD at IESE in Barcelona have joined ISE's faculty in Brazil, three will complete their PhD this year, and two more are scheduled to complete theirs in the next few years. IESE's goal is to see ISE's faculty double in 10 years.

In Africa, IESE continues to help position Strathmore Business School (SBS) in Nairobi, Kenya, and Lagos Business School (LBS) in Nigeria as the finest business schools on the continent. The school's affiliation with LBS's Chief Executive Program gave birth to the innovative pan-African segment in the final module of the Advanced Management Program (AMP), which brings together AMP participants from LBS and SBS. In Ivory Coast, several IESE faculty are teaching and helping to develop a new business school: Institut des Hautes Études Afrique. Finally, several IESE professors are teaching an Executive MBA program at Nile Tech University in Cairo, Egypt.

The expansion of IESE's public sector management programs, taking place between September 2010 and July 2011, is also worth noting. Topics include public management leadership, public sector strategy, managing election campaigns, evaluating public policy and social programs, driving government performance, management strategies for newly elected officials, and leadership of non-government organizations. The Program on Strategic Management and Social Leadership, a new offering, is the latest to receive support from the Rafael del Pino Foundation.



## PROGRAMS

In the 2009-2010 academic year IESE ran several international general management programs in seven different locations with 240 participants from 30 countries. The Global CEO program is geared to CEOs and company owners. The Advanced Management Program (AMP) and Program for Management Development (PMD) are designed for general managers and top executives.

### Global CEO Programs

Sixty Chinese CEOs enjoyed the Global CEO Program for China in 2009-2010. This program, a partnership with Harvard Business School and China–Europe International Business School (CEIBS), is organized into three modules that take place in Shanghai, Barcelona, and Boston. Since only a few participants speak English, all material must be translated into Chinese and classes conducted with simultaneous translation.

The senior-level Latin American executives who attended the second offering of the Global CEO for Latin America were overwhelmingly positive about the program. Conducted in collaboration with the University of Pennsylvania Wharton School and CEIBS, this program also comprises three modules: in Barcelona, Philadelphia, and Shanghai. Co-branding the program with Wharton has brought greater recognition of IESE in the United States. The Wharton team was also very pleased with the Philadelphia module, promoting even wider exposure for the school.

### Long Programs: AMP, PMD, and Others

Despite a challenging year for many firms, IESE continued to expand its portfolio of long programs, conducting 11 general management programs in 12 international locations and 18 programs in Spain in 2009-2010.

#### Americas

Open programs in Brazil, AMP and PMD, saw a seven percent increase in participation last year. In addition, the number of in-company programs has grown more than threefold since 2008-2009. This growth can be attributed to improved promotion of programs.

The second session of the Senior Executive Program (SEP) Miami was conducted in partnership with IPADE in Mexico and IAE in Argentina, top schools in their countries and in Latin America. Senior managers in Latin America and Miami attended three modules in Miami and one at IESE in Madrid. The next SEP offering will consist of three six-day modules: two in Miami and one at the IESE Center in New York City.

#### Spain

Attending the seventh session of the Advanced Management Program (AMP) Barcelona were 29 general managers from around the world. The sixth session of the Program for Management Development (PMD) brought 27 functional managers face-to-face with industry experts. This year, for the first time, one of the PMD's four one-week modules took place at IESE's new center in New York City. Two were held at IESE Madrid and one on the Barcelona campus.

#### Germany

The Advanced Management Program (AMP) Munich has a slightly modified format from previous editions. After a one-week opening module in Barcelona in October, participants will continue with four two-and-a-half-day modules in Munich, and a closing module in Barcelona in March 2011.

#### Poland

The fourth session of the Advanced Management Program (AMP) Warsaw ended in May. The participants, Polish general managers who particularly like the intensive weeks at IESE, continue to provide very positive feedback about this program.

#### Kenya

This program, which takes place at Strathmore Business School in Nairobi, is in its fourth year. IESE conducts and teaches this program for high-level managers as part of its capacity-building efforts in Africa, now expanded into its broad-based Africa Initiative.

### The Africa Initiative Programs

With this initiative, launched in 2007, IESE sought to improve the quality of management education on the African continent through academic assistance, program development, and support for social initiatives.

As part of this commitment, IESE hosted its second annual pan-African module of the Advanced Management Program in November 2010, bringing together AMP participants at Strathmore Business School and Lagos Business School in Nigeria. The module is designed to foster collaborative ties among participants and between the two schools. In the program's first year, 58 executives and managers from East and West Africa attended the pan-African module. Among them were young African entrepreneurs ready to write the next chapter of world prosperity on that continent.

High-level businesspeople and senior public administration officials enjoyed the 2009 session of the Advanced Management Program (AMP) in Angola, Africa. The program is conducted with partner school AESE (Lisbon, Portugal), with modules in Lisbon and at IESE's Madrid campus.

## Short Programs

IESE offered a variety of international programs in 2009-2010, most focusing on specific topics or case studies.

### Short Focused Programs (SFP)

Five programs – three in Barcelona and two in New York City – attracted more than 72 percent of their audiences from outside Spain.

In Barcelona, participants explored the topics of leadership competencies, operational excellence and “Getting Things Done.” In New York City, SFP topics were “The Innovation Architect” and “Tough Times, Tough Strategies.” IESE also held two programs on Advanced Digital Media Strategy Innovations in New York.

### Other Short Programs

Top executives or owners comprised more than half of the 2,115 who attended the 55 programs offered by Executive Education. Offerings in 2009-2010 included 32 Short Focused Programs (including six that are new) averaging 25 attendees; 12 industry meetings and forums (three of them new) averaging 75 participants; and 10 special programs

and one seminar (six new in all) which drew an average of 30 people.

### Special Events

CEOs in several German cities appreciated colloquia held by IESE professors on critical topics related to the economy and management. For 2010-2011, the school has organized 15 high-profile events throughout Germany, Switzerland and Austria. In Africa, IESE held week-long seminars for executives participating in Executive MBA (EMBA) programs at Lagos Business School and Strathmore Business School.

## Custom Programs

In 2009-2010, IESE developed 73 custom programs for 44 companies. Among the repeat clients were Nestlé, Novartis, Isdin, Enel, Ericsson, Faurecia, GoodYear, Henkel, Rabobank, Leroy Merlin, PriceWaterhouseCoopers, Santander, Deloitte, BBVA, Ferrovial, Airbus, Lilly and others. New clients included Abengoa, Bankinter, Citi, JTI, Lavazza, Technicolor, Cemex, Enagas, Red Eléctrica Española, SAP, Siemens, Unión Fenosa, Gas Natural, Bergé, and Prosegur.



## RESEARCH-FOCUSED PROGRAMS

The Master of Research in Management will welcome seven new students for the 2011-2012 academic year, joining the 48 students currently pursuing an advanced degree in management research. Of these students, 94 percent come from other countries. Together the students represent 21 countries on four continents: Europe, Asia, the Americas, and Africa.

The advanced degree program is designed to prepare Master's and PhD candidates alike for careers as faculty researchers in top academic institutions. The Master of Research in Management (MRM) is an intensive two-year program designed to give students the foundation skills and knowledge they need to engage in top quality research. While the MRM is a prerequisite for the PhD program, students are not required to continue this program after receiving their Master's of Science degree.

In the PhD in Management program, PhD candidates undergo a transformation from student to faculty member as they develop specialized knowledge and professional skills through coursework and development of doctoral dissertations. This year, IESE inaugurated a new scholarship to finance the studies of a PhD student interested in conducting research in the area of family-owned business.

### PHD CANDIDATES' COUNTRIES OF ORIGIN

Brazil	Germany	Portugal
Bulgaria	India	Russia
Canada	Italy	Spain
Chile	Mexico	Switzerland
China	Nigeria	Turkey
Colombia	Peru	Ukraine
Ecuador	Philippines	Uruguay

## INTERNATIONAL FACULTY PROGRAM

Every June since 1991, junior faculty in economics and business management arrive in Barcelona from all over the world. They convene at IESE in order to take part in a unique, intensive program: the International Faculty Program, or IFP. The year 2010 marked the IFP's 18th session, welcoming 33 professors from 21 countries. As it teaches participants best practices in management education through lectures and demonstrations, the program builds international cooperation and aids development in emerging countries. (For more information, please see page 37.)

## DOCTORAL THESES 2009-2010

### Kandarp Mehta (India)

*Role Evolution and Idea Generation: Exploring the Process of Creativity Through Ethnography*  
Thesis Director: Antonio Dávila

### Wei He (China)

*Dynamics of Trust and Distrust in Hierarchical Relationships in China*  
Thesis Director: Pablo Cardona

### Lisa Hehenberger (Sweden)

*Field Information in the Presence of Diversity: A Study of the Emergence and Evolution of Venture Philanthropy in Europe*  
Thesis Director: Johanna Mair

### Fabio Cerquinho (Brazil)

*Three Essays on the Subject of Supply Risk in Industrial Markets: Specification, Assessment and Mitigation*  
Thesis Director: Marc Sachon

### Natalia Cugueró (Spain)

*Managing Justice in Organizations by Repairing Injustices: An Integrative Review, Development of a Model and Empirical Study*  
Thesis Director: Josep M. Rosanas

### Hugo Zarco (Mexico)

*Determinants of Contract Choices in Public-Private Partnerships: An Application to the Water Industry*  
Thesis Director: Bruno Cassiman

### Ernesto Noboa Vallarino (Ecuador)

*How do social entrepreneurs discover multiple opportunities and develop the intentions to pursue them?*  
Thesis Director: Johanna Mair

# FACULTY AND RESEARCH

IESE faculty, 99% of whom hold terminal degrees in their fields, continue to advance their respective disciplines and the field of management education through ongoing research. They disseminate their knowledge in refereed journals, books, teaching materials, and presentations at international conferences and workshops, many organized by IESE. In the past academic year, through August, faculty published articles in 58 journals and 27 books, as well as numerous working papers, cases, and other publications. Faculty work is also the centerpiece of *IESE Insight*, a business management review launched this past year.



## FACULTY

Five new faculty members joined IESE in 2009-2010, bringing the total faculty count to 170, representing 28 countries. Of those, 118 are full-time and visiting faculty, and 52 are adjunct faculty.

### NEW FACULTY, SEPTEMBER 2009 – AUGUST 2010



**Luis Cabral**  
Professor  
Economics  
PhD, Economics  
Stanford University



**Eduard Calvo**  
Assistant Professor  
Production, Technology and Operations  
Management  
PhD, Telecommunications Engineering  
Universitat Politècnica de Catalunya



**Hakan Ener**  
Assistant Professor  
Entrepreneurship  
PhD, Strategy  
INSEAD, France and Singapore



**José Luis Moraga**  
Professor  
Economics  
PhD, Economics  
Universidad Carlos III, Madrid



**Marco Tortoriello**  
Assistant professor  
Strategic Management  
PhD, Industrial Administration  
Carnegie Mellon University

## RESEARCH

Research is a core component of IESE's academic endeavors. New research-based knowledge – which supports case and course development – keeps teaching and learning relevant in the classroom and at external events. Dissemination of findings, both within and beyond IESE, makes a deep impact on management practices that directly affect organizations and the people who form them.

In launching its New York-based research center, IESE has signaled that global research is a crucial component of its

initiatives. This focus has reaped rewards, with some very competitive grants for large international projects from the European Union (EU). Highlights are an international study on job creation in the field of environmental health and quality of life, led by Prof. Marta Elvira, which received the Marie Curie International Reintegration Scholarship; Prof. Joan Fontrodona's IMPACT project to measure the impact of corporate social responsibility on performance and efficiency; a study on the effects of the work and family conciliation in different countries, led by Prof. Mireia de las Heras; and the European Cluster Management Excellence Consortium, with professor Antoni Subirà as academic director.

The academic prestige of IESE faculty members is reflected in the publication of articles in journals with a high scientific impact. These include the *Strategic Management Journal*, *Review of Accounting Studies* and *Human Resource Management*, as well as other international management publications such as *Harvard Business Review*, *Long Range Planning* and *California Management Review*. Also, during the 2009-2010 academic year, professors Bruno Cassiman, Johanna Mair and Christoff Zott were appointed as academic editors of *Management Science*, *Stanford Social Innovation Review* and *Strategic Management Journal*.

Research efforts applied to teaching also bore fruit: the EFMD (European Foundation for Management Development) and ECCH (European Case Clearing House) awarded prizes to two cases, one written by Profs. África Ariño and Pinar Ozcan, and the other by Sandra Sieber and Josep Valor.

### IESE INSIGHT REVIEW: FIRST STEPS

Now in its second year, *IESE Insight Review* has already become a sought-after source of information on the practice of business management. This quarterly research-based management review, published in English and Spanish editions, features a stimulating mix of in-depth articles by international authors, lively interviews and practice-oriented features. Its goal: to keep managers and academic institutions abreast of innovative ideas and important findings.

*IESE Insight* has a circulation of approximately 15,000 subscribers. The magazine also offers premium content online through Insight, the school's knowledge portal, thereby reaching a potential audience of some 35,800 business executives in more than 100 countries. These include IESE alumni working internationally, academics from other world-class institutions, and other subscribers interested in business themes, including members of the financial press. Through this online component, the magazine complements its content with related teaching and research materials, opinion articles, business indicators, audiovisual files and a fully searchable database of archived material comprising over 10,000 references.

## INTERNATIONAL CONFERENCES

Prominent among IESE's international conferences were the annual Colloquium of the European Academy of Business in Society (EABIS) in September 2009, the 16<sup>th</sup> International Symposium on Business, Ethics, and Society last May, and the first Regional Conference of the European Decision Sciences Institute (EDSI) in July. These and other events addressed emerging markets, ethics and social entrepreneurship as well as traditional management topics. Hosted by IESE centers and individual faculty members, the events brought industry experts together with participants representing all business sectors.

### INTERNATIONAL CONFERENCES 2009-2010

#### Eighth Annual Colloquium of the European Academy of Business in Society (EABIS)

Barcelona, September 21-23, 2009  
Organizers: EABIS and Profs. J. Fontrodona and A. Argandoña

#### 16th International Symposium on Business, Ethics, and Society

Barcelona, May 13-14, 2010  
Organizers: The IESE Center for Business in Society and Prof. D. Melé

#### First Regional Conference of the European Decision Sciences Institute (EDSI)

Barcelona, July 2-3, 2010  
Organizers: EDSI and the IESE International Center for Logistics Research

#### Second Forum on Service Operations Management

Barcelona, October 5-6, 2009  
Organizers: EUROMA and Prof. J. Ribera

#### 17th Forum of the Spanish Finance Association

Madrid, November 4-5, 2009  
Organizer: The IESE International Center for Financial Research

#### Emerging Asia's Adjustments to the Global Financial Crisis

Barcelona, November 19-20, 2009  
Organizer: The IESE Center for Emerging Markets

#### "Armand Carabén" Workshop on Football Economics

Barcelona, November 24, 2009  
Organizers: F.C. Barcelona and the IESE Public-Private Sector Research Center

#### First International Colloquium on Christian Humanism

Barcelona, January 20, 2010  
Organizer: Prof. D. Melé

#### Research Workshop on Industrial Organization and Banking

Barcelona, March 9, 2010  
Organizers: The IESE Public-Private Sector Research Center and Abertis Chair of Regulation, Competition and Public Policy

#### Workshop on Social Entrepreneurs

Barcelona, March 22-25, 2010  
Organizers: SELUSI (EU-Project on Social Entrepreneurs) and the Projects Unit

#### Research Workshop on Industrial Organization: Search and Matching

Barcelona, June 8, 2010  
Organizers: The IESE Public-Private Sector Research Center and the Abertis Chair of Regulation, Competition and Public Policy

#### Third Conference on the Economics of Advertising and Marketing

Barcelona, June 11-12, 2010  
Organizer: The IESE Public-Private Sector Research Center

#### Emerging Africa and the Global Business Revolution: Bridging the Gap between Wealth and Destitution

Barcelona, June 29, 2010  
Organizers: Cambra de Comerç de Barcelona and the IESE Center for Emerging Markets

### IESE ALUMNI RESEARCH EXCELLENCE AWARDS

The international impact of IESE faculty research was the focus of the eighth annual awards, presented by the IESE Alumni Association. The 2010 recipients were:

#### Pinar Ozcan

In the category "Best Academic Article" in a leading international journal, for "Origin Alliance Portfolios:

Entrepreneurs' Network Strategies and Firm Performance," in collaboration with Kathleen M. Eisenhardt of Stanford University, published in the *Academy of Management Journal*.

#### Beatriz Muñoz-Seca and Josep Riverola

In the category "Best Book" with international and business impact,

for their book, *The New Operational Culture, The Case of the Theatre Industry*, published by Palgrave Macmillan.

#### Joan de Dou and Alberto Ribera

In the category "Best Course" with international and student impact, for "Managing Oneself" in the Global Executive MBA program.



## AWARDS AND RECOGNITION

### África Ariño and Pinar Ozcan

Won the 2009 EFMD Case Writing Competition Award, together with Jordan Mitchell and Brian Hohl, for the cases “Fiat’s Strategic Alliance with Tata” and “Tata Motors: Becoming a Global Contender.”

### Pinar Ozcan

Was a finalist in the AMJ Best Paper Award 2009 for her work with Kathleen

M. Eisenhardt entitled, “Origin of Alliance Portfolios: Entrepreneurs, Network Strategies, and Firm Performance,” published in the *Academy of Management Journal* in April 2009.

### Sandra Sieber and Josep Valor

Earned the 2010 European Case Award in London for the case, “Apple’s iPhone: Calling Europe or Europe Calling?”

### Johanna Mair

Received an honorable mention at the EGOS conference in Lisbon for her work with Lisa Hehenberg entitled, “Not a field, not an industry... What, then? Using the community as a level of analysis to study the genesis of field formation.”

## RESEARCH PROJECTS UNIT

The Projects Unit was established in 2009 to support faculty research and teaching at IESE. The unit seeks government grants as well as calls from the private sector for presentation of research projects. It also manages the funds allocated to these activities. During the 2009-2010 academic year, the unit secured more than a million euros of funding, most of it originating from the European Commission.

### COMPETITIVE PROJECTS

#### European Union Projects

**Elvira, M.**, “Emergent Health Care Occupations and Quality of Life: a Study of USA, Spain and Italy,” funded by the Marie Curie International Reintegration of the Seventh Framework Programme (FP7) of the European Commission, 2009-2013

**Fontrudona, J.**, “Impact Measurement and Performance Analysis of CSR (IMPACT),” funded by the European Commission’s Seventh Framework Programme (FP7) on Socio-Economic Sciences and Humanities, 2010-2013

**Las Heras, M.**, “The Effects of Work-Life Balance on Companies, Individuals, and Their Families, Around the World,” funded by the Marie Curie International Reintegration of the Seventh Framework Programme (FP7) of the European Commission, 2009-2013, 2010-2014

**Prats, J.**, “European Summer Programme for Entrepreneurship (Acronym ESPER),” funded by the National Research DG Enterprise and Industry of the European Commission, youth culture and education for entrepreneurs, 2009-2010

**Subirà, A.**, “European Cluster Management Excellence Consortium,” funded by the Framework for Competitiveness and Innovation Programme (CIP) of the European Commission, 2009-2012

#### National Projects

**Ariño, Á., J. Mair**, Research Network and continuation of the “Competing in Dynamic Markets Through Strategies and Flexible Structures” project, funded by the National RDI Plan, Ministry of Science and Technology of Spain, 2009-2010

**Ariño, M.Á., M.Á. Canela, R. García**, “The Strategic Decision-Taking and Organizational Efficiency Research Network,”

funded by the National RDI Plan, Ministry of Science and Technology, 2010-2011 (started October 1, 2010)

**Berrone, P., J.E. Ricart**, “The European Group of Corporate Governance Research Network,” funded by the National RDI Plan, Ministry of Science and Technology, 2010-2011 (started October 1, 2010)

**Cassiman, B., N. Mas, F. Roldan, R. Campos, C. Vergara, G. Vroom**, “Innovating for Competitive Advantage and Productivity,” funded by the National RDI Plan, Ministry of Science and Technology, 2010-2013

**Dávila, A., J. Prats, C. Zott, R. Velamuri**, “High-Growth Entrepreneurial Companies: Creation, Design, Growth and Management,” funded by the National RDI Plan, Ministry of Science and Technology, 2010-2013

**Ferraro, F., P. Ozcan, S. Reiche, P. Berrone**, “Emergence of New Organizational Forms and Industries,” funded by the National RDI Plan, Ministry of Science and Technology, 2010-2013

**Nueno, P.**, “Working Together Effectively for Innovation,” funded by the FECYT (Spanish Foundation for Science and Technology), Ministry of Science and Technology, 2010

**Ricart, J.E.**, “Offshoring Research Network,” funded by the National Research Plan of the Ministry of Science and Technology, 2009-2010

**Rosenmöeller, M.**, “Development of the FP7 Proposal ‘Enhancing Health Research Management in Africa’,” funded by the University and Research Management Agency of the Generalitat de Catalunya (AGAUR), 2010

**Rosenmöeller, M.**, “Development of the FP7 proposal ‘Managing Equitable and Sustainable Health Care (MESH)’,” funded by the University and Research Management Agency of the Generalitat de Catalunya (AGAUR), 2010

## ACADEMIC ACTIVITIES

Presentations in forums, workshops, and seminar series targeting a particular management topic remain an important avenue for IESE faculty to disseminate their research findings.

**Estrada, J., J.M. Campa**, "XVII AEFIN Forum (Spanish Association of Finance)," funded by the National RDI Plan, Ministry of Science and Technology, 2009

**Lichtenstein, H.**, "Academic Séjour (10/16/09)," funded by the National RDI Plan, Ministry of Science and Technology

**Melé, D., A. Argandoña, C. Sánchez-Runde**, "The International Symposium on Business, Ethics, and Society," funded by the National RDI Plan, Ministry of Science and Technology, 2009

**Vives, X.**, Research Seminars funded by the University and Research Management Agency of the Generalitat de Catalunya (AGAUR), 2009-2010

**Vives, X., B. Cassiman, N. Mas, M. Cantillo, G. Vroom, F. Ruiz-Aliseda, J.J. Ganuza**, "Workshop Series on Industrial Organisation (Ref: XV044013)," funded by the University and Research Management Agency of the Generalitat de Catalunya (AGAUR), 2009-2010

**Vives, X., J.L. Moraga**, "Workshop on the Economics of Advertising and Marketing," funded by the National RDI Plan, Ministry of Science and Technology, 2010

## SELECTED PUBLICATIONS

A representative sampling of articles published in 2009-2010.

**Ariño, Á. and Ring, P.S.**, "The Role of Fairness in Alliance Formation," *Strategic Management Journal*, 2010, online.

**Berrone, P. and Gómez-Mejía, L.**, "The Pros and Cons of Rewarding Social Responsibility at the Top," *Human Resource Management*, Vol. 48, N°.6, 2009, 957-969.

**Berrone, P., Cruz, C., Gómez-Mejía, L., and Larraza-Kintana, M.**, "Socioemotional Wealth and Corporate Response to Institutional Pressures: Do Family-Controlled Firms Pollute Less?," *Administrative Science Quarterly*, Vol. 55, 2010, 82-113.

**Bleichrodt, H., Cilla, A., and Diecidue, E.**, "A Quantitative Measurement of Regret Theory," *Management Science*, Vol. 56, N°. 1, 2010, 161-175.

**Dávila, A., Foster, G., and Jia, N.**, "Building Sustainable High-Growth Startup Companies: Management Systems as an Accelerator," *California Management Review*, Vol. 52, N°. 3, 2010, 79-105.

**Everdingen, I., Fok, D. and Stremersch, S.**, "Modeling Global Spillover of New Product Takeoff," *Journal of Marketing Research*, Vol. 46, N°.5, 2009, 637-652.

**García Lara, J.M., García Osma, B., and Peñalva, F.**, "Conditional Conservatism and Cost of Capital," *Review of Accounting Studies*, 2010 (online).

**Goldenberg, J., Libai, B., Muller, E., and Stremersch, S.**, "The Evolving Social Network of Marketing Scholars," *Marketing Science*, Vol. 29, N°. 3, 2010, 561-567.

**Lu, L., Cooper, C.L., Kao, S-F., Chang, T-T., Allen, T.D., Lapierre, L.M., O'Driscoll, M.P., Poelmans, S., Sánchez, J.F., and Spector, P.E.**, "Cross-Cultural Differences on Work-To-Family Conflict and Role Satisfaction: A Taiwanese-British Comparison," *Human Resource Management*, Vol. 49, N°. 1, 2010, 67-85.

**Mair, J. and Martí, I.**, "Entrepreneurship In and Around Institutional Voids: A Case Study from Bangladesh," *Journal of Business Venturing*, Vol. 24, N°.5, 2009, 419-435.

**Martínez de Albéniz, V. and Simchi-Levi, D.**, "Competition in the Supply Option Market," *Operations Research*, Vol. 57, N°.5, 2009, 1082-1097.

**McCann, B.T. and Vroom, G.**, "Pricing Response to Entry and Agglomeration Effects," *Strategic Management Journal*, 2009, online.

## RESEARCH CENTERS AND ACADEMIC CHAIRS

IESE's centers and chairs are pivotal to the school's research activities. Many leading companies help fund these entities through their financial contributions, and collaborate with centers and chairs on certain research initiatives.

### CHAIRS

IESE's 16 chairs, supported by corporate endowments, serve as hubs within the Research Division for generating and supporting faculty research activities. These chairs, held by leading professors in their fields, create an effective bridge between academic disciplines and the business world.

<b>Abertis Chair</b> Regulation, Competition and Public Policy Prof. Xavier Vives	<b>Chair of Family-Owned Business</b> Prof. Josep Tàpies
<b>Alcatel-Lucent Chair</b> Technology Management Prof. Josep Riverola	<b>José Felipe Bertrán Chair</b> Governance and Leadership in Public Administration Prof. José Ramón Pin
<b>Anselmo Rubiralta Chair</b> Strategy and Globalization Prof. Pankaj Ghemawat	<b>"la Caixa" Chair</b> Corporate Social Responsibility and Corporate Governance Prof. Antonio Argandoña
<b>Bertrán Foundation Chair</b> Entrepreneurship Prof. Pedro Nueno	<b>Nissan Chair</b> Corporate Strategy and International Competitiveness
<b>Chair of Business Ethics</b> Prof. Domènec Melé	<b>PricewaterhouseCoopers Chair</b> Corporate Finance Prof. Pablo Fernández
<b>Carl Schroeder Chair</b> Strategic Management Prof. Joan Enric Ricart	<b>SEAT Chair</b> Labor Relations Prof. Sandalio Gómez
<b>CELSA Chair</b> Competitiveness in Manufacturing Prof. Frederic Sabrià	<b>Banco Sabadell Chair</b> Emerging Markets Prof. Alfredo Pastor
<b>Crèdit Andorrà Chair</b> Markets, Organizations and Humanism Prof. Josep M. Rosanas	
<b>Grupo Santander Chair</b> Financial Institutions and Corporate Governance	

## CENTERS AND INITIATIVES

### RESEARCH CENTERS

Research centers support the prolific research and publication of IESE faculty, who have published more than 500 research documents, including books, articles, case studies, papers at academic conferences, and other publications, both scientific and academic.

<b>CGS</b> Center for Globalization and Strategy	<b>CSBM</b> Center for Sports Business Management
<b>CBS</b> Center for Business in Society	<b>EBCenter</b> e-Business Center PwC&IESE
<b>CEFIE</b> Center for Family Business and Entrepreneurship	<b>ICC</b> International Center for Competitiveness
<b>CELA</b> Center for Enterprise in Latin America	<b>ICWF</b> International Center for Work and Family
<b>CEM</b> Center for Emerging Markets	<b>IPSS</b> IESE Platform for Strategy and Sustainability
<b>CIEC</b> International Research Center for the Media Companies	<b>IRCO</b> International Research Center on Organizations
<b>CIIF</b> International Center for Financial Research	<b>SP-SP</b> Public-Private Sector Research Center
<b>CIIL</b> International Center for Logistics Research	

## FACULTY MEMBERSHIP IN INTERNATIONAL ACADEMIC INSTITUTIONS AND ORGANIZATIONS

### ANTONIO ARGANDOÑA

- Member of the editorial board of *Journal of Business Ethics*, *Business Ethics: A European Review* and *Journal of International Business Education*

### ÁFRICA ARIÑO

- Member of the editorial board of *Journal of Management* and *Journal of Strategic Management Education*

### PASCUAL BERRONE

- Member of the Iberoamerican Academy of Management

### BRUNO CASSIMAN

- Department Editor of *Management Science*

### ANTONIO DÁVILA

- Member of the editorial boards of *Accounting, Organizations and Society*, *The Journal of Management Accounting Research* and *Advances in Management Accounting*

### JOHANNA MAIR

- Member of the Global Agenda Council of the World Economic Forum
- Academic Editor of *Stanford Social Innovation Review*

### JOAN ENRIC RICART

- President of the Strategic Management Society
- Founding president of the European Academy of Management (EURAM)
- Vice-president of the Iberoamerican Academy of Management
- Member of the scientific committee of the European Institute for Advanced Studies in Management (EIASM)
- Member of the Harvard Business School-IESE Committee

### XAVIER VIVES

- Research fellow of the Center for Economic Policy Research
- Member of the European Academy of Sciences and Arts
- Research associate of the ECGI
- Fellow of the Econometric Society and of the European Economic Association
- Co-editor of the *Journal of Economics and Management Strategy*

### CHRISTOPH ZOTT

- Associate Editor for the *Strategic Entrepreneurship Journal*
- Member of the Editorial Board of the *Strategic Management Journal*

## IESE PUBLISHING DEVELOPMENT

The IESE Publishing catalog contains approximately 30,000 business titles. During the 2009-2010 academic year, IESE Publishing sold 217,160 business cases, a slight increase over the previous year. The international sale of teaching materials, on the other hand, grew more than 10 percent. The number of registered users also rose substantially: from 11,200 in 2006-2007 to more than 31,000.

IESE Publishing also distributes IESE faculty teaching material associated with the following institutions:

## IESE PUBLISHING ASSOCIATED SCHOOLS

Harvard Business School  
Darden School of Business - University of Virginia  
Stanford Graduate School of Business  
INSEAD  
Richard Ivey Business School  
Kennedy School of Government  
INCAE  
IAE  
IPADE  
INALDE  
IEEM  
IDE  
ESE  
AESE  
San Telmo International Institute  
PAD-Piura University

# IESE'S COMMITMENT

Drawing on ethical and moral values, IESE sets the bar high with regard to ethically and socially responsible behavior in the management profession. This is evident in its dedication both to teach these values and follow them in its own organizational practices, which highlight the school's clear commitment.



IESE Business School is committed to developing leaders who aspire to have a positive, deep and lasting impact on people, firms and society through their professionalism, integrity and spirit of service. IESE has two campuses in Barcelona and Madrid and facilities in Munich, New York and São Paulo, offering executive programs in key countries around the world. The school's core values emphasize the intrinsic rights and dignity of every person. Drawn from the Christian tradition, these values center on the belief that firms are communities of people who work better in an atmosphere of trust and respect.

Since its inception, therefore, the school has maintained a deep awareness of the commitment required to support its own constituencies. Quality of education is priority number one. The school seeks to demonstrate this through its full- and part-time programs; continuous education for alumni; special programs targeting managers in corporate, public, and social enterprises; and wide dissemination of research findings.

Attention to quality is also the aim of IESE's commitment to academia. Areas of particular note include the school's globally recognized faculty research, its work to establish or strengthen associated business schools worldwide, and its preparation of a new generation of management educators and scholars.

IESE recognizes its responsibility to set an example by working hard to create a flexible, healthy, and growth-inspiring workplace. In the process it strives to adopt practices that are socially, ethically and environmentally responsible.

## STUDENTS AND PARTICIPANTS

Central to the school's commitment to students and participants is a solid education encompassing core management functions, a global perspective, an entrepreneurial state of mind, and social and environmental consciousness vis-à-vis management decisions.

## WORLD-CLASS FACULTY

The faculty – virtually all of whom hold doctoral degrees – are the heart and soul of the school's commitment to teaching. Recruited from top universities worldwide, faculty take seriously their responsibility to provide the highest quality instruction and personal attention.

IESE faculty members bring rigorous academic preparation and long experience into the classroom. They also recognize that developing the best of tomorrow's leaders requires ongoing reflection and dialogue between the business and academic worlds. To this end, faculty members bridge teaching and research by consulting for, and serving on the boards of, companies in strategic sectors and markets; or by

holding positions in non-profit organizations, associations, and public offices. They also stay abreast of current ideas, practices and trends through participation in professional and academic associations. Their efforts produce academic innovations like these:

- A new GEMBA structure and design
- Updated curriculum for PDD, PDG and PADE general management programs
- New designs for long, short and special programs, and MBA and MSM modules
- Increased use of new technology: Global Campus, smart classrooms, wikis, and teaching blogs

## OUTSTANDING PROGRAMS

Accreditations from international associations such as EQUIS, AACSB and others affirm IESE's commitment to learning, which features:

- Curriculum whose model of success embraces both profitability and sustainability
- Personal attention and mentorship by professors
- Exchange and internship programs
- "Real world" program modules at sites as diverse as Silicon Valley, Shanghai, or Bangalore
- The Young Talent Program, which sponsors talented undergraduates

## AN ENTREPRENEURIAL FOCUS

The belief that an entrepreneurial mindset is important to all students and participants, preparing either to launch a start-up or innovate within their current company, informs IESE's approach to management education. From a course in new business ventures to the initiatives of the Center for Family Business and Entrepreneurship – such as Global Entrepreneurship Week and a network of business angels – students' entrepreneurial capacity is developed. More and more graduates, as a result, are starting their own firms.

## STUDENT SUPPORT AND SATISFACTION

IESE supports students and program participants not only through its academic programs but also with benefits such as financial aid (loans and scholarships), career services that include job search strategies, career fairs, internships, and career advice.

All these attributes – faculty, program, and other benefits – produce consistently positive results on feedback surveys. Through continued dedication to the best quality programs and services, IESE remains committed to sustaining strong relationships with its students and participants.

## ALUMNI

That graduates appreciate the value of their education – and of their continuing relationship with IESE and each other – is reflected in the numbers. In the 2009-2010 academic year, IESE graduated 1,680 people; of them, 89 percent of them joined the IESE Alumni Association, bringing the affiliation rate among all alumni to 42 percent.

Alumni – now numbering 33,734 in 109 countries – choose from a variety of opportunities for lifelong learning and professional development.

In addition to the Global Reunion, the Alumni Association organized more than 276 events in 40 cities spanning 26 countries in Europe, Asia, and the Americas in 2009-2010. Total attendance at alumni events topped 29,243. Subject areas included e-business, finance, human resources, change management, information systems, logistics, and more. Topics included socially responsible investing, corporate social responsibility, microfinance and executive ethics.

Continuous Education is just one facet of the alumni experience. IESE is also committed to its alumni through:

- Online services such as e-conferences, IESE Insight knowledge portal, an e-mail account, and virtual communities
- Career services that include advising, consulting on career opportunities, and career events and seminars
- Access to resources such as the faculty library, campus facilities, and social and sports clubs; also publications from IESE Publishing and the alumni magazine
- An international community consisting of alumni in 109 countries, in all business and nonprofit sectors

The Alumni Association operates through regional alumni chapters, an Executive Committee, and a Governing Board. The Governing Board comprises alumni chapter presidents and secretaries, the Executive Committee, and class presidents and secretaries. The Executive Committee approves the budgets and submits annual accounts to the Governing Board. The regional alumni chapters organize local functions with Executive Committee approval, occasional direction, and support.

## EXECUTIVE COMMITTEE

### President

Antonio González-Adalid, Cartera Industrial Rea, MBA-75

### Vice Presidents

Joan Molins, Cementos Molins, PDG-71

Jorge Sendagorta, Sener Ingeniería y Sistemas, PADE-90

### Board Members

Salvador Alemany, Abertis Infraestructuras, PDD-74

Juan Asúa, Banco Bilbao Vizcaya Argentaria, MBA-89

Carmen Becerril, Acciona, PADE-00

Alejandro Beltrán, McKinsey & Company, MBA-98

José Felipe Bertrán, Fundación Bertrán, PADE-65

Jordi Canals, IESE

Aurora Catá, Seeliger y Conde, MBA-89 and PADE-03

Carlos Costa, The Boston Consulting Group, MBA-86

Antoni Esteve, Grupo Esteve, PDD-87

Baldomero Falcones, Fomento de Construcciones y Contratas, MBA-72

Joaquín Faura, Telefónica, MBA-78

William MacDonald, Livingstone Partners, MBA-92

Jordi Mercader, Adeslas, MBA-69

Gloria Perrier-Chatelain, SAP Corporate, EMBA-93 and AMP-10

M<sup>a</sup> del Mar Raventós, Grupo Codorníu, PADE-01

Mireia Rius, IESE, MBA-94

Javier Robles, Danone, PDG-90

José Luis Rojas, Aegis Media, MBA-88

M<sup>a</sup> del Pino Velázquez, Unísono, MBA-91

Rafael Villaseca, Gas Natural Fenosa, MBA-76

## MADRID ALUMNI CHAPTER BOARD

### President

Jorge Sendagorta, Sener Ingeniería y Sistemas, PADE-90

### Board Members

Jordi Canals, IESE

Juan Antonio Castellanos, Apple, Global EMBA-02

Natalia Centenera, IESE, MBA-88

M<sup>a</sup> José Chiarri, Oliver Wyman, MBA-99

Alberto Durán, Fundación Once, MBA-96 and PADE-08

Juan Antonio Galán, IESE, EMBA-92

Juan Carlos García, Sigrun Partners, EMBA-95

Tomás García, Grupo Villar Mir, MBA-88

Francisco Iniesta, IESE, MBA-90

Isabel Linares, Televisión Madrid, PADE-04

Juan Luis López, IESE, EMBA-87

Javier Marín, AENA, PADE-02

Jesús Martínez de Rioja, PADE-06

Carlos Mas, PriceWaterhouseCoopers, PDD-98

Pedro Mielgo, Nereo Business Consultants, PDD-86

Amparo Moraleda, Iberdrola, PDG-95

José Luis Palomo, Gómez-Acebo & Pombo Abogados, PDG-89

Javier de Paz, Telefónica, PADE-98

Mireia Rius, IESE, MBA-94

Pablo Sagnier, Egon Zehnder International, MBA-90

Juan José Toribio, IESE, PADE-74 and PADE-96

## IESE ALUMNI ASSOCIATION

### President

Antonio González-Adalid, MBA-75

### Director

Mireia Rius, MBA-94

## ALUMNI CHAPTER PRESIDENTS

### Europe

Germany Alexander Mettenheimer, AMP-05

Belgium-Luxembourg Laurence Battaille, MBA-95

France Gloria Perrier, MBA-93

Italy Marco Morgese, MBA-03

Netherlands Philip Alberdingk, MBA-89

Nordic Countries *pending*

Poland Piotr Kaminsky, AMP-07

Portugal Luis Graça, PADE-01

United Kingdom Chris Daniels, MBA-00

Russia Andrey Smirnov, GEMBA-07

Switzerland Bence Andras, AMP-07

### Spain

Andalusia Pedro Guerrero, MBA-90

Aragon Juan Antonio García Toledo, PDG-95

Balearic Islands Raúl González, MBA-86

Catalonia Antonio González-Adalid, MBA-75

Galicia Luis Fernando Quiroga, PADE-83

Levante Iñigo Parra, MBA-90

Madrid Jorge Sendagorta, PADE-90

Navarre-Basque Jose M. Aracama, MBA-79

Country-La Rioja

### United States

William Layton, MBA-95

Mid Atlantic Region Alan Pace, MBA-94

South Atlantic Region Clemencia Restrepo, MBA-71

Western Region Robb Bittner Stuart, MBA-98

### Canada

Alfonso Soriano, MBA-84

### Latin America

Argentina/Uruguay Mario Franzini, MBA-74

Brazil Adriano C. Amaral, MBA-94 and AMP-07

Chile Lionel Olavarría, MBA-75

Colombia Luis Fernando Jaramillo, MBA-86

Mexico Carlos Acedo, MBA-88

Peru Jorge Luis James, MBA-92

### Asia

China Myra Yu, MBA-99

India Vinay Kothari, MBA-92

Japan Akihiro Kasai, MBA-03

## ACADEMIA

### RESEARCH ENGAGEMENT AND DISSEMINATION

IESE's commitment to academia begins with research that is characterized by its rigor and its relevance. Faculty, as well as candidates for the PhD in Management, recognize the importance of conducting research — even the most theoretical — in the context of its connection to current business practices and issues. Widespread dissemination of data, information and ideas occurs through:

- External publications: last year, faculty published articles in 58 journals, 27 books, and countless working papers, cases, and other publications
- Conferences on global economic and social progress
- *IESE Insight* online business knowledge portal, open to academics and others worldwide
- *IESE Insight* review, the newly launched business magazine



### THE AFRICA INITIATIVE

In 2009, IESE established the Africa Initiative to support educational and social projects and programs. Engagement with Africa is considered important because it is a continent whose rapid progress is to be taken seriously. The transformational effect of involvement in Africa also aligns with IESE's identity as an institution that focuses on human and ethical values.

IESE worked with local academics and businesspeople to create Lagos Business School (LBS) in Nigeria in 1991 and Strathmore Business School (SBS) in Kenya in 2005. The school also maintains close involvement with these African institutions:

- Institut des Hautes Etudes, Abidjan, Côte d'Ivoire, launching its first AMP in 2011
- Nile Tech University in Cairo
- The Angola School of Business in Luanda launched in 2010 with help from IESE
- Development of the first MBA course in Accra, Ghana, partnered with CEIBS in Shanghai

IESE's vision of educational development in Africa entails working through other institutions, following this progressive approach to local capacity-building. Initially IESE professors do the instruction, gradually transferring academic responsibilities to local faculty. An increasing number of Africans are enrolling in IESE's International Faculty Program (IFP); 10 of 33 participants in 2009 were from Africa. IESE

also conducts on-site faculty professional development. To encourage African students and faculty to apply to the Master of Research in Management and PhD in Management programs, IESE offers scholarships to the PhD program for Africans who intend to return to their home country to teach.

Leading IESE's initiative are Profs. Javier Santomá and Lluís Renart. Speaking to participants in the 2010 session of the pan-African module of the Africa AMP, Prof. Renart cited many factors needed for development: health, education, political stability, infrastructure and a market economy. He added that it also needs well-managed businesses, the leaders of which need to come from good business schools — this being IESE's principal contribution.

Through the Africa Initiative, IESE is also involved in these projects:

- Collaboration on the expansion and equipment of the Niger Foundation Hospital and Diagnostic Centre in Enugu, Nigeria
- Collaboration on the construction and equipment of Eastlands College of Technology in Nairobi, with a support center for local economic development initiatives
- Support for Kimlea, an educational project of the Nurisha Trust of the Kianda Foundation, which works to improve the well-being of women in Kenya

## FACULTY ADVANCEMENT

Committed to the development of scholarly talent in management education, IESE offers the Master of Research in Management, with the option to continue as a candidate for the PhD in Management. Junior faculty members in IESE's associated business schools, together with others from around the world, can enroll in this postgraduate program. Many choose to enroll in IESE's International Faculty Program (IFP) to learn new teaching, research and curriculum development methodologies in management education. (Learn more about the IFP on page 23.)

### INSTITUTIONS OF HIGHER EDUCATION OF IFP PARTICIPANTS

The 18th IFP session last June welcomed 33 professors from these institutions.

- Botswana: University of Botswana
- Chile: Universidad Adolfo Ibáñez
- China: City University of Hong Kong
- Colombia: INALDE
- Côte d'Ivoire: Institut des Hautes Études Afrique
- Croatia: Zagreb School of Economics and Management
- Dominican Republic: Barna Business School
- Estonia: Tallinn University
- Ghana: University of Ghana Business School, Institute of Management and Public Administration
- India: Institute for Technology and Management
- Italy: Consorzio Elis (CONSEL)
- Kenya: Aga Khan Education Service Kenya, Catholic University of Eastern Africa, Strathmore Business School, Jomo Kenyatta University of Agriculture and Technology
- Latvia: Riga International School of Economics
- Mongolia: School of Mechanical Engineering
- Nigeria: Lagos Business School
- Philippines: University of Asia and the Pacific
- Poland: Kozminski Academy of Entrepreneurship and Management, Warsaw School of Economics
- Russia: Moscow State University
- Spain: IESE Business School
- Sweden: University of Gothenburg
- United Kingdom: Oxford Brooks University

## ASSOCIATED BUSINESS SCHOOLS

IESE has also helped establish and develop schools in emerging countries around the world. This network began in 1967 when IESE helped to create IPADE business school, now one of Mexico's premier graduate schools of management. It now comprises 17 schools on four continents, with one more school in development in Côte d'Ivoire (see "The Africa Initiative" in this section). In each case, IESE worked with local academics and business leaders to establish the schools, often in cooperation with other institutions such as Harvard Business School.

### ASSOCIATED SCHOOLS AND YEARS FOUNDED

- Associação de Estudos Superiores de Empresa (AESE), Lisbon, Portugal, 1980
- China Europe International Business School (CEIBS), Shanghai, China, 1994
- Escuela de Negocios (ESE), Universidad de Los Andes, Santiago, Chile, 1999
- Escuela de Dirección y Negocios (IAE), Universidad Austral, Buenos Aires, Argentina, 1978
- Instituto de Desarrollo Empresarial (IDE), Guayaquil, Ecuador, 1992
- Instituto de Estudios Empresariales de Montevideo (IEEM), Universidad de Montevideo, Montevideo, Uruguay, 1986
- Institut de Hautes Etudes (IHE), Abidjan, Côte d'Ivoire, 2003
- Institute for Media and Entertainment (IME), New York, United States, 2004
- Instituto de Alta Dirección Empresarial (INALDE), Universidad de la Sabana, Bogota, Colombia, 1985
- Instituto Panamericano de Alta Dirección de Empresa (IPADE), Universidad Panamericana, Mexico City, Mexico, 1967
- Instituto Superior da Empresa (ISE), Brazil, 1996
- Lagos Business School (LBS), Pan-African University, Lagos, Nigeria, 1991
- Nile University School of Business (NU), Cairo, Egypt, 2003
- Escuela de Dirección de la Universidad de Piura (PAD), Peru, 1979
- Strathmore Business School (SBS), Strathmore University, Nairobi, Kenya, 2005
- School of Business Administration, University of Asia and the Pacific, Manila, The Philippines, 1995
- UNIS Business School, Universidad del Istmo, Guatemala, 1977

## CORPORATE, PUBLIC, AND SOCIAL ENTITIES

In its external relationships, IESE seeks to build and reinforce bridges among the academic, private and public sectors. Training, materials and intellectual capital are the resources offered to corporations. In return, corporations aid IESE's research through consulting and financial support, and offer internships and jobs to students and graduates.

The school provides service to society through faculty members who serve on boards of directors and in leadership positions within professional associations. Other involvement includes:

- Assessment of local governments
- Participation in non-governmental organizations
- Research projects
- Case development
- Business development projects
- Advanced Management Program
- Customized executive education
- Consulting



## OUR PEOPLE

Since organizations are communities of people, good management needs to emphasize the intrinsic rights and dignity of every person. This principle – which IESE has always tried to convey to all of its constituencies – is mirrored in the school's own efforts to encourage people to deal with each other in an environment of personal, professional and organizational respect.

The people who work for IESE fulfill a range of professional responsibilities, as this table shows.

### IESE PROFESSIONALS

Full-Time Professors	118
External and Visiting Faculty	52
Research Fellows	10
Research Assistants with Scholarships	52
Non-Teaching Staff	351

In 2009-2010, 251 people also performed various subcontracted services at IESE.

## STRENGTHENING CAPABILITIES

IESE's human resource policies are developed in the context of professional growth, development, and assessment. New hires receive orientation on IESE's mission, values, and policies; job training; and assignment to a mentor. All IESE staff members engage in an annual assessment process that includes performance review, planning business objectives, setting training and development goals via a Personal Development Plan (PDP). Last year IESE invested three percent of its total payroll in education. In addition to internally sponsored training programs (listed in the related table), the school supports employees' professional development through:

- Personalized training and development plans
- Subsidies and scholarships for external education programs
- Leaves of absence for continuing education, with reintegration assistance

## A HEALTHY ENVIRONMENT

The Family Responsible Company (FRC) certificate is an honor that IESE is gratified to have received for its efforts to facilitate work-family life balance and promote corporate social responsibility. Recognizing the inter-relationship of a flexible environment, employees' well-being and productivity, IESE has established policies that offer flexibility in:

- Work hours and work-week schedules, including work-at-home options for faculty and executive staff

## 2009-2010 EDUCATION AND DEVELOPMENT PLAN PROGRAMS

Average 2009-2010 module feedback score, taken from participant surveys: 4.4 out of 5

Languages	Attendees: 172 Teaching hours: 6,130
Technology	Online training in various applications: 4 modules
Services and Internal Software Tools	Training in general SIC, MKT, Tridion, and library or instructional tools: 5 modules
Professional Skills	Training in campus knowledge, social networks, written or oral communication, competency-based interviewing: 5 modules
Competency Development	To study, acquire and develop key competencies such as: - Business dimensions: determination in achieving goals, customer orientation, resource and team management with global vision; - Interpersonal dimension: coaching and communication; - Personal dimension: self-governance, time management and personal improvement 6 modules.
Position-Specific Training	Sales training, FinalCut, Audio-visual Edition
Division Programs	2010 Executive Education Workshop, in collaboration with the Executive Education team
Humanism, Business and the Economy	Economic overview, real-life practical lessons of charity, principles of anthropology: 3 modules
IESE Programs	Attendees: PMD: 1 PDD: 5 Short focused programs, seminars, industry meetings: 37
Professionalism and Spirit of Service Module	Processes in a Service Business for contract services and contract staff in divisions

- Videoconferencing to minimize travel
- Position, function, or schedule, or temporary workload reduction, for personal reasons
- Extensions of maternity leaves and leaves of absence for family care giving
- Time-off policies for family needs or emergencies

- to extend it to families
- Regular physical examination
- Training in workplace safety and security
- On-campus medical and security service
- Health and Safety committee

In addition to workplace flexibility, IESE offers other family-friendly employee benefits:

- Aid to parents of children up to three years old to help defray the cost of day care or pre-school
- Partial subsidies for on-campus dining
- Voluntary contributions towards employee full pay during maternity, paternity (or sick leave)
- Workshops on premarital preparation and family management
- Adjustment counseling and support for expatriates and their families
- Annual payment to parents of children under 18
- Subsidies and scholarships for employee's spouse and children in IESE and University of Navarra programs

IESE also provides these benefits and services to ensure the health and safety of its employees:

- Fully funded pension plan
- Medical insurance 50 percent IESE funded, with the option

A healthy work environment demands strong two-way communication, and a positive attitude toward diversity is an important facet of that. At IESE, diversity extends beyond internationalism to gender equality and accessibility for the disabled. The school created its Gender Equality Plan from the results of a campus-wide voluntary online survey on gender equality perceptions and experiences. IESE also meets the standards of LISMI, national guidelines that fulfill the government's mandate to recognize the rights of the disabled and provide equal access, and contracts with vendors that employ the disabled.

IESE also encourages employee engagement in social responsibility initiatives by offering a series of solidarity activities such as food and toy collection campaigns, donations, voluntary work in NGOs and others.

## SOCIETY

IESE's overarching objective has always been to develop capable business leaders who can make a positive impact on the corporate world and society at large. Its mission to provide an excellent management education stems from the philosophy that long-term corporate sustainability is an important ingredient in service to society. Management education thus involves teaching how to build a solid foundation, reinvest wisely and innovate creatively. Service to society also requires a firm grasp of what constitutes corporate social responsibility. IESE aims to impart this through ongoing efforts to disseminate knowledge, promote best practices, and serve as its own best example.

## PERSONAL AND BUSINESS ETHICS

Global social responsibility springs from values long embedded in IESE's academic programs. It has been particularly gratifying, then, to be ranked among the top 50 business schools in The Aspen Institute's 2009-10 edition of *Beyond Grey Pinstripes*, spotlighting full-time MBA programs that integrate social and environmental stewardship.

These are some of the highlights of the school's commitment to personal and business ethics.

- The Business Ethics Department has been in existence from the start, and has included a core MBA course in business ethics since 1964.
- Two decades ago, an IESE faculty member became the first scholar to publish a book in the Spanish language on corporate social responsibility.
- The school is a leader in developing innovative courses and programs with the dimension of global social responsibility, and in weaving these values throughout its MBA and executive MBA programs.
- Public and health care sector management programs include ethics components. One example: "Driving Government Performance," led by IESE and the Harvard Kennedy School of Government, aims to sharpen leadership skills and ethical awareness of senior professionals of public institutions.
- Six research centers and three chairs are primarily dedicated to social responsibility issues.
- Prof. Johanna Mair was recently presented an MBA Faculty Pioneer Award for Social Entrepreneurship by The Aspen Institute; she and Prof. Christian Seelos also won an IESE Alumni Association Research Excellence Award for their course, "Entrepreneurial Strategies for Social Impact."
- IESE hosted the 2010 International Symposium on Ethics, Business and Society.
- More than 120 of student internships in 2009 involved projects in social entrepreneurship, NGOs, microfinance, development banking, and other socially responsible business sectors.

## TRANSFER OF KNOWLEDGE TO SOCIETY

IESE is among the 343 institutions worldwide that have pledged to implement the Principles for Responsible Management Education (PRME), an initiative of the United Nations Global Compact to promote corporate responsibility and sustainability in business education. One of the six PRME principles is to engage in research that advances the understanding of the role, dynamics and impact of corporations in furthering social, environmental and economic sustainability.

Below are examples of IESE's commitment to the transfer of knowledge with respect to ethics and social responsibility.

- Prof. Antonio Argandoña, the "la Caixa" Chair of Corporate Social Responsibility and Corporate Governance, was cited as one of the top five most productive authors in business ethics research in the world by *The Journal of Business Ethics* in 2010.
- Prof. Domènec Melé was ranked 15th in *The Journal of Business Ethics* list.
- IESE faculty published 26 journal articles, four books, many book chapters and nearly two dozen cases or technical notes on global issues of socially responsible business practices, ethics, and environmental sustainability between January 2009 and May 2010.
- "Learning to Navigate the Rough Seas of Ethics" and "For Effective CSR, One Size Does Not Fit All" are just two of the many articles on ethics and corporate social responsibility published by *IESE Insight* online knowledge base and its associated monthly management review.
- The eighth annual Colloquium of the European Academy of Business in Society (EABIS), held at IESE in Barcelona in 2009, focused on global and corporate governance challenges and issues. EABIS and IESE share a strong interest in how governance mechanisms foster corporate social responsibility.
- Other events and activities (often co-organized with corporate partners) include:
  - Business and Sustainable Development Forum
  - Symposium on Business Ethics and Society
  - Short Focused Program on Business and Sustainable Development
  - Family-Responsible Companies Forum
  - Diversity Symposium

## PROMOTION OF ENTREPRENEURIAL CAPACITY

In the belief that an entrepreneurial mindset is key to managing a socially responsible company, IESE seeks to develop its students' entrepreneurial capacity. Efforts include a



course in new business ventures and the initiatives of the Center for Family Business and Entrepreneurship, such as Global Entrepreneurship Week and a network of business angels.

Strong evidence can be seen for the link between social responsibility and entrepreneurship in the eight-year history of the Doing Good and Doing Well Conference. This two-day event showcases opportunities and challenges faced by socially responsible businesses and organizations. Organized by IESE's Responsible Business Club, the conference attracts professionals and students from all over the world. The 2009 conference earned the Graduate Management Admissions Council's TeamMBA Service Award for Educational Initiatives. The 2010 conference, themed "from niche to mass market: taking responsible business to the next level," drew more than 680 professionals and students representing 70 nationalities, including students from nearly every major business school in Europe.

Another IESE project that links entrepreneurship and social responsibility is the school's participation in Goldman Sachs' 10,000 Women Project, which offers management education to women in developing countries. Together with the University of Asia and the Pacific, IESE has developed a business training program for Philippine women entrepreneurs.

## ACTIVE ENGAGEMENT

Faculty and alumni alike are models for active civic engagement and participation in non-profit organizations and professional associations. They serve as directors, presidents, ministers, mayors, advisors, and so forth. Examples include:

- **Antonio Argandoña:** Member of the Commission on Anti-Corruption of the International Chamber of Commerce and member of the Royal Academy of Economics and Finance (Barcelona)
- **Joan Fontrodona:** Member of the European Business Ethics Network and the European Academy of Business in Society
- **Pankaj Ghemawat:** Fellow of the Academy of International Business
- **Domènec Melé:** Editor of the *Journal of Business Ethics*
- **Pedro Nuño:** President of China Europe International Business School (CEIBS)
- **Alfredo Pastor:** ex-Secretary of State of Economy
- **Antoni Subirà:** former Minister of Industry and Energy, Trade and Tourism of Catalonia; Chairman of the Advisory Board of The Competitiveness Institute (TCI) and the Clusters and Competitiveness Foundation
- **Pedro Videla:** World Bank, IMF, EU, the InterAmerican Development Bank, and USAID collaborator



## THE ENVIRONMENT

IESE's environmental policies and practices are rooted in the belief that nature is a gift – one that we have a responsibility to care for and preserve for future generations. Reinforcing this institutional commitment to the future, the school's Environmental Action Plan centers on the principles of the Spanish Sustainable Development Strategy, part of the European Union's Sustainable Development Strategy.

The plan articulates two main lines of action: promotion of environmental awareness and sustainable use of resources in day-to-day operations. The eight objectives that fall under these two areas conform to guidelines established under the Global Reporting Initiative (GRI; see exhibits). Highlights of IESE's achievements under these objectives appear in this section; the full text of the Environmental Action Plan annual report is on the IESE website.

## SUSTAINABLE USE OF RESOURCES

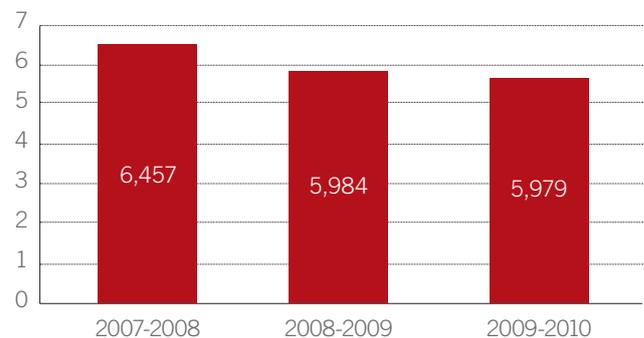
**1. Reduce energy consumption.** One strategy employed by IESE in this area was to improve the energy efficiency of heating, air conditioning, insulation and lighting systems. Another was to apply new technologies to achieve energy efficiency and use alternative energy sources. Projects carried out this year include:

- Constructing a double-door entrance hall with an air curtain at the Barcelona North Campus reception area to reduce energy loss
- Installing solar filters in Building D of the Barcelona campus
- Installing stand-alone air conditioning equipment in various classrooms

- Use of centralized management software to reduce the length of time lights are on
- Replacing traditional starters (ferromagnetic) with electronic ones
- A plan for phasing in energy-efficient and LED-type light bulbs
- Replacing CRT monitors with TFT ones for a 40 percent energy savings

Other projects planned for the coming academic years include integrating some buildings into the TAC system, replacing aluminum windows in two buildings to reduce energy losses, and installing photocells to activate lighting in common areas. The goal is to keep pace with the last two years with respect to reduction in total consumption (see table).

## ANNUAL CONSUMPTION OF ELECTRIC ENERGY (in millions of kWh)



**2. Promote the rational use of water.** IESE has undertaken conservation measures that include better management and implementation of water saving systems. During the 2009-10 academic year these projects were carried out:

- Use of well water for irrigation in both the Madrid and Barcelona campuses
- Installation of drip irrigation system to minimize water consumption
- Replacing spray faucets with ones that reduce flow by 40%

**3. Reduce CO<sub>2</sub> emissions.** IESE has begun changing to energy sources that generate less CO<sub>2</sub> and installing systems with fewer direct or indirect emissions into the atmosphere. Highlights include:

- Installing stand-alone air conditioning equipment in various classrooms, ensuring proper sizing of AC units to the use given
- Encouraging videoconferencing and telepresence between campuses (Barcelona - Madrid - New York - Munich) to reduce travel

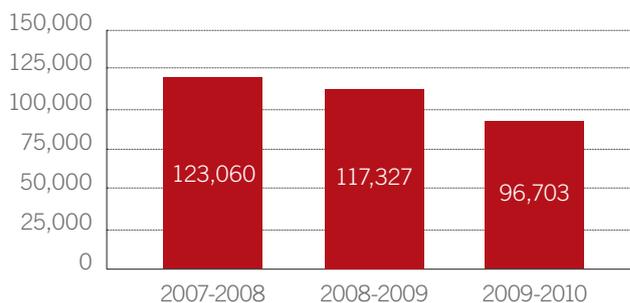
The total consumption of diesel in 2009-10 was equivalent to 401,802 kWh; this was a significant reduction of 33 percent over the previous year's 602,202 kWh. In the coming years this reduction is expected to continue through gradual replacement of diesel boilers with natural gas units. These not only emit between 25 and 30 percent less carbon dioxide (CO<sub>2</sub>) per unit of energy produced, but also present no risk of soil contamination.

**4. Collaborate with socially useful agencies and organizations.** IESE seeks involvement in projects that yield environmental benefits: reducing CO<sub>2</sub> emissions, preserving flora and fauna and minimizing the emission of ozone-depleting gases. For example, the school recently signed an agreement to install a recharging station for electric motorbikes on the Barcelona campus, in collaboration with Cooltra, Iberdrola, Mobecpoint, Schneider Electric, Mapfre, Institut Català d'Energia, and the City of Barcelona. Also, in collaboration with SABA, IESE is installing two recharging points for electric cars in the parking area in accordance with a Barcelona City plan to encourage the use of electric cars.

**5. Reduce waste generation.** To achieve this objective, IESE has implemented new systems to facilitate proper segregation and begun using new systems and technologies. Specifically, the school has:

- Installed natural water fountains and adopted reusable packaging to minimize the generation of plastic containers
- In collaboration with ISS, implemented the Cleaning Excellence system to optimize the use of cleaning products and minimize water consumption and waste generation
- Installed more efficient printing equipment that lowers toner consumption in the printing center, in collaboration with Xerox
- Installed a modern multifunctional printing system in collaboration with RICOH. This, as well as reducing paper weight, resulted in a reduction of almost 18 percent in paper consumption for the 2008-09 academic year, in line with the trend begun in the previous year (see table)

**TOTAL CONSUMPTION OF PAPER (in kg)**



**6. Help preserve the surrounding natural environment.** Protecting and improving the immediate environment in which IESE operates involves seeking ways to maintain and enhance the natural value of the environment. To this end, a study of the habitat around IESE centers has been carried out to determine possible future actions. Of note is the effort made by IESE each year to maintain the garden areas at both its headquarters in Barcelona (with 14,300 m<sup>2</sup> of garden space out of a total of 45,000 m<sup>2</sup>) and Madrid (with 6,000 m<sup>2</sup> of garden space out of a total of 13,000 m<sup>2</sup>).

## ENVIRONMENTAL AWARENESS

**7. Increase students' environmental awareness.** To foster a campus culture that respects the environment, the school engages in a number of activities that encourage students to develop lifelong attitudes, habits and actions that contribute to the sustainable development of society. The most visible of these are:

- The Doing Good and Doing Well conference, with lectures and discussions on sustainable development in the context of socially responsible business
- The MBA student club environmental activities, such as last year's renewable energy event

Raising awareness by adding teaching hours and increasing the use of specific cases on sustainable development are among IESE's future plans.

**8. Increase employees' environmental awareness.** Understanding its responsibility to serve as a role model, IESE also builds awareness among its employees through:

- Plans for staff training on environmental sustainability
- Access to specialized magazines



## SELECTED INDICATORS OF PROGRESS

	Unit	2008-09	2009-10
Total participants		27,204	33,209
Total hours of use of rooms and classrooms	h	45,690	45,361
Paper consumption per participant	kg	4.31	2.91
Battery generation	kg/h	0.0072	0.0045
Toner generation per participant	unit	0.021	0.019
Generation of fluorescent lights	kg/h	0.038	0.004
Paper and paperboard generation per participant	kg	5.4	5.4
Electricity consumption	kWh/h	130.97	131.80
Water consumption per participant	m <sup>3</sup>	0.62	0.45
Gas consumption	kWh/h	36.21	40.89
Diesel consumption	kWh/h	17.18	11.80
Garden waste	m <sup>3</sup> /h	0.0028	0.0033
Generation of oil per participant	kg	0.36	0.26

## OUR GOVERNANCE

Institutional governance serves the greater good of the institution and the fulfillment of its mission. Governing at IESE – which is autonomous and independent of university government – is a shared effort across many constituencies, all of whom take their responsibilities seriously with a thoughtful, prudent approach.

In addition to internal management, IESE's governing bodies include the International Advisory Board, the Harvard-IESE Committee, the Executive Committee of the Alumni Association, the Executive Committee of Madrid, and the Alumni Plenary, which channels alumni initiatives and suggestions.

### MANAGEMENT

Dean	Jordi Canals
Associate Dean	Eric Weber
General Secretary	Franz Heukamp
General Administrator	Jaime Alonso
Executive Education Programs	Josep Valor
Research and Innovation	Fernando Peñalva
Faculty	Frederic Sabrià
People Division	Teresa Gener
Alumni Division	Mireia Rius
Director of the Madrid campus	Juan José Toribio
Associate Director of the Madrid campus	Francisco Iniesta
General Secretary of the Madrid campus	Juan Antonio Galán

### HARVARD-IESE COMMITTEE

Harvard Business School (HBS) and IESE have had a close relationship since 1964 when the first committee met to establish IESE's full-time MBA. In June the committee recently held its 47th annual meeting in Boston to discuss the growth of emerging economies and the consequences for MBA and executive education programs. Participating on behalf of HBS were W. Carl Kester, vice president of academic affairs; and Srikanth Datar and Richard H. K. Vietor, associate deans. Representatives for IESE were Jordi Canals, José Luis Nueno, Joan Enric Ricart and Eric Weber.

To mark Harvard Business School's 100th anniversary and honor the long, productive relationship between IESE and Harvard, IESE presented the school with the painting *Mapa Mundi* by the artist Nacho Amor depicting the shared global vision of the two institutions. The painting hangs in HBS's main offices in Boston.

### HBS - IESE COMMITTEE MEMBERS

HBS	IESE
Srikant Datar	Jordi Canals
Jack Gabarro	José Luis Nueno
Carl Kester	Joan Enric Ricart
Richard Vietor	Eric Weber



## INTERNATIONAL ADVISORY BOARD

IESE's International Advisory Board (IAB) consists of prominent business and civic leaders representing Europe, the United Kingdom, the Americas, and Asia. Created in 1989, the board meets periodically to review the previous year's developments and discuss new challenges and opportunities with respect to global humanistic and management issues.

### INTERNATIONAL ADVISORY BOARD MEMBERS

**Andic, Isak**

Mango  
Spain

**Bonnier, Hans-Jacob**

The Bonnier Group  
Sweden

**Breuer, Rolf-E.**

Deutsche Bank  
Germany

**Camdessus, Michel**

Banque de France  
France

**Carter, John**

Munich Re  
UK

**Christenson, Andrea**

Kathe Kruse Puppen  
Germany

**Fanjul, Oscar**

Omega Capital  
Spain

**Francis, Patricia**

International Trade Center  
Switzerland

**Fung, Victor K.**

Li & Fung Group  
China

**Gardner, Roy**

Compass Group  
UK

**Gyohten, Toyoo**

Institute for International  
Monetary Affairs  
Japan

**Haaland-Matlary, Janne**

University of Oslo  
Norway

**Haniel, Franz**

The Haniel Group  
Germany

**Heiberg, J. Gerhard**

Norscan Partners  
Norway

**Johnson, Franklin P.**

Asset Management Company  
USA

**Kingsmill, Denise**

British Airways  
UK

**Maerki, Hans Ulrich**

ABB  
Switzerland

**Mangold, Klaus**

DaimlerChrysler  
Germany

**Mohn, Liz**

Bertelsmann  
Germany

**Motta, Stanley**

Motta Internacional  
Panama

**Murthy, N.R. Narayana**

Infosys Technologies  
India

**Pino, Rafael del**

Ferrovial  
Spain

**Puig, Mariano**

Puig Foundation  
Spain

**Raventós, M<sup>a</sup> del Mar**

Codorníu  
Spain

**Revoredo, Helena**

Prosegur  
Spain

**Riboud, Franck**

Groupe Danone  
France

**Russwurm, Siegfried**

Siemens  
Germany

**Schrøder, Johan**

Schrøder Foundation  
Denmark

**Shibata, Takumi**

Nomura  
Japan

**Sorrell, Martin**

WPP Group  
UK

**Storm, Kees J.**

Aegon  
The Netherlands

**Sutherland, Peter**

Goldman Sachs, BP  
UK

**Wenning, Werner**

Bayer  
Germany

**Yeo, George**

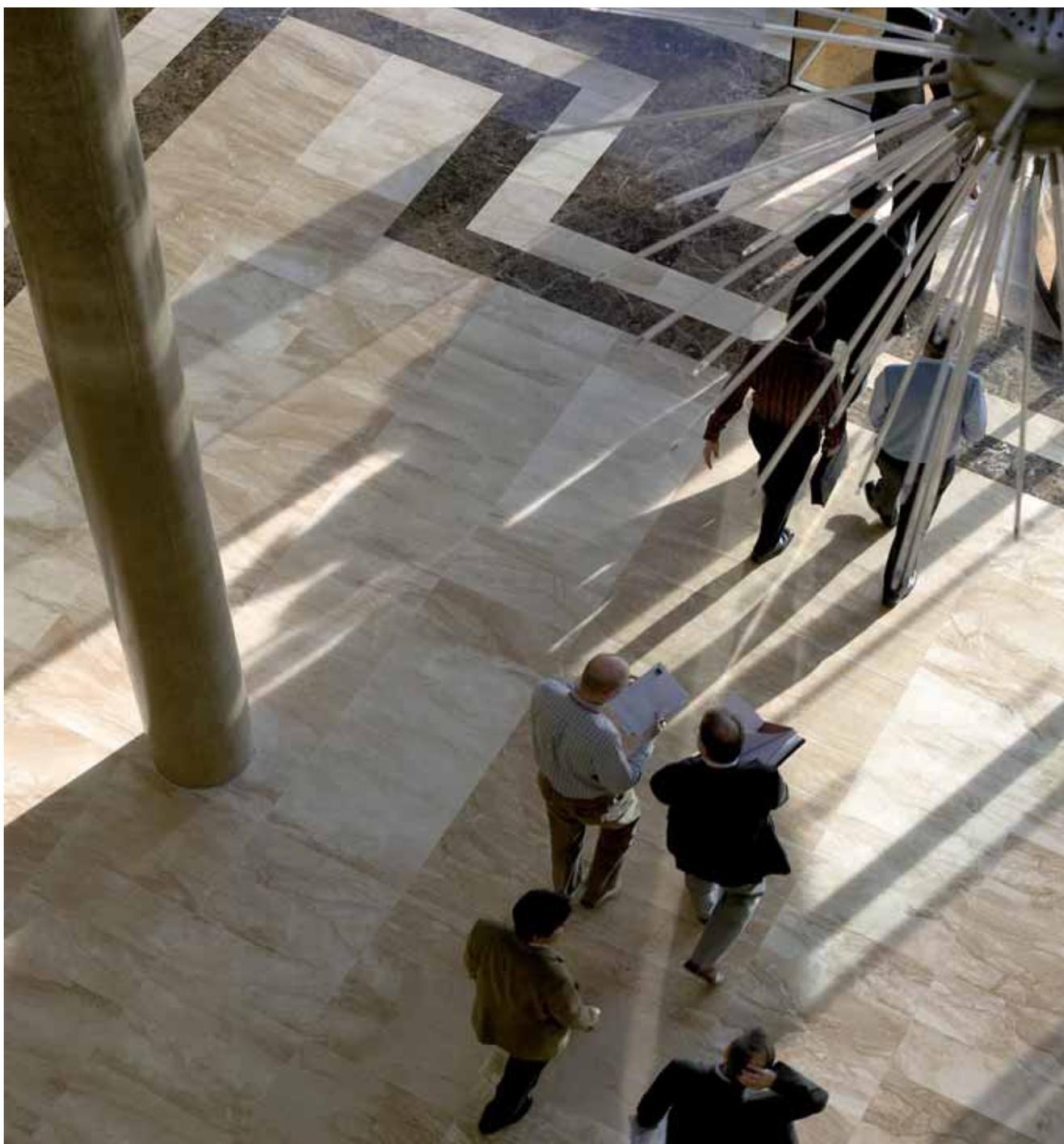
Ministry of Foreign Affairs  
Singapore

**Zegna, Ermenegildo**

Ermenegildo Zegna  
Italy

# FINANCIAL INFORMATION

The past year's global economic scenario did not change significantly from that which was presented in last year's report. Despite the situation, IESE engaged in successful efforts to recuperate activity and maintain income.



## OVERALL DEVELOPMENTS IN THE FINANCIAL YEAR

The past year's global economic scenario did not change significantly from that which was presented in last year's report. The resulting level of uncertainty among companies, not unpredictably, led to their budget-cutting in the area of professional development.

Despite the situation, IESE's efforts to maintain overall level of activity were successful as the school continued to advance its teaching and research activities. Moreover, research projects in New York received greater emphasis with the satisfactory completion of the rehabilitation project of the building that holds IESE headquarters in New York.

An upturn in degree program participation signaled a positive trend, and activity among Short Focused Programs was significantly increased by change in direction. While enrollment in long executive education programs remained stable, custom program activities continued to decline, albeit at a slower pace during the year. In all, last year's total income was 76 million euros, almost one million euros more than the previous year.

These results allowed IESE to continue recruiting new professors, with five new full-time professors joining the faculty. But the hiring of other professional and administrative staff remained frozen. In addition, the funds generated allowed the school to allocate three million euros for projects already in its master plan, specifically the expansion of the Madrid campus and IESE's new headquarters in Munich.

Other expenses at the end of the academic year were slightly up compared with last year. This was primarily due to the opening of the New York Center and the additional activity that has been taking place there. All of the cost-containment measures implemented last year continued to make an impact in 2009-2010.

## IESE BUSINESS SCHOOL PROFIT AND LOSS ACCOUNT

IESE accounts are audited together with all accounts of the University of Navarra. In 2009-2010, the auditor was KPMG. Its report is published in the Economic Report of the University of Navarra (available at [www.unav.edu](http://www.unav.edu)). The IESE income contained in this report is to be incorporated into the accounts of the University and presented together in the same format as the Economic Report of the University (See Exhibit IV.)

## FINANCIAL RESULTS

### ACCOUNTING METHOD AND FINANCIAL MANAGEMENT CRITERIA

The annual accounts, expressed in euros, were prepared by division administrators from IESE's accounting records of all programs and activities. They take into account all the monetary flows that finance activities. All existing legal provisions on accounting have been applied in order to accurately present the assets, financial position and results.

IESE is the graduate business school of the University of Navarra. It has significant autonomy in academic and economic management. IESE accounts are consolidated with those of the University. The economic report of the University, available online at [www.unav.edu](http://www.unav.edu), provides the assessment and audit reports for the academic year 2009-2010 (Appendix 6 shows economic performance and the auditors' cover letter for IESE Business School financial statements).

IESE Business School is a non-profit organization, both as a whole and in every activity it carries out and promotes. The budgetary process tends to balance revenues and expenditures. In the event that the balance is positive at the end of the year, the surplus is applied to the following year's investment plans and research projects.

The accounts have been determined in accordance with the provisions of the Commercial Code and the Rules of adaptation of the New General Accounting Plan for the University of Navarra, which is a non-profit entity. In addition, accounts benefit from the rules and principles of the Spanish Association of Accounting and Business Management and Fiscal Rules, which apply to the university.

Due to its non-profit nature and in accordance with current legislation, IESE is exempt from corporate taxes. In addition to income from teaching, research and contributions from alumni, IESE receives income from strategic partners, individuals and sponsoring companies.

IESE finances its activities primarily through revenues from its programs and the funds raised for research projects.

*Estudios y Ediciones IESE, S. L.*, is a company legally linked to IESE. Publishing activities – such as book publishing and distribution, the sale of business cases, the IESE Insight knowledge portal, and editing services – are among the activities carried out by *Estudios y Ediciones IESE*. Its overall purpose is to disseminate research findings and support teaching.

IESE – USA, Inc., is an American entity, a 501(c)3 not-for-profit corporation that develops the teaching and research activity of IESE in the United States. This activity, in economic terms, remains modest.



## IESE INCOME STATEMENT

In €	2006-2007	2007-2008	2008-2009	2009-2010
<b>INCOME</b>	<b>70,825,430</b>	<b>77,652,042</b>	<b>75,384,874</b>	<b>76,232,955</b>
Programs	62,384,077	68,737,608	67,024,205	68,041,553
Research Projects	1,726,320	2,196,653	1,871,716	2,096,921
Alumni and Sponsoring Companies	5,189,790	4,891,385	4,759,618	5,031,783
Other Income	1,525,243	1,826,396	1,729,335	1,062,698
<b>EXPENSES</b>	<b>65,627,792</b>	<b>70,306,647</b>	<b>67,687,235</b>	<b>67,466,967</b>
Personnel	29,838,480	32,525,549	33,710,446	33,859,449
Direct Expenses-Programs/Research	18,201,777	19,949,813	17,116,236	16,097,804
General Services (1)	6,360,857	6,211,249	7,031,903	7,294,346
Facility Services Expenses (2)	9,537,838	9,489,986	8,372,935	7,923,564
Other Expenses	1,688,840	2,130,050	1,455,715	2,291,805
<b>FUNDS GENERATED FROM OPERATIONS</b>	<b>5,197,638</b>	<b>7,345,395</b>	<b>7,697,639</b>	<b>8,765,987</b>
Extraordinary Expenses	-1,100,316	-274,592	792,941	505,326
Depreciation	3,555,230	4,207,387	3,719,732	4,117,228
Development Projects	0	2,109,215	2,159,827	3,000,000
Accounting Result	2,742,724	1,303,385	1,025,139	1,143,433

(1) Includes the cost of library administration, publications, marketing, communications, information technology and other services.

(2) Includes all costs associated with the buildings used by IESE: rents, maintenance, cleaning and services.



The IESE Alumni Association allocates part of its funds to initiatives such as scholarships for the MBA, the development of young professors and research projects. Sponsoring companies collaborate with IESE by funding grants for similar activities. Other benefactors work with collaborators, in which case their contributions are not counted in this table. Finally, the item “Other Income” includes financial income, which includes interest earned on funds applied to scholarships and research chairs.

In the area of expenses, the numbers and research programs include the direct costs of these activities, except expenses for professors and support staff, which are included in the Personnel section.

Development projects refer to funds dedicated to improving IESE’s campus. Contributions of the years 2007-2008 and 2008-2009 were earmarked for the renovation and maintenance of the New York Center, while the result of the 2009-2010 academic year will be dedicated, as previously mentioned, to the development of the campuses in Madrid and Munich. In addition to these amounts, depreciation reflects the level of new investment in fixed assets made in previous years.

## MAIN AREAS OF ACTIVITY

### PROGRAMS

Income from MBA degree programs and Executive Education programs represents more than 90 percent of IESE's total income. During the last years, the relative weight of MBA program income shifted towards Executive Education programs. In 2007-2008, MBA program income was 35 percent of total revenues compared to Executive Education, which made up 65 percent. In 2009-2010, MBA programs generated 44 percent of program revenues. As this trend continues, it balances the IESE program portfolio and helps to reduce the risk.

#### Degree Programs

IESE's three MBA programs experienced a 10 percent increase in 2009-2010. The EMBA program led this growth, having doubled the number of classes in Madrid and Barcelona. The seven percent increase in MBA program income was the result of more effective recruitment and admissions. The Global EMBA closed the year with a decline, however, due mainly to a calendar adjustment for both the monthly and bimonthly programs.

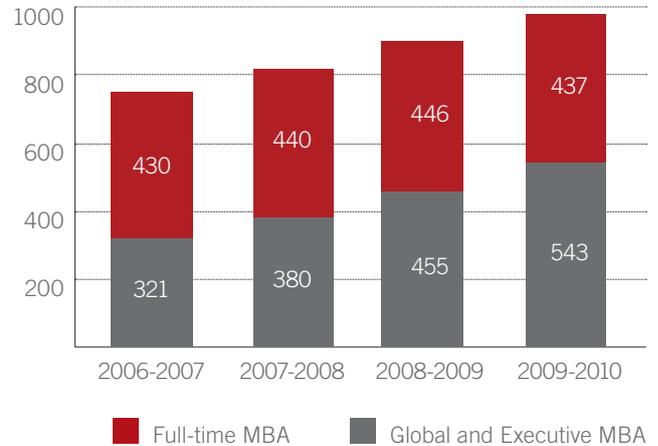
The total income of the MBA program during the 2009-2010 academic year was 30.2 million euros, of which almost half is from the full-time MBA program, as reflected in the chart to the right.

Both the Master of Research in Management and the PhD in Management programs included 48 students from 21 countries in 2009-2010. The International Faculty Program, IESE's intensive program for professors of economics and business management, enrolled 33 teachers from 21 countries.

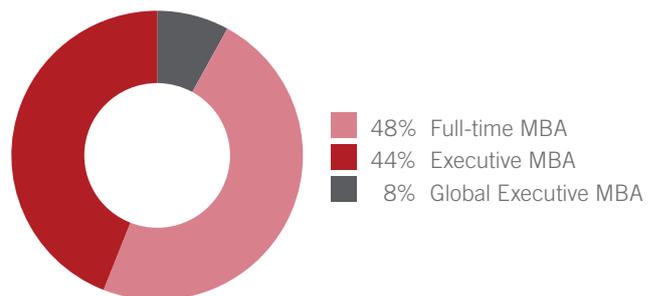
#### Executive Education

Income from Executive Education, 38.4 million euros, is generated through long general management programs (AMP, PMD, SEP, PADE, PDG and PDD), custom programs and short programs: Short Focused Programs, seminars, industry meetings, and others. Income is distributed as shown in the chart to the right.

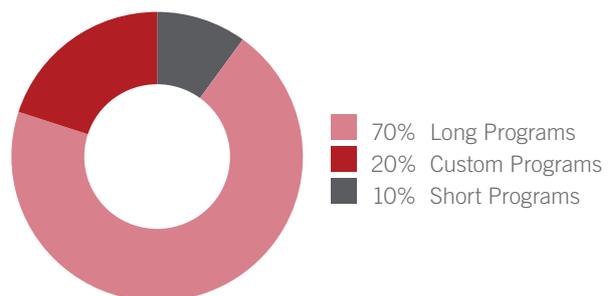
### MBA STUDENTS



### FULL-TIME MBA 2009-2010



### EXECUTIVE EDUCATION 2009-2010



## DEGREE PROGRAM DATA

	2006-2007	2007-2008	2008-2009	2009-2010
<b>MBA Programs</b>				
New full-time MBA students	225	210	211	220
New EMBA students	119	182	186	270
New Global EMBA students	43	42	56	24
Total MBA students	751	820	901	980
<b>Full-time MBA*</b>				
Admissions yield	71.7%	74%	78%	74%
GMAT score average	669	670	677	670
International students	79.1%	80%	80%	81%
Countries represented	56	56	53	59
Years of work experience	4.3	4.3	4.3	4.1
<b>PhD Program</b>				
Total PhD students (including MRM)	58	58	51	48
Countries represented	24	25	21	21
International students	86.2%	90%	94%	94%

\* Data indicates students accepted during each year's admissions cycle; they begin the program in October of the following year.



## RESEARCH

### Resources for Research

#### FACULTY RESEARCH ACTIVITY

	2006-2007	2007-2008	2008-2009	2009-2010
Faculty with PhD	91%	91%	99%	99%
Nationalities represented	23	26	28	28
Articles in refereed journals	35	44	55	58
Course materials produced	146	144	199	167

#### PROFIT AND LOSS ACCOUNT OF ESTUDIOS Y EDICIONES IESE, S. L.

In €	2006-2007	2007-2008	2008-2009	2009-2010
<b>Total Revenue</b>	<b>2,127,599</b>	<b>2,597,523</b>	<b>1,972,254</b>	<b>1,008,508</b>
Activity revenues	2,121,107	2,580,374	1,964,154	1,008,392
Other income	6,492	17,149	8,100	116
<b>Total Expenses</b>	<b>1,919,088</b>	<b>2,263,276</b>	<b>1,727,704</b>	<b>1,139,049</b>
Staff and contributors	75,711	135,294	264,612	246,426
Other direct costs	1,831,925	2,109,205	1,442,899	890,800
Occupational costs	11,452	18,777	20,193	1,823
Difference	208,511	334,247	244,550	-130,542
Extraordinary profit/loss	142,817	332,567	226,759	44,527
Amortization	14,431	1,220	11,089	10,446
Profit/loss	51,263	460	6,702	-185,515

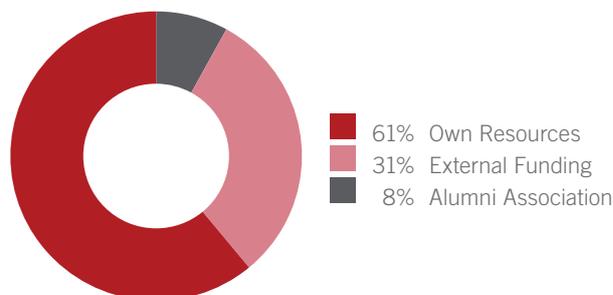
It is the mission of IESE to help transform society through business and the individuals who lead them by developing effective executives. For this reason, research remains a strategic priority. Research informs all academic endeavors: creation of course materials; teaching; the establishment of chairs and research centers; *IESE Insight*, the online magazine covering faculty research; access to a comprehensive database and a specialized collection of books and magazines. IESE faculty dedication to these activities reflects a collective effort within the school in the area of research.

Thus, costs in this area – for researchers, administrative and research support, as well as part of the salary of faculty members who do research – amounted to 13 million.

A significant amount of this funding is obtained through external sources, both public and private, by responding to calls for research projects and forging agreements with companies and other institutions. Additional funding comes from publishing revenue, such as book and case sales.

About two-thirds of the total comes from IESE Executive Education programs. In addition, the Alumni Association spent almost 730,000 euros on research projects and faculty development in the 2009-2010 academic year.

#### RESEARCH FUNDING SOURCES 2009-2010



## Chairs and Research Centers

The school's global vision of business problems and practical solutions relevant to today's entrepreneurs is highlighted through IESE's research, coordinated by academic departments as well as through the Chairs and Research Centers (see Faculty and Research chapter and exhibits). This structure promotes exchange of knowledge across the school and facilitates the development of interdisciplinary projects.

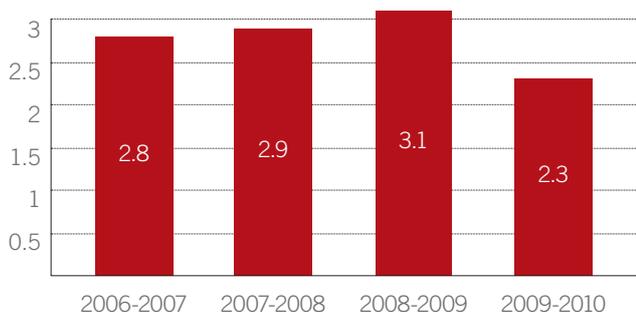
IESE currently has 16 chairs and 15 research centers (see page 30). Through their efforts, IESE has published more than 500 research documents. These include books, articles, case studies, presentations at academic conferences, and other publications, both scientific and academic. This body of knowledge is available to sponsoring companies, alumni and a large part of the business community and academia.

Chairs receive funding provided by a company, which typically gives its name to the Chair. Each year, the IESE professor who holds the Chair receives a disbursement for his or her research interests from income generated by the fund, less the amount needed to recapitalize it.

The research centers are not separate legal entities from the school. They are led by an IESE professor and may have their own staff to carry out research projects and lead academic activities. Each center is self-financed, usually through government research funds (regional, national or European Union) and through agreements with companies and institutions.

During 2009-2010 the income generated by research centers was 2.3 million euros, 400,000 euros less than last year, due to the economic crisis. It has been difficult to obtain resources for collaboration with companies and research projects.

### INCOME FROM RESEARCH CENTERS (IN MILLIONS OF €)



## Dissemination of Intellectual Output

IESE's intellectual production – academic, educational and informative – is sold and distributed by IESE Publishing (distributor of educational materials) and IESE Insight (publisher of business management knowledge).

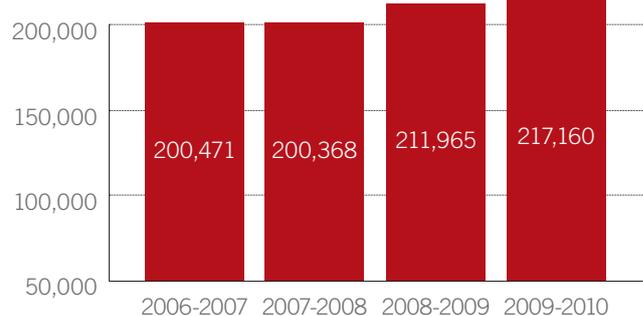
Both brands belong to Estudios y Ediciones IESE, which, as previously noted, is a legal entity of IESE. The company serves as a channel for the school's publishing activities, included as part of IESE's business and institutional promotion. The Board of Estudio y Ediciones is composed of IESE professors and economists.

The leading distributor of cases and teaching materials in Spanish, IESE Publishing offers cases published by IESE, Harvard Business School, Darden, Stanford, INSEAD, Ivey and a group of Latin American schools. The IESE Publishing catalog now offers some 30,000 documents focused on business management. This year, sales of business cases reached 217,160 copies, an increase of 12 percent over the past year. International case sales increased by 10 percent. Between the end of the 2006-2007 academic year and the present, the website's registered users has nearly tripled, rising from 11,200 to 31,000.

IESE Insight, the school's branded online business knowledge portal, founded in 2001, disseminates current management thinking and research findings to subscribers through professors' and researchers' recent publications. Its catalog now exceeds 10,000 references, and the site currently boasts 35,800 subscribers.

As mentioned in the opening chapter, *IESE Insight Review*, a management publication featuring articles on business management by international authors, seeks to become a benchmark for managers and academic institutions. Estudios y Ediciones IESE also publishes the *IESE Alumni Magazine* in Spanish and English, with a circulation of 35,000 copies in over 90 countries. Published quarterly, the magazine is funded by advertising.

### NUMBER OF COPIES SOLD



## IESE ALUMNI ASSOCIATION

### INTRODUCTION

The IESE Alumni Association was founded in 1961 to allow entrepreneurs and managers who had completed an IESE program to maintain contact with the school. The goal was to give alumni access to lifelong learning about business management in ways that would encourage them to remain attuned to IESE's humanist vision and social values.

This year, some 1,700 people completed a long general management program at IESE, thereby becoming qualified to join the Alumni Association. Of these new graduates, 89.2 percent joined the association. This brought the number of alumni at the end of the 2009-2010 academic year to 33,734. At 42 percent, its membership rate is one of the highest among international business schools.

As the percentage of international students at IESE has increased over the years, the alumni profile has become more diverse – and the association more global. Members currently belong to 31 regional chapters in 109 countries.

### RESULTS

Alumni activities are made possible thanks to the current membership dues model. Despite the challenging economic environment, IESE alumni continue to support the association through their dues, to the extent that revenues rose by more than four percent over the previous year, reaching almost four million euros. Sponsorship revenues also increased considerably compared to the previous year, totaling seven percent of the association's income.

### IESE ALUMNI ASSOCIATION: PROFIT AND LOSS ACCOUNT

In €	2006-2007	2007-2008	2008-2009	2009-2010**
Income	3,357,921	3,797,555	4,069,474	4,116,427
Alumni contributions	3,302,221	3,615,558	3,830,009	3,983,611
Sponsorships	55,700	182,000	239,465	132,816
Expenses**	2,054,804	2,311,575	2,517,331	3,237,033
Association services	1,136,177	1,028,639	1,218,714	1,844,478
Personnel expenses	714,833	849,069	839,016	914,522
General expenses*	203,794	433,867	459,601	478,033
Results	1,303,117	1,485,980	1,552,143	879,394

\* General expenses include the Alumni Office: telecommunications services, administration, and so on. They do not include the cost of professors who take part in educational programs. In 2007-2008, IESE updated the allocation of general expenses.

\*\* Included is the cost of professors who take part in educational programs.

### MAIN DATA

	2006-2007	2007-2008	2008-2009	2009-2010
Alumni	30,067	31,832	33,878	35,628
Countries represented	97	100	106	109
Continuous education				
Sessions in Spain	186	200	119	125
Sessions outside Spain	49	67	72	80
Number of participants at alumni events	23,587	25,313	29,381	29,243

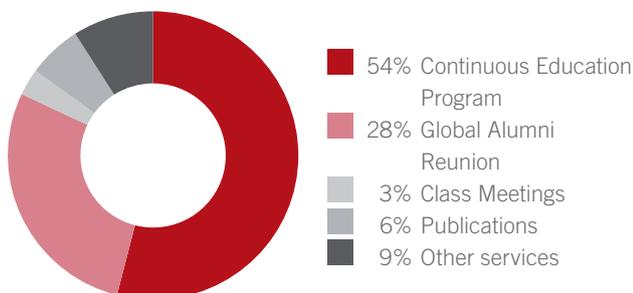
## ASSOCIATION SERVICES

Total spending on services offered to association members amounted to 1.8 million euros.

In total, 29,243 alumni attended events organized by the association, of which the Continuous Education Program is the core activity. In an increasingly international environment, the program extended its presence in many countries, thanks to the initiative and continued support of regional chapters. During the 2009-2010 academic year, the program offered 205 sessions, 80 of which were held outside Spain. The sessions, attended by 23,775 people, cost 948,842 euros.

Another major activity from the standpoint of expenses was the Global Alumni Reunion with 1,112 attendees, held in October 2009 in New York, with a total cost of 520,222 euros. In addition to this meeting for all IESE alumni, there have been 61 class meetings of the 155 graduated classes with 3,257 alumni attending. A total of 1,099 alumni attended other program reunions and educational events.

### BREAKDOWN OF ALUMNI ASSOCIATION SERVICES EXPENSES

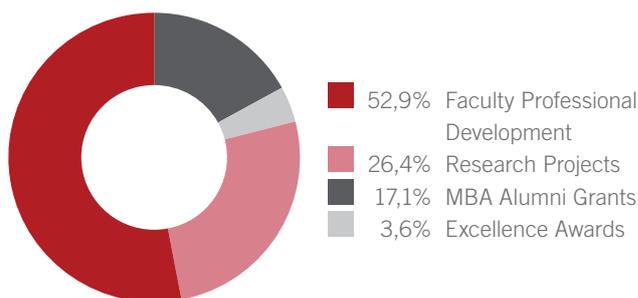


## NEW PROJECTS: ALLOCATION OF SURPLUS

The Alumni Association serves as a channel between alumni and IESE, enabling its members to better support the school in key areas such as the development of new professors and research. In this way, alumni have helped to position IESE among the best business schools in the world.

Each year, the association's executive committee determines how to allocate surplus funds. In 2009-2010, as in previous years, most of the funds were dedicated to professor development and research in general. The association granted 150,000 euros toward scholarships for MBA students with excellent academic records and presented Research Excellence Awards to professors. Awardees received a gift of 30,000 euros, 10,000 euros each (see page 26).

### ALUMNI ASSOCIATION ALLOCATION OF SURPLUS



## GIFTS AND GRANTS

### GIFTS

IESE is a non-profit entity; therefore, the budget aims to balance revenue and expenditure. To ensure sustainable growth and competitiveness on an international level, IESE carries out activities that generate gifts for strategic projects such as the development of young professors, the scholarship program for students, large-scale research projects, the internationalization of the school and expanding the faculty.

Support comes from sponsoring companies, various foundations and institutions, and alumni. Each year IESE also receives generous donations from faculty and non-teaching staff.

### GRANT PROGRAM

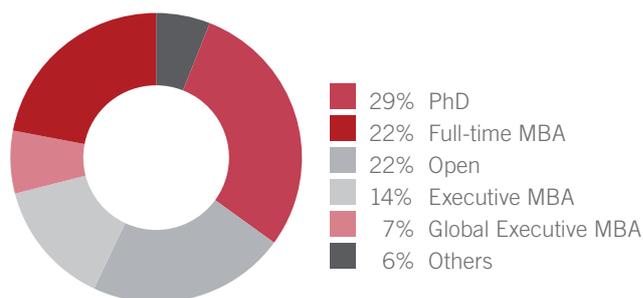
One of the priorities of corporate development is to obtain funding for grants. Each program, based on the profile of its students, establishes specific criteria for granting aid in order to attract top academic talent and promote diversity. During 2009-2010, IESE, with the help of several institutions, allocated approximately 2.5 million euros in grants, distributed as shown below. Each program offers specific information about the scholarships on IESE's website.

A portion of grant funds goes toward funding the doctoral studies of future professors. Another priority is to increase the enrollment of students from Africa. The grant program also promotes the entry of students from emerging economies and women into business management programs.

While some gifts are earmarked for particular grants, others are unrestricted; the school decides how to award the scholarships. Among the donors is the IESE Alumni Association, which contributed 150,000 euros to MBA students.

IESE also serves as a conduit for the grant programs of other entities. These include the Lead Program of the Community of Madrid, which presented several grants to women entrepreneurs. Also worth highlighting are the scholarships offered by the Fundación Rafael del Pino and Fundación Enesba.

### BREAKDOWN OF GRANTS BY PROGRAM 2009-2010\*



\* Scholarships for IESE programs are sponsored by the following entities: AECI/MAE, The CitiFoundation Scholarship for Women, Booz Allen Hamilton Award Program for Women in Europe, Lead Program for Women Entrepreneurs in the Community of Madrid, Intern Program for Latin America, Fundación "la Caixa," Fundación Eduarda Justo, Fundación Enesba, Fundación Ramón Areces, Fundación Rafael del Pino, Richard Metzler and Roland Berger through the Association of Management Consulting Firms Foundation Scholarship, The Mohammed bin Rashid Fellows Scholarship Program, The Sainsbury Management Fellowship, The Sainsbury Management Fellowship for Engineers and World Bank Scholarships.

## SPONSORING COMPANIES

ABERTIS	EVERIS	MIQUEL Y COSTAS & MIQUEL
ACCENTURE	FECSAENDESA	MULTIASISTENCIA
ACCESOGROUP	FICOSA INTERNATIONAL	NEGOCENTER
ACCOR SERVICIOS EMPRESARIALES	FMC FORET	NEORIS
ADECCO TT	FOSTER WHEELER	NESTLE
ADP EMPLOYER SERVICES	FUNDACIÓN AGBAR	NEXTRET
AENA	FUNDACIÓN BERTRÁN	NISSAN
AF STEELCASE	FUNDACIÓN HORIZONTE XXII	PALEX MEDICAL
AGROLIMEN	FUNDACION MIARNAU	PANRICO
AIRBUS MILITARY	FUNDACIÓN RAMÓN ARECES	PENTEIO ICT ANALYST
AIR LIQUIDE MEDICINAL	GARRIGUES	PEOPLEMATTERS
ALCATEL	GAS NATURAL FENOSA	PHILIP MORRIS
ALHAMBRA EIDOS	GENERAL CABLE	PLÁSTICOS TA-TAY
ALLIANZ	GENERAL ÓPTICA	PORT AVENTURA
ALTADIS	GINMOVIAN	PORT DE BARCELONA
ARBORA & AUSONIA	GOOD TECHNOLOGY	PPG
ARDANUY INGENIERIA	GRUP CATALANA OCCIDENT	PRICewaterhouseCOOPERS
AREAS	GRUPO AGBAR	PROSEGUR
ARTEOLIVA	GRUPO ALARES	PUIG
ASCENSORES ERSCE	GRUPO ARICAM	RANDSTAD
ASEPEYO	GRUPO AYESA	RAY HUMAN CAPITAL
A.T. KEARNEY	GRUPO BANCO POPULAR	RED ELÉCTRICA
BACARDI	GRUPO BARCELÓ	REDUR
BALAGUER-MORERA & ASOCIADOS	GRUPO CELSA	REPSOL YPF
BANC SABADELL	GRUPO CODORNÍU	REUTERS
BANKINTER	GRUPO COMSA	REYAL URBIS
BANQUE PRIVÉE EDMOND DE ROTHSCHILD EUROPE	GRUPO DAMM	RICOH
BARCLAYS BANK	GRUPO ENDESA	ROCA
BASF	GRUPO GESTESA	ROCHE
BBDO	GRUPO LECHE PASCUAL	ROLAND BERGER
BBK	GRUPO MAHOU-SAN MIGUEL	SABA
BBVA	GRUPO NOVARTIS	SAGARDOY
BURSON MARSTELLER	GRUPO PARERA	SANITAS
CATALUNYACAIXA	GRUPO SANTANDER	SANOFI AVENTIS
CAIXA DE BALEARS "SA NOSTRA"	GRUPO TASA	SCHNEIDER ELECTRIC
CAJA MADRID	GRUPO TELEFÓNICA	SDL-TRIDION
CAMBRA DE BARCELONA	GRUPO VILLAR MIR	SEAT
CAPIO SANIDAD	GUINEU INVERSIÓ	SENER
CAPRABO	HENKEL	SEUR
CARAT	HEWLETT PACKARD	SIEMENS
CEMENTOS MOLINS	HUERTA DEL CARMEN	SIKA
CITI	IBERDROLA	SOLVAY
CORPORACIÓN ASESORA	IBM	SONY
CRÈDIT ANDORRÀ	ICL	SPIE
CRITERIA CAIXACORP	IDOM	STAIG
CUATRECASAS	IMS HEALTH	STI
DANONE	IN2	SYNTHESIA
DELOITTE	INDRA	TALDE VENTURE CAPITAL
DEUTSCHE BANK	INFORPRESS	TANDBERG
DHL EXEL	ING CAR LEASE	TECHNO TRENDS
DIAGEO	INLANDGEO	TETRA PAK
DKV	INTERMAS NETS	TEXSA
DOGI INTERNATIONAL FABRICS	INVERSIONES SINFIN HOLDING	THE ROYAL BANK OF SCOTLAND
ELOSA	ISS FACILITY SERVICES	TREND MICRO
EMTE	IZASA	UNNIM
ENAGÁS	JOHN DEERE	URALITA
ERES RELOCATION	KONSAC	VALINSA
EPSON	LABORATORIOS LETI	VESTAS
ERICSSON	"LA CAIXA"	VOCENTO
ERMENEGILDO ZEGNA	LEAR CORPORATION	VODAFONE
ERNST & YOUNG	LENER	WATSON WYATT
ESPIRITO SANTO INVESTMENT	MARTINSA-FADESA	WILLIS
ESTEVE	MECALUX	WÜRTH
EUREST	MERCAPITAL	ZANINI AUTO GRUP
EUROSTAR PRODUCCIONES	MERQUINSA	ZARDOYA OTIS
	MICRO-BLANC	ZURICH



## OTHER SUPPORTING ORGANIZATIONS

To fulfill its mission, IESE relies on the generous support of many foundations that share similar goals. As independent entities, they are not legally bound to the school; their governing bodies are free to make decisions in accordance with their own statutes. This report would be incomplete without noting the instrumental support of the four organizations mentioned on these two pages. Please consult these organizations' annual reports for further information.

### INTERNATIONAL FOUNDATION FOR EDUCATIONAL DEVELOPMENT

The mission of this cultural nonprofit foundation is to support cultural or educational initiatives. These include college scholarships, cultural and educational centers, academic research and academic publishers, as well as school libraries. The organization also leads social cooperation and volunteer-based projects.

In its 10-year collaboration with IESE, the foundation has helped fund buildings occupied by the school such as those included in the expansion of the Barcelona campus (North Campus), which opened in January 2007. To finance this project, the foundation led a comprehensive fundraising campaign to channel support from companies and individuals, mainly alumni. The foundation is listed in

the Register of Foundations, published by the Government of Catalonia.

### FUNDACIÓN IESE

This cultural institution promotes and develops comprehensive academic, cultural, ethical and professional education. Among other activities, it provides funding for tuition, board and scholarships for higher education students and researchers.

Between 2007 and 2009, the foundation developed a campaign for funding Kianda Foundation Kimlea School, which promotes the development and welfare of women in Kenya. During that time, contributions funded 50 scholarships; these are expected to be renewed in 2010. The foundation also supports the innovative Informal Sector Business Institute (ISBI) project in Eastlands, an impoverished suburb of Nairobi and the largest such area in Africa. This institute educates micro-entrepreneurs with the support of Strathmore University. In international collaboration with IESE Business School, the foundation seeks to expand management education elsewhere as well; fundraising campaigns have helped support IESE's new center in New York and its offices in Munich.

In 2010, the foundation supported a fund to help victims of the massive earthquake in Chile, with the collaboration of



the Chilean bank BCI and the alumni associations of IESE and ESE (IESE's associated business school in Chile).

The foundation is listed in the Register of Foundations, published by the Government of Catalonia.

### THE IESE FOUNDATION

This U.S.-based foundation with a social focus supports research and educational programs related to business management, economics, sociology, psychology and other business management-related disciplines. To pursue these objectives, the IESE Foundation supports other non-profit entities in the U.S. and other countries with programs and activities that align with its goals. It also raises funds through donations from individuals, corporations and other foundations.

A 501(c)3 charitable organization, the IESE Foundation supports fundraising campaigns to develop IESE's activities in the United States. To this end, it supports alumni initiatives and establishes collaborative agreements with other nonprofit entities that share the same foundational purpose. Among the activities it promotes are educational sessions and the BCG-IESE-*The Wall Street Journal* breakfasts in New York, which feature experts in international business and economics.

The foundation is continuing its fundraising campaign in the U.S. and around the world to help IESE establish its

research center in New York, continue to meet the costs of building renovation and finance other activities.

### FUNDACIÓN INTERNACIONAL IESE

Established in March 2010, this new cultural charitable foundation promotes support for development of IESE teaching and research activities, disseminates IESE values, and helps fund school-sponsored activities. Specifically, the Foundation seeks to provide international financing for activities that promote teaching and research either by setting up chairs, providing scholarships, organizing seminars or conferences or assisting with publications.

Among the first activities launched by the foundation was the acquisition of funds for scholarships for highly qualified international students who have recently embarked upon the Master of Research in Management & PhD in Management programs led by IESE. The aim of these programs is to prepare future teachers and researchers.

This foundation is listed in the Register of Foundations, published by Spain's Ministry of Education.

## EXHIBITS

### EXHIBIT I - IESE FACULTY ARTICLES IN INTERNATIONAL REFEREED JOURNALS 2009-2010

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## EXHIBIT II - IESE FACULTY BOOKS 2009-2010

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### EXHIBIT III. IESE RESEARCH SEMINARS 2009-2010

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- Blit, Joel, "Learning remotely: R&D satellites, intra-firm networks, and knowledge diffusion", University of Toronto, January 12, 2010.
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- Dror Etzion, "An industry level view of environmental performance: Office furniture manufacturing in the United States", McGill University, July 5, 2010.

### Production, Technology and Operations Management

- Bernstein, Fernando, "Dynamic assortment customization with limited inventories", Duke University, February 22, 2010.
- George Zsidisin, "Evaluation criteria development and assessment of purchasing and supply management journals", Bowling Green State University, July 6, 2010.

## EXHIBIT IV - INDEPENDENT AUDIT REPORT



KPMG Auditores S.L.  
Edificio Iruña Park  
Arcadio M. Larraona, 1  
31008 Pamplona

### Independent Auditors' Report

To the Executive Committee of  
IESE Business School

We have audited the accompanying income statement of IESE Business School (the "Entity") for the year ended 31 August 2010 in addition to a summary of the key accounting policies and other explanatory information (referred to collectively as the "Financial Statement").

#### **Administrator's responsibility under the Financial Statement**

The Administrator of the Entity is responsible for the preparation of the Financial Statement in accordance with the provisions of the Financial Reporting Framework applicable to the Entity, identified in note 2 to the income statement applicable to the preparation of a Financial Statement of this type, and to the internal controls deemed necessary by the Administrator of the Entity in order to enable the preparation of a Financial Statement free of material misstatement due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion about the accompanying Financial Statement based on our audit. We have conducted our audit in accordance with International Auditing Standards. These standards require that we comply with ethical requirements and that we plan and carry out the audit in order to obtain reasonable assurances that the Financial Statement is free of material misstatements.

An audit involves applying procedures to obtain auditing evidence about the amounts and information included in the Financial Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement in the financial statement due to fraud or error. In making these risk assessments, the auditor takes into account the internal controls relevant to the preparation and fair presentation of the financial statement by the entity, in order to design auditing procedures appropriate to the circumstances, not for the purpose of expressing an opinion about the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by the Administrator of the Entity, as well as evaluating the presentation of the Financial Statement.

We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our audit opinion.

#### **Opinion**

In our opinion, the enclosed Financial Statement presents fairly, in all material respects, the results of IESE Business School's operations for the year ended 31 August 2010, in accordance with the requirements of the Entity's Financial Reporting Framework applicable to the preparation of a financial statement of this kind.

KPMG Auditores, S.L.

Gregorio Moreno Fauste

3 January 2011

KPMG Auditores S.L., sociedad española de responsabilidad limitada, es una entidad afiliada a KPMG Europe LLP y firma miembro de la red KPMG de firmas independientes afiliadas a KPMG International Cooperative ("KPMG International"), sociedad suiza.

Inscrita en el Registro Oficial de Auditores de Cuentas con el nº S0702, y en el Registro de Sociedades del Instituto de Gerentes Jurados de Cuentas con el nº 10 Reg. Mer Madrid, T. 11.961, E.90, Sec. 6, H. M. 188 007 Inscrp. 3 N.I.F. B-76510153

EXHIBIT V - IESE BUSINESS SCHOOL INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST 2010

<b>CONTINUING OPERATIONS</b>	
<b>Income on the entity's own activity</b>	<b>76,532,729</b>
Services rendered	73,528,224
Operating grants, donations and bequests recognised as income and expenses	3,004,505
<b>Other operating income</b>	<b>253,210</b>
Non-trading and other administrative income	253,210
<b>Personnel expenses</b>	<b>(37,575,768)</b>
Ages and salaries	(32,539,270)
Welfare benefits	(5,036,498)
<b>Other operating expenses</b>	<b>(34,421,425)</b>
External services	(34,059,348)
Taxes	(10,620)
Losses, impairment and changes in trade provisions	(351,457)
Amortization and depreciation	(4,117,228)
<b>Other losses</b>	<b>(3,930)</b>
Results from operating activities	667,588
<b>Finance income</b>	<b>784,185</b>
Dividends	697,046
Marketable securities and other financial instruments	87,139
<b>Change in fair value of financial instruments</b>	<b>(312,986)</b>
Impairment and losses	(312,986)
<b>Exchange differences</b>	<b>4,646</b>
Net finance income	475,845
Profit before income tax	1,143,433
Income tax expense	-
<b>Income from continuing operations and surplus for the year</b>	<b>1,143,433</b>





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