

IESE

ANNUAL REPORT 2010-2011

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REPORT
2010-2011





CONTENTS

4	New Leadership for New Challenges
14	The IESE Commitment
24	Expanding Our Programs
36	Faculty and Research
46	IESE's Community
58	Financial Information
70	Exhibits



NEW LEADERSHIP FOR NEW CHALLENGES



There is a clear need for a change in corporate leadership and this is where management education must show the way. As educators we have an obligation to prepare new generations of leaders with a solid sense of professional excellence and corporate responsibility. Business leadership must view their companies' success in terms that go beyond mere financial profits. We have the obligation and the opportunity to groom a new generation of leaders who will take seriously the notions of

professionalism and accountability, and who understand that firms are communities of people. IESE's goal has always been to help develop business leaders who want to have a deep, positive and lasting impact on their companies, on people and society.

The many ways in which IESE has long been at the forefront in seizing these opportunities are evident in these pages. The full-time MBA program continues to grow and to attract students from diverse backgrounds, countries and cultures. The New York Center is already fully operational. With the school offering executive programs in New York City, Shanghai, São Paulo and Munich, IESE further extended its programs' global reach. IESE aims for a balanced focus on high-quality teaching and research that can have a transformational impact on students and companies.

Faculty members have received awards for books, articles and case studies on topics such as ethics, corporate social responsibility,



entrepreneurship, strategy and family business, among others. With the goal of serving governments and helping them improve management in the public sector, the school also opened a new Center for Public Leadership and Government in Madrid. We have launched several new programs, and have continued other programs with Harvard's Kennedy School of Government, on improving public policy and government performance.

In the past 12 months, we have continued to define and promote the qualities of a successful leader in an interdependent, global society. In disseminating relevant and effective leadership theory and practice, taught from a general management perspective, we increasingly foster an entrepreneurial mindset able to generate creative ideas for sustainable economic growth. "Shifting Paradigms: Opportunities Lie in the Challenge," for example, was the theme of our 49th Global Alumni Reunion in Barcelona in October, with more than 2,500 alumni in attendance, or the new business school in Ivory Coast, MDE, that IESE has helped set up, show IESE's commitment to serving society through education.

Our teaching and research are grounded in the foundations of ethical and socially responsible conduct. Economic success is only an indicator of how well a company is doing. At IESE we try to show how to create and develop companies that have a great impact on their people and customers, and also build a good business model.



Leadership in the context of economic and social responsibilities of management lies at the core of IESE's programs.

IESE offers a life-partnership to its alumni. Alumni seminars and workshops have grown throughout the world. They try to provide a learning experience infused with the conviction that good leadership requires professionalism, teamwork, collaborative decision-making and a well-developed ethos of social responsibility. All take away with them the wisdom, the knowledge and the confidence to act on that conviction.

With these and other initiatives, IESE wants to break new ground in reinventing enterprises to adapt to the higher standards society expects them to meet as well as help firms regain the public's trust and respect.

Finally, I would like to thank IESE's alumni, customers and corporate partners, who so generously contribute in myriad ways and whose support makes it possible for IESE to continue to develop and fulfill its mission of service.

Jordi Canals
IESE's Dean

IESE's full-time MBA program has 4 sections with 70 students each—280 students in each year of the program—for a total of 560 students



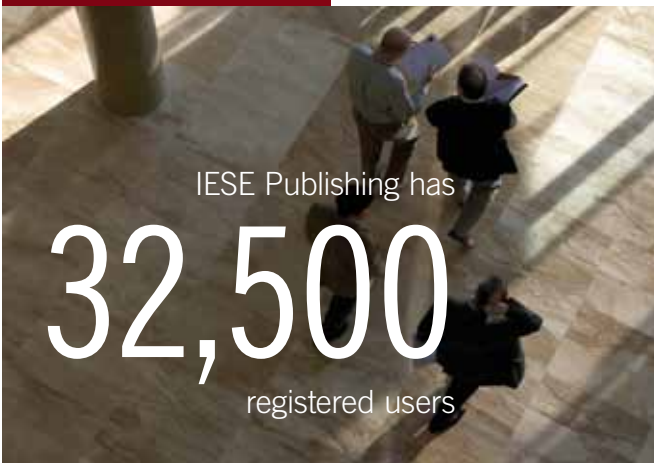
more than 12,000 sessions around the world



- Advanced Management Program and Senior Executive Program
- Global CEO Programs
- Global Executive MBA

109

countries represented in IESE's Alumni community



IESE Publishing has
32,500
registered users

20,000

items - research papers, articles, cases, comments, videos and more - in *IESE Insight* knowledge portal



48
424
2
4 → 10

Research and teaching documents published

275

Alumni events

250

companies and

40

industries represented in the Executive MBA class

300

activities coordinated by IESE during Global Entrepreneurship Week, through the school's Entrepreneurship and Innovation Center

69

short programs delivered to

3,065

participants; more than 55% of them, top executives or owners



2,614

alumni from 55 countries gathered in Barcelona for the Global Alumni Reunion

53,000

alumni, executives and business leaders read *IESE Insight* and *IESE Alumni Magazine*, two of the school's key publications



32,178

attendees in Alumni events

Roughly
400

participants from around the world attending IESE's new Center for Public Leadership and Government Programs



< José María Serra (PADE '91), Chairman of Catalana Occidente, attended the EMBA graduation ceremony, which took place on May 6, 2011 on the Barcelona campus, in his capacity as mentor.

> Meeting of the International Advisory Board on April 8, 2011 in Barcelona.

√ Yu Yuantang, Director of China's Department of European Affairs within the Commerce Ministry, led a Continuous Education session, moderated by Prof. Pedro Nueno, on June 16, 2011 on the Barcelona campus.



> Sam Palmisano, CEO of IBM, explained the keys of the company's metamorphosis at the *Wall Street Journal* Viewpoints Executive Breakfast Series in New York on September 16, 2010.



< Michael C. Jensen, emeritus Professor at Harvard Business School, received the 4th "Economics for Management Lecture Series" Prize on May 17, 2011, sponsored by IESE and the Fundación BBVA.





< Baroness Denise Kingsmill participated as a speaker in the Global Alumni Reunion, which took place in Barcelona on October 28, 2010.



> Chairman of Haniel Group and Metro Group, Franz Haniel, was invited to Global EMBA graduation in Barcelona, October 8, 2010.

> Charles Petrucelli, Chairman of Global Travel Services American Express, participated as a speaker in the Global Alumni Reunion, which took place in Barcelona on October 28, 2010.



< Mario de Miguel, CEO of John Deere, received the Industrial Excellence Award on June 8, 2011 on the Barcelona campus

> Woodrow Clark, winner of the Nobel Peace Prize in 2007, delivered a session with EMBA participants on the Madrid Campus on May 20, 2011.



^ Pamela Hartigan, Director of the Skoll Centre for Social Entrepreneurship at the Saïd Business School of the University of Oxford, was one of the key participants at The Doing Good & Doing Well Conference, held on the Barcelona campus February 25- 26, 2011.



< Continuous Education Program "Building the Company of 2020," was held on the Barcelona campus on March 11, 2011

> José Manuel Lara, Chairman of Planeta Group, led a session for MBA and EMBA students on March 18, 2011 on the Barcelona campus, as part of the Global Leadership Series.





< The Vice-President of the European Commission and Commissioner responsible for competition, Joaquín Almunia, participated as keynote speaker at the 10th anniversary of the Abertis-IESE Chair of Regulation, Competition and Public Policy, which took place in Barcelona on July 1, 2011.



> Bruno Di Leo, general manager at IBM, participated in "Globalization and Leadership Development in an Integrated World: The Role of Companies and Business Schools" on April 7, 2011.



^ Salvador Gabarró, Chairman of Gas Natural Fenosa, and Borja Prado, Chairman of Endesa, were among the speakers at the 9th Annual Electric Industry Meeting on the Madrid campus on May 31, 2011.

> Finaves IV named Anna M. Birulés, Spain's former Science and Innovation Minister, as Chairman of its Executive Committee.



< Michael Duke, CEO of Wal-Mart, analyzed consumer behavior at the *Wall Street Journal* Viewpoints Executive Breakfast Series in New York, April 25, 2011.

> Prof. Tom Hout of the University of Hong Kong led a Continuous Education session on November 10, 2010 on the Barcelona campus.



< Daniel Franklin, Editor at *The Economist*, provided insights on "The World in 2011," on January 19, 2011 on the Madrid campus.

> Isak Andic, founder and Chairman of Mango, during his address at the MBA Class of 2011 Graduation Ceremony in Barcelona Campus, on May 13, 2011.





< April Samulewicz, Global Head of Talent Acquisition CoE, Zurich Financial Services, participated in "Globalization and Leadership Development in an Integrated World: The Role of Companies and Business Schools" on April 7, 2011.



^ American Express CEO Kenneth Chenault reflected on the U.S. elections at the *Wall Street Journal* Viewpoints Executive Breakfast Series in New York, November 3, 2010.



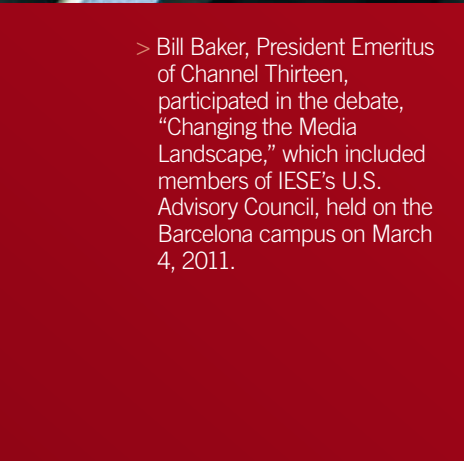
> África Ariño was named Member of the Strategy Research Foundation.



< Chairman of Grupo Barceló, Simón Pedro Barceló, participated in the EMBA graduation ceremony which took place on May 5, 2011 on the Madrid campus.



< Erik Peterson, from Global Business Policy Council of A.T. Kearney, participated in the Global Leadership Series, in Barcelona on September 23, 2010.



> Bill Baker, President Emeritus of Channel Thirteen, participated in the debate, "Changing the Media Landscape," which included members of IESE's U.S. Advisory Council, held on the Barcelona campus on March 4, 2011.



> Martin Sorrell, WPP CEO, member of the IESE International Advisory Board, participated in the conference "Globalization and Leadership Development in an Integrated World."



THE IESE COMMITMENT

IESE places people — and the effects of business activities on individuals and society — at the center of its approach to all teaching and research activities. In line with this thinking, the school has increasingly become a place where high-level leaders as well as young executives from both the private and public sectors come to share their ideas on how companies and individuals can make a positive impact on the world.

As the global economy undergoes future shifts, IESE will continue to focus on this people-centered philosophy, which we believe holds the key to sustainable and long-term global prosperity. In practice, this means learning sophisticated management techniques to interact effectively with employees, customers, suppliers, financial entities and governments separated by geography and culture. IESE sees an enormous need for positive, efficient and responsible leadership, and takes seriously our commitment to its development.

GLOBALIZATION AND LEADERSHIP

What exactly does “globalization” mean? The concept has drastically evolved since the 19th century’s London-dominated world economy. The past three years have seen particularly dramatic changes as new markets have emerged, changing the rules of “western-style” corporate management. Talented, nimble leadership — and the need for business schools and companies to step up — is thus more important than ever. This was the central focus of last April’s two-day conference hosted by IESE in Barcelona titled “Globalization and Leadership Development in an Integrated World: The Role of Companies and Business Schools.” The event drew members of IESE’s International Advisory Board, deans of business schools, CEOs, human resources (HR) executives, global recruiters and scholars.

It soon became clear in the conference that, despite hundreds of books on the subject, there is not even a working definition of



globalization. While it is generally viewed as “a good thing,” how are business schools addressing it? This was the topic of a panel of five business school deans moderated by BBC World presenter Aaron Heslehurst. From there, talent development continued as a recurring theme. A session moderated by Adrian Wooldridge of *The Economist* debunked globalization myths that can undermine one’s understanding of global leadership, and Darden School of Business Dean Robert F. Bruner led a session on the teaching of globalization in business schools. IESE Prof. Julia Prats moderated a discussion on mapping executive talents and abilities to global companies’ leadership needs. The following session, “Globalization, International Strategy and Leadership Development,” dealt with the need to foster leadership, drawing upon the experiences of global firms such as BBVA, L’Oréal, Siemens, Gas Natural, la Caixa, Telefonica, Bertelsmann and Zurich.

Bruno di Leo, General Manager of IBM Growth Markets, made the case for defining company-specific portfolios of leadership competencies and nurturing those competencies among their executives. Aegon Chairman Kees Storm noted that “not every player fits into every team” when selecting executives for international posts. Baroness Denise Kingsmill of UAG in the UK stressed the need to leverage the strengths of cultural diversity to help prevent the dangerous groupthink that dominated the leadership of the institutions that caused the current global financial crisis. She also warned that typical CEOs’ lives leave them “with little time to examine their inner selves, and they do need help.”

Increasing the impact of leadership development in a global economy was the topic of the final session moderated by IESE Prof. Pedro Nueno. Patricia Francis, International Trade Center CEO, talked about establishing links and understanding between government and private enterprise. Noting that the test of real leadership happens during a crisis, Hans Ulrich Maerki, a director of ABB, said the scarcest resource in any company is talented people. And WPP CEO Martin Sorrell predicted that globalization will bring a major shift in the organizational structure of companies. “At the moment the lion’s share of the rewards go to people operating in the traditional markets,” he said. “This can’t last.”

Other Conference speakers were Ted Snyder, Dean, Yale University School of Management; Dipak Jain, dean of INSEAD; Bernard Yeung, dean of the National University of Singapore; Pankaj Ghemawat, IESE Professor; Juan I. Apoita, Chief HR Officer, BBVA; Christine Scheffler, Senior Vice President, Bertelsmann; Xavier Coll, Chief HR Officer, “la Caixa”; Marta Elvira, IESE Professor; Christian Finckh, Chief HR Officer, Allianz; Laurent Freixe, Executive Vice President, Zone Director for Europe, Nestlé; Antonio Gallart, Chief Corporate Officer, Gas Natural Fenosa; Timothy McNicholas, Vice President, Corporate Development, Siemens; Bernardo Quinn, HR Strategy & Executive Talent Director, Telefónica; April Samulewicz, Global Head of Talent Acquisition CoE, Zurich Financial Services; and Ermenegildo Zegna, CEO, Zegna.

A NEW THEORY OF THE FIRM

“Whom do we want as our business leaders?” This was the question posed at the start of the 2nd International Conference on Humanizing the Firm and the Management Professions titled “Towards a New Theory of the Firm.” Held at IESE in Barcelona last June in collaboration with Fundación BBVA, the conference featured a talk by Professor Donald C. Hambrick of Pennsylvania State University on how changes in the corporate milieu have given rise to a new generation of CEOs that are a different breed from those 30 years ago. Institutional shifts giving shareholders primacy have fostered more materialistic CEOs with a “scorecard” earnings mentality, he said. Professor Josep Maria Rosanas presented a manifesto for better management that he and Professor Rafael Andreu co-wrote. Rosanas argued that we should see firms as communities; organizations should exist for people and not vice-versa.

GAINING MOMENTUM IN CHINA

As China’s economy continues to expand, IESE continues to offer high-quality management education opportunities for business leaders based in China or with operations in the region. Together with Harvard Business School and CEIBS, IESE delivers the Global CEO Program for China and also features core modules in Shanghai for the Global Executive MBA and Executive MBA programs. It also hosted major events bringing experts together to analyze China’s growth and future.

How does Europe fit into China’s future? Yu Yuantang, Director of the Department of European Affairs for the Chinese Ministry of Commerce, addressed this question to IESE alumni during a continuous education session in Barcelona last spring. His presentation focused on future plans for relations between the E.U. and China, the increase of imports into China and the benefits and drawbacks for E.U. companies in setting up operations in China. Yuantang explained that, while the government encouraged Chinese companies to go global, the relationship between the E.U. and China should be win-win. “Chinese companies have realized they need to benefit from the international trade system and contribute to the global economy,” he said. Furthermore, protecting their international image offers an incentive to Chinese companies to become more responsible.



TASTING SUCCESS: GLOBAL ENTREPRENEURSHIP WEEK

“When you taste a little success, it gives you the fuel to move forward and deal with worse situations,” said Pau Valdes, founder of Nakami, an Internet consulting firm for medium to large enterprises. He stressed that Spain needs entrepreneurs to overcome the global financial crisis. Valdes was among the breakfast speakers featured during last November’s Global Entrepreneurship Week, a worldwide initiative held in more than 100 countries to foster the creation of businesses and help young entrepreneurs. IESE coordinated more than 300 event activities in Spain through the school’s Entrepreneurship Innovation Center (EIC), organizing 17 of them.



BRAZIL: SOURCE OF NEW GROWTH

IESE's links with Brazil continue to be strengthened through new programs and research activities. In particular, the school offered in collaboration with CEIBS and Wharton the "Global CEO Program for Latin America," with modules in Sao Paulo, followed by a module at Wharton's campus in Philadelphia and a final module at CEIBS' campus in Shanghai.

The Executive MBA in Sao Paulo, aimed at Brazil's growing cadre of international executives, was launched. Meanwhile, the school's flagship Advanced Management Program in Brazil drew a record number of participants; the Program for Management Development added a new edition (two editions now offered).

Brazil is experiencing its most successful decade since the 1960s, according to Fabio Giambiagi of Brazil's National Bank for Development, at IESE's Brazil Business Summit held in Barcelona. IESE is keeping pace with this growth by offering a steadily growing portfolio of programs.

49TH GLOBAL ALUMNI REUNION: TIME FOR ENTREPRENEURSHIP

More than 2,500 alumni from about 55 countries gathered in Barcelona at the end of October for the Global Alumni Reunion. The two-day conference, titled "Shifting Paradigms: Opportunities Lie in the Challenge," combined academic and cultural activities at the Palau de Congressos. The theme of the conference was that in any economic climate opportunities still exist to implement socially responsible policies. Peter Orszag, former White House budget director in U.S. President Barack Obama's administration, was the keynote speaker. Titled "Navigating the Economic Horizon – An Insider's Perspective," his talk struck an optimistic note with respect to the U.S. economy despite sluggish growth. Other high-profile speakers included Pascal Cagni, Apple's general manager and vice-president for Europe, Middle East, India and Africa; José Manuel Campa, Spain's Secretary of State for the Economy; Marc Puig, CEO of Puig; and Rafael Villaseca, CEO of Gas Natural.

STRONG START IN NEW YORK

IESE's New York Center took center stage in its first year of activity through numerous new programs and events organized throughout the year. These included the launch of the Media AMP, Continuous Education sessions for alumni, new research initiatives, the Wall Street Journal Executive series and Short Focused Programs.

IESE continues to stress global leadership in its executive education programs. First-hand international experiences, for example, are a key element of the Global CEO Programs and the U.S.-based Senior Executive Program (SEP). The Global CEO Program for Latin America, a collaborative program with IESE, CEIBS and Wharton, is now open to CEOs outside Latin America. The next program begins in São Paulo in November 2012, continues at the Wharton campus in Philadelphia in March 2013 and concludes at CEIBS in Shanghai in June. The 2012 Global CEO Program for China — a partnership of IESE, China Europe International Business School (CEIBS) and Harvard Business School (HBS) — will take place from March through July, with modules at CEIBS in Shanghai, IESE in Barcelona, and HBS in Boston. And this year's SEP New York-Miami will begin in October 2012 in IESE's New York Center. Modules two and three, held in Miami, Florida, are scheduled for November 2012 and January 2013, with the final module in New York in March.

IESE's new Center for Public Leadership and Government (CPLG) will offer more than 10



programs for leaders in the public sector, four of them in partnership with the Harvard Kennedy School of Government. The center carries out public management work in leadership, administration strategy, ethics, good governance, policy evaluation and improvement, and civil society and social leadership. The importance of public administration to a country's competitiveness and to society in general "is greater than ever," says Antonio Núñez, the center's executive director. More than 400 participants from throughout the world will attend the programs.

NEW ADVANCED MANAGEMENT PROGRAMS

Finally, new to IESE's AMP portfolio are the Advanced Management Program in Media and Entertainment (Media AMP), the first program of its kind, and the AMP Ivory Coast. IESE will launch the Media AMP in January 2012, with modules in New York City and Los Angeles. The program's exclusive Leadership Forums will allow participants to interact in off-the-record dialogues with top industry leaders now changing the face of the business. In Ivory Coast, 25 senior executives are on track to complete the AMP despite civil unrest in that country. Courses are taught in French by faculty from MDE (Management et Développement d'Entreprise) Business School in Abidjan, one of IESE's Associated Business Schools, as well as visiting professors from IESE, Lagos Business School, and elsewhere.

THE MANY FACES OF NEW MEDIA

IESE's newly organized U.S. Advisory Council attended a special continuous education event on new media and the U.S. economic recovery during last fall's meeting in Barcelona. Council members representing media-related industries likened the fragmented and rapidly changing media landscape to the "wild west." Content distribution and ownership was a key topic, as was the extent to which digital media have reduced the scale of advertising.

And what about social media? Is it the distribution platform of the future? Will Facebook become a dominant player for interaction between customers and companies? In a special session with IESE alumni in London, Professor Sandra Sieber offered her perspective on social media trends. She described how firms can harness social media for many useful purposes, but acknowledged that it would take a radical cultural change within organizations.

IESE is embracing new media with a thriving bilingual faculty blog community at blog.iese.edu, a growing presence on Twitter and a new multimedia newsletter produced out of New York. Called "Eye on IESE," the 90-second video newsletter offers a rapid, upbeat overview of the latest happenings at the school. Eye on IESE links to the school's social media profiles on LinkedIn, Facebook and Twitter.

IESE AND THE WORLD BUSINESS FORUM

New York's Radio City Music Hall was the venue for North America's largest executive symposium — the World Business Forum — last October. IESE professors Paddy Miller and Luís Cabral, director of the school's New York Center, both led event sessions. The symposium featured such prominent speakers as Nobel Prize-winners Joseph Stiglitz on economics and Al Gore on global affairs, A.G. Lafley on customer-centered growth, Jim Collins on sustaining great results and Steve Levitt on "freakonomics." IESE Business School, the World Business Forum's academic partner, sees its participation in this event as an important facet of its growing activities in North America.

HIGH-PROFILE CORPORATE LEADERS IN NEW YORK

"If you're in technology, you have to create the future. You can't just resell somebody else's future creation," said IBM CEO Sam Palmisano during the September session of the *Wall Street Journal's* Viewpoints Executive Breakfast Series at IESE's New York Center. It is by emphasizing innovation that the fourth largest company in the world has survived so many economic cycles, said Palmisano. In November, American Express CEO Ken Chenault weighed in on the setbacks suffered by the incumbent administration in the U.S. midterm elections, reiterating that Americans are focused on job growth. The U.S. economy's impact on consumer habits was the topic of the April session featuring Wal-Mart CEO Michael Duke. With 140 million people visiting its stores every week, the world's largest retail chain captures and scrutinizes extensive data on customer behavior.



In June, Xerox CEO Ursula M. Burns talked about how Xerox transformed itself from a manufacturer of business machines to a company that provides business process services. Burns is one of only 12 women in the world who is the CEO of a Fortune 500 company, and the only African-American woman. "I had the luck to work for a great company," she said. "Xerox didn't seem to care where I came from. They kept saying, 'You do this and you do it well, and how about the next thing?'" WSJ Viewpoints, an exclusive discussion series co-sponsored by IESE and BCG, features interviews led by Alan Murray, Deputy Managing Editor and Executive Editor, Online of the *Wall Street Journal*.

MBA PARTICIPANTS HEAR TALKS ON ETHICS AND SUSTAINABILITY

Ethical behavior in business means “doing well what is good.” That was the message IESE’s Executive MBA participants heard from Jacques Chateauvieux, Chairman of the leading French insurance company AXA. In his presentation, “Financial Crisis or Leadership Crisis?” Chateauvieux pointed out that widespread unethical lending practices on both sides of the Atlantic led to the subprime crisis and financial meltdown. Recent protests in Europe, he said, were a natural outcome of current conditions. He called for renewed commitment to the universal values of humility, self-control and courage. “If someone has no courage, don’t promote him,” he advised. “Make him an expert, but not a manager.” From Nobel laureate Dr. Woodrow Clark, EMBA participants learned that a new economy is likely to emerge out of the sustainable revolution now underway in the Scandinavian countries as well as Germany, Japan, South Korea and China. To this end, Clark, an internationally recognized author, lecturer and advisor specializing in sustainable communities, stressed the need for an entrepreneurial spirit among MBA students. He received the Nobel Peace Prize in 2007, along with colleagues at the United Nations Intergovernmental Panel on Climate Change (UNIPCC) and former U.S. Vice President Al Gore. His latest book, *The Third Revolution*, set for release in September 2011, describes a new economy characterized by “social capitalism,” seeking creative solutions through policies based on efficiency and conservation.

CAREER FORUM ATTRACTS TOP GLOBAL FIRMS

For three days last fall, leading international firms such as Abbott Laboratories, Siemens, Novartis, Johnson & Johnson, Santander, McKinsey & Company, The Boston Consulting Group and Booz & Co. courted MBA students at the IESE Career Forum. In all, 48 companies got a good look at 400 impressive first- and second-year students. Students praised the event for its ability to attract top firms from all sectors and many geographic locations, looking for a multinational pool of students with strong global backgrounds and skills.





IESE/BBVA PRIZE RECIPIENT: MICHAEL C. JENSEN

To understand what complicates our lives on a daily basis, we only have to look in a mirror. This pointed observation came from Michael C. Jensen, recipient of the fourth “Economics for Management Lecture Series” prize, awarded by IESE Business School and the Fundación BBVA in an event at IESE’s Madrid campus. Jensen, the Emeritus Jesse Isidor Straus Professor of Business Administration at Harvard Business School, is co-founder and Chairman of Social Science Electronic Publishing. In his acceptance speech, Jensen described the invisible nature of integrity which, because it is lacking in so many relationships, leads to the profusion of conflicts of interest among individuals and organizations in society today.

NEW BOOKS ON LEADERSHIP AND GLOBAL PROSPERITY

“What we are witnessing today in many companies is a combination of reckless strategic decisions, excessive short-term focus and poor governance mechanisms,” wrote IESE Dean Jordi Canals, editor of *The Future of Leadership Development* (Palgrave, 2010), in his introduction to the book. Based on papers presented at IESE’s 50th anniversary conference titled, “The Future of Business Leadership: The Role of Business Schools,” the book is a collection of essays by the deans of leading international business schools and top management scholars. It presents an interdisciplinary approach to leadership development to meet the challenges of an integrated and interdependent global economy.

World 3.0: Global Prosperity and How to Achieve It (Harvard Business Review Press, 2011), by Professor Pankaj Ghemawat, contrasts World 1.0 protectionism (seeing foreign countries as equally far) and the free trade worldview of World 2.0 (seeing them as equally near) with *World 3.0*, a new “semi-globalization” model of meaningful differences in culture, administration, geography and economy. Both *The Economist* and the *Financial Times* praised the book as an enlightening new perspective on globalization. *The Economist’s* review said the book “should be read by anyone who wants to understand the most important economic development of our time.”

SOME LANDMARKS



1958 Foundation of the School
Advanced Management
Program launched.

1959 The Program for Executive
Development is created.
IESE's Alumni Association is
established and the Continuous
Education program for alumni is
launched.

1961 General Management Program
launched. IESE's first Global Alumni
Reunion is held in Pamplona.

1963 Harvard-IESE Joint Advisory
Committee established.

1964 Master of Business Administration
Program (MBA) established.

1967 IESE helps establish IPADE, the
business school in Mexico City; goes
on to assist in the establishment of
16 other associated schools on 4
continents.

1969 Ph.D. in Management established.

1974 Executive programs offered in Madrid.

1980 IESE establishes Bilingual
MBA Program.

1982 Executive MBA established in Madrid.

1989 International Advisory Board (IAB)
established.

1991 IESE's Madrid campus inaugurated
by King Juan Carlos I.
International Faculty Development
Program for business professors
established.

1992 New library building inaugurated
in Barcelona.

1993 IESE introduces International
Executive Education programs.

1994 IESE's first international alliance program
launched; FUTURE partners to include
Harvard Business School, MIT Sloan
School of Management, the University of
Michigan Business School, and Stanford.



1996 Introduction of Short Focused Programs for senior managers.

1997 ISE of Sao Paulo, Brazil founded.

2001 Global Executive MBA established.

2002 Advanced Management Program launched in Brazil.

2003 Launch of Advanced Management Program in Barcelona.
IESE's first Program for Management Development in Brazil.

2004 China International Executive Program launched, Barcelona-Shanghai.
Ground broken for new campus facilities in Barcelona.
IESE inaugurates new Madrid Campus.
IESE introduces Executive Development Program in Cairo, Egypt.

2005 Advanced Management Program launched in Munich, Germany Munich Center.
CEO Forum launched.
Program for Management Development begins in Madrid.

2006 Harvard Business School, CEIBS and IESE launch the Global CEO Program for China.

IESE introduces the Inside India Program in collaboration with the Indian School of Business.

The school introduces the Advanced Management Program in Warsaw, Poland.

2007 IESE establishes its offices in New York.
New campus buildings in Barcelona inaugurated by King and Queen of Spain.

2008 The school celebrates its 50th anniversary.
Senior Executive Program in Miami launched.

2009 Global CEO Program for Latin America begins.
Public Leadership and Government Programs expand.

2010 New era in New York: programs commence in new building.

2011 Global CEO Program Wharton – CEIBS - IESE begins.
AMP in Media and Entertainment, US.
Center for Government and Public Leadership.

EXPANDING OUR PROGRAMS

IESE continues to expand the reach and increase the international visibility of its programs through creative use of interactive media. The new experiential format of Open Days has also been a highly successful recruitment platform for many programs.

FULL-TIME MBA

Established in 1964 with guidance from the IESE-Harvard Advisory Committee, IESE's full-time MBA program was the first of its kind in Europe. It currently includes 560 students, with 80 percent of the class coming from outside of Spain. The program is a globally-focused general management program renowned for its strong international character, bilingual (English/Spanish) dimension and use of the case method. At the core of the curriculum are managerial decision making, leadership and ethics. In 2010-2011, globalization was given even greater emphasis this year within the curriculum.

This year, second-year MBA students travelled to the school's New York Center for new elective courses. Four elective courses were offered at the Manhattan campus before classes started in Barcelona. Some 50 students took part and gave high marks to the experience.

At the 16th annual Roland Berger-IESE Case Competition, held in February, top honors went to Saïd Business School (University of Oxford), defeating London Business School in the final round. The competition brings together future business leaders from around the world to network and share ideas.

In May, 207 students representing more than 50 countries received their MBA degree during IESE's commencement ceremony. The graduation address, delivered by Mango Founder and Chairman Isak Andic, encouraged graduates not to give up or take failure as a final answer



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
- **HKU:** The University of Hong Kong, Hong Kong
- **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
- **NUS:** National University of Singapore, Singapore
- **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
- **YONSEI:** School of Business, Yonsei University, South Korea

as they pursue their business careers. He reminded them that successful businesses can be started from nothing, citing some Internet companies as examples.

This year, the Admissions team achieved its goal of recruiting high-caliber candidates for each of the four sections of the incoming class. The class of 2013 will be the second class in IESE's history to have four sections. The percentage of sponsored students and the number of countries represented in the MBA is the highest to date.

In order to attract and maintain top-quality candidates, MBA Admissions enhanced its rigorous admissions process, which consists of a 1-day assessment in addition to two interviews. Assessments were held on three continents and are planned to be held on one more continent next year.

60 COUNTRIES REPRESENTED*

Andorra	India	Romania
Argentina	Indonesia	Russia
Australia	Israel	Saudi Arabia
Austria	Italy	Serbia
Belgium	Ivory Coast	Singapore
Brazil	Japan	South Africa
Bulgaria	Kazakhstan	South Korea
Canada	Kenya	Spain
Chile	Kuwait	Sri Lanka
China	Lebanon	Sweden
Colombia	Luxembourg	Switzerland
Croatia	Mexico	Taiwan
Czech Republic	Moldavia	The Netherlands
Ecuador	Norway	Turkey
Denmark	Panama	United Kingdom
Egypt	Peru	United States
France	Philippines	Uruguay
Germany	Poland	Venezuela
Greece	Portugal	
	Puerto Rico	

MBA CLASS PROFILE*

3 Average number of languages spoken

80% International Students

* Information from the classes of 2011 and 2012

EXECUTIVE MBA CLASS PROFILE*

MADRID

316

Students

7.4

Years of work
experience
(average)

142

Number of
companies

32

Age
(average)

36

Number of
industries



Both formats have increased their focus on innovation and sustainability, globalization and ethics

BARCELONA

237

Students

8.3

Years of work
experience
(average)

112

Number of
companies

32

Age
(average)

35

Number of
industries

EXECUTIVE MBA: NEW FEATURES AND SITES

With two groups in Barcelona and three in Madrid, the Executive MBA (EMBA) program enrolled 283 executives in September 2010, an increase of about 5.5 percent from last year. Participants — 37 percent from outside Spain — represent more than 250 companies in 40 industries. About one-third of executives receive full or partial funding from their companies.

Besides enjoying the one-week session at China Europe International Business School (CEIBS) in Shanghai, Barcelona participants also embraced a first-ever optional New York City module. The program now features a Monthly Global Leadership Series in both Barcelona and Madrid and, for the second year, a personalized career development capstone. Upcoming interactive activities include Executive Simulation Week in Barcelona, a team competition.

Alumni connected and re-connected at the biannual EMBA Alumni Reunion in March. In May, José María Serra, Chairman of Grupo Catalana Occidente, gave the keynote address at the commencement for 103 graduates in Barcelona. In Madrid, Simón Pedro Barceló, Chairman of Barceló Corporación Empresarial, spoke to 100 weekly program graduates, while 62 bi-weekly program graduates heard remarks delivered by José Bogas, CEO of Endesa in Spain and Portugal.

Recruitment for the 2011-2012 academic year included Open Days in Barcelona and Madrid and nearly 700 information interviews, with 275 executives beginning the program in September. IESE will launch its first part-time English, Portuguese and Spanish EMBA program in São Paulo, Brazil in August 2012, including modules in Barcelona and New York.



GEMBA CLASS PROFILE*

82

Students

20

Nationalities

12.5

Years of work
experience
(average)

26%

Women
(average)

36

Age
(average)

GLOBAL EXECUTIVE MBA

The 10th Global Executive MBA (GEMBA) class graduated in early October 2010 after 18 months of rigorous study on three continents. Participants took courses and engaged in field work in New York, Silicon Valley, Shanghai, and Bangalore, as well as Barcelona and Madrid. Interactive projects, meetings with local executives and home visits offered participants unforgettable experiences leading to valuable insights.

The keynote speaker for the graduation ceremony was Franz Haniel, Chairman of the Haniel Group and the Metro Group. He described the GEMBA program as akin to “a special mirror. You can see what you are like and also what you could be like.” His advice to the graduates included following “the three As” in times of high volatility: Anticipate. Adapt. Act. “You can correct wrong action but you can’t correct no action.”

* Information from the classes of 2012 and 2013

EXECUTIVE EDUCATION

GROWTH AND EXCELLENCE

In 2010-2011, IESE expanded its global reach by introducing new programs in New York, while also offering programs at its campuses in Europe, as well as in Munich, São Paulo, Warsaw, Lagos and Shanghai. These initiatives bolster IESE's impact in the global executive education market.

Concurrent with this growth was highly favorable results in international rankings. This year, IESE was ranked the top business school in the world for open enrollment programs by the *Financial Times*. Survey results revealed exceptional scores in student satisfaction, course relevance, follow-up and facilities.

Key to these developments are the recruiting efforts for executive education open programs. We counsel all candidates to help them determine which, if any, IESE program is the best fit, depending on where they are in their professional career. If we believe the timing is not right, or that another program will suit their needs better, we advise candidates accordingly.

Barcelona - Madrid

IESE's well-established Advanced Management Program (AMP) Barcelona kicked off its eighth session in November 2010 with participants whose average age is 44, from 20 different countries. Among the companies represented were Audi, Carlsberg, Danone, EDP, Fortis Bank and Vestas.

In its seventh session last year, the Program for Management Development (PLD) features four intensive one-week modules: two in Barcelona, one in Madrid and one in New York. Recruitment was a challenge, particularly since the program is one of the most expensive in the market.

The PMD was re-engineered into a new four-month program, the Program for Leadership Development, or PLD. The PLD consists of three modules in Barcelona plus an elective short-focused program in English. Early feedback was very positive.

Enrollment in IESE's Executive Programs in Spain (PADE, PDG, PDD) remained stable, with 18 programs in 2010-2011. Average age ranged from about 37 to about 47, depending on the program's target level of seniority. By communicating the better message and upholding our high standards, however, we maintained our positioning and overcame a challenging climate. IESE offered its three hallmark programs: the Advanced





Management Program, the Program for Leadership Development and the Program for Executive Development.

All three programs take a general management perspective, but are especially designed to help executives excel at different stages of their careers. The average age for the PDD is 37, for the PDG, 42 and for the PADE, 47. In order to attract the best candidates, more Open Day recruiting events were held in cities such as Barcelona and Madrid. More than 2,000 professionals were interviewed for admission to these programs in 2010-2011.

The United States

In 2010-2011, the Media AMP was jointly presented by IESE and industry thought leader The Paley Center for Media. Three modules were held at the IESE New York Center in midtown Manhattan, and one module at The Paley Center for Media in Los Angeles. Along with a rich program, the Media AMP also includes Leadership Forums, which give program participants, the unique opportunity to network and interact in a private, intimate and personal setting with top industry leaders and entrepreneurs who are changing the face of the business.

The Media AMP is a major industry program that provides sophisticated management tools to prepare the next generation of industry leaders for the media and entertainment business challenges of the future. The program's first set of participants included C-suite and upper-level executives from 10 different countries. Companies represented in the program include NBC Universal, Telecom Italia Media, Astro Media, Once TV Mexico and others.

IESE's flagship program for senior-level executives based in the United States – the Senior Executive Program New York-Miami – held its third session during the 2010-2011 academic year. Aimed at top-tier executives with activities in Latin America, including divisional CEOs, the program helps company leaders create effective global strategies, while delving into topics specific to the region. The SEP features four 5-day modules in New York City and Miami. The program provides a global, media-focused curriculum combined with valuable networking opportunities. The program is led through a unique alliance of three top-ranked schools, whose faculty have extensive knowledge of Latin American markets: IESE, IPADE and IAE.

Germany

The sixth cohort of AMP Munich participants completed the program in March 2011. Besides returning positive feedback, participants indicated that they are boosting awareness of IESE within their respective companies. In addition to open enrollment programs, IESE continues to partner with leading German companies to provide highly-focused custom programs. Client companies have included SAP, Bertelsmann and Henkel, among others. The Alumni Association also organizes Continuous Education sessions in German cities for graduates and invited business leaders.

China

The Global CEO Program for China, was led by IESE, Harvard Business School and China-Europe International Business School (CEIBS) and conducted at the three partner schools in Barcelona, Boston and Shanghai.

IESE also partners with Wharton and CEIBS to deliver the Global CEO program, which features modules in Shanghai, Philadelphia and São Paulo. Two of IESE's core degree programs, the Global Executive MBA and the Executive MBA, feature modules in China. IESE also organized custom programs at CEIBS for several of its European partners.

Brazil

Economic growth in Brazil has increased demand for executive programs. We logged 65 working days just in the first half of 2011, versus 70 in all of 2010. Despite this year's fee increase, we will again see record participation. Meanwhile, the new ISE building, opened in August 2011.

The Global CEO Program for Latin America, a collaborative program with IESE (at ISE in São Paulo), CEIBS and Wharton, presented marketing and recruitment challenges, but program delivery was successful. During the past year we redesigned the program, opening it up to CEOs outside Latin America.

Poland

The AMP Warsaw completed its fifth session last May. The participants, board-level executives from Central and Eastern Europe, offered strong positive feedback on the program, highlighting the two intensive weeks

in Barcelona. To optimize the schedule, Warsaw modules were decreased from eight to seven, with more sessions per module.

Africa

Under the aegis of the Africa Initiative, we welcomed senior executives to the first AMP Ivory Coast, despite political upheaval in the country. The AMP was taught in French by faculty from IESE and MDE (Management et Développement d'Entreprise) Business School in Abidjan, the fourth of IESE's Associated Business Schools in Africa. Visiting professors from IESE, Lagos Business School and other prestigious institutions also led sessions.

IESE's first connection in Africa was with the Lagos Business School: The school played a central role in the creation of LBS in 1995, as well as the Strathmore Business School in Nairobi, founded in 2005. IESE also works with Nile University in Cairo and with the Angola School of Business in Luanda which was formally launched in 2010 with help from IESE. Through its ties with CEIBS in Shanghai, IESE has also been involved in launching the first MBA course in Accra, Ghana.

In 2009, IESE approved the Africa Initiative, which aims to provide academic assistance, develop new projects and programs and support social initiatives in Africa. It also strives to encourage business leaders to boost their activities and investments in the region.

In Kenya, participants engaged in the fifth session of IESE's joint AMP with Strathmore Business School in Nairobi. Lagos Business School (LBS) in Nigeria joined the optional Pan-African AMP module. The goal is to make it an integral element of the program.



Custom Programs

International demand for custom programs returned to pre-crisis levels. Domestically, the slowdown is still taking its toll; other providers have lowered prices, and clients are shortening program length. Competition within the industry continues to intensify as small boutique firms and large consulting companies now routinely work with major companies alongside or in lieu of business schools. The need to reduce costs and the demand for measurable return are driving increasingly sophisticated and innovative learning approaches, including coaching, participatory methods and online components.

Public Leadership and Government Programs

In January IESE launched its Campaign Management Program for political candidates and campaign managers, led by Steve Jarding of the Harvard Kennedy School. This program is part of IESE's portfolio of nine public management programs serving more than 400 public leaders, some of which are made possible through the generous support of the Fundación Rafael del Pino. Among the programs offered in collaboration with the

Kennedy School were "Strategic Management for Leaders of Non-Governmental Organizations," engaging leaders of foundations, NGOs and social entrepreneurship initiatives from 25 countries; the third annual "Driving Government Performance" for senior public officials and international executives from around the world; and "How to Improve Public Policy in an Economic Crisis" for high-level public executives. Finally, topics covering a full range of public management issues such as crisis management, election campaigns and budgeting are discussed in the new Public Management Programs blog, launched last January on the IESE website.

INDUSTRY MEETINGS

Meeting of the Health-Care Industry.

Barcelona, November 3-4th, 2010

25th Meeting of the Automotive Sector. Reinventing the Industry
Barcelona, November 23-24th, 2010

6th Meeting of the Banking Industry. Building the Future
Madrid, November 25th, 2010

2nd Marketing Management Meeting
Barcelona, January 27th, 2011

2nd Sustainable Chemistry Meeting
Innovative and Competitive Companies
Barcelona, February 17-18th, 2011

2nd Tourism International Summit
Redefining Boundaries in Hospitality: New Models, New Customers, New Frontiers
Barcelona, March 4th, 2011

2nd Insurance Industry Meeting
Barcelona, March 30th, 2011

13th Annual Prestige Brands Industry Meeting.
China: The Route for Prestige
Barcelona, May 10th, 2011

Foods and Beverages Industry Meeting
Barcelona, May 26th, 2011

9th Meeting of the Energy Industry.
Effects of Energy Policy on the Industry's Competitiveness
Madrid, May 31st, 2011



Short Focused Programs and Industry Meetings

IESE's Short Focused Programs bring executives from diverse countries together for two- to five-day sessions covering a wide range of essential business areas at IESE's campuses in Madrid and Barcelona as well as the New York Center. A new offering in New York in arts and cultural management rounded out a portfolio of topics touching on talent development, non-governmental organizations, retail operations, digital media, and social media. Another New York highlight was Professor Paddy Miller's one-day Innovation Architect workshop last June, held prior to the World Innovation Forum (WIF) in New York. Organized to complement the WIF, the workshop afforded senior executives the opportunity to attend both.

In the 2010-2011 academic year, IESE offered a total of 69 short programs (45 Short Focused Programs, 12 Industry Meetings, and 12 special programs). Fifty-five percent of the participants were top executives or owners.



The annual auto industry meeting, the first and longest running event of its kind at IESE, marked its 25th anniversary in the fall of 2010. The meeting, titled “Reinventing the Industry,” discussed whether electric cars will ever make the internal combustion engine obsolete. The event has drawn more than 4,000 participants over the years and featured some 400 high-level speakers.

SHORT PROGRAMS HIGHLIGHTS

One-day Workshop with HR Directors
New York, February 15th, 2011

Brazil Business Summit
Barcelona, March 24th, 2011

Strategic Management for Leaders of Non-Governmental Organizations
With Harvard Kennedy School
Madrid, May, 2011

Strategic Management: Getting Things Done
Barcelona, May 17-20th, 2011

“The Innovation Architect”: Workshop at the World Innovation Forum
New York, June 6-8th, 2011

Advanced Digital Media Strategies: Profiting From the Digital Value Chain
New York, June 14-16th, 2011

Global Business: Making the Matrix Work
New York, June 20-22nd, 2011

Driving Government Performance
With Harvard Kennedy School
Madrid, June 27-30th, 2011

Making Social Responsibility Work. The Cornerstone of Sustainable Business
Barcelona, July 4-8th, 2011

INTERNATIONAL FACULTY PROGRAM

In May 2011, 41 management faculty arrived from 26 countries — 37 percent of which were African nations — to sit on the other side of the classroom for three weeks in Barcelona during IESE's 20-year-old International Faculty Program. The participants came to improve their teaching, communication and institutional management skills as well as their ability to develop courses and author cases. Since the program's inception in 1991, faculty members from more than 230 institutions around the world have participated in the program. They form an international faculty network that continues to contribute to higher business education standards throughout the world.

HBS - IESE COMMITTEE

Last June, the Harvard-IESE Committee held its 48th annual meeting on IESE's campus. The committee, which has met annually since 1963 in either the U.S. or Europe, helped guide the 1964 establishment of IESE's full-time MBA program, the first of its kind in Europe. It has also played a key role in developing IESE-Harvard joint international executive education programs, first launched in 1994.



HBS

Srikant Datar
Carl Kester
Richard Vietor

IESE

Jordi Canals
José Luis Nuño
Joan Enric Ricart
Eric Weber

“The Ph.D. program is the core of any research university and it also lies at the center of IESE’s research efforts.” Professor Africa Ariño, Ph.D. Program Director.



RESEARCH-BASED PROGRAMS

IESE's Ph.D. in Management program continued to prepare future professors and researchers with exceptional potential. In 2010-2011, three students from Croatia, India and Sweden completed their doctoral studies and seven new students were admitted from the USA, Mexico, Lebanon, Italy, China, Canada and Brazil. There are now 46 Ph.D. candidates in the program, 94 percent of whom are international students representing 21 countries.

The aim of the Ph.D. program is to prepare academic professionals who will continue their careers as faculty members in top business schools. During the course-work (the first two years of the program), we provide our students with the knowledge and tools to become excellent researchers in the field of management. Courses in the first year provide the general foundations to all the specializations within the program. During the second year, students, together with their advisors, design a curriculum to gain an in-depth expertise in their chosen subject.

"At IESE I have learned the methods to attack any research question, paired with a solid theoretical grounding for my future research and teaching," affirms Petra Nylund, 2010 Ph.D. candidate.

PH.D. CANDIDATES' COUNTRIES OF ORIGIN

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

FACULTY AND RESEARCH



IESE faculty number among some of the most respected names in their fields and in international management education. Professors reflect diverse nationalities, and are therefore able to bring a well-informed global perspective to the classroom. Their research and insights are disseminated in management publications, journals, books, teaching materials, and presentations at international conferences and workshops, many organized by IESE (See Exhibits I-II).

Inherent in IESE's approach is a balanced focus on high-quality teaching and research. In this regard, the school continues to bolster its expertise in key areas such as global strategy, financial management and entrepreneurship in terms of its educational offerings and the generation of new knowledge.

In 2010-2011, the number of books and articles in international refereed journals by IESE faculty members continued to rise, with important support provided by IESE's Research Division. IESE's research centers and chairs play a pivotal role in the generation of new management knowledge that is relevant to companies and their leadership.

IESE has become an important hub for management scholars from around the world. Among the conferences the school hosted this year was the "1st Interdisciplinary Conference on Stakeholders, Resources and Value Creation," organized by the European Institute for Advanced Studies in Management. Other key research events organized by IESE included the "2nd International Conference on Humanizing the Firm and the Management Professions: Towards a New Theory of the Firm" and "Growth and Investment Forum."

FACULTY

IESE welcomed six new faculty members for the 2010-2011 academic year. This brought the total faculty number to 104 full-time members, 53 external collaborators, and 5 visiting faculty.

New faculty members hold doctorates from prestigious institutions such as Harvard University, Stanford University and University of California-Berkeley. The school's faculty is highly diverse, reflecting 26 different nationalities, in line with the school's aim of fostering a global mindset among students and participants.



RESEARCH

Research is a core component of IESE's academic endeavors. During the past year, the research division worked to develop a strategic framework that ensures academic excellence and international impact. To this end, the division focused on four main objectives:

- Facilitate and ensure research development.
- Improve quality and innovative content.
- Ensure knowledge and content dissemination.
- Secure financing.

In 2010-2011, the number of articles in refereed journals increased, and the department continued to boost the visibility of this research through key channels such as IESE Publishing,

RESEARCH COMPETITIVE PROJECTS

- Berrone, P., "Sustainability Research Network," Complementary Action funded by the Ministry of Science and Innovation of Spain within the National I+D+I Plan, 2010-2011.
- Cabral, L., "Industry Dynamics: Determinants and Implications," funded by the Ministry of Science and Innovation of Spain within the National I+D+I Plan, 2010-2012.
- Canela M.A., "Estudios biosistemáticos en las Asteraceae, VI: aproximación citogenética y molecular a radiación, especiación e insularidad en *Cheirolophus*, *Echinops*, *Rhaponticum* y *Artemisia*," funded by the Ministry of Science and Innovation of Spain within the National I+D+I Plan, 2011-2014, with Universitat de Barcelona.
- Dávila, A., INNOCreative - "Training for fostering Creativity and Innovation," funded by the EU Lifelong Learning Programme, Leonardo Da Vinci Multilateral Project for Transfer of Innovation, 2011-2013.
- Dávila, A., "Cloud Platforms Lead to Open and Universal Access for People with Disabilities and for All," funded by the 7th Framework Program of the European Commission, 2011-2015.
- Dávila, A., "Roadmapping Future Technologies for Active Ageing at Work and Related RTD Platforms Identification" funded by the 7th Framework Program of the European Commission, 2011-2015.
- Ferraro, F., Ozcan, P., Reiche, S. and Berrone, P., "Emergence of New Organizational Forms and Industries," Complementary Action funded by the Ministry of Science and Innovation of Spain within the National I+D+I Plan, 2010-2013.
- Ferraro, F., "The Role of Technology, Models, and Metrics in the Socially Responsible Investing Field," funded by the European Research Council Starting Grant within the 7th Framework Program of the European Commission, 2011-2015.
- Fontrodona, J., "Deontología y Excelencia Informativa: Implantación y Consolidación de Prácticas Éticas en la Empresa Periodística," funded by the Ministry of Science and Innovation of Spain within the National I+D+I Plan, 2011-2013, with Universidad Carlos III de Madrid.
- Heukamp, F., "El Papel del Tiempo en la Toma de Decisiones: Aprendizaje y Expectativas," funded by the Ministry of Science and Innovation of Spain within the National I+D+I Plan, 2010-2012, with UPF.
- Moraga, J.L., "European Union Sustainable Development Policies: An Analysis of the Potential Effects on the Construction Sector and Aluminium Market," funded by Alcoa Foundation (United States), 2011.
- Ribera, J., Rosenmöller, M., Yankovic N., "Building Sustainable Research Capacity for Health and its Social Determinants in Low- and Middle-Income Countries," funded within the 7th Framework Program of the European Commission, 2011-2013.
- Ricart, J.E., Ghemawat, P., Lee, Y., "Understanding (and Managing) Globalization in the 21st Century," funded by the Ministry of Science and Innovation of Spain within the National I+D+I Plan, 2010-2012.
- Vergara, C., "Real Estate Risk and its Effects on Families, Banks and the Macroeconomy," Complementary Action funded by the Ministry of Science and Innovation of Spain within the National I+D+I Plan, 2010-2011.

IESE Insight and the Audiovisual Unit. In the academic year ending in May 2011, faculty published papers in 74 refereed journals, 21 books and 56 book chapters, in addition to a host of other research output.

The growing impact of the school's research was underscored this year by a new agreement with *Harvard Business Publishing* to distribute articles that appear in IESE Insight, the school's management review. Top international refereed journals that published work by IESE professors included the *Journal*

of *International Business Studies*, *Review of Financial Studies*, *Review of Accounting Studies*, and *Journal of Business Ethics*, among many others.

IESE faculty published numerous internationally-recognized books and articles during the year. This output was a result of the emphasis the school places on generating rigorous research, as well as the support provided by the school's academic chairs and research centers.

Books published by IESE faculty members during the year include *World 3.0: Global Prosperity and How to Achieve It* by IESE Prof. Pankaj Ghemawat (Harvard Business School Press), *The Future of Leadership Development* by Dean Jordi Canals (Palgrave MacMillan) and the *Impact of Network Ethics on Business Practices* by Antonino Vaccaro, A. Santana and D. Wood (Springer).

Just a few examples of articles in the many refereed journals published during the year include:

-“Dynamic Price Competition with Fixed Capacities,” by V. Martínez de Albéniz and K. Talluri in *Management Science*.

-“Socioemotional Wealth and Corporate Response to Institutional Pressures: Do Family-Controlled Firms Pollute Less?,” by Pascale Berrone., C. Cruz, L. Gómez-Mejía and M. Larraza-Kintana in *Administrative Science Quarterly*.

-“Beyond Contracts: Love in Firms,” by A. Argandoña in *Journal of Business Ethics*.

RESEARCH OUTPUT

	2007-2008	2008-2009	2009-2010	2010-2011
Refereed Journals	49	52	68	74
Books	21	24	30	21
Book Chapters	39	44	35	56
Working Papers	66	55	61	68
Other Publications	48	38	35	34
Conference Participation	126	130	107	51
Cases	92	114	110	100
Teaching Notes	16	34	22	19
Technical Notes	36	51	35	52

KEY RESEARCH GRANTS

IESE faculty were recipients of various grants to support the research they carry out. Prof. Fabrizio Ferraro was awarded funding for the project “The Role of Technology, Models, and Metrics in the Socially Responsible Investing Field,” funded by the European Research Council Starting Grant within the 7th Framework Program of the European Commission, 2011-2015.

Among the research projects launched was “Training for Fostering Creativity and Innovation,” funded by the EU Lifelong Learning Programme, Leonardo Da Vinci Multilateral Project for Transfer of Innovation, 2011-2013, as well as “Cloud Platforms Lead to Open and Universal Access for People with Disabilities and for All,” funded by the 7th Framework Program of the European Commission, 2011-2015.

Another important project launched during the year was “Building Sustainable Research Capacity for Health and its Social Determinants in Low- and Middle-Income Countries,” funded within the 7th Framework Program of the European Commission, 2011-2013.

The aim of this project is to support researchers and research networks in order to create a sustainable and attractive research landscape for interdisciplinary research for health and its social determinants.

IESE ALUMNI RESEARCH EXCELLENCE AWARDS

The 2010 Research Excellence Awards were presented to four faculty members during the February 2011 annual meeting of the Alumni Association Executive Committee. The recipients were:

Víctor Martínez de Albéniz, best academic article in a top-level international journal, for his article, “Competition in the Supply Option Market,” published in *Operations Research*, Vol. 57, No 5, September-October 2009.

Domènec Melé, best book with global and managerial impact published during the year, for *Business*

Ethics in Action: Seeking Human Excellence in Organizations, Palgrave Macmillan, July 2009.

Fernando Pereira, best book with managerial impact published, for *Contabilidad para Dirección (Accounting for Management)*, Eduardo Ballarín, Josep M. Rosanas and Juan C. Vázquez-Dodero, co-authors, Eunsa, 2002.

José Antonio Segarra, for best course with international and student impact, for “Dirección de la Pequeña y Mediana Empresa” (Management of Small and Medium-Sized Companies).

AWARDS AND RECOGNITION

Miguel Ángel Ariño and Pablo Maella
Won the 2010 Leader Prize for best business book of the year for their book *Iceberg a la vista (Iceberg Ahead)*, Empresa Activa.

Pascual Berrone
Cited in 10 Best Works on CSR in 2010 for his article "Socioemotional Wealth and Corporate Responses to Institutional Pressures," published in *Administrative Science Quarterly*, March 2010.

Finalist for Best Paper Award at the 2011 IFERA Annual World Family Business Research Conference for his article "CEOs' Co-leadership Influence on Performance in Family Firms: Understanding Intra- and Inter-Team Agency Relations."

Antonio Dávila
Won the 2011 Accenture Award for his article "Building Sustainable High-Growth Startup Companies: Management Systems as an Accelerator," featured in a 2010 issue of the *California Management Review*.

Victor Martínez de Albéniz
Earned the JFIG Award for best junior faculty paper of the year at the INFORMS Conference for his paper "Product and Price Competition With Satiation Effects," co-authored with Felipe Caro.

Philip G. Moscoso
Finalist for Best Paper Award by the editorial board of *Production Planning & Control* for his paper, "An Empirical Study on Reducing Planning Instability in Hierarchical Planning Systems," *Production Planning & Control*, Vol. 21, No 4, pages 413-426, co-authored with Jan C. Fransoo and Dieter Fischer.

Alfredo Pastor
Appointed Economist of Merit of the Economists Guild of Catalonia (Col·legi d'Economistes de Catalunya), November 2010.

José R. Pin
Won the Thunderbird Award at the BALAS Annual Conference 2011 for the paper "Generation or Culture? Work Attitude Drivers: An Analysis in Latin America and Iberian Countries," co-authored with L. Susaeta, A. Gallifa et al.

Elena Reutskaja
Earned "Premi del Consell Social de la UPF a la Transfèrència de Coneixement en l'àmbit de les Ciències Socials i les Humanitats" awarded by the Universitat Pompeu Fabra for her doctoral thesis.

Juan Roure
Received the 2011 Family Enterprise Research Conference's Best Research Poster Award for his paper "From the Family Business to the Family Office: Conceptualizing the Determinants and Typologies of the Entrepreneurial Process in Enterprising Families," co-authored with Juan L. Segurado, Dianne H. B. Welsh and Kirby Rosplock.

Pedro Saffi
Won the CNMV (Spanish Securities Markets Commission) Prize for the best paper on regulation, for his paper "Equity Lending Markets and Ownership Structure," co-authored with Jason Sturgess.

Xavier Vives
Appointed Member of Honor of the Spanish Economics Association (Asociación Española de Economía) in recognition of his contribution to economics and his support for research in Spain.

IESE INSIGHT: YEAR TWO

The *IESE Insight* business review continued to increase its readership and influence in 2010-2011. More than 17,000 executives now have access to the publication, and distribution agreements were signed with Harvard Business Publishing and Zinio International online kiosk.

Four issues of the magazine were published during its second year, featuring contributions by the following thought leaders:

- Eduardo Andrade, Haas School of Business, Berkeley
- Mary Barth, Stanford Graduate School of Business
- Soumitra Dutta, INSEAD
- Robert Eccles, Harvard Business School
- Alex Edmans, Wharton School
- George Foster, Stanford Graduate School of Business
- Vijay Govindarajan, Tuck School of Business, Dartmouth College
- Dominique Hanssens, UCLA
- Michael C. Jensen, Harvard Business School
- Jeanne Liedka, Darden School of Business, University of Virginia
- Hermann Simon, Simon&Kusher and Partners
- Richard M. Steers, University of Oregon
- Luk Van Wassenhove, INSEAD
- Muhammad Yunus, Nobel Peace Prize winner

This leading-edge management magazine is complemented by IESE Insight knowledge portal that provides access to the IESE knowledge base. With almost 20,000 items (research papers, articles, cases, comments, videos and more), this valuable business resource is constantly updated.

During the academic year, IESE Insight portal registration rose approximately 20 percent; the portal includes now about 1,300 articles featuring the school's latest research presented in a user-friendly, easy-to-read format.



INTERNATIONAL CONFERENCES 2010-2011

Energy and climate, sports management and economics, and growth opportunities were among the themes visited in IESE's international conferences during 2010 – 2011. Other topics included “Humanizing the Firm and The Management Profession: Towards a New Theory of the Firm,” organized by IESE professors Joan Enric Ricart and Josep Maria Rosanas; and a brand-new “Interdisciplinary Conference on Stakeholders, Resources and Value Creation,” hosted by IESE in collaboration with the European Institute for Advanced Studies in Management.

INTERNATIONAL CONFERENCES 2010-2011

Madrid Finance Workshop
November 4, 2010
Organizer: International Center for Financial Research

2nd “Armand Carabén” Workshop on Sport Economics
November 23-24, 2010
Organizer: Public-Private Sector Research Center

CSR IMPACT - Project Meeting Barcelona – Starting the empirical phase
January 20-21, 2011
Organizer: Prof. Joan Fontrodona

Growth and Investment Forum
March 14, 2011
Organizer: Center for Family-Owned Business and Entrepreneurship

Brazil Business Summit
March 24-25, 2011
Organizer: Center for Emerging Markets and Barcelona Chamber of Commerce

Workshop on Industrial Organization: Internationalization, Innovation and the Firm
March 29, 2011
Organizer: Public-Private Sector Research Center



5th Annual Sports Management Conference
 April 13, 2011
 Organizer: Center for Family-Owned Business
 and Entrepreneurship

Workshop on Energy Efficiency in Buildings
 and European Regulation
 April 29, 2011
 Organizer: Public-Private Sector Research
 Center

Growth Summit Europe
 May 17, 2011
 Organizer: Center for Family-Owned Business
 and Entrepreneurship

7th CSBM International Forum, “The Future of
 Sport in Spain”
 May 26, 2010
 Organizer: Center for Sport Business
 Management

1st Interdisciplinary Conference on
 Stakeholders, Resources and Value Creation
 June 7-8, 2011
 Organizer: European Institute for Advanced
 Studies in Management

Workshop on Industrial Organization: Energy
 and Climate Economics
 June 14, 2011

Organizer: Public-Private Sector Research
 Center

2nd International Conference on Humanizing
 the Firm and The Management Profession:
 Towards a New Theory of the Firm
 June 27-28, 2011
 Organizers: Prof. J. E. Ricart and Prof. J. M.
 Rosanas

4th International Conference on Work and
 Family
 July 4-6, 2011
 Organizer: International Center for Work and
 Family

RESEARCH CENTERS AND ACADEMIC CHAIRS

IESE's centers and chairs are essential 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.

For example, the Public-Private Sector Research Chair seeks to improve communication and collaboration between businesses and public administration. The center serves as a platform for a team of IESE professors to come together to generate new ideas and research on public-private sector issues. Topics addressed include health care, IT infrastructure and financial regulation.

CHAIRS

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

Abertis Chair
Regulation, Competition and Public Policy
Prof. Xavier Vives

Alcatel-Lucent Chair
Technology Management
Prof. Josep Riverola

Anselmo Rubiralta Chair
Strategy and Globalization
Prof. Pankaj Ghemawat

Banco Sabadell Chair
Emerging Markets
Prof. Alfredo Pastor

Bertrán Foundation Chair
Entrepreneurship
Prof. Pedro Nueno

Chair of Business Ethics
Prof. Domènec Melé

Carl Schroeder Chair
Strategic Management
Prof. Joan Enric Ricart

CELSA Chair
Competitiveness in Manufacturing
Prof. Frederic Sabrià

Crèdit Andorrà Chair
Markets, Organization and Humanism
Prof. Josep Maria Rosanas

Family Business Chair
Prof. Josep Tàpies

Grupo Santander Chair
Financial Institutions and Corporate Governance

José Felipe Bertrán Chair
Governance and Leadership in Public Administration
Prof. José Ramón Pin

"La Caixa" Chair
Corporate Social Responsibility and Corporate Governance
Prof. Antonio Argandoña

Nissan Chair
Corporate Strategy and International Competitiveness

PricewaterhouseCoopers Chair
Corporate Finance
Prof. Pablo Fernández

Seat-Volkswagen
Labor Relations
Prof. Sandalio Gómez





CENTERS AND INITIATIVES

CBS

Center for Business in Society

EIC

Entrepreneurship Innovation Center

CGS

Center for Globalization and
Strategy

CIEC

International Research Center for
the Media Companies

CIIF

International Center for Financial
Research

CSBM

Center for Sport Business
Management

ICC

International Center for
Competitiveness

ICWF

International Center for Work and
Family

IRCO

International Research Center on
Organizations

SP-SP

Public-Private Sector Research
Center

The Africa Initiative

FACULTY MEMBERSHIP IN INTERNATIONAL ACADEMIC INSTITUTIONS AND ORGANIZATIONS

IESE faculty members belong to and serve on the boards of many international organizations, including the following:

- Academy of Management
- American Economic Association
- American Sociological Association
- European Institute for Advanced Studies in Management (EIASM).
- European Economic Association
- European Shadow Financial Regulatory Committee
- Global Agenda Council of the World Economic Forum
- GMAC
- Strategic Management Society
- European Professional Women's Network (EPWN)

IESE FACULTY SERVE ALSO ON EDITORIAL BOARDS OF LEADING REFEREED JOURNALS, INCLUDING:

- Journal of Business Ethics
- Business Ethics: A European Review
- Journal of International Business Education
- Family Business Review
- Journal of Economics and Management Strategy
- American Economic Review
- Economic Journal
- European Economic Review
- European Financial Management
- International Economic Review
- International Journal of Industrial Organization
- Journal of Economic Dynamics and Control
- Journal of Economic Theory
- Journal of Economics and Management Strategy
- Journal of the European Economic Association
- Journal of Industrial Economics
- Journal of International Business Studies
- Journal of Political Economy
- Journal of Public Economics
- Management Science
- Marketing Science
- Quarterly Journal of Economics
- Rand Journal of Economics
- Review of Economic Studies



IESE PUBLISHING DEVELOPMENT

The IESE Publishing catalog contains approximately 26,014 business titles. During the 2010-2011 academic year, IESE Publishing sold 238,457 copies of business cases, 9.8 percent more than the previous year. The international sale of teaching materials, meanwhile, grew more than 17 percent and the number of registered users rose from more than 31,000 in 2009-2010 to 32,500 in 2010-2011. IESE Publishing also distributes IESE faculty teaching material associated with the institutions listed on this page.

IESE PUBLISHING PARTNERS

- IESE Business School, University of Navarra, Spain
- AESE: Associação de Estudos Superiores de Empresa, Portugal
- Darden School of Business, University of Virginia, United States
- ESE: Escuela de Negocios, Universidad de Los Andes, Santiago de Chile, Chile
- Harvard Business Publishing, United States
- IAE: Escuela de Dirección y Negocios, Universidad Austral, Buenos Aires, Argentina
- IEEM: Instituto de Estudios Empresariales de Montevideo, Universidad de Montevideo, Montevideo, Uruguay
- INALDE: Instituto de Alta Dirección Empresarial, Universidad de la Sabana, Bogota, Colombia
- INSEAD, France
- IPADE: Instituto Panamericano de Alta Dirección de Empresa, Universidad Panamericana, Mexico City, Mexico
- INCAE Business School, Costa Rica-Nicaragua
- Kennedy School of Government, United States
- PAD: Escuela de Dirección de la Universidad de Piura, Peru
- San Telmo International Institute, Spain
- Stanford Graduate School of Business, United States
- Richard Ivey Business School, United States



IESE'S COMMUNITY

IESE's stakeholders — alumni, employees, governing boards, associated business schools and the wider society and environment — represent a diversity of interests and needs. But these entities share something in common: the benefit of our commitment to sustain productive relationships through regular, meaningful contact, professional growth opportunities, and supportive policies and procedures.

In return, these entities all contribute much to help forge IESE's direction and promote its success.

ALUMNI

IESE's alumni are an international community spanning 109 countries and representing all business and nonprofit sectors. Attendance at the 275 alumni events in 2010-2011 — most of them part of the Continuous Education Program — reached an impressive 32,178. These programs' success is largely due to the commitment of regional alumni chapters throughout the world.

In addition, reunions brought many IESE alumni together during the year. A special highlight was the 49th Global Alumni Reunion in Barcelona in October. This annual event, with the theme "Shifting Paradigms: Opportunities Lie in the Challenge," drew 2,614 attendees from about 55 countries. In addition to academic sessions, participants had the chance to enjoy a golf tournament, a guided tour of the Museu Nacional d'Art de Catalunya, and other cultural activities.

Another 2,919 IESE alumni from 190 classes attended 48 open reunions, and course-specific reunions also drew worldwide participation. In March, for example, more than 200 attended the third annual EMBA Alumni Reunion. In one session, three EMBA alumni shared the insights they gained from their study experiences. In April, alumni from the Senior Management (PADE), General Management (PDG) and Management Development (PDD) Programs convened for their 5th- to 25th-year reunions. Sessions covered a range of topics such



as the Porsche case, upcoming challenges, business models in the 2.0 environment, and the teachings of Field Marshal Rommel and General Patton.

The biannual AMP-PMD Alumni Reunion, which took place in Barcelona in May 2010, featured a full-day program of academic sessions and a dinner. And in May 2011, alumni from all over the world attended IESE's eighth biannual MBA Alumni Reunion. More than 800 alumni and friends, representing 47 nationalities and 57 different classes, reunited with peers and faculty members during a day of special sessions and networking.

Among the benefits alumni receive is an online professional development platform called SUCCEED. This features a personal assessment and career planning tool, access to a database of career opportunities, one-on-one career coaching, and listings of career-related events and seminars.

Alumni are also entitled to receive IESE Publications, including the Alumni magazine and International Economic Overview, and gain access to: online e-conferences, IESE Insight knowledge portal, an e-mail account, virtual communities, IESE library, campus facilities, and social and sports clubs.

Governance of the Alumni Association includes an Executive Committee and a Governing Board. Alumni chapter presidents and secretaries, the Executive Committee, and class presidents and secretaries are all members of the Governing Board. The Executive Committee approves the budgets and submits an annual accounting report to the Board.

The Alumni Association operates through regional chapters, which organize local functions under the occasional direction, support and approval of the Executive Committee (See Exhibits III-IV).

OUR PEOPLE

IESE focuses on principles in the workplace that help cultivate an atmosphere of professionalism, integrity and respect. We believe organizations are communities of people, and as such, good management emphasizes the intrinsic rights and dignity of every person.

IESE distinguishes itself as a business school by placing a clear emphasis on factors that contribute to a supportive and healthy environment such as mentoring, flexible work hours, personal and professional development opportunities, diversity and attention to health and safety.

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

The school's commitment to a diverse workforce also extends beyond gender and nationality to include greater accessibility for disabled employees and contractors.



THE IESE TEAM IN 2011

375 **104**

Staff Full-time Faculty

186 **53**

Other External Services External Academic Collaborators

36 **75**

Number of countries represented Researchers

OPPORTUNITIES FOR GROWTH

IESE stands out for the opportunities for professional growth that it provides the community. Employee development at IESE begins with the quality of its hiring and continues with close follow-up through its orientation program. This consists of introductory and training sessions, assessment during the first six months, and mentoring.

Functional mobility is also an integral part of IESE's organizational culture. Department heads and other professionals on staff are given the chance to take on new roles or stretch assignments. This allows them to continually expand their skill sets, enhance their leadership skills and grow professionally. The school also works with employees who seek a career change or choose to shift their professional focus by helping them identify roles within the organization that optimally fit their areas of interest.



FAMILY-FRIENDLY POLICIES

IESE earned The Family Responsible Enterprise (FRE) certificate, which is granted to organizations for their efforts to facilitate work-family life balance and promote corporate social responsibility. In the past year IESE completed its three-year recertification process as a family-responsible enterprise (FRE), and received reaccreditation to 2013.

Because the well-being and productivity of all employees can be directly correlated with working in a flexible environment, IESE has established policies that offer flexibility in:

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

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

- Aid to parents of children up to three years old to help reduce the cost of day care or pre-school
- Partial subsidies for on-campus dining
- Voluntary contributions toward 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 compensation to parents of children under 18
- Subsidies and scholarships for employees' spouse and children in IESE and University of Navarra programs

The school launched its Gender Equality Plan, which was the result of a campus-wide voluntary online survey on gender equality perceptions and experiences.

A SAFE AND HEALTHY COMMUNITY

IESE's Health and Safety committee, together with its on-campus medical and security services, help promote a healthy and safe campus environment. Employee policies encourage regular physical examinations and attendance at safety and security training sessions to minimize work-related risks. Security also comes in the form of medical insurance, 50 percent of which is funded by IESE, with the option to extend it to families; as well as a fully funded pension plan for retirement.

2010-2011 EDUCATION AND DEVELOPMENT PLAN

In 2010-2011, professional development participation increased across the board by 39%.

Professional Skills and Competency Development

- | | |
|---|------------------------------|
| · services program for learning and development | · service orientation |
| · professional techniques | · time management |
| · coaching | · position-specific training |
| · mentoring | · work-life balance |
| · self-management | · foreign languages |
| · decision making | · technology |
| | · health and safety at work |
-

GOVERNANCE

The Dean and the Executive Committee of IESE Business School reports to the President of the University of Navarra. Responsibility for IESE's governance is exercised by its Executive Committee. Governance is also provided by the the Executive Committee of the Alumni Association and the International Advisory Board. The US Advisory Council also offers advice for the school's activities in the US.

IESE MANAGEMENT TEAM

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

ALUMNI ASSOCIATION 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^ª 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^ª del Pino Velázquez, Unísono, MBA-91

Rafael Villaseca, Gas Natural Fenosa, MBA-76

INTERNATIONAL ADVISORY BOARD



Andic, Isak Mango Spain	Fung, Victor K. Li & Fung Group China	Maerki, Hans Ulrich ABB Switzerland	Revoredo, Helena Prosegur Spain	Wenning, Werner Bayer Germany
Bagel-Trah, Simone Henkel Germany	Gyohten, Toyoo Institute for International Monetary Affairs Japan	Mangold, Klaus DaimlerChrysler Germany	Riboud, Franck Groupe Danone France	Yeo, George Ministry of Foreign Affairs Singapore
Bonnier, Hans-Jacob Bonnier Sweden	Haaland-Matlary, Janne University of Oslo Norway	Mohn, Liz Bertelsmann Germany	Russwurm, Siegfried Siemens Germany	Zegna, Ermenegildo Ermenegildo Zegna Italy
Breuer, Rolf-E. Deutsche Bank Germany	Haniel, Franz Metro Germany	Motta, Stanley Motta Internacional Panama	Schrøder, Johan Schrøder Foundation Denmark	
Camdessus, Michel Banque de France France	Heiberg, J. Gerhard Norscan Partners Norway	Murthy, N. R. Narayana Infosys Technologies India	Shibata, Takumi Nomura Japan	
Christenson, Andrea Kathe Kruse Puppen Germany	Johnson, Franklin P. Asset Management Company USA	Pino, Rafael del Ferrovia Spain	Sorrell, Martin WPP Group UK	
Fanjul, Oscar Omega Capital Spain	Kingsmill, Denise IAG UK	Puig, Mariano Fundación Puig Spain	Storm, Kees J. Aegon The Netherlands	
Francis, Patricia International Trade Center Switzerland		Raventós, M ^a del Mar Codorniu Spain	Weber, Eric IESE Canada	

Created in 1989, IESE's International Advisory Board (IAB) comprises prominent business and civic leaders from Europe, the United Kingdom, the Americas and Asia. The IAB meets periodically to review global developments in humanistic and management issues and discuss challenges and opportunities.

U.S. ADVISORY COUNCIL



William BAKER
Channel Thirteen

Gerry BYRNE
Ad Genesis Digital

Luis CABRAL
IESE Business School

Jordi CANALS
IESE Business School

Vin CIPOLLA
The Municipal Art Society

Begoña DE ROS
IESE Business School

Carmen DI RIENZO
V-Me Network

Frank J. HAGER
Opp CAP

Claire HUANG
Bank of America

Jay IRELAND
GE Africa

Tom KANE
CBS

Steve MURPHY
Christie's

Carlos PADULA
Stelac Advisory Services

Juan PUJADAS
PriceWaterhouseCoopers, Consulting

Edward T. REILLY
American Management Assn.

Tom ROGERS
TiVo Inc.

Chris VOLLMER
Booz & Co.

Eric WEBER
IESE

Josh WESTON
Automatic Data Processing Inc. (ADP)

Kathryn WILDE
Partnership for New York City

Last March, the members of IESE's newly formed U.S. Advisory Council held its inaugural meeting at the Barcelona campus. The group includes 16 U.S.-based business and civic leaders from diverse sectors, as well as Dean Jordi Canals and IESE faculty and staff members. The council's mission is to help guide IESE's development in the United States from its New York Center, opened in April 2010.



ASSOCIATED BUSINESS SCHOOLS

MDE Business School in Ivory Coast joined IESE's international network of associated business schools around the world. It was the site of IESE's first Advanced Management Program in Ivory Coast. The program, interrupted by the civil war in that country, resumed afterwards to reach a successful conclusion. The network now includes 17 schools on four continents.

ASSOCIATED SCHOOLS 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
- Institute for Media 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 Pan-Americana, Mexico City, Mexico, 1967
- Instituto Superior da Empresa (ISE), Brazil, 1996
- Lagos Business School (LBS), Pan-African University, Lagos, Nigeria, 1991
- MDE Business School, Institut de Hautes Etudes (IHE-Afrique), Abidjan, Côte d'Ivoire, 2003
- 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, Philippines, 1995
- Business School, Universidad del Istmo (UNIS), Guatemala, 1977

BUILDING A RESPONSIBLE INSTITUTION

At IESE, we understand that our own organizational practices should serve as an example of the values and attitudes we convey to our students and the community. Since IESE seeks to make a lasting impact on society through a strong focus on personal and business ethics, these are interwoven into the school's program curricula and a focus on ethics is also a part of virtually all of its activities.

Here are a few examples that reflect this commitment:

- The school stands out among other schools in developing innovative courses and programs with the dimension of global social responsibility, and in incorporating these values in its MBA and executive MBA programs.
- IESE's "Doing Good, Doing Well" conference is among the largest student-run events of its kind, drawing MBA students and business leaders from around the globe to discuss corporate social and environmental responsibility.
- IESE's Business Ethics Department has always played an integral role in the development of the school's curricula, and the MBA program has included a core course in business ethics since 1964.
- One of IESE's longest running events is the International Symposium on Ethics, Business and Society.
- 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.
- Junior IESE faculty receive support for pursuing Ph.D.s at many of the world's leading business schools in the United States through scholarships.

IESE is a member of the United National Global Compact, an initiative to promote corporate responsibility and sustainability in business education. Among the principles of the compact is to engage in research that advances the understanding of the role, dynamics and impact of corporations in furthering social, environmental and economic sustainability.

IESE is also a signatory of the Principles for Responsible Management Education, an engagement platform for business schools and management education-related institutions. An organization that signs on to PRME expresses its conviction that academic institutions, through integrating universal values into curriculum and research, can contribute to a more stable and inclusive global market and help build prosperous and thriving societies. IESE has signed the Principles for Responsible Management Education, where it actively participates in the Working Group on "Curriculum Change and the PRME."

REACHING OUT GLOBALLY

Associated Business Schools

IESE is at the core of a network of Associated Business Schools, most located in emerging countries in Latin America, Asia and Africa. IESE has helped these schools grow independently so that they may also have a significant positive impact on their local business environments. The main goal of this activity is to contribute toward economic and social development in these regions. In 2010-2011, IESE made important contributions to these schools through direct donations, discounts for participants to executive education programs, scholarships for graduates of Associated Business Schools to the MBA program and the Ph.D. program and faculty development. The total value of all these contributions was roughly 173,000 euros in 2010-2011.

International Faculty Program

In addition, IESE's long-established International Faculty Program helps develop junior faculty at business schools mainly in emerging countries all over the world. This important initiative helps international faculty members develop professionally and personally in the following areas: communication skills, teaching methodologies and course design, career development and institution building.

Women Business Training Program

IESE is a key partner in Goldman Sachs' 10,000 Women project in the Philippines. IESE is one of a group of business schools and non-profit organizations committed to providing management education to women in developing countries under the project. Through the initiative, Goldman Sachs



supports partnerships with universities and development organizations to provide 10,000 underprivileged women with a business education over five years.

IESE, together with the University of Asia & Pacific, developed the 10,000 Women Business Training Program (BTP), a 150-hour certificate program targeting 150 Philippine women entrepreneurs who want to scale up their existing businesses. In addition to classroom time, BTP participants will benefit from some 50 additional hours of mentoring by local entrepreneurs. As well as providing underprivileged women with practical management skills, 10,000 Women aims to bolster the quality of business education in developing countries through the preparation of local professors and the development of locally relevant case studies.

SOME SOCIAL INITIATIVES

Reflecting IESE's collaborative spirit, many students, professors and staff members contribute to campus-based activities to help those in need locally and in other countries. An example of this is the launch of a fund by IESE staff members in 2011 to support the Enugu Hospital in Nigeria. The state of Enugu is located in the tropical rain forest belt and has 2.7 million inhabitants. It is an area characterized by major health problems, especially:

- High rates of fatal infections (malaria, diarrheas and respiratory infections)
- Children and pregnant women are at high risk as they are particularly vulnerable to the infections
- General lack of knowledge of basic hygiene and preventive measures
- High rate of maternal mortality (arising from childbirth)
- Shortage of professionals trained in healthcare
- Inadequate public investment in healthcare

The MBA Responsible Business Club also leads a fundraising event to benefit "Fundación Raval," which assists Barcelona's most economically disadvantaged district. It also leads an annual gift-giving campaign for residents in the district.

STUDENT ENTREPRENEURSHIP

Many of IESE's graduates go on to create companies with a clear social and sustainable focus. Examples include Jan Willem Bode, the founder of One Carbon, a company that originates carbon credits, and Antonio Molina, founder of Advanced Medical Projects, which is dedicated to developing new drugs to treat cancer, among other health problems.

ENVIRONMENT

Fostering a healthy environment for IESE's community of students, professors and staff members is a key priority for the school. Environmental policies and practices are based on the school's belief that we have a responsibility to preserve and care for the planet for future generations. IESE's Environmental Action Plan, which is in alignment with the Spanish Strategy for Sustainable Development, features eight key goals, which fall under two lines of action – Sustainable Use of Resources and Environmental Awareness. IESE's Environmental

Action Plan annual report is available on the IESE website.

The following briefly summarizes the two lines of action.

SUSTAINABLE USE OF RESOURCES

Reduce energy consumption.
IESE improved energy efficiency in heating, air conditioning, insulation and lighting systems. This year the school has implemented new energy-saving lights and switches with sensors and installed thermal installation.

Promote responsible water consumption.

Water savings is becoming an increasing concern around the globe. For that reason, IESE has taken specific steps, such as drip irrigation, to ensure that water use is well managed and efficient to reduce consumption.

Reduce CO2 emissions

In recent years, IESE has made substantial efforts to reduce its carbon footprint. A focus has been placed on changing to energy sources that generate less CO2 and installing systems with fewer direct or



indirect emissions into the atmosphere. We also encourage videoconferencing and telepresence between campuses (Barcelona - Madrid - New York - Munich) to reduce air travel.

Collaborate with socially productive businesses and organizations

IESE seeks to contribute to projects that help improve the environment, reduce CO2 emissions, preserve flora and fauna and maximize the emission of ozone-depleting gases. To this end, the school collaborates with companies such as Ricoh, Xerox and

ISS to promote a range of environmentally friendly projects.

Reduce waste generation.

To help minimize waste generation, IESE implemented systems to facilitate proper waste separation for recycling, while employing new technologies that help us meet this goal. Measures taken include an analysis of waste generation facilities to create a waste management plan.

Help protect the surrounding environment

IESE seeks to help contribute to a healthy and flourishing

natural environment wherever it carries out activities. To this end, the school strives to meet the highest landscaping standards in terms of design and sustainability, and uses organic and environmentally safe products on all campus grounds. Landscape professionals who care for IESE's campuses are experts in the field, who believe in creating sustainable spaces that are in balance with the local climate.





FINANCIAL INFORMATION

During the 2010-2011 academic year, IESE's economic activity experienced a significant shift compared to the previous year. The targets set by the school — doubling the number of master's program sections and consolidating the international executive programs — have had a revitalizing effect and increased annual revenues.

FINANCIAL RESULTS

The deepening of the global financial crisis during fiscal year 2010-2011 and its recessionary effects on the real economy have continued to spread uncertainty among businesses.

By keeping to our established goals and specific investment strategy, together with the steady effort undertaken by the school, our economic activity has remained generally stable, and the school has been able to continue to advance its teaching plans and research activity.

Total revenue for last year was 87.2 million euros, a 14% increase from 2010. This revenue increase is the result of new students in the MBA and EMBA programs. Also, the marketing effort has borne fruit in both the long executive programs, which have remained strong.



ACCOUNTING CRITERIA

Annual results, expressed in euros, have been prepared based on IESE's accounting records from all programs and activities. They reflect all of the economic flows of the activities. Legal requirements and accounting principles have been applied to convey a fair image of the school's assets, financial situation and results.

IESE is the graduate business school of the University of Navarra, an entirely not-for-profit entity. IESE's accounts are audited together with the rest of the University of Navarra accounts, and published in the university's economic report (available at www.unav.edu). The budget criteria are to balance revenue and expenditures and, in the event that year-end results are positive, to allocate surplus to investment plans and research projects for the following year.

The accounts have been compiled in accordance with the provisions specified in the Corporate Law Code in Spain and the New General Accounting Standards, whose main organizing characteristic is that of a

nonprofit organization. In addition, accounts follow the standards and procedures of the Spanish Association of Accounting and Business Administration and the fiscal regulations that the university is subject to.

Due to its nonprofit status, IESE is exempt from corporate taxes, in accordance with existing legislation. The school finances its activities through revenues from programs and research projects. Aside from its own teaching and research revenue, and alumni contributions, IESE receives funding from strategic partners, individuals and business sponsors.

Estudios y Ediciones IESE is a limited liability company with ties to IESE. Aside from its publishing activity (book publishing and distribution, marketing of cases to businesses, publication of scientific journals and corporate magazines, etc.), it carries out other similar activities, such as promoting awareness of the school's research.

The IESE Alumni Association allocates part of its funds to initiatives such as the MBA scholarships, the development of young professors and to research projects. Our business sponsors support IESE through donations allocated to similar activities. Lastly, "Other income" reflects financial revenues, which include the interest earned on the funds which go to scholarships, research and academic chairs. In terms of expenses, the totals corresponding to programs and research include all direct expenses related to these activities, except for faculty and support staff, which are compiled jointly under the personnel category.

The MBA Programs' growth was possible thanks to an effective promotion effort.



IESE INCOME STATEMENT

In €	2007-2008	2008-2009	2009-2010	2010-2011
INCOME	77,652,042	75,384,874	76,232,955	87,281,462
Programs	68,737,608	67,024,205	68,041,553	78,102,921
Research projects	2,196,653	1,871,716	2,096,921	1,943,636
Alumni and sponsoring companies	4,891,385	4,759,618	5,031,783	5,026,110
Other income	1,826,396	1,729,335	1,062,698	2,178,795
EXPENSES	76,348,657	74,359,735	75,089,521	85,932,713
Personnel	32,525,549	33,710,446	33,859,449	38,045,061
Direct expenses, programs and research	19,949,813	17,116,236	16,097,804	17,393,646
General services*	6,211,249	7,031,903	7,294,346	8,145,139
Facility services expenses**	9,489,986	8,372,935	7,923,564	8,199,380
Other expenses	2,130,050	1,455,715	2,291,805	4,593,598
Extraordinary expenses	-274,592	792,941	505,326	952,915
Depreciation	4,207,387	3,719,732	4,117,228	4,352,975
Development projects	2,109,215	2,159,827	3,000,000	4,250,000
ACCOUNTING RESULT	1,303,385	1,025,139	1,143,433	1,318,749

Financial statements audited by KPMG.

* Includes the cost of library administration, publishing, marketing, communications, information technology and other services.

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



MAIN AREAS OF ACTIVITY

PROGRAMS

Degree Programs

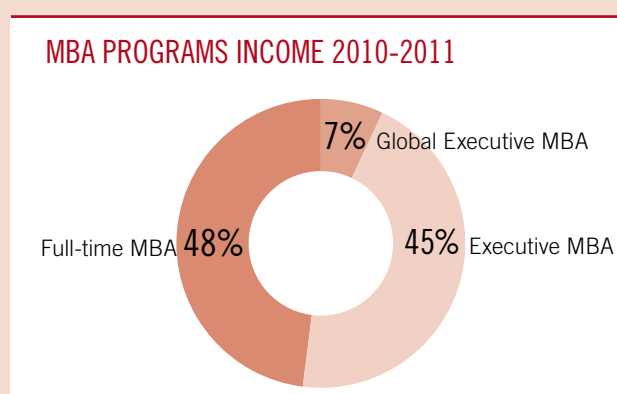
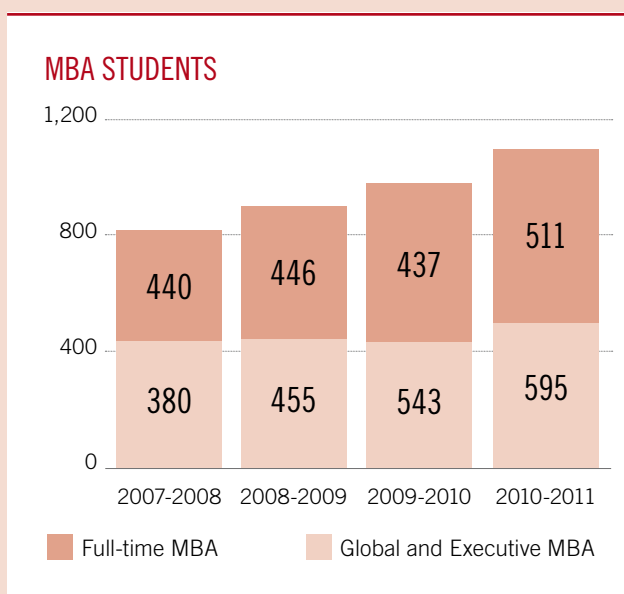
Compared to the previous academic year, IESE's MBA programs grew by 21% in 2010-2011. This expansion target, set in 2009-2010 and achieved this academic year, was possible thanks to an effective school promotion effort and admission process.

The total income from the MBA programs during academic year 2010-2011 was 36.7 million euros, of which nearly half came from the full-time MBA program, as shown in the chart.

During 2010-2011, 46 students from 21 countries enrolled in the Master of Research in Management and the Ph.D. in Management. IESE also offers an intensive program for economics and business management professors, the International Faculty Program, which enrolled 39 professors from 22 countries during academic year 2010-2011.

Executive Education

Income from the executive education programs was 42 million euros, corresponding to long executive programs (AMP, PMD, SEP, PADE, PDG and PDD); custom programs (custom-designed for business); and short programs: short focused programs, seminars, industry meetings, and others.



RESEARCH

RESOURCES FOR RESEARCH

IESE views research as a strategic priority, given the school's desire to contribute to the transformation of society through its companies and the individuals who run them. For this reason, IESE publishes news about faculty research in the *IESE Insight* online magazine, as well as newsletters and specialized magazines.

IESE also shares its research in the classroom and in conferences organized by academic chairs and research centers.

During academic year 2010-2011, 13.2 million euros were allocated to direct research expenses and personnel costs: researchers and administrative support, as well as the portion of faculty salaries corresponding to research activity.

This funding came mostly from IESE and other entities, both public and private, through competitive research grants, agreements with businesses and institutions and other sources. Estudios y Ediciones IESE, S.L. also contributed funds from its publishing revenues, including from the sale of books and cases.

Nearly two-thirds of the funding for research came from IESE's executive education programs' net revenue. Additionally, the Alumni Association contributed more than 830,000 euros to research projects in academic year 2010-2011, as well as to help faculty development.

FACULTY RESEARCH ACTIVITY

	2007-2008	2008-2009	2009-2010	2010-2011
Faculty with Ph.D.	99%	99%	99%	99%
Nationalities represented	26	28	28	27
Articles in refereed journals	44	55	58	74
Course materials produced	144	199	167	171

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

IN €	2007-2008	2008-2009	2009-2010	2010-2011
TOTAL REVENUE	2,597,523	1,972,254	1,008,508	1,106,154
Activity revenue	2,580,374	1,964,154	1,008,392	1,049,030
Other income	17,149	8,100	116	57,124
TOTAL EXPENSES	2,263,276	1,727,704	1,139,050	1,037,006
Staff and contributors	135,294	264,612	246,426	231,182
Other direct costs	2,109,205	1,442,899	890,800	801,121
Occupational costs	18,777	20,193	1,823	4,703
Difference	334,247	244,550	-130,542	69,148
Extraordinary profit/loss	332,567	226,759	44,527	55,735
Amortization	1,220	11,089	10,446	5,275
Profit/loss	460	6,702	-185,515	8,137

CHAIRS AND RESEARCH CENTERS

The research carried out by IESE faculty stands out for its global take on management issues and for its emphasis on solutions that benefit today's business community. Research is coordinated not only through academic departments, but also by academic chairs and research centers (see the chapter on faculty and research). This structure promotes knowledge exchange among several areas and encourages interdisciplinary projects.

Currently, IESE has 16 academic chairs and 15 research centers (see pages 42-43). This academic year, their research effort has resulted in the publication of more than 400 documents, including books, articles, cases, conference papers and other publications, both scientific and academic. This knowledge is available to IESE's business sponsors, alumni and, to a large extent, the business and academic community at large.

Chairs usually are endowed by the individual or company that the position is named for. Every year, the IESE professor who holds the chair invests the interest on that endowment in his or her research projects, after subtracting the amount needed to recapitalize the fund.

Research centers are led by IESE professors who, in some cases, have their own staff to conduct research and develop academic activities. Although they are not set up as separate entities, each center finances itself, usually through public research funding (regional, national or European Union) and through agreements with companies and institutions. The effects of the economic crisis continued to be felt during academic year 2010-2011. At 2 million euros, revenue for the research centers remained flat compared to the previous academic year. The crisis also hampered fundraising for research projects and contributions from businesses and IESE alumni.

DISSEMINATION OF INTELLECTUAL OUTPUT

The school's intellectual production is published and distributed through IESE Publishing, which distributes teaching materials, and IESE Insight, which publishes content on business management.

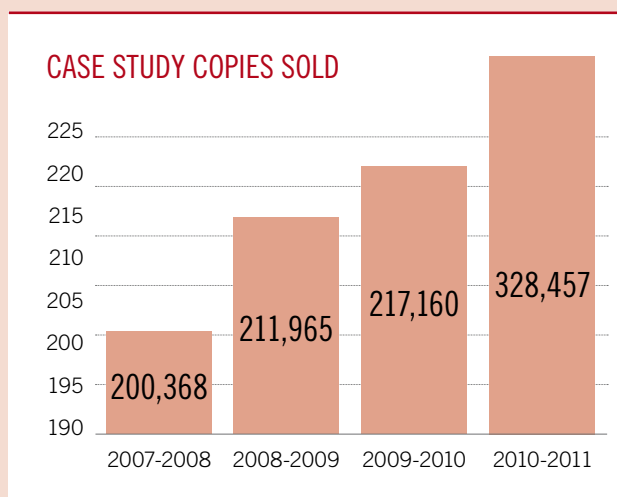
Both brands belong to Estudios y Ediciones IESE, a Limited Liability Company, which has legal ties with IESE and conducts the school's publishing activity, part of its promotion effort and other marketing activities.

IESE Publishing distributes business-related cases and teaching materials in Spanish. It offers cases from IESE, Harvard Business School, IMD (Switzerland), INSEAD (France) and from a group of schools in Latin America. It also makes other educational materials available, including books, technical notes, DVDs and articles. Currently, the IESE Publishing catalogue lists more than 33,000 products related to business management.

In 2010-2011, the sales of business cases reached 238,457 copies, a 10% jump over last school year. Likewise, the international sales of cases increased by 10% and the number of subscribers tripled since 2006-2007, from 11,200 to more than 31,000.

The IESE Insight brand doubles as the school's business knowledge portal and its management magazine, with the goal of becoming a go-to source of information for international academic institutions. The portal received over 10,000 visits monthly in 2011.

The school also publishes the quarterly *IESE Alumni Magazine*, in Spanish and English, financed through advertising. It had a circulation of 35,000 and reached alumni in over 90 countries.



IESE ALUMNI ASSOCIATION

INTRODUCTION

The IESE Alumni Association was founded in 1961 to enable entrepreneurs and managers who had finished a program to stay in contact with the school and access continuing education opportunities in business management and entrepreneurship, through a network embodying IESE's humanistic and social values.

During the 2010-2011 academic year, nearly 1,900 people enrolled in IESE's long programs, which confer alumni status upon completion and give access to the Alumni Association. After completing a program, 81.1% of participants join the association. During this academic year, the rate of affiliation among IESE's 38,031 alumni was 41.8%, one of the highest among international business schools.

Over the years, the IESE alumni profile has become more diverse, due to the increase in international students and participants. As a result, the association now has members from 109 countries, served by 32 regional chapters.

RESULTS

The Alumni Association's activities are made possible through a membership model. Despite the difficult economic context, our alumni continued to support the school and its Alumni Association, to the point that income from member fees increased by 5% over the previous year to 4.2 million euros.

Spending on services offered to members of the Alumni Association remained flat during academic year 2010-2011 compared to the previous year, at about 1.8 million euros.

SERVICES

A total of 32,178 attended alumni events, the cornerstone of which is the Continuous Education Program. The program has extended its presence to several countries, thanks to the ongoing support and effort undertaken by the regional chapters.

Of the 275 sessions held in the 2010-2011 academic year, 219 were part of the Continuous Education Program, which represents 56% of service expenses. Another significant source of spending was the Global Alumni Reunion in Barcelona, which had 2,614 attendees and cost 364,990 euros. In addition to this reunion, 48 reunions open to all IESE alumni were held for the 190 graduated classes, with 2,919 participants in attendance.

SURPLUS ALLOCATION

The Alumni Association through its Executive Committee allocated member contributions to key areas within IESE, such as training new professors and research programs.

Every year, the association's executive committee sets priorities for the allocation of surplus. In 2010-2011, it gave out 135,000 euros in scholarships for MBA students with an outstanding academic record. That same academic year, it awarded three Research Excellence grants, each worth 41,035 euros, to IESE professors. Also, 261,080 euros were allocated to the school's research activities and 530,072 euros to help train professors.

IESE ALUMNI ASSOCIATION: PROFIT AND LOSS ACCOUNT

IN €	2007-2008	2008-2009	2009-2010	2010-2011
Income	3,797,555	4,069,474	4,116,427	4,264,541
Alumni contributions	3,615,558	3,830,009	3,983,611	4,168,949
Sponsorships	182,000	239,465	132,816	95,592
Expenses	2,311,575	2,517,331	3,237,033	3,313,804
Association services*	1,028,639	1,218,714	1,844,478	1,881,530
Personnel expenses	849,069	839,016	914,522	932,000
General expenses**	433,867	459,601	478,033	500,274
Results	1,485,980	1,552,143	879,394	950,737

* Starting in academic year 2009-2010, the cost of teaching in the Continuous Education Program is included in this category.

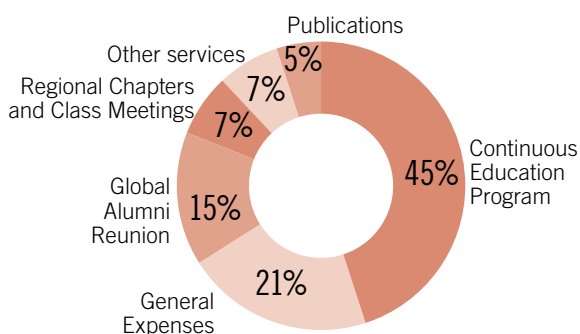
** General expenses include the Alumni Office: telecommunications services, administration, and so on. In 2007-2008, IESE updated the allocation of general expenses.

Financial statements audited by KPMG.

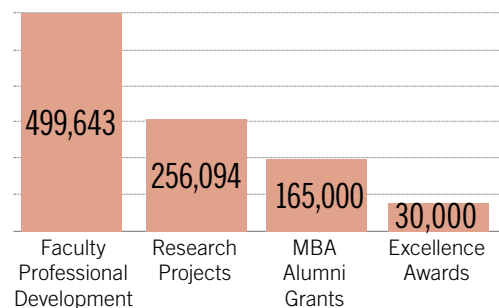
MAIN DATA

	2007-2008	2008-2009	2009-2010	2010-2011
Alumni	31,832	33,878	35,628	38,031
Countries represented	100	106	109	109
Continuous education				
Sessions in Spain	200	119	125	190
Sessions outside Spain	67	72	80	85
Association participants	25,313	29,381	29,243	32,178

ALUMNI ASSOCIATION EXPENSES



ALUMNI ASSOCIATION ALLOCATION OF SURPLUS (€)



GIFTS AND GRANTS

GIFTS

As a nonprofit entity, IESE aims to balance revenue and expenditures in its budget. In order to ensure sustainable growth and competitiveness at the international level, IESE makes an ongoing effort to attract donations to fund ongoing strategic projects such as developing young professors, student grants, large-scale research projects, internationalization of the school and building faculty.

IESE receives contributions from several sponsoring companies, foundations and institutions, as well as alumni. Every year, IESE also receives generous donations from faculty and staff.

FELLOWSHIP PROGRAM

One of the priorities of corporate development is to fund student grants and scholarships. Each program sets specific criteria for awarding financial support depending on its student profile; the general goals are to attract management and academic talent and promote diversity among participants. With the help of several institutions, IESE allocated a total of 3 million euros to fellowships during the 2010-2011 academic year, disbursed as shown in the following breakdown. Detailed grant information is available on each of the programs' websites.

The grant program generally aims to promote enrollment of students from emerging economies, especially women, with a strong priority to increase the enrollment of students from Africa. A portion of grant money is therefore set aside to support professors from emerging countries in their doctoral studies.

Some contributions are donated exclusively to fund grants, while other contributions from business sponsors are unrestricted and the school decides to allocate them to student grants. The Alumni Association is among the grant donors, and contributed 165,000 euros toward helping support MBA students.

IESE also manages other organizations' grant programs, such as Madrid's regional government Lidera program, which awards several grants for women entrepreneurs attending business management programs. The Fundación Rafael del Pino grants also deserve mentioning.

SPONSORING COMPANIES

ABERTIS	FOSTER WHEELER IBERIA	NEGOCENTER
ACCENTURE	FUNDACIÓ CAIXA D'ESTALVIS I PENSIONS	NEGOCENTER BUSINESS CENTER
ACCESOGROUP	DE BARCELONA	NEORIS
ADECCO TT	FUNDACIÓN AGBAR	NESTLÉ
ADP	FUNDACIÓN BERTRÁN	NEXTRET
AENA	FUNDACION COMSA EMTE	NISSAN
AF STEELCASE	FUNDACIÓN HORIZONTE XXII	PALEX MEDICAL
AGBAR	FUNDACIÓN MARÍA FRANCISCA DE	PENITEO ICT ANALYST
AGROLIMEN	ROVIRALTA	PEOPLEMATTERS
AIR LIQUIDE MEDICINAL	FUNDACIÓN RAMÓN ARECES	PHILIP MORRIS
AIRBUS	FUNDACIÓN REPSOL	PLÁSTICOS TA-TAY
ALCATEL	GARRIGUES	PORT DE BARCELONA
ALHAMBRA EIDOS	GAS NATURAL FENOSA	PORTAVENTURA
ALLIANZ	GENERAL CABLE	PPG
ARBORA & AUSONIA	GENERAL ÓPTICA	PROSEGUR
ARDANUY INGENIERÍA	GINMOVIAN	PUIG
AREAS	GRUP CATALANA OCCIDENT	PWC
ARTEOLIVA	GRUPO ARICAM	RANDSTAD
ASCENSORES ERSCE	GRUPO BANCO POPULAR	RAY HUMAN CAPITAL
ASEPEYO	GRUPO BARCELÓ	RED ELÉCTRICA DE ESPAÑA
A.T. KEARNEY	GRUPO CELSA	REDUR
AYESA ENGINEERING	GRUPO CODORNÍU	REPSOL YPF
BACARDI	GRUPO DAMM	REUTERS
BALAGUER-MORERA & ASOCIADOS	GRUPO ELOSA	REYAL URBIS
BANC SABADELL	GRUPO GESTESA	RICOH
BANKIA	GRUPO LECHE PASCUAL	ROCA
BANKINTER	GRUPO MAHOJ-SAN MIGUEL	ROCHE
BARCLAYS	GRUPO MULTIASISTENCIA	ROLAND BERGER
BASF	GRUPO NOVARTIS	SABA
BBDO	GRUPO PARERA	SAGARDOY ABOGADOS
BBK	GRUPO TASA	SANITAS
BBVA	GRUPO TELEFÓNICA	SANOFI AVENTIS
BP ESPAÑA	GRUPO VILLAR MIR	SANTANDER
CAIXABANK	GUINEU INVERSIÓ	SCHNEIDER ELECTRIC
CAMBRA DE BARCELONA	HENKEL	SDL-TRIDION
CAPIO SANIDAD	HEWLETT PACKARD	SEAT
CAPRABO	HUERTA DEL CARMEN	SENER INGENIERIA Y SISTEMAS
CARAT	IBERDROLA	SEUR
CATALUNYACAIXA	IBM	SIEMENS
CEMENTOS MOLINS	ICL	SIKA
CITI	IDOM	SOLVAY
COMSA-EMTE	IMS HEALTH	SONY
CORPORACIÓN ASESORA	IN2	SPIE
COVAP	INDRA	STAIG GRUPO INMOBILIARIO
CRÈDIT ANDORRÀ	INFORPRESS	STI
CUATRECASAS	ING CAR LEASE	TALDE VENTURE CAPITAL
DANONE	INLANDGEO	TANDBERG
DELOITTE	INTERMAS NETS	TECHNO TRENDS
DEUTSCHE BANK	INVERSIONES SINFIN HOLDING	TETRA PAK
DHL EXEL SUPPLY CHAIN	ISS FACILITY SERVICES	TEXSA
DIAGEO	IZASA	THE ROYAL BANK OF SCOTLAND
DKV	JOHN DEERE	TOUS
ENAGAS	JOHNSON CONTROLS	TOWERS WATSON
ENDESA	KONSAC	UNNIM
EPSON	KPMG	URALITA
ERES RELOCATION	LA CAIXA	VALINSA
ERICSSON	LABORATORIOS DEL DR. ESTEVE	VESTAS
ERMENEGILDO ZEGNA	LABORATORIOS LETI	VOCENTO
ERNST & YOUNG	LEAR CORPORATION	VODAFONE
ESPÍRITO SANTO INVESTMENT	LENER	WILLIS
ESTEVE	MARTINSA-FADESA	WÜRTH
EUREST	MECALUX	ZANINI AUTO GRUP
EVERIS	MERCAPITAL	ZARDOYA OTIS
EXPERIAN BUREAU DE CRÉDITO	MERQUINSA	ZURICH
FICOSA INTERNATIONAL	MICRO-BLANC	
FMC FORET	MIQUEL Y COSTAS & MIQUEL	

OTHER SUPPORTING ORGANIZATIONS

To help fulfill its mission, IESE benefits from the contributions of several foundations. These are independent entities with their own governing bodies and no legal ties to IESE. They are therefore free to make decisions independently, in accordance with their own organizational charters. However, given their invaluable contributions to IESE, this annual report would be incomplete without a brief mention of them. More information about these foundations can be found in their own annual reports.

INTERNATIONAL FOUNDATION FOR EDUCATIONAL DEVELOPMENT

This goal of this nonprofit cultural foundation based in Spain is to support cultural and education initiatives. To this end, it awards university scholarships, provides funding for cultural and educational centers, promotes scientific research, supports university and educational publishing enterprises as well as school libraries, and carries out social and economic development and volunteer work.

The foundation has partnered with IESE for ten years, during which time it has helped build some of the facilities used by the school, such as the ones added in the expansion of the Barcelona campus (North campus), inaugurated in January 2007. The foundation led a broad fundraising campaign that benefited from both businesses and individuals, especially alumni.

The Foundation is listed in the Register of Foundations published by the Generalitat de Catalunya, the regional autonomous government of Catalonia.

FUNDACIÓN IESE

Fundación IESE is a cultural institution that promotes and develops comprehensive academic, cultural and professional education. Among other initiatives, it provides funding for tuition, board and grants for university students and researchers.

From 2007 to 2010, it developed fundraising campaigns for the Kianda Foundation Kimlea School, which promotes education and well-being among women in Kenya. It has funded 50 scholarships through contributions. It also allocated funds to the ISBI–Informal Sector Business Institute in the East Lands Nairobi slum, one of the largest in Africa. This organization helps train microentrepreneurs with the support of Strathmore University. It is the objective of the Fundación IESE to continue its international collaborative work with IESE Business School to expand education opportunities for managers in several countries. In this respect, it is supporting the new IESE centers in New York and Munich through fundraising campaigns, and has actively participated in the expansion of IESE's Madrid campus.

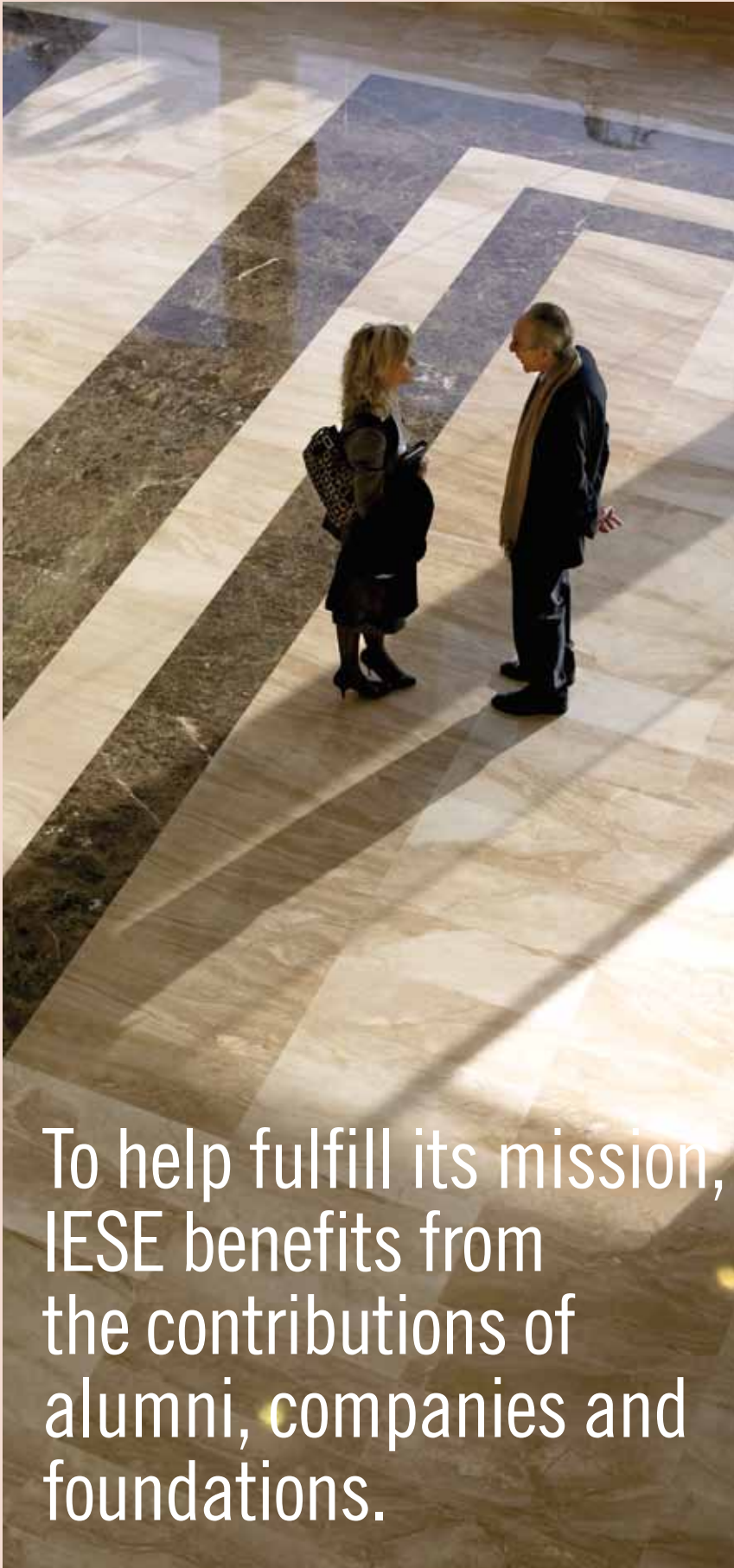
The Foundation is listed in the Register of Foundations published by the Generalitat de Catalunya, the regional autonomous government of Catalonia.

THE IESE FOUNDATION

The IESE Foundation is a U.S. 501(c)3 nonprofit organization. Its mission is to support management-related research and education programs in the fields of economics, sociology, psychology and other areas of interest. It pursues these objectives by supporting other nonprofit organizations in the U.S. and other countries with programs and activities that are aligned with its mission. It raises funds through contributions from individuals, corporations and other foundations.

The activities carried out by the IESE Foundation include the Continuous Education Program sessions for alumni.

The foundation is continuing its fundraising campaign in the U.S. and around the world to help IESE establish a research center in New York and fund other activities.



To help fulfill its mission, IESE benefits from the contributions of alumni, companies and foundations.

IESE INTERNATIONAL FOUNDATION

This foundation supports the development of IESE's teaching and research projects, promotes the school's values and helps finance its activities. Specifically, the foundation focuses on raising funds internationally to finance activities related to teaching and research by appointing foundation presidents, disbursing grants and organizing seminars and conferences, as well as through publications.

One of the main projects of the IESE International Foundation was to raise scholarship funds for highly qualified foreign students who recently started a Master of Research in Management or Ph.D. program at IESE. During the past academic year, the foundation awarded scholarships to six students from different countries. The program's objective is to train future professors and researchers.

The foundation is included in the Register of Foundations published by the Ministry of Education of Spain.

EXHIBITS

EXHIBIT I - IESE FACULTY ARTICLES IN INTERNATIONAL REFEREED JOURNALS 2010 AND 2011

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EXHIBIT II - IESE FACULTY BOOKS 2010-2011

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EXHIBIT III - 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^a José Chiari, 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

EXHIBIT IV – ALUMNI CHAPTER PRESIDENTS

IESE Alumni Association

President Antonio González-Adalid, MBA-75

Director Mireia Rius, MBA-94

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 Íñigo Parra, MBA-90

Madrid Jorge Sendagorta, PADE-90

Navarre-Basque

Country - La Rioja Jose M. Aracama, MBA-79

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

EXHIBIT V – 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 2011 in addition to a summary of the significant accounting policies and other explanatory information (referred to collectively as the "financial statement").

Administrator's responsibility for the Financial Statement

The Administrator of the Entity is responsible for the preparation of the financial statement in accordance with the financial information reporting framework applicable to the Entity, specified in note 2 to the accompanying income statement, which apply to the preparation of a financial statement of this type; and with the internal controls deemed necessary by the Administrator of the Entity to enable the preparation of a financial statement free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the accompanying financial statement based on our audit. We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of any accounting estimates made by the Administrator of the Entity, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the accompanying financial statement presents fairly, in all material respects, the results of IESE Business School's operations for the year ended 31 August 2011, in accordance with the financial information reporting framework applicable to the preparation of a financial statement of this kind.

KPMG Auditores, S.L.

Gregorio Moreno Fauste

11 November 2011

EXHIBIT VI - IESE BUSINESS SCHOOL INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST 2011

CONTINUING OPERATIONS		€
Income on the entity's own activity		86,138,496
Services rendered		83,208,866
Operating grants, donations and bequests recognized as income and expenses		2,929,630
Other operating income		379,520
Non-trading and other administrative income		379,520
Personnel expenses		(43,807,048)
Ages and salaries		(37,740,572)
Welfare benefits		(6,066,476)
Other operating expenses		(38,311,319)
External services		(37,775,494)
Taxes		(27,632)
Losses, impairment and changes in trade provisions		(508,193)
Amortization and depreciation		(4,352,975)
Grants, donations and bequests transferred to capital surplus		75,103
Results from operating activities		121,777
Finance income		1,103,713
Dividends		1,018,803
Marketable securities and other financial instruments		84,910
Financial Expenses		(3,032)
Change in fair value of financial instruments		104,301
Impairment and losses		104,301
Exchange differences		(8,010)
Net finance income		1,196,972
Profit before income tax		1,318,749
Income tax expense		-
Income from continuing operations and surplus for the year		1,318,749

Audited by KPMG.



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