

Bi7Ed

SEPTEMBER/OCTOBER 2004

Seapower's
**Shirley
Choi**

Capitalism and
Communism in China

**Competitions
Bring Big Payoffs**

**Advancing Women
From B-School to
Boardroom**



BizEd Contents

SEPTEMBER/OCTOBER 2004

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26



40

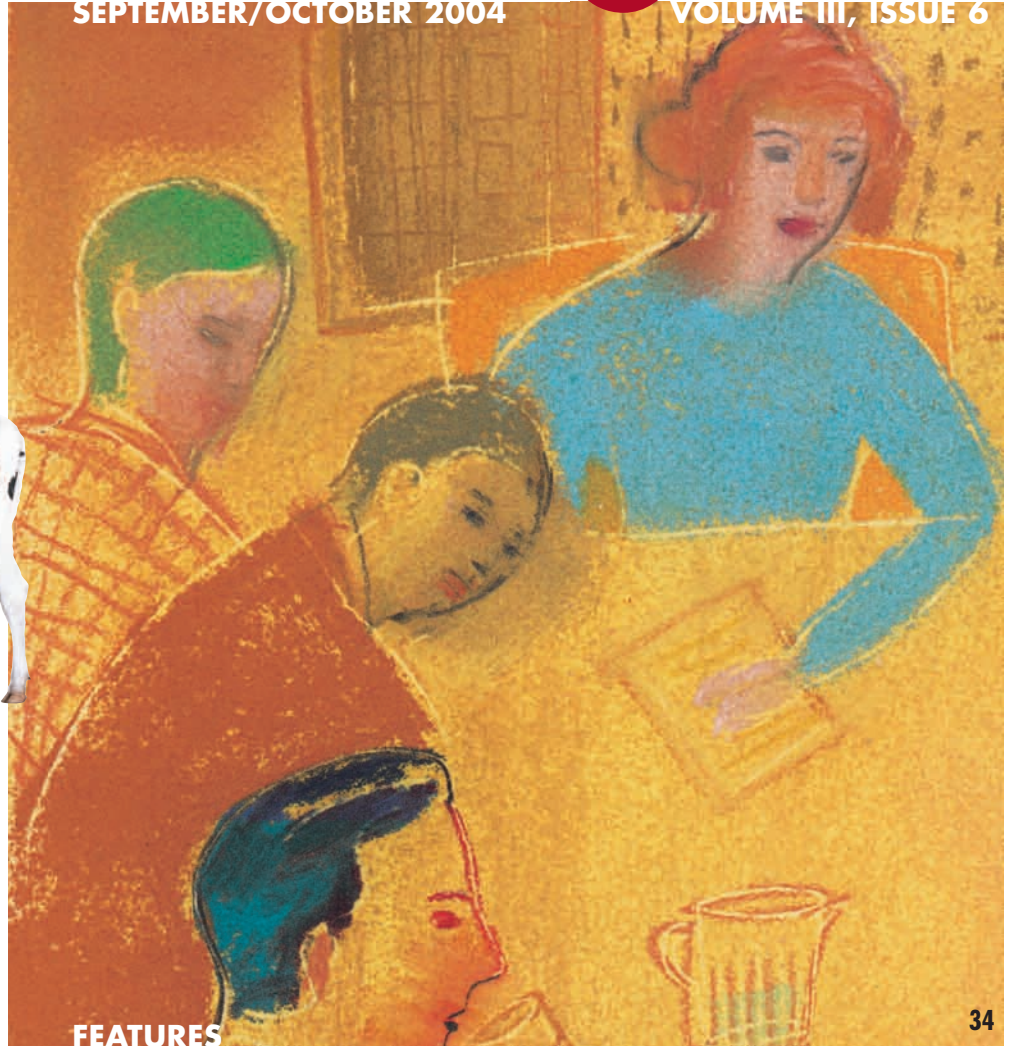


64

DEPARTMENTS

- 6 From the Editors
- 8 Headlines
- 48 Technology
- 52 Your Turn
- 54 Bookshelf
- 58 Calendar
- 60 Classifieds
- 64 Spotlight

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Grischa Rüschemdorf



FEATURES

34

- 18 **No Sleeping Dragon**
Seapower's Shirley Choi takes risks and delivers results as a young CEO in a 21st-century Chinese economy.
- 26 **Winning Ways**
Business plan competitions give a boost to student entrepreneurs.
- 34 **Women on Board**
Women have made great strides in business, yet men still dominate most boards. Pat Flynn explores the numbers—and what b-schools can do.
- 40 **More Steak Than Sizzle**
Business schools create wealth and add value, yet some critics view them through a negative lens. Peter Lorenzi counters the accusations one by one.
- 44 **Poised for the Future**
Doyle Williams, AACSB's new board chair, is focused on globalization, the doctoral shortage, and the implementation of international accounting standards.

From the Editors



All Aboard

I recently received an e-mail from a very distant connection, a friend of my grandmother's who somehow had me on her distribution list. She announced that she was leaving an institution with which she had long-standing ties because the board had chosen a woman for its new director. It's hard for me to understand the point of view of my grandmother's friend—perhaps because we have so little in common. She's 40 years older than I am; she lives in Hong Kong; she belongs to a Christian denomination that considers women subordinate to men. Myself, I received a gift subscription to *Ms.* magazine when I was 13; I've been a feminist since I could think. I literally can't comprehend the idea that women should be considered unsuitable for any task.

Still, the sad truth is that older, traditional individuals like my grandmother's friend are not the only ones who favor a secondary status for women. After all the advances in civil rights and changes in social mores, after the onslaught of women in the workforce, in education, in politics, there are still large portions of the worldwide population who cannot entertain the idea of genuine equality between the sexes.

This can hardly come as a shock to business educators, who have consistently seen their classrooms weighted toward male students and who have watched some of their most promising female graduates grow disillusioned with the corporate world. In the article "Women on Board," Pat Flynn and Susan Adams of Bentley College provide a rather grim picture of women's participation in the higher echelons of the workforce. Women hold fewer than 14 percent of the board seats in Fortune 500 companies. Almost 11 percent of U.S. companies have no women directors at all. The numbers are worse in other countries. Corporations with no women on their boards account for half the companies in the U.K., three-quarters of the companies in Spain, and almost 100 percent of the companies in Japan.

Against such a discouraging backdrop, however, it's even more delightful to discover that some women are not only sitting on the board, they're running the company—and they have a great many insights into the way that business should be done. Shirley Choi, CEO of Seapower Manufacturing Hong Kong Ltd., knows that even a relatively small, family-run business must find new partners, cut unprofitable divisions, and stress teamwork across departments. She also believes that top business leaders must practice corporate social responsibility even as they work to change and improve their own national cultures.

Interestingly enough, like my grandmother's friend, Shirley Choi lives in Hong Kong. So in the same city where one woman withdraws from institutional power, another one thrives on it. This coincidence gives me renewed hope and leads me to believe that change is not only possible, but fated. It is by turns slow, cumbersome, mocked, argued, denied, celebrated, reversed, encouraged, invisible, blatant, and messy. But it comes. ■



BILL BASCOM

Sharon Shinn

Headlines

■ Emphasis on Ethics

Business schools need to renew and reinvigorate their emphasis on ethics—and AACSB International should help them. These two conclusions, drawn by the Ethics Education Task Force as it studied ethics education at business schools, are presented in the committee's report to AACSB's board of directors.

The committee recommends that schools revitalize their commitment to ethical responsibility at both the individual and organizational levels through academic programs, assessment processes, research agendas, and outreach activities. The committee identifies four broad themes that should be addressed in business school curricula: the responsibility of business in society, ethical leadership, ethical decision making, and corporate governance.

The committee believes AACSB can best support schools in four ways: by developing the Ethics Education Resource Center, which is now online at www.aacsb.edu; by offering training to accreditation teams; by increasing emphasis on ethics in AACSB publications and events; and by holding ongoing discussions on curriculum development. To obtain a copy of the full report, contact Roxanna Strawn at roxanna@aacsb.edu.

■ Why Alumni Give

If you're a dean hoping to raise funds from your alumni, you might need to offer a good reason for why you need the money. Otherwise, spare cash is likely to be donated almost anywhere else. That's one of the intriguing patterns uncovered by Opinion Dynamics Corporation of Cambridge, Massa-



chusetts, which released an independent survey on trends among alumni of higher education institutions. The organization questioned 669 college graduates last spring.

According to the survey, 90 percent of college graduates view their alma maters as charities of last resort. Asked where they would donate \$1,000 if they had it to give, 42 percent of respondents said a local charity, 25 percent said a medical charity, and 22 percent said a religious institution. An additional five percent said they couldn't decide what they would do with the money, while only five percent said they would give the money to their college or university.

On the other hand, if the school makes a good case for why it needs the money, 30 percent say they would give, or give more. Thirty-four percent say they would like to give more, but can't; just 24 percent say they will never give to their alma maters. Of those who have contributed to their alma maters in the last year, 42 percent said they felt well-informed about the school's current priorities and goals, while 17 percent did not.

Bringing in a well-known political figure can have both a chilling and an encouraging effect on alumni giving, the survey found. Thirty-five percent of graduates said they would be less likely to make a donation if George Bush spoke at their commencement, while 14 percent would be more likely. Similarly, 31 percent would be less likely to contribute after a John Kerry speech, and 13 percent would be more likely to make an alumni gift. The complete survey is available online at www.opiniondynamics.com/alumni.pdf.

■ Romanian Business

Fifteen undergraduate business students from the University of South Carolina traveled this summer to Cluj-Napoca, Romania, to lead a Business English Immersion Camp for high schoolers. The project was the first of its kind for the Moore School of Business in Columbia, South Carolina.

The project took shape as two students volunteering at the Columbia-based World Affairs Council discovered the revival of a sister-cities project between Columbia and Cluj. Carolyn Jones, assistant dean for the undergraduate division, visited Cluj in February as she considered the idea of taking a group of students to Romania. Students who signed on for the project comprised a diverse group from the U.S., Germany, Singapore, Thailand, and Moldova. Romanian student Florin Stoian offered background information about weather, shopping, food, and money in Cluj.

The students developed an intensive one-week program of study covering cross-cultural communication, globalization, and entrepreneurship.

ARBITRAGE—CAPITALIZING ON CULTURAL DIFFERENCES—IS ESPECIALLY CRUCIAL WHEN MORE THAN 60 PERCENT OF MANAGERS ARE DISSATISFIED WITH THE PERFORMANCE OF THEIR COMPANIES INTERNATIONALLY.

A total of 72 sophomores and juniors from Romanian high schools attended the camp, which was held in mid-July. The U.S. group also visited local industries in Cluj and spent a final day sharing cultural traditions with the Romanian students.

“I think this experience could be life-altering for all the students involved,” Jones says. She hopes to make the Business English Immersion camp a long-term project and bring it to other countries as well.

Diversity Matters

Diversity is a source of value in the workforce, not a constraint on value creation. That was the message delivered by Pankaj Ghemawat, professor of business administration at Harvard Business School, speaking to more than 2,000 alumni and other attendees from five continents. They were gathered at IESE in Barcelona to explore the opportunities of “Globalization and Diversity in the Corporate World” at the school’s reunion weekend.

Ghemawat also promoted the idea of “arbitrage”—capitalizing on cul-

tural differences rather than viewing them as inconveniences. He noted that arbitrage is especially crucial at a time when more than 60 percent of managers say they are dissatisfied with the performance of their companies internationally. “Arbitrage is not the only strategy to create value through global operations, but it is an important lever to make differences work for you,” the professor noted.

Other speakers offered presentations on global marketing, ethics, and the rise of China as an economic power. The reunion weekend coincided with the Universal Forum of Cultures in Barcelona, which also aimed to open up dialogue on cultural diversity to promote progress in society.

Studying Sponsorship

What motivated Nextel to sponsor NASCAR to the tune of \$750 million over the next ten years? Why does any corporation sponsor sports events and other activities? Those are the questions students will attempt to answer in a new elective course at the University of North Carolina in

Chapel Hill taught by Kenan-Flagler marketing professor Steve Hoeffler.

The course combines lecture and experiential activities with guest presentations by social cause organizations, sports organizations, and sponsoring companies such as Nextel, Blue Cross Blue Shield, the Carolina Hurricanes, and Habitat for Humanity. Among other activities, students will attend a race in the Nextel Cup series and volunteer for school-sponsored events such as the Habitat for Humanity Golf Tournament. They will also interview reps at large commercial organiza-



tions to examine the strategic implications of sponsorship activities.

Hoeffler believes marketers sponsor events for a variety of reasons, among them to identify with a specific target market; increase awareness of a brand; enhance corporate image; express commitment to social issues; and enhance promotional opportunities. “As with any other strategic decision that managers face, there are trade-offs. For every dollar you spend on sponsorships, there’s a dollar you can’t spend on another activity,” Hoeffler says. “You need to think of it very strategically and determine how you measure ROI for the company. How do you assess the effectiveness of your sponsorship activities?”

Students interested in nontraditional and event marketing are drawn to the course. According to



License to Brag

When dean John Wholihan drives around the Los Angeles campus of Loyola Marymount University, everyone knows he’s proud of his association with AACSB International. The faculty first gave him this specialized license plate in 1987 to celebrate accreditation of the school’s MBA program. These days it’s attached to his 1994 Buick. “Each renewal costs, but I decided that the

faculty would like me to keep the plate indefinitely,” Wholihan says.

New faculty often question the significance of the plate, so Wholihan happily explains “how important it was to all of us to achieve accreditation” and how much he enjoyed the faculty’s enthusiasm for the feat. He holds a dinner or special event every time the school achieves re-accreditation. This allows the faculty to celebrate as a group and reward themselves for the effort required to maintain a high level of excellence.

student Brett Hoffman, “NASCAR fans and drivers are loyal to the brands that sponsor their team. I saw a news clip on CNN, and the driver of the Tide car said, ‘I view my job as twofold: to drive my car first across the finish line and to sell as much Tide as possible.’”

Hong Kong Schools Form Alliance

The business schools of two major universities in Hong Kong have announced plans to form an alliance that may eventually see them merge to become a top business school in Asia. The University of Hong Kong (HKU) and the Hong Kong University of Science and Technology (HKUST) are creating a single brand that will provide students with access to expanded teaching and research resources.

Richard Wong, dean of Business and Economics at HKU, and Chan Ka-keung, dean of Business and Management at HKUST, say the alliance may eventually result in the merger of the two schools into a single institution, although there is no timetable yet for such a merger. A joint working group, composed of Wong, Chan, and faculty and students from both schools, is expected to produce its first report by the end of this year.

Officials from both schools hope an alliance will give them a more international scope. Currently, fewer than five percent of undergraduates at both schools come from outside Hong Kong; among undergraduates, the number is closer to 50 percent. “I hope to increase the ratio to 20 percent for the undergraduates and to two-thirds for the postgraduates,” Wong said.

Governance and Ethics

If U.S. investors are to regain their trust in big business, corporate directors must raise the bar on ethical behavior. The Sarbanes-Oxley act of 2002 is a start, but it doesn’t go far enough, say members of the Goizueta Directors Institute at Emory University in Atlanta. They discussed the topic at the Institute’s annual summit, “Creating a New Culture: Balancing Director Oversight and Management Entrepreneurship,” that was attended by nearly 100 individuals representing 85 corporate boards.

Truly responsible behavior must come through systematic changes to the corporate culture—which will occur through evolution, not revolution, say these attendees. According to Mike Eskew, CEO and chair of event sponsor UPS Corporation, “The most pressing issues facing corporations are the same things that face individuals—trust, values, openness. Laws and regulations cannot substitute for a strong, ethical culture that encourages board members and management to ask the right questions and do the right thing.”

Regulations can encourage individuals to find a way around them. Today’s corporate leaders would do better to act on sound principles. “Boards are run based on principles shared by both directors and senior management,” says Eric Pillmore, senior vice president for Corporate Governance at Tyco International. “The principles come first; after that you ensure that your principles ultimately satisfy the regulations. Otherwise you just start with a checklist that has no real spirit.”

Executive compensation remains one of the hottest corporate governance issues. Excessive pay is often the result of a poor plan of succession, says Patrick McGurn, senior vice president and special counsel for Institutional Shareholder Services. “You pay a steep price if you don’t develop talent within the company,” he says. “You’re almost always going to have to pay more if you’re forced to hire a new CEO from outside.”

GDI will publish findings of the summit this summer. More information about the Goizueta Directors Institute can be found on the Web at <http://www.emoryexeced.com>.



Collins Headlines AACSB Conference

Jim Collins, author of books such as *Good to Great* and *Built to Last*, will address attendees at AACSB International’s Learning from the Leaders Conference, scheduled for September 26 through 28 in Denver, Colorado. The conference, which builds and expands on the former Continuous Improvement Symposium, emphasizes the value and processes involved in accreditation.

Collins began his research and teaching career as a faculty member at Stanford Graduate School of Business, where he received the Distinguished Teaching Award in 1992. In 1995, he founded a management laboratory in Boulder, Colorado, where he now conducts research and teaches executives from the corporate and social sectors.

More information about Collins is available on his Web site (www.jimcollins.com). Visit the AACSB Web site (www.aacsb.edu) for more information about the conference.

■ Promoting Globalization

What is the best way to develop a new generation of responsible global business leaders? That question was debated at the efmd Annual Conference in Madrid, hosted by the Instituto de Empresa. This year, with the support of the U.N. Global Compact, efmd and a group of leading business schools and corporations are participating in a project to address the challenges of globalization.

“Globalization is here to stay,” said Gerard van Schaik, president of efmd and former CEO of Heineken. “If you want to make sure that you get globally responsible managers, you start with the educational element. The time to make a lasting impression on future leaders is in the context of their academic education and business training.”

Participating schools and companies include these organizations: from the U.K., Aviva and the London Business School; from France, Bordeaux Business School, ESSEC, INSEAD, and Groupe Caisse d’Epargne; from Spain, IESE, Instituto de Empresa, and Telefonica; from China, China-Europe International Business School; from Australia, Curtin Business School; from the U.S., IBM; from Brazil, Fundação Dom Cabral; and from South Africa, Barloworld and the University of South Africa Centre for Corporate Citizenship. Additional participants will be confirmed over the summer.

According to Eric Cornuel, director general of efmd, “Our long-term goal for this project is that one day business schools will teach issues in this field just as naturally as they now teach business plans and good accounting practices.”



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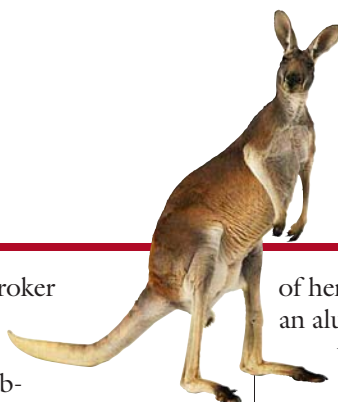
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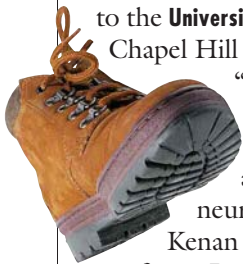
SHORT TAKES

DONATIONS AND GRANTS

■ The Moore School of Business at the **University of South Carolina** in Columbia has received a \$45 million gift from alumna and financier Darla Moore. When combined with Moore's previous gift of \$25 million, this makes her \$70 million total contribution one of the largest to a U.S. school of business. Moore is challenging the university to match the \$45 million, and the school has committed to doing so through private support and public funds. The money will go toward a major renovation of the school's facilities and will also be used to support scholarships and endowed professorships.

■ The L.R. Wilson/R.J. Currie Chair in Canadian Business History has been established at the **University of Toronto's** Rotman School of Management. The \$3 million chair, which was funded by a consortium of prominent business leaders, will fund courses and research exploring the evolution of the commerce industry in Canada.

■ The Ewing Marion Kauffman Foundation has awarded \$300,000 to the **University of North Carolina** at Chapel Hill to fund a three-day "boot camp" for junior faculty interested in research on minority and women's entrepreneurship. Co-directed by Kenan Flagler management professor James H. Johnson Jr. and Timothy Bates of Wayne State University, the boot camp will bring together junior faculty with senior scholars in minority and women's entrepreneurship.



■ Retired stockbroker John Gourlay and his wife, Louise, have established a \$2.5 million trust fund for **Trinity College** at the **University of Melbourne** in Australia. The fund will be used to bring an internationally distinguished lecturer to teach ethics in business jointly at Trinity College and the Melbourne Business School. The Gourlay Visiting Professor of Ethics in Business will teach business ethics to MBA students at Melbourne Business School, speak at public functions and seminars at Trinity College and the University of Melbourne, and interact with students and academic staff at all these institutions.

■ **Tri-State University** in Angola, Indiana, has received a \$1.5 million gift from the estate of Emily W. Whitney, spouse of alumnus W. Thatcher Whitney. One million will go toward construction of the school's new student union, \$350,000 has been designated for endowed scholarships, and the remaining \$150,000 will be designated for the annual fund.

■ A \$1 million gift from Compass Bank has been used to create the Charles E. McMahan Endowed Chair in Accountancy & Taxation at the Bauer College of Business, **University of Houston**, Texas. McMahan is an accounting alumnus and veteran Texas banker and rancher who recently retired from Compass Bank as vice chairman and head of corporate development and corporate banking.

■ The **Ohio University** College of Business in Athens has received more than \$1 million from Frances Shoolroy and other members of the family

of her late husband, Robert Freeman, an alumnus. The money will go toward endowing four named professorships at the college. Associate professor of management systems Faizul Huq and assistant professor of marketing Chris Moberg were each awarded a Freeman Professorship. Two more Freeman Professorships will be named as the school recruits new faculty.

■ The Fisher College of Business at **The Ohio State University** in Columbus has received a \$937,500 donation from alumni Martin and Andrew Murrer to endow the Martin and Andrew Murrer Professorship of Finance. Part of the brothers' gift will be used to support the professorship, while the remainder will be placed in an endowment.

■ **Kevin Grant**, assistant professor of management in the College of Business at the University of Texas at San Antonio, has received a \$74,831 grant from the NASA Center for Program/ Project Management Re-



search. The grant will fund a collaborative effort between researchers at UTSA and the Challenger Learning Center (CLC) at Brooks City-Base to teach team-building skills to young NASA professionals who are likely to become project managers. Seven other institutions have been awarded grants to study this issue: Georgetown, MIT, Stevens Institute of Technology, University of California at Berkeley, University of Central Florida, the University of Colorado and the University of Southern California.

SIMPLY **FIRST & FOREMOST**

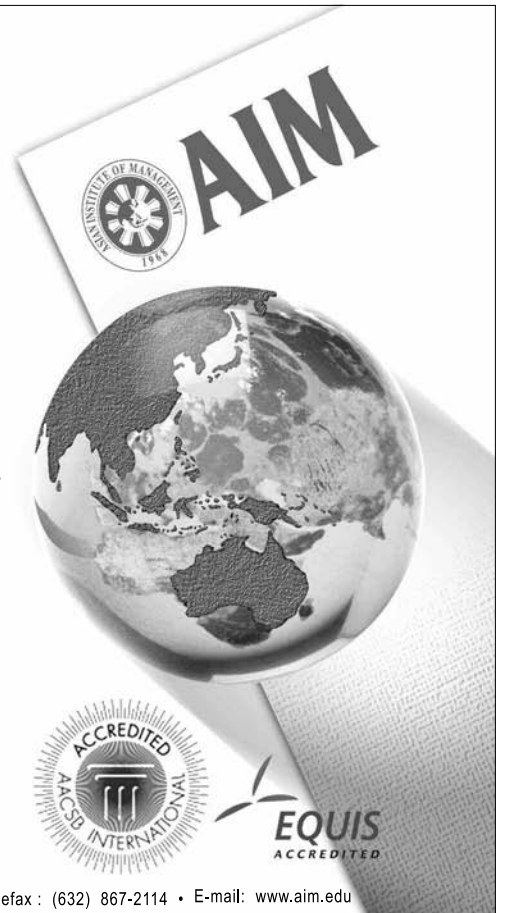
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NEW APPOINTMENTS

■ **Jean-Pierre Helfer** has been named dean of the Audencia Nantes School of Management in France. Helfer is a doctor of economic sciences and an improved professor of France's universities of management science. He is currently president of France's commission for the evaluation of management programs.

■ **Karen Dill Bowerman**, most recently the interim dean of the Craig School of Business at Fresno State University, has been named the new dean of the College of Business and Public Administration at California State University, San Bernardino.

■ **W. Randy Boxx** has been named the new dean of the Harry F. Byrd Jr. School of Business at Shenandoah University in Winchester, Virginia.

Former dean Stanley E. Harrison retired at the end of the 2003-2004 academic year. Prior to coming to Shenandoah, Boxx served as dean of the Else School of Management at Millsaps College in Jackson, Mississippi.

■ Case Western Reserve University in Cleveland, Ohio, has named **Myron J. Roomkin** the new dean for the Weatherhead School of Management, effective November 1. Roomkin played key roles at the J. L. Kellogg Graduate School of Management at Northwestern University and most recently was dean of the Kogod School of Business at American University.

■ **Edward J. Mathis** has been appointed interim dean of the College of Commerce and Finance at Villanova University in Pennsylvania. He is the former chair of the economics department and currently teaches in the MBA program. Mathis succeeded

Stephen Stumpf, who resumed his role as professor of management and the Fred J. Springer Chair in Business Leadership at the business school.

■ **Daniel Short**, former dean and professor of accounting for the Richard T. Farmer School of Business Administration at Miami University, Ohio, is the new dean of the M.J. Neeley School of Business at Texas Christian University, Fort Worth, Texas.

■ The College of Business at Utah State University in Logan has named **Glenn M. McEvoy** the associate dean of business graduate programs, including the on-campus MBA program and the off-site Alliance MBA. In addition, **Karen A. Forcht** has become the new head of the college's Business Information Systems Department.

■ **A. Frank Adams III** has been chosen to hold the Aronoff Professorship of Family Business in the Cox Family

SHORT TAKES

Enterprise Center at the Coles College of Business at Kennesaw State University in Georgia. Adams is the first person to hold the newly created post, which he assumed July 1.

■ **John M. Jennings** has been named assistant dean for undergraduate professional development for The University of Texas at San Antonio College of Business. Jennings, who has more than 24 years of corporate marketing and executive development experience, began his new duties June 1. He was formerly the vice president for business marketing with SBC Communications.



■ The University of Washington Business School in Seattle has appointed professor **Tom Lee** as associate dean for academic and faculty affairs. Lee is a professor of human resource management and organizational behavior.

■ **William B. Gartner** has been named the Arthur M. Spiro Professor of Entrepreneurship at Clemson University. He comes to Clemson from the Lloyd Greif Center for Entrepreneurship at the University of Southern California.

■ Marketing professor **Dilip Soman** has been appointed as the Corus Chair in Communications Strategy at the University of Toronto's Rotman School of Management. The chair was established with a \$2 million gift from Corus Entertainment, a Canadian-based media and entertainment company.

■ **Lawrence E. "Larry" Bell** has been named the newest Executive in Residence at the Coles College of Business at Kennesaw State University in Georgia. He will also join the board of the Coles College. Bell worked with AT&T for 29 years in management and marketing. Since 2000 he has been in academia, serving as a visiting professor with Kennesaw State's executive MBA program.

■ **Don Lien** has been named director of international business programs for the College of Business at the University of Texas in San Antonio. Lien, professor of economics, has served as interim director for the past year. He recently completed a one-month appointment as the United Overseas Bank Professor of banking and finance at Nanyang Technological University in China and was named director of the Financial Research Center at Shanghai Finance College.

■ **Sandi Nielsen** has been appointed director of the Professional Education Center at the College of Business at Eastern Michigan University in Ypsilanti.

BUSINESS COMPETITIONS

■ Registration for the fifth edition of the **L'Oréal e-Strat Challenge** is open from September 6 through November 2. A key part of the registration is a qualifying quiz, which the company will use to choose 1,200 three-person teams to compete in the first phase of the online business and strategy competition.



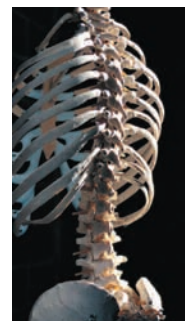
At the conclusion of the seven-week competi-



tion, teams will advance to the semifinals; when those conclude on January 17, selected teams will go on to the international finals in Paris. Last year, more than 30,000 students signed up for the initial phases of the competition. More information can be found at www.e-strat.loreal.com.

■ The Center for Entrepreneurship at **The Ohio State University's** Fisher College of Business in Columbus announced that the team developing the product **Vertebration** won the fourth annual \$100,000 Business Plan Competition sponsored by Deloitte & Touche USA LLP. The team's business plan proposes development of an im-

plant used to fuse adjacent vertebrae together as well as development of the corresponding implantation instruments. The implant, known as a titanium alloy lumbar interbody fusion device, benefits patients with spinal arthritis. **Vertebration** will receive \$16,000 in cash and more than \$65,000 of in-kind services designed to aid in startup operations.



HONORS AND AWARDS

■ **Bertrand Venard**, professor of organizational behavior at Audencia Nantes School of Management in France, has become the first French academic to receive a Sloan Industry Center Fellowship. The fellowships, awarded to encourage research excellence, were established in 1934 by Alfred Pritchard Sloan Jr., then president and CEO of the General Motors Corporation. The accompanying grant will fund

DEVELOP A GLOBAL PERSPECTIVE

Venard's sabbatical at the Wharton School, where he will research a book on international money markets.

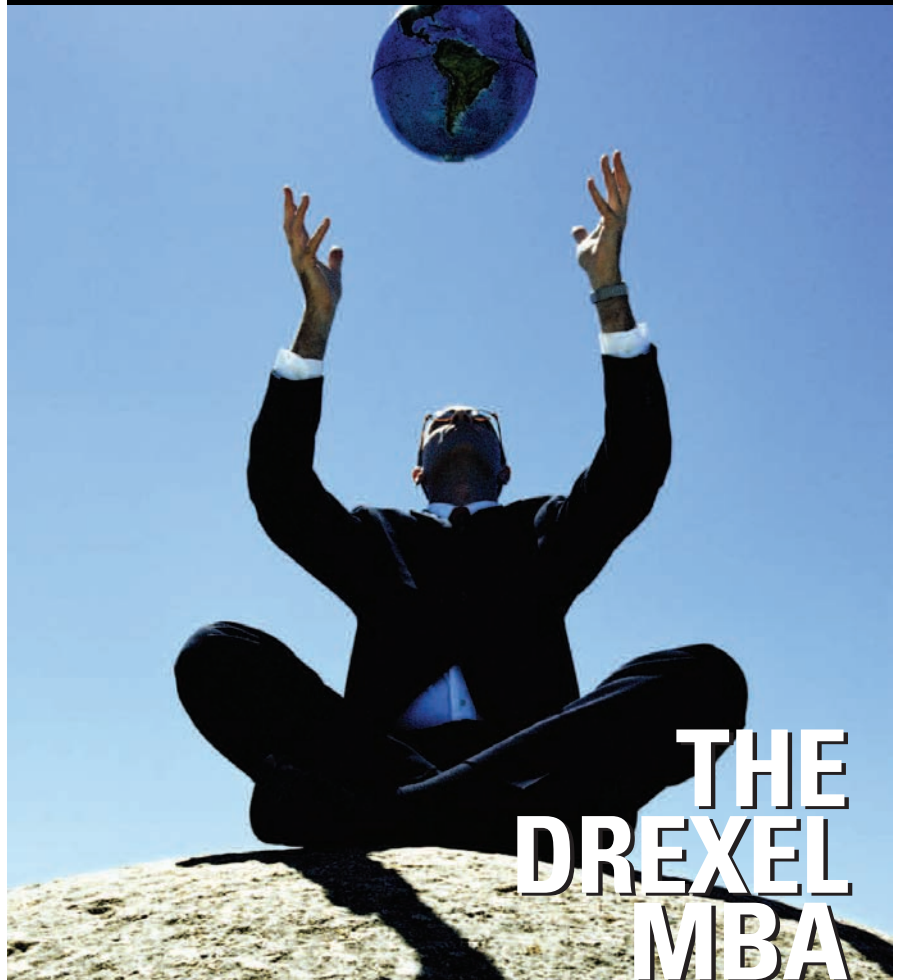
■ A Fulbright grant also has been awarded to **Lidija Polutnik**, associate professor at Babson College. Her Fulbright Senior Specialists grant in economics will take her to University of Zagreb, Graduate School of Economics and Business, in Croatia.



■ **Larry Michaelsen**, who introduced the Integrative Business Experience program to Central Missouri State University in Warrensburg, Missouri, will be sharing his ideas with the faculty at the Institute of Technology in Bandung, Indonesia. The professor of management in the Harmon College of Business Administration at CMSU will serve as a Fulbright Senior Specialist, making one trip to Indonesia this summer and returning in the 2004-2005 academic year.

■ **Ronald C. Goodstein**, associate professor of marketing at Georgetown University's Robert Emmett McDonough School of Business, is the recipient of the 2004 Hall of Fame award presented by the Washington, D.C., chapter of the American Marketing Association.

■ The Sprott School of Business at **Carleton University** in Ottawa, Canada, has won the Institutional Best Overall Research Performance Award from the Administrative Sciences Association of Canada. The award recognizes and encourages research activity in Canadian business schools. In the past four years, sponsored research at Carleton has grown to \$100 million.



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SHORT TAKES

■ Three professors at the Lubin School of Business at Pace University in New York City have received recent honors and recognition. **Eric H. Kessler**, an associate professor of management, has been elected president of the Eastern Academy of Management, the northeastern U.S. regional affiliate of the Academy of Management. **Marc Scheinman**, professor of marketing and international business, was a Fulbright Senior Specialist at the Universidad Iberoamericana in Mexico City during June and July 2004. **Stephen Blank**, professor of management and international business, is the Fulbright/University of Montreal Chair in American Political and Economic Studies for the 2004-2005 academic year. He will be teaching on the campus of the University of Montreal, Canada, for the coming year.

■ Mohamed Matmati, lecturer in management and behaviors at **Grenoble Ecole de Management** in France, has obtained France's highest academic qualification, the Habilitation to Direct Research.

■ **Mark Nelson** has received the American Accounting Association's 2004 Notable Contributions to Accounting Literature Award and the 2004 Wildman Medal Award. Nelson is the Eleanora and George Landew Professor of Management and professor of accounting at the Johnson Graduate School of Management, Cornell University, Ithaca, New York.

COLLABORATIONS

■ A new center for tourism research at the **University of South Carolina** in Columbia will be a partnership between the Moore School of Business and the College of Hospitality, Retail and Sport Management. The Alfred P. Sloan Foundation Travel and Tourism Industry Center will be funded by private investments as well as \$400,000 in seed money from the Alfred P. Sloan Foundation. It will be the twenty-third Center for Industry Studies established by the foundation.

■ The French schools **INSA Lyon** and **E.M. Lyon** have agreed to open permanent offices in a shared facility in Shanghai beginning in the summer of 2004. The goal is to improve integration of Chinese students in both schools. The partnership will create joint programs in science and management and meet the growing need for training for Chinese entrepreneurs.

■ **ESSEC Business School** in Paris has broadened its international MBA offerings through new agreements and partnerships signed with several universities, including EGADE in Monterrey, Mexico; Universidad Pompeu Fabra in Barcelona, Spain; and Universidade Nova de Lisboa in Portugal. ESSEC also has opened the ESSEC Asian Center, a campus and research center in Singapore.

PROGRAMS

■ The **ICD Corporate Governance College**, which trains Canadian directors to meet and exceed standards of good corporate governance, will expand its Directors Education Program from Toronto to the Montreal and

Calgary markets. The ICD Corporate Governance College is a partnership between the Institute of Corporate Directors and the University of Toronto's Rotman School of Management. McGill University in Montreal and the University of Calgary have now joined the college as partners in the program.

■ The College of Commerce at **DePaul University** in Chicago is launching an undergraduate marketing concentration in sales leadership. 3M has donated \$100,000 to become a founding partner of the leadership program. David Hoffmeister, the program's director of corporate relations, notes that the program has been designed in response to the fact that 80 percent of marketing graduates end up in sales positions.

OTHER NEWS

■ The **University of Michigan** Business School in Ann Arbor has launched a new Center for Global Resource Leverage in Bangalore, India. The center will be co-directed by C.K. Prahalad, Harvey C. Fruehauf Professor of Business Administration and professor of corporate strategy and international business, and M.S. Krishnan, the Michael R. and Mary Kay Hallman Fellow and professor of computer and information systems. Ac-

ording to Prahalad, the center will focus on "next practices," issues of importance for the future in the business community and in public policy.

■ This fall the first classes will be held in the \$125 million Hyde Park Center of the **University of Chicago's** Graduate

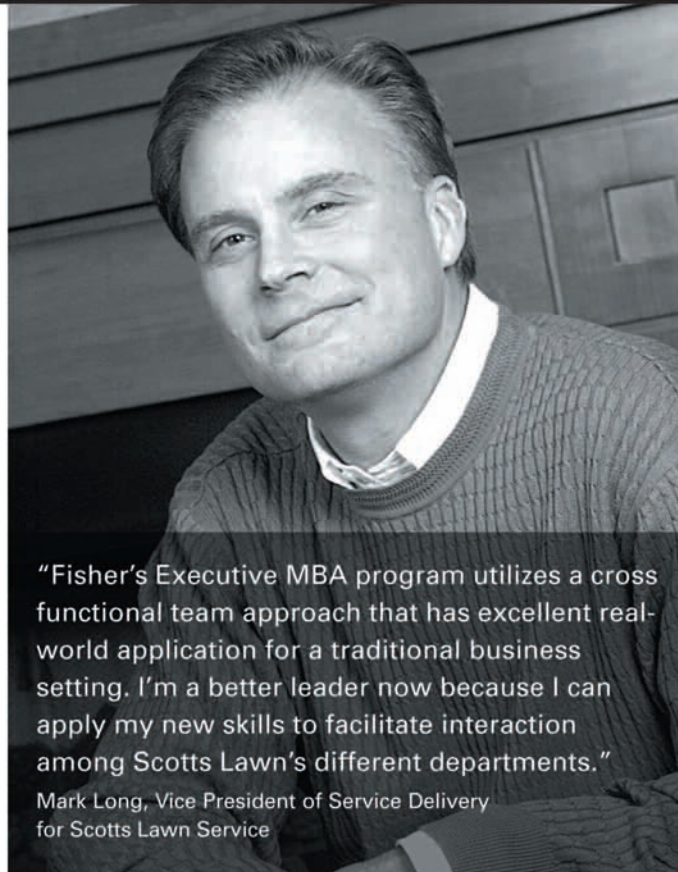


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School of Business. Offering 60 per cent more than the school's current space, it will feature 415,000 square feet over seven floors, 12 classrooms with a total of 906 seats, 34 group study rooms, four management laboratories, and 42 interview rooms. Amenities include a winter garden, an atrium, and outdoor terraces.

■ **Bainbridge Graduate Institute** of Bainbridge Island, Washington, granted MBAs in sustainable business to its

first graduating class this spring. The school, founded in 2002 by Gifford and Elizabeth Pinchot and Sherman Severin, infuses corporate ethics, environmental sustainability, and social responsibility throughout every course in its otherwise traditional MBA program. The school will be more than doubling its enrollment this fall by admitting an additional 50 students to its program.

■ MBA students at the Crummer Graduate School of **Rollins College** in Winter Park, Florida, recently helped develop the PCE Florida Index, a market value index of small publicly held companies headquartered in Florida. To develop the index, students worked with PCE Investment Bankers, an investment firm dedicated to providing merger, acquisition, and growth capital services to mid-sized companies. The companies in the Florida index make up more than half of the total businesses head-

quartered in Florida, which is the fourth largest economy in the U.S.

■ **Audencia Nantes School of Management** has become the first French school



to join the U.N.'s Global Compact. Through this initiative, the U.N. brings together firms, agencies, and civil societies to promote responsible corporate citizenship to respond to the challenges of globalization.

■ **Grenoble Ecole de Management** in France is creating a Customer Capital Institute to study customer satisfaction and loyalty programs. The center will use exchanges, research, documentary resources, and training to bridge the gap between companies, research scientists, and students. The institute's goal is to uncover the best corporate practices and most recent research developments and disseminate them widely. **Z**

CORRECTION

In the article "Brave New World, Bold New B-School," which appeared in the July/August issue of *BizEd*, the author's bio was inadvertently omitted. The piece was written by Tim Westerbeck, managing director and principal of Lipman Hearne, a communications firm with offices in Chicago and Washington, D.C.



Shirley Choi, one of the youngest CEOs in
diligence, daring, and the ability to deliver

No Sleeping Dragon

by **Tricia Bisoux**

photos by Grisca Rüschenndorf

Hong Kong, says that her success hasn't hinged on issues of gender, age, or tradition. Rather, she says it was results that helped her sidestep stereotypes to become a leading force in China's ever-growing private sector.

Shirley Choi wants to set the record straight. China doesn't fit the stereotypes that many people still entertain—and neither does she. As China moves into a new phase of economic and social growth, says Choi, it's building on its traditionally communist, agrarian roots to become more cosmopolitan, more capitalistic, and more corporate. And as she can well attest, Chinese women are pursuing professional careers and leadership positions in greater numbers.

"When you talk to people in the West, many still think China's like 'The World of Suzie Wong,'" says Choi, referring to the 1960 film that portrays its protagonist, Chinese prostitute Suzie Wong, as subservient, passive, and painfully traditional. It's a portrayal that many in China find pejorative and offensive, and one that still stirs controversy today. "That was more than 30 years ago," Choi says. "That's perception, not reality."

At the age of 35, Choi is an example of China's new image. Choi has served as CEO of her family's company, Seapower Manufacturing Hong Kong Limited, since succeeding her father, Tsai Xi Liong, in 2000. A manufacturer of backpacks, camera bags, and other accessories that are sold worldwide, Seapower is headquartered in Hong Kong, with a factory in China; it recently opened a customer service office in San Diego, California, and owns a real estate operation in Indonesia.

Born Siu Lui Choi in Xiamen, China, Choi graduated from the University of San Diego with bachelor's degrees in finance and music in 1990. She attended Pepperdine University's Graziadio School of Business and Management in San Diego to earn her MBA in 1992 and later attended the executive program at Stanford University's Graduate School of Business in California. She worked as a merchant banker with Merrill Lynch before com-

ing to Seapower in 1994 to serve first as a credit manager, and then as the managing director of its financial division, which the company has since sold. As a successful merchant banker, she listed more than 80 companies on the Hong Kong Stock Exchange.

Surprisingly, Choi, who has studied piano since she was four years old, once seemed destined for a career as a concert pianist. But while studying music at USD, she decided also to major in finance so she could "try something different." That choice, along with her musician's proficiency with numbers, led her into business.

Choi, however, doesn't see the move as so large a leap. Both music and business require diligence and discipline, she says, and both require a person to work well individually and as part of a group. "In an orchestral score, you have different parts—piano, oboe, violin, bass, French horn—the same as any organization. But it's the way the conductor leads them that's the crux of the story," proposes Choi. "To succeed, the conductor must know what piece he wants to play and how he wants the music to sound." Since taking the baton at Seapower, Choi has made innovative changes to improve performance in what once was a functional but stagnant business environment.

China, too, is shaking off age-old conventions, expanding its markets and encouraging private business. As it does so, businesses and business schools are now entering Chinese markets with veritable gold-rush fervor. Choi is eager to see these developments come to fruition, but she also offers some words of advice. To bridge the ideological distance between East and West successfully, she says, Western businesses must first see China as it is today, not as it was 30 years ago. Then, they must understand its history, its culture, and its ambitious plans for the future.



**"Margaret Thatcher was able to conduct a civilized conversation with
admire. She showed how a woman could maintain her poise and**

would see her on television speaking in front of the Parliament. It was a fierce-looking situation with all the members sitting there, sometimes using foul language. Margaret Thatcher was able to conduct a civilized conversation with the Parliamentary members. She also de-unionized the state-owned companies in the United Kingdom, a very bold, controversial move at the time. By far, she is the female figure, other than my mother, I most admire. She showed how a woman could maintain her poise and make tough decisions, even in a confrontational environment.

What are the advantages and drawbacks of being such a young CEO?

In the beginning, I had to overcome people's doubts. They would look at me and say, "Oh, you're just a girl. What are you doing here?" But actions speak louder than words. Young or old, you have to prove yourself.

Before I became CEO, when I was moving from division to division within Seapower, I noticed that our company hadn't done any corporate finance work for a while. I said, "Look, I'm not going to sit here and wait for things to happen." So one Saturday morning, I went to the offices of BOTO International Holding, the world's largest artificial Christmas tree manufacturer. I walked up to the receptionist and explained that I represented Seapower. I told her that I didn't have an appointment, but that I had a very sound business proposal for BOTO's chairman. The receptionist looked at me funny and asked, "Are you sure you don't have an appointment?" I told her I wasn't going to be pushy. If he had time to meet with me, fine; if he didn't, I would just come back later.

But the chairman did meet with me. I made a presentation and, at the end, I told him that we would do an excellent job for his company. He gave us the deal, and we did not disappoint him.

Afterward, I went back to my colleagues and told them I'd landed BOTO. They said, "You've got to be joking, Shirley. Did you poison him or something?" Everybody was stunned because they didn't think I could do the job. I think it all boils down to dedication, hard work, action, and track record. You can talk a lot about your capability, but in the end, you have to deliver it.

Before you came to Seapower, you were pursuing a successful career as a merchant banker with Merrill Lynch. What made you want to return to the family business?

In 1993, my father asked me if I would work at Seapower. He told me that I would get a much more diverse experience with Seapower than I would if I stayed in finance, where I would only be working with numbers. He said that he would pay me only one-third of what Merrill Lynch was paying me, though! That had to be rectified somewhat, but my father told me it was job satisfaction, not money, that counted.

You became the CEO of Seapower at a very young age. The fact that you were going into the family business may have given you some advantage, but as a young woman entering an environment dominated by men, you faced considerable challenges. How would you advise women to help them work successfully under such circumstances?

When men think of women in business, they still often expect a certain kind of female executive: dark suits, short hair, unattractive, and basically very blunt. But when men think of us, they should think of what we can deliver, not of superficial stereotypes. I tell women executives to be themselves, not play to stereotypes. Substance doesn't come from how you look. It actually boils down to what you can deliver.

For example, I went to school in England in the early 1980s, when Margaret Thatcher was prime minister. I

the Parliamentary members. By far, she is the female figure I most make tough decisions, even in a confrontational environment.”

What did you learn in business school that you think most prepared you for the role of CEO?

Business school taught me how to build a team, work in small groups, and listen to what other people have in mind. This has been very important in my work with Seapower. When I first became CEO, for example, we had three or four different divisions with about 2,000 employees. I didn't have the knowledge to run all these divisions, so I went division to division and had small group meetings with top managers so I could listen to what they had to say and understand what their daily operations were like.

Something even more important that I learned in my MBA program was not in the textbooks, but in the interactions among my classmates and professors. This was something I was not accustomed to in China. In Asian schools, you don't see students raising their hands or asking questions. In Asian society, we are taught to be obedient and passive.

As soon as I went to school in England and the United States, I immediately saw the difference. Everyone is encouraged to speak up if they have a problem. If you see something that can be improved, you raise your hand and say, "Wait a minute, I see something that can be done more efficiently." I learned in business school that you should never be afraid to speak up when you see a problem.

When I returned from my MBA program, I surprised the brokers in our financial division by asking them how we could execute transactions more efficiently, and what they thought could be improved. They simply were not used to being asked such a question. They were absolutely stunned! They said, "You have to be joking. We've been doing this forever. Everything is on track, everything is on the computer. It works fine."

How did you convince them that your more Western-style business approach would work?

I launched Seapower's retail brokerage idea. That is, instead of having just one location, we opened satellite stations in different cities, so people didn't have to travel long distances. We brought ourselves to the customer instead of having the customer have to come to us. Eventually, in about two years' time, we became one of the top three retail brokerages in Hong Kong.

The point is, no one in the company thought there was any room for improvement. No one had any interest in it. I showed them there is always something that can be improved.

What do you wish you had learned in your formal business education that you didn't?

In business school, you read a lot of case studies, many of them about "boom and bust" scenarios. You learn why the company went down or how it became a giant. Students learn, "Oh, that's why IBM stock price dropped so much—Apple was there, and IBM was too big."

In reality, there's not always such a clear answer. Something unexpected often happens that's not in your game plan. In business school, I didn't quite learn this reality. We learn about emergency plans, but not about reacting to that something beyond your imagination that catches you off-guard. Now I'm getting a bit better at it, because of on-the-job experience. But if you haven't experienced it, then you don't know how to handle it. There's no prior case to refer to, so it's difficult.

Business schools often have programs dedicated to family-owned businesses. In your experience, what is the biggest challenge of running a family business effectively?

Well, if you're a merchant banker, buying and selling companies, what's the first thing you do when you want to cut costs? You cut jobs. That's the fastest way to see results. But if you look at a typical family-run company, there's a great deal of personal emotion involved in it. When you try to make a rational decision, it may be difficult to act. For example, if a factory is not running well and you think it should be closed down, or if the company needs to reduce its costs and you think people should be let go, you might fail to make that decision and have to face the consequences.

I remember when one of Seapower's divisions wasn't running too well and I suggested to the board that we should close it down immediately. But unfortunately they decided to keep it open too long. That was a very painful experience, because eventually we had to close down that division anyway and let go all of the people working there. By that time, we had cut our losses too late, and we lost a lot of money. It's something that could have—and should have—been avoided.

Another problem with a family-run business occurs if you want to expand your company and use an outside managing director or consultant or CEO. Internal control is very important in Asian culture. However, the best talent doesn't necessarily come from within. We have to be able to let go of our egos and control. It's very difficult, but it's very important. As I've told my staff, "I don't plan to work forever. I'm looking for people who are more competent than I am to take over when I leave."



“Even though it’s still called the Communist Party, it’s not about communism. It’s about making money. It’s about capitalism.”

It seems ironic for you to say that, since you’re only 35! Most CEOs don’t think of finding their successors until they’re much older.

Well, I have other goals for myself. For example, Seapower donates about 30 percent of our net income to support different orphanages and schools. In the future, I would like to be in charge of utilizing part of the company profits to help charities. It’s fulfilling and rewarding to be able to do something for other people.

Now, I can’t be a hypocrite—I can’t say I don’t want to make money for the company. But I do believe very much in corporate social responsibility. I believe that for every dollar a company makes, part of that dollar should go to support a good cause. That’s something very important to me.

How do you think the business culture has changed most in China?

When I first became CEO, I initially found it very difficult to deal with my colleagues in mainland China, where the situation is worse than in Hong Kong. You might attend a meeting for two, three, five hours, and afterward you still didn’t know what the subject was! That was very annoying. After this happened a few times, I became smarter. I would tell my colleagues that, if we were to meet, they would have one hour and one hour only to tell me exactly what they wanted. And that worked quite well.

Today I think China has become much more efficient. It has not come as far as Hong Kong, but it’s actually improved quite a bit. Nowadays if I send my mainland Chinese colleagues an e-mail saying, “I need you to do one, two, three, four,” they reply to me point for point. They don’t write me an essay.

In the past, many viewed the Chinese government as an obstacle to free enterprise. What role do you think

the government will play now that China’s markets are opening up?

Many people think of Chinese culture in terms of communism, but the Chinese culture has evolved from a pure, communistic society to what I would call a semi-socialistic and capitalistic society. Even though it’s still called the Communist Party, it’s not about communism. It’s about making money. It’s about capitalism.

In the communist system, you have a lot of people going to work because they were assigned to do that work. They continue to do that work even if their company is losing money. But in the early 1990s, the then premier Zhu Rongji wanted to privatize. Rongji laid out a new plan for state-owned enterprises that said, “If you can’t maintain your own P&L, you should be closed.” As a result, many factories were closed, which forced workers into the private sector.

China went through a lot of pain and controversy in the early 1990s. Then, it went through the Asian financial crisis in 1997, when many different currencies—the Thailand bhat, the Indonesian rupee—got attacked by speculators. It was a painful experience, but everybody learned invaluable lessons from it.

Today, the Chinese government has a five-year plan, and one of its goals is to raise the ratio of middle-class people. The ratio is still quite low right now, something like 10 to 15 percent of the population. The party also wants to raise the productivity and individual income of farmers. China has about 1.3 billion people, and about 90 percent of the Chinese population is still in the farmland. Even so, business can look at the 10 percent of the population who live in the urban areas—that’s still 130 million people. That’s a lot of room for growth.

In the past ten years, we’ve seen tremendous progress. I’m not saying everything is perfect—there are still plenty of things to be improved. But apparently Rongji’s strategy worked quite well.



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Because of China's growing presence in the global economy, it has become one of the most important new markets in the world. What do you think is most important to teach business students about this emerging market?

Business schools should let students know that China is not a sleeping dragon—it's a very active dragon at the moment. It's a major manufacturing bay for the world. Today, China is full of energy. Visitors who come to Shanghai or Beijing can see that China has become very cosmopolitan.

Since China entered the World Trade Organization two and a half years ago, many industries have become positioned for growth. For instance, the insurance industry and the entertainment industry will be opened up in the next 18 months. In the automotive industry, BMW and Mercedes Benz are talking about building plants in China. And in the financial industry, some banks are teaming up to issue a credit card, an unheard-of item in China until recently.

So, there's a great deal of opportunity there. China still has red tape in its system, but it has changed. Students need to know that.

Outsourcing of IT and manufacturing jobs overseas has become an area of concern, especially in the U.S. Many workers worry about losing their jobs or job prospects to workers in markets like China. Do you think their fears are warranted, or do you think outsourcing will ultimately be a good thing for global markets?

That's a million-dollar question! But I think it will ultimately be a good thing. I recently read an article in *The Wall Street Journal* by Alan Greenspan in which he discussed what would happen as China's manufacturing base grows and more companies move to China. He reasoned that because countries like China have a low cost base, they can export goods at a relatively inexpensive price. Chinese exports account for 65 percent to 70 percent of textiles in the world. If you walk into a Wal-Mart or Costco, more than 50 percent of the product you see was made in China. You can imagine what would happen to the U.S. economy in terms of inflation without that low cost structure. Greenspan noted that as manufacturing moves overseas, America should focus on the service-driven and value-added industries. I completely agree with him.

Some say, "Leaders aren't born, they're made"; others say, "Leaders aren't made, they're born." Which



Q:

Whose business students ranked nationally four years running?

The Raj Soin College of Business at Wright State University in Dayton, Ohio. These students continued the college's tradition of excellence at the 2004 National Ethics Bowl. And who placed first in the nation at the 2004 American Express Financial Planning Competition? **Wright State**. And who won first in the 2004 Ohio Undergraduate Accounting Manuscript Competition? **It all adds up to WSU**. Through real-world learning, caring faculty and academic excellence, Wright State's business students are competing with the best.

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one do you think is most true? Do you think you're a born leader?

I would say I am a leader by training. Personally, I do not believe people are born leaders. I think you have to become a leader through experience.

Leadership is not just about leading other people. It's about understanding the strengths and weaknesses of your team members. It's about developing a sense of empathy, listening carefully to what people are trying to tell you. In my position, I listen to different sorts of information, gossip, and jokes from my team members every day. I'm like an information hub. Everybody tells me everything.

Leadership is also about knowing how to digest this information and how to rationalize it in the decision-making process. This is so important. You can't use only one source of information. You have to be that "information hub." You have to listen to information from many different sources and make the right decisions from what you learn.

Finally, leadership is about vision and how you plan to position the company—not just in the next few months, but in the next one year, five years, or ten years.

In your first decade in the business world, you've already become a CEO, a goal many people spend most of their careers pursuing. What do you think are your most important contributions—to Seapower

and to business—that you have yet to make?

Well, people often laugh at me, but one of my goals is to bring a Chinese company to international standing. If you look at globally recognized companies, you don't see any Chinese companies. In fact, I don't think an American or a Briton could name a single Chinese-owned company.

I'd never thought about that before. I can name several Japanese and Korean companies, but not a single global Chinese company.

You can't, because there aren't any! But then, our leader didn't start visiting other countries until the last three or four years. Even in the mid-1990s, you didn't hear in the news that the Chinese premier was visiting the United States or Latin America. And today, as I mentioned, 50 percent of the products you see in Wal-Mart are probably made in China—but no one knows the companies that manufacture them!

What would you like to see happen to Seapower in the future?

When people talk about Seapower, I want them to know this company is owned by a Chinese family and offers a different product. I'd like the company to achieve international recognition—to have a report on CNBC someday, just saying that our stock is doing well. **Z**



Winning

In the world's growing array of entrepreneurial competitions, students are practicing their pitches, preparing their business plans, and playing to win startup gold.

Once, a business plan competition may have garnered nothing other than a passing mention in a local newspaper and an article in the alumni magazine. No more. These days, single-campus competitions are often well-covered by local media, and larger intercollegiate business plan competitions are big news, receiving coverage in business and mainstream publications.

What's motivating the burgeoning enthusiasm for business plan competitions? Most likely, the fascination with entrepreneurship itself, say educators. The startup stories generated by entrepreneurial competitions show people just what can come from a great idea and a well-conceived plan. At the same time, competitions provide an almost all-in-one educational experience, where participants learn a comprehensive set of business skills, including initiative, innovation, and strategy.

Moreover, such skills aren't just useful to self-employed entrepreneurs. They're also in demand among traditional companies looking for ways to set out in new directions, says Randy Swangard, director of the Lundquist Center for Entrepreneurship at the University of Oregon's Lundquist College of Business in Eugene. The Lundquist Center hosts the New Venture Championship, one of the most prominent plan competitions in the U.S.

"The more traditional companies—the Kodaks and GEs of the world—are beginning to look not so much for 'business as usual' as for 'business as unusual,'" says Swangard. "They're asking, 'How do we move on, how do we adapt,

how do we implement change?'" Companies want employees who can recognize opportunity and build a plan that capitalizes on that opportunity." With these competitions, business schools can create people who think entrepreneurially, says Swangard, not just people who are entrepreneurs.

From Classroom to Craze

The current explosion of business plan competitions began in the early 1980s, when the concept of entrepreneurship was first making the rounds among business school students. At the time, most business school faculty and administrators still did not view entrepreneurship as a skill to be taught; they kept their focus strictly on more traditional business disciplines.

"In the 1980s and even in the 1990s, putting on a competition like this was a radical concept," Swangard says. "Now it's not so radical, but there are still people at every university with an entrepreneurship program who believe that this is a flash in the pan that will eventually go away."

Not surprisingly, the first competitions in the U.S. were launched by students, not faculty. In 1984, two MBA students at the University of Texas at Austin's McCombs School of Business wanted to create a learning experience that taught entrepreneurship to business students in the same comprehensive way that "moot court" trials taught litigation skills to law students. Soon after, they launched MOOT CORP, the competition that is believed to have been the first official plan competition on record. MIT's \$50K (formerly \$10K) at the Sloan School of Management in Cambridge, Massachusetts, followed in 1989. Students at the Lundquist College launched its New Venture Championship in 1991.

Today, there are dozens of intra- and intercollegiate business plan competitions around the world. In fact, competitions have become so *au courant* that Gary Cadenhead, director of MOOT CORP, recently published the book *No Longer MOOT: The Premier New Venture Competition from Idea to Global Impact*. It chronicles the competition's growth from an intracampus

by **Tricia Bisoux**

illustration by Nick Bertozzi

Ways

pus project to a global event, with events held on b-school campuses in Europe, Asia, Australia, Africa, and Latin America, culminating in an annual global championship in Austin.

The new realization, says Cadenhead, is that entrepreneurship programs and competitions do what no other business discipline does quite as well. They integrate the entire business school curriculum into a single course and address topics a business curriculum typically does not cover.

“If you want to launch an entrepreneurship program at your business school, it makes sense to start a business plan competition, because students learn topics such as intellectual property and trademarks, venture capital, and guerrilla

marketing,” Cadenhead says. “A competition fills a need that otherwise can only be met through outside speakers or new courses.”

The Allure of the Entrepreneur

Where prior generations dreamed of landing a top-level job with benefits and a corner office, members of this generation dream of coming up with that one great idea that will allow them to break free of their traditional jobs and be their own bosses. This attitude is a legacy left by the late, great dot-coms, says Patrick Turner, a professor of entrepreneurship on INSEAD’s Singapore campus.

“Two things came from the dot-com era,” Turner says.

In the Money

When successful entrepreneur and venture capitalist David Geliebter launched his venture capital firm Carrot Capital a few years ago, he was dissatisfied with the entrepreneurial opportunities available to young people. While many business schools had centers dedicated to entrepreneurship, he thought that the vast majority of students in nonbusiness-related majors were being sorely neglected.

So, in 2001, Geliebter established The National Institute for Entrepreneurship (TNIFE) in New York City and launched Venture Bowl, one of the biggest business plan competitions in the United States. Up for grabs is \$1,000,000 in prize money—\$500,000 for first place, \$250,000 for second, and two third-place prizes of \$125,000 each. The competition is open to any team with a member who is currently a full-time or part-time student at any college or university in North America.

“David looked at what was happening on campuses around the country,” says Suzanne Isack, TNIFE’s executive director. “Across the board, he saw that there weren’t enough opportunities for young people outside the traditional business school setting to get involved in entrepreneurial activities.”

With Venture Bowl and TNIFE in place, Carrot Capital was no longer a venture capitalist. It became what its representatives call a venture *catalyst*. “There’s the expectation that students aren’t just competing for bragging rights,” says Isack. “Some real launching is expected to happen.”

New events such as Carrot Capital’s Venture Bowl represent a new phase in the evolution of the business plan competition. What started out as simple classroom exercises have become full-blown competitive showdowns, where ven-

ture capitalists are circling high and students are working the competition circuit, looking to land startup gold. This raises an important question: Has winning a competition become more important than learning from one?

Randy Swangard, director of the New Venture Championship at the University of Oregon in Eugene, says he knows of one team that entered its plan in 12 competitions. “It’s true that the more competitions students enter, the more they can learn, but it can become an obsession,” says Swangard. “It can become more about funding than learning.”

Gary Cadenhead, director of MOOT CORP at the University of Texas at Austin, agrees that the growing number of competitions—and the growing pool of available funding—has produced a fervor among some participants. As a result, MOOT CORP has recently set limits in place.

“Clearly, some teams work the circuit. However, competition is stiff, and no school is able to dominate,” says Cadenhead. Even so, he says that this year’s MOOT CORP directors agreed to allow student teams to enter their plans only once in any future MOOT CORP competition. “This year a couple of teams were able to re-enter their plans in the same competition they participated in during 2003,” says Cadenhead. “That option won’t be available next year.”

With the spotlight on entrepreneurship fairly stable—and interest in startups still on the rise—business plan competitions have become a mainstay in business education, both on and off the b-school campus. As more competitions enter the market, it will be important for students, faculty, and event sponsors to resist the funding fervor, say organizers like Swangard and Cadenhead. These educators hope to keep today’s competitions true to their original mission—teaching the basics of business.

Designs in Afghanistan

Tarsian & Blinkley

2003 Winner, Global Social Venture Competition, "Best Blended Plan"

After the fall of the Taliban in 2002, the country of Afghanistan was left in confusion, and its people, especially women, were looking for ways to rebuild their lives and their country. One way came via Sarah Takesh, who has a bachelor's degree in architecture from Columbia University in New York City and an MBA from the University of California at Berkeley.

Takesh's company, Tarsian & Blinkley, employs Afghan women who sew beautiful clothing for sale in the country and worldwide. In return, they are able to earn a living, support their families, and take pride in their unique designs. "I wanted to blend my love of fashion with a social element," says Takesh, who now lives in Kabul, Afghanistan. She works with the Afghan Women's Vocational Skills Learning Center, taking advantage of its existing infrastructure and network.

Takesh conceived her business plan when she visited Afghanistan for an internship in 2002. In 2003, Takesh entered the National Social Venture Competition (now the Global Social Venture Competition), the result of a collaboration among UC Berkeley, Columbia Business School, London Business School, and The Goldman Sachs Foundation.

Takesh is one of a growing number of students who believe that social entrepreneurship will truly make a difference in the world. She now looks almost in awe at what her business has accomplished. "One year later, I've graduated and I'm shocked to see this thing is up and running," says Takesh. "It's awesome. I think at least 150 people are eating today, just because we're here."

Sarah Takesh with Nasrullah Rahmati, head of the Afghan Women's Vocational Skills Learning Center



to support competitions on a regular basis."

The Lundquist College, for example, sends about four teams each year to attend between eight and ten competitions each. Supporting the trips costs around \$40,000, Swangard estimates. Then, of course, there's Lundquist's own New Ventures Championship, which has grown considerably. "Our prize fund is roughly \$65,000. Then, we have the expenses associated with putting on the event for teams and hosting 50 judges for three days," Swangard says. "It costs well above \$100,000 to put on the NVC."

Still, the expense can provide a valuable return on investment, including the good will of corporate sponsors and judges, the appreciation of students, and the attention of the media. And as a successful competition like the MIT

"The first was very positive. It communicated to a generation that it was possible for everyone to start a business. The second was very negative—it gave the impression that it was easy, which it isn't."

And although technology is still popular, students are branching out of that sector, says Turner. A recent winner of INSEAD's internal business plan competition wasn't a high-flying computer company, but a juice bar chain. "This year, our two finalists were a chain of juice bars in Spain and a sophisticated nano-tagging tracking system," says Turner. "The second plan was probably the more interesting of the two, but it needed a lot of work to make it viable. The juice bar chain, on the other hand, was well-rounded and the most fundable plan in the contest."

One of the valuable aspects of a business plan competition, says Turner, is that it teaches students an important lesson about entrepreneurship: In most cases, a great idea is not enough to guarantee success. Through competition, participants learn how to examine their ideas under a microscope to see if they can stand up to market pressure and demand.

In addition, as small business generation becomes more important to the global economy, it will become more important to expose people to entrepreneurship when they are young, believes Sharon Bower, associate director for the Jefferson Smurfit Center for Entrepreneurial Studies at Saint Louis University's Cook School of Business in Missouri. To reach a younger population, SLU's Global Student Entrepreneur Awards targets not MBA students, but young undergraduate entrepreneurs who are already established.

Bower hopes that children in elementary and high school will learn about competitions such as the GSEA and be inspired. "Through these competitions, we can show very young kids someone who's only 20 or 22 and already has a business. That exposure can have a really amazing impact on them," says Bower. "They realize that it's not just 40-year-olds who are making money—it's also students only a few years older than they are."

The Cost of Competition

Although business plan competitions have wonderful promotional and educational appeal, they can put a strain on school resources. As small competitions start to grow and big competitions strive to become bigger, weighing the cost of competitions against their benefits has become a concern for business schools.

"On the positive side, donors wholeheartedly support offering this kind of live-fire experience for students," says Swangard. "However, it's a major undertaking for a school

Fighting Fires

KidSmart Corporation
2003 Global Champion, MOOT CORP

When Bruce Black and Matt Ferris came to the MBA program at the University of Georgia's Terry College of Business in Athens, becoming entrepreneurs wasn't in their plans. That is, until entrepreneurship professor Charles Hofer introduced them to the inventor of a smoke alarm that woke children not with a siren, but with the voice of a parent.

To date, their company, KidSmart Corporation in Atlanta, Georgia, has won first prize at MOOT CORP, second at the Venture Bowl, second at the University of Oregon's New Venture Championship, and second with *Fortune Small Business* magazine's MBA Showdown. The KidSmart Vocal Smoke Detector also won a New Products Award at the 2003 Consumer Electronics Show.

When the team first began competing, they believed in their product; but that belief meant nothing without evidence. "A product might fail not because people don't like your idea, but because you're not presenting it effectively," says Black. "We had to do the research. Once we could say that 19 out of 20 children don't wake up to an alarm sounding at 120 decibels, it gave us a good leg up."

Black and Ferris are projecting \$9 million in sales for 2004. "You can have a great concept, but it doesn't mean anything to anyone if you haven't developed it," says Black. "With a business plan, you have to take that concept and make it real."

Bruce Black, seated, and Matt Ferris



\$50K proves, even local competitions have big potential, says Ken Morse, director of the MIT Entrepreneurship Center, which puts on the competition with the school's engineering department. "One thousand students, faculty, and businesspeople get involved with the \$50K every year," says Morse. "It offers a tremendous learning opportunity for everyone involved."

For its part, SLU's GSEA competition used to be limited to students in Missouri—it now has regional competitions in Australia, New Zealand, Sweden, and soon, China. And like MOOT CORP, the GSEA has also generated a book, *Student Entrepreneurs: 14 Undergraduate All-Stars Tell Their Stories*, with another to be published this year on ethics. The competition and the books result in a reputational payoff for the school, says Bower.

"They put Saint Louis University's name out there and bring more attention to our entrepreneurship center," says Bower. "In every regional contest, an article will come out about the winners, and each of those articles includes a paragraph at the bottom stating that the team will compete

for the top prize at Saint Louis University. That kind of global play is good."

Destination: Specialization

In the future, the educational value of competitions for students promises to become richer and more targeted, believe some competition sponsors. With the competition field becoming more crowded, individual competitions are seeking out ways to set themselves apart. In many cases, that means specializing in one sector such as biotechnology or health care.

"I think we'll see more niche-oriented competitions," says Swangard, pointing to the Global Social Ventures Competition at the University of California at Berkeley, which is built around social entrepreneurship. San Diego State University also holds a targeted competition that focuses on biotechnology. "At Oregon, we're still in the 'mishmash' stage, and that's fine for now. But many of the biggest competitions will slowly have to redefine who they are to maintain their status."

The growing sophistication of students themselves may also push competitions into specialization. In the past, a competition may have attracted business plans that were no more than school projects. Today, students are entering sophisticated plans in industries such as retail, service, and technology.

An End to Obesity?

Halsa Pharmaceuticals
2000 Texas Champion, MOOT CORP

"We believe we've discovered a material that, when injected by a physician into a medically obese patient, causes safe, immediate, and substantial depletion of body fat in that patient."

Phil Speros says that he and his partners worked at least 25 man-hours to write that 29-word "elevator pitch" for their business, Halsa Pharmaceuticals in Bethesda, Maryland. But that's what it takes to come up with a business plan that will impress both judges and investors, Speros says.

The team members include Speros, Kristen Etheredge, Denise Bynum, and Mark Roppolo—all biochemists who earned their MBAs at the University of Texas at Austin. After they won the Texas round of the MOOT CORP competition in December 2000, the team secured \$5 million in funding to research and develop their promising new product.

"Some argue that writing a business plan is an unneces-

Health care was one of this year's biggest business plan targets, with students writing plans to develop treatments for obesity, cancer, and diabetes, for example.

Swangard believes that specialized competitions may become a necessary way to offer a more sophisticated pool of participants a valuable learning experience. There may come a time, he says, when a panel judge from the manufacturing industry won't have the experience to offer the best advice on a plan for the health care field.

"It really goes back to the learning component of competitions," Swangard says. "The more we're able to include judges with specialized knowledge to provide feedback to the students, the better the students will be able to enhance their business plans and improve their skills."

Something Ventured, Something Gained

Entrepreneurship educators note that competitions have another important benefit when it comes to teaching business skills—motivation. Although a grade at the end of a course is an incentive for students to do their best, a competition complete with prizes takes that incentive to a much higher level.

This benefit is especially true for social entrepreneurship competitions, says Mat Burton, vice president of university relations with Students in Free Enterprise. SIFE has a net-

sary formality, but that's naïve," says Speros, who also holds a doctorate in biochemistry from Johns Hopkins University in Baltimore, Maryland. "The difference between competing in a business plan competition and running a real business is like the difference between playing touch football and playing real football," he adds. Both teach players the rules of the game, he argues, but only the former teaches them without real-world risks.

During the competition, one MOOT CORP judge joked to the team, "If your product works, you could have a lousy business plan and still make a ton of money!" Still, says Speros, he and his teammates are glad for the experience they gained through competing so they don't have to take that chance.

Mark Robbolo,
Denise Bynum,
Phil Speros and
Kristen Etheredge



Not Just Nuts

Maisie Jane's Sunshine California Products Inc.
1999 Winner, Global Student Entrepreneur Awards

Maisie Jane Hurtado of Chico, California, grew up in a family that had raised almonds for four generations. As a child, she often heard her father, grandfather, and uncles discussing the "woes of almonds." A primary concern was that the family was exporting more than 80 percent of their yield to other countries. This meant one thing: Americans weren't eating enough almonds.

When Hurtado entered high school, she decided she could entice America to eat more almonds if she offered something different. As a high school project, Hurtado developed several recipes for baked almonds with more exotic flavorings and educated people about their health benefits.

In 1999, after she'd been running her business for four years, Hurtado entered her company, Maisie Jane's California Sunshine Products Inc., in Saint Louis University's Global Student Entrepreneur Awards—and won.

Hurtado believes that young entrepreneurs may have an edge over those who are already in the workforce. "Most don't have a family to support, so they can grow their businesses slowly and steadily with less startup cash," says Hurtado. "It's rewarding to think I've inspired other young entrepreneurs and reassured them that, yes, they can be young, successful, and happy! These competitions tell young people that if they have a business idea, they shouldn't be afraid of taking a risk."

Maisie Jane Hurtado with husband
Isidro Hurtado, who is also a co-owner
and production engineer
with the business



work of competitions throughout the world, which encourages students to develop projects that will foster free enterprise in disadvantaged populations.

"University students have a natural passion to be part of something positive. They all want to go out and change the world. The challenge is to take that enthusiasm and all they're learning on campus and channel it," says Burton. "So we create a competitive process. Instead of just telling them, 'You ought to go do these things,' we offer competitions where there's accountability. We give them a mission. Then, they aren't just thinking about doing good—they actually accomplish something."

More business plan competitions also mean more entrepreneurial role models for the next generation, says Turner of INSEAD. "Worthy academics have tried to work out what makes one person more likely to become an entrepreneur than another, like you were more likely to start your own business if you were the second child of immigrant parents who divorced before you were 12. That's nonsense," he says.

Cleaner Water, Better Future

African Filtration Systems Limited 2003 Winner, Students in Free Enterprise

As a student at West Africa's University of Ghana in Legon, Romeo Tetteh-Jones was thrilled when a chapter of the U.S.-based Students in Free Enterprise was started on campus in 1999. He saw SIFE's central mission—to teach principles of free enterprise to disadvantaged communities—as one way to address the economic problems facing many African nations.

In 2002, SIFE held its first business plan competition at the University of Ghana, and Tetteh-Jones was part of Ghana's first SIFE team. The team went on to win second place at SIFE's Entrepreneurship World Cup in Holland. Inspired by his experience in his first SIFE competition, Tetteh-Jones organized Ghana's 2003 National Entrepreneurship Competition. Next, he conceived a plan of his own, African Filtration Systems Limited (AFS), a company that provides sanitized, potable water to Ghana's rural and urban populations.

Tetteh-Jones' business plan for AFS won Ghana's 2003 SIFE Competition; came in second at SIFE's 2003 World Cup; and won an Innovation Award from the Ronald H. Brown Institute for Sub-Saharan Africa, an organization based in Scientia, South Africa. Tetteh-Jones is now preparing to begin large-scale operations with AFS. Eagle Spring Filtrations of Holly Hill, Florida, will provide AFS with filter components. The company will assemble these components to make economical water filtration units, which Tetteh-Jones estimates could reduce the infant mortality rate due to impure drinking water by 90 percent.

AFS may never have come to be if not for his experience with SIFE and its competition, says Tetteh-Jones. "I'm now networked to business people at 20 companies, who mentor me in my business pursuits," Tetteh-Jones says. "With SIFE, I've developed communication, teamwork, management, and innovation skills that I could not have found in any textbook on earth."

Romeo Tetteh-Jones



Trading on Success

iFOX 2000 Winner, European Business Plan Competition

As a broker, Jack Parrish knew it made sense to apply electronic trading to the largely phone-supported interest-swapping business. He just wasn't sure whether the idea would translate into success.

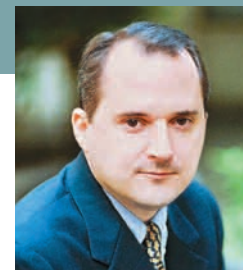
So, Parrish and four partners wrote up a plan for iFOX, an electronic interest-swapping company. In 2000, they entered the plan in the European Business Plan Competition, a joint effort of INSEAD and London Business School, and won. "Entering the competition helped us get through the first level of triage. Winning it helped us validate the idea," says Parrish, who holds an MBA from INSEAD in Fontainebleau, France.

Not many people actually understand the interest-swapping market, Parrish admits. In layman's terms, an interest-rate swap occurs when one company exchanges interest payments for the interest payments of another party. Because companies with poor credit ratings in a market aren't always eligible for the best loan terms, they may opt for a swap to pay less in interest and reduce their costs. Parrish initially bristled when he was advised to simplify his team's plan so the judges would clearly understand its mission. At the time, Parrish thought simplification to be unnecessary, since likely investors would know the market.

He was right—and wrong. Although those who eventually invested were experienced financiers, they may never have heard of iFOX if not for the EBPC.

Today, iFOX has merged with a competitor to create London-based ATFox. Parrish's partners have left for other pursuits and Parrish runs the business. "The competition taught me that you have to exude confidence in your plan to succeed," says Parrish. "Judges and investors must believe that you believe in what you're doing and that you plan to make it work."

Jack Parrish



"In reality, you're more likely to become an entrepreneur if your parents or your grandparents were entrepreneurs, or if you're part of a community where entrepreneurship is a normal thing to do."

The modern business plan competition, then, has become more than an educational tool. It's also a kind of entrepreneurial evangelist, spreading the word that entrepreneurship is an option for everyone. Even more important, competitions remind would-be entrepreneurs that success requires a solid business plan even more than a bountiful bank balance. Once students have truly learned that important business basic, they're not only better prepared to play the entrepreneurial game—they're more likely to end up as winners. **Z**

Women ON BOARD

Women have made great strides in business, but their progress stops suddenly—and inexplicably—at the corporate boardroom door. Business schools must look beyond the discouraging statistics and discover just what’s keeping women off corporate boards.

by Patricia M. Flynn and Susan M. Adams

illustrations by Vivien Flesher

Women have made such substantial strides in business and make sizable contributions to the global economy. In the United States, for instance, women outnumber men in the population and are responsible for more than 80 percent of all purchases of goods and services. Women represent more than 45 percent of all investors and more than half of all financial managers, accountants, and auditors. They own more than 10 million companies, which account for more than 45 percent of all U.S. firms.

Yet, the boardrooms of many public companies remain off-limits to women. Even among Fortune 500 companies, whose track record for women directors far outpaces smaller firms, women still represent a small minority of board members.

What keeps women out of the boardroom? Several recent studies suggest that the problem is widespread and systemic. The research serves as a starting point for further exploration, and as a benchmark for measuring progress, or lack thereof, of women in boardrooms across the globe. Business schools have the resources and the contacts to study these findings, conduct further research, and work toward viable solutions.

Moreover, business schools can do much more to promote an important message to corporations. Changing the gender composition of corporate boards isn’t just for the sake of diversity, nor for regulatory compliance. It’s simply better for business.

Facts and Figures

Several organizations have taken to heart the premise that “What gets measured, gets done.” Indeed, their studies, which have been released over the last 12 months, show clearly that women’s access to seats on corporate boards of directors lags far behind their participation in other areas of the economy. In fact, several 2003 census reports on directors—which range from regional to international—demonstrate not just that women account for a small proportion of directors, but that many companies still lack even one woman on their boards. Their findings show the stark reality when it comes to women in directors’ positions:

■ **13.6 percent** of all board seats in Fortune 500 companies are held by women, while **10.8 percent** of companies surveyed have no women directors. (“2003 Catalyst Census of Women Board Directors of the Fortune 500,” Catalyst)

■ In countries such as Italy, New Zealand, Portugal, Spain, Japan, and the U.K., less than **10 percent** of corporate board seats are filled by women. In the U.K., **58 percent** of companies surveyed have no women on their boards; in Spain, that number is **76 percent**; and in Japan, it skyrockets to **97 percent**. (Corporate Women Directors International)

■ On the corporate boards of the 100 largest public companies in Massachusetts, women hold **9 percent** of the board seats, and **50 percent** of these companies have no women



directors. (“Strategic Assets: The 2003 Census of Women Directors and Executive Officers,” The Boston Club)

■ In Chicago, **12.4 percent** of all board seats are held by women, and **10 percent** of the companies have no women directors. (The 2003 “Census of Chicago’s 50 Largest Companies,” The Chicago Network)

■ In Philadelphia’s 120 largest public companies, **11.5 percent** of all board seats are held by women, and **34.2 percent** of companies surveyed have no women directors. (“Women on Boards: Different Perspectives. More Talent. Better Results,” The Forum of Executive Women)

■ In 175 public companies in Georgia, women hold **7.1 percent** of the board seats, and **54.3 percent** of companies have no women directors. (“The Time Is Now! Women in the Boardrooms,” Board of Directors Network)

These numbers show that women’s boardroom participation overall hovers around 10 to 12 percent. They also demonstrate the considerable range in results across countries and geographic areas, especially regarding the share of companies that still operate with all-male boards.

In addition, larger firms are more likely than smaller firms to have a woman director, and they also have a greater share of board members who are women. In Chicago, for instance, while 12.7 percent of the Fortune 500 board seats are held by women, the percentage drops to 8.4 percent for companies in the Fortune 501-1000. In the Philadelphia area, comparable figures are 16.8 percent for Fortune 500 companies, and 9.2 percent for Fortune 501-1000 companies. The vast majority of companies lie outside the Fortune 1000 (all of which had revenues of over \$1 billion in 2002), and on average have considerably less representation of women in the boardroom. There are also large differences among companies with more than one woman on their boards. In the U.S., for example, almost half (47.6 percent) of Fortune 500 companies have two or more women board members. But in the regional studies that include many smaller companies, the percentage is often far less, from 44 percent for companies in Chicago, to 28.3 percent in Philadelphia, to 19 percent in Massachusetts, down to 10.3 percent in Georgia.



Frustrated with such slow progress, some countries have passed legislation to trigger a change in the status quo.

Women directors of color are rare. Catalyst reports that only 3 percent of board members are women of color in the 415 Fortune 500 companies for which they had data by gender. This is a slight increase from the 2.5 percent that Catalyst recorded in 1999, when it first started tracking these data.

Frustrated with such slow progress, some countries have passed legislation to trigger a change in the status quo. Israel, for instance, passed legislation for more equal representation on the boards of state-owned companies in

1993. The share of public company board seats held by women subsequently rose from 7 percent in 1993 to 30 percent in 1998 in these companies. More recently, Norway passed legislation mandating that women serve in at least 40 percent of directorships at state-owned companies, effective January 1, 2004. Sweden is threatening similar legislation in 2005 if women hold less than 25 percent of board seats at that time.

The fact that legislation has sparked positive change in some countries is encouraging. That it has often taken acts of law to effect such change, and that the positive results are primarily confined to state-owned sectors, is less heartening. The message that women make strong contributions to boards of directors has yet to take hold.

Small Gains, Slow Progress

Somewhat greater gains have been made by women at the executive officer level. In Chicago, for example, for the 23 companies that have been tracked consistently over the past six years, the share of women executive officers rose 9 percent, compared to a 4 percent increase in women board members. Catalyst shows an increase of 7 percentage points in the share of women executive officers in the Fortune 500 companies nationwide from 1995 to 2002, relative to a 4 percent increase in women directors between 1995 and 2003.

True progress, it seems, has been concentrated in the top

WOMEN ON CORPORATE BOARDS, BY COUNTRY

	Board Seats Held by Women	Companies with <i>no</i> Women Directors
United States (2003)	13.6% (500) *	10.8%
Australia (1999)	10.7% (300)	53.0%
Japan (1998)	0.2% (2,396)	97.0%
Spain (2002)	4.6% (300)	76.0%
United Kingdom (1997)	5.0% (200)	58.0%

*The number of companies is shown in parentheses.

tier of business. The Philadelphia and Chicago studies, in particular, demonstrate that gains, when made, tend to be among the largest companies in the area. Smaller companies, which account for the vast majority of businesses, still have significant work to do.

There is a growing consensus that corporate boards should be “strategic assets” of organizations. (Read, for instance, the piece by the National Association of Corporate Directors, *Board Evaluation: Improving Director Effectiveness*, Washington D.C., 2001.) The more diverse boards are in terms of talent, expertise, and professional and personal backgrounds, the stronger an asset they become. Directors who reflect the various constituencies of companies and that come to the table with different backgrounds pose different kinds of questions, ask about untapped markets, and provide new ways of thinking about business issues.

Business schools can make corporate leaders aware of the business case for women on corporate boards. Many of the companies that lack women directors operate in markets dominated by women as customers and employees in the United States. Some, for instance, manufacture women’s shoes; others sell everything from ice cream to financial services; still others manage nursing homes. These are examples of only the most obvious instances in which female perspectives are likely to prove highly valuable to the bottom line.

It may not be surprising that six of ten board directors with cosmetics company Avon, for example, are women. What is surprising is that computer companies Apple and Gateway have *no* women on their boards. After all, women control or influence 66 percent of home computer purchases, according to Intelliquest; they are also

involved in more than 70 percent of all electronics purchases in the U.S. alone, according to the Consumer Electronics Association.

Having women “on board” doesn’t just establish diversity, meet a quota, or abide by law—it reflects the realities of the marketplace.

Time to Move Forward

Unlike Israel or Norway, the U.S. is unlikely to mandate women’s participation on boards. One positive development, however, is that major recent changes in corporate governance present incentives and opportunities for companies to diversify their boards.

The growing emphasis on sound corporate governance, as well as regulatory requirements for board independence and financial expertise, should indirectly expand the proportion of women directors. Women, who have been absent from the

BOARD SEATS HELD BY WOMEN, U.S.

Study (all 2003)	All Companies Surveyed	Fortune 500	Fortune 501–1000
United States	13.6% (500)*	13.6% (500)	Data not available
Atlanta	7.1% (175)	12.7% (14)	9.1% (12)
Boston	9.0% (100)	12.4% (11)	9.8% (11)
Chicago	12.4% (50)	12.7% (34)	8.4% (11)
Philadelphia	11.5% (120)	16.8% (26)	9.2% (17)

*The number of companies is shown in parentheses. (includes both “Board Seats” and “Companies with No Women” data)

boardroom for so long, make excellent candidates for “independent” directors as now required by the U.S. Sarbanes-Oxley Act of 2002. Moreover, as women represent over half of all financial managers in the United States, they provide a large pool of candidates who could qualify as “financial experts,” which are being recommended for audit committees of NYSE- and NASDAQ-listed company boards in 2004.

In addition, the Securities and Exchange Commission (SEC) mandate that public companies disclose the nominating committee’s selection process and minimum requirements for directors bodes well for women. The traditional

COMPANIES WITH NO WOMEN DIRECTORS

informal process of depending on the recommendations of current board members has often produced a limited pool of candidates, most of whom shared characteristics of incumbent directors and hindered women's access to board positions.

The corporate tradition of seeking mainly CEOs and former CEOs for the board is also losing its hold. Nominating committees are placing increasing value on functional expertise as they strive for strategic advantage in an increasingly global marketplace. Women offer a wealth of expertise in areas such as finance, technology, marketing, and human resources (including compensation expertise), thus vastly broadening the pool of qualified board candidates beyond the CEO level.

In addition to these changes, board members are being asked to shoulder more responsibility and devote more time to board commitments due to new laws and regulations such as Sarbanes-Oxley. Such developments are expected to reduce

	All Companies Surveyed	Fortune 500	Fortune 501-1000
United States	10.8%	10.8%	Data not available
Atlanta	54.3%	7.1%	33.3%
Boston	50.0%	10.0%	27.3%
Chicago	10.0%	6.5%	27.3%
Philadelphia	34.2%	0.0%	41.2%

the average number of boards on which individuals are willing to serve, thus providing opportunities for new faces in the boardroom—including, and perhaps especially, women. Research shows that diverse boards are more likely to tackle head-on issues of ethics, conflict of interest, and board assessment than are more homogeneous boards. Read, for instance, The Conference Board of Canada's 2002 report, "Not Just the Right Thing, But the Bright Thing," available at www.realassets.ca/web_pdfs/reports/ra_report_may_02.pdf.

Companies, especially larger ones, are increasingly turning

Champions for the Cause

Many organizations are studying the discrepancy between women's participation on boards of directors and their participation in business at large. Business educators looking for more information can visit their Web sites or contact their offices for access to many studies, publications, and other information on the issue:

The Board of Directors Network

P.O. Box 5616
Douglasville, GA 30154
770-489-6689
president@boarddirectorsnetwork.org
www.boarddirectorsnetwork.org

The Boston Club

P.O. Box 1126
Marblehead, MA 01945
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Catalyst

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408-435-1300
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8 King Street East,
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Toronto, Ontario M5C 1B5
416-815-7600
caninfo@catalystwomen.org

The Chicago Network

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Chicago, IL 60637-1615
773-324-0202
amytcn1@ameritech.net
www.thechicagonetwork.org

Corporate Women Directors International

1211 Connecticut Avenue, NW
Suite 504
Washington, DC 20036
202-835-3713
globesummit@aol.com
www.globewomen.com

The Forum for Executive Women

1231 Highland Avenue
Fort Washington, PA 19034
215-628-9944
info@foew.com
www.foew.com

National Association of Corporate Directors

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to search firms to identify potential female board candidates. In addition, several women's organizations such as The Boston Club are well-positioned to help companies recruit women board candidates who meet their specific needs.

Obstacles still must be overcome, however—from direct opposition within corporations, to a lack of knowledge on how to find potential qualified board members who are women, to simple inertia. Documenting the status of women directors, in and of itself, will not bring about change. Business schools, their advisory boards, and their graduates can play a more active role than in the past in facilitating the process.

A Larger Role for Business Schools

It's a logical next step for business schools to address the problem directly through their executive education programs, partnerships, case study selection, and research. Schools worldwide can become key resources for corporations by conducting research and further documenting the benefits of diversity on boards.

U.S. business schools with campuses in the more than 40 states without a Census of Women Directors, for instance, should consider conducting an annual report to track the status of women in boardrooms and in executive positions in their states. Most states have professional women's organizations that would be willing to co-sponsor this activity and help with dissemination of the results.

In addition, given their extensive links to the business community, business schools can be instrumental in introducing women executives and entrepreneurs to corporate leaders involved in the selection of board members. Business schools can host forums on topics such as effective networking and personal marketing, and can offer training, mentoring, and coaching for women. More generally, they can incorporate issues of corporate governance and risk management into their teaching of management development and diversity.

The tide appears to be turning, but business schools can help to ensure it continues to turn in a positive direction and that the pace is more than glacial. When more companies tap into the large, underutilized reservoir of highly qualified women and assign them places around their boardroom tables, women, men, and business will benefit. **Z**

Patricia M. Flynn is Trustee Professor of Economics and Management and former dean of the McCallum Graduate School of Business at Bentley College in Waltham, Massachusetts. She is also a director of Boston Fed Bancorp and Boston Federal Savings Bank. Susan M. Adams is associate professor of management and director of field-based learning at Bentley.

The background of this section is a close-up of blue flames, appearing as if from a gas stove, with a dark, almost black background. The flames are bright and have a wispy, swirling texture.

More

Steak

Man by Peter Lorenzi

Sizzle

Business schools create wealth and add value, yet they continue to draw criticism. How can business educators respond when management education comes under fire?

Business education is one of the great successes of the modern world.

That success wasn't particularly easy to foresee, however. In 1907, when asked to consider developing a business school, Harvard president Charles William Eliot said, "There's no market for it." Nearly a century later, the statistics prove him wrong.

Today, more than 200,000 MBAs are awarded annually, making the MBA the world's most popular graduate degree. In 1998, 24 percent of all master's degrees awarded were in business. Undergraduate business education dwarfs MBA production, with more than a million undergraduates enrolled in American business schools each year. In 2001, 92 percent of accredited colleges and universities offered an undergraduate business program. In addition, executive education has become a highly profitable business, especially for branded schools, offering businesspeople the cachet of a top-tier MBA without the typical academic prerequisites.

Despite the fact that business degrees offer substantive value—more steak than sizzle, so to speak—business education has come under attack by a variety of critics with a wide range of charges, from questions about its academic purity to doubts about its value. It's time that business educators and business graduates started vigorously refuting these charges and taking every opportunity to point out the profound effect management education has had on the business world.

Management educators need to examine the specific accusations leveled at business schools and be prepared with effective counterclaims. While some of these accusations are not recent, they are still widely cited, and I believe they need to be directly and immediately addressed.



Commercial success, which business schools promote, violates the standards of liberal education.

In fact, business education is usually rooted in a liberal arts education. Many business faculty have significant liberal arts exposure, if not a degree in liberal arts. Some business faculty have no business training at all; their degrees may be in psychology, mathematics, or philosophy. Conversely, few liberal arts professors have taken business courses or obtained business degrees, and many have little or no work experience outside the university. Therefore, these liberal arts faculty might have a limited ability to judge the value of a business degree in a real-world work situation.

A philosophy professor once claimed that business education "sucks undergraduate students dry of idealism." In fact, the liberal arts foundation may be the source of that lost idealism. Students who should have learned writing, speaking, and critical thinking skills in

their general education courses often do not master these skills until they've moved on to the business school curriculum. Worse, liberal arts courses sometimes teach students to loathe business and to accept guilt for the ethical lapses in corporations.

I believe a formal education, including a broad knowledge of liberal arts, is an excellent start for someone who wants to become a global leader. Undergraduate business schools that follow the highest level of accreditation require that their students complete at least half of their degrees outside of business courses. As a result, business students as well as business faculty are familiar with a general liberal arts education, which prepares them for a career in the 21st century. I am less sure that a liberal arts education that does *not* contain a professional component such as business education really prepares students for jobs after graduation or even for lifelong learning.

Business schools rely too heavily on the corporate world for support.

Columnist Robert Samuelson has criticized corporations for hiring business schools to train their junior executives. He believes that business schools have "subtly permitted many companies to shift responsibility to outsiders for selecting and training managers." But I believe the close relationship between corporations and business schools is a strength, not a weakness. Business schools prepare students to practice business, so it's only right that they often have the financial backing of corporations that endow chairs and contribute funds to the construction of new facilities.

Business schools have failed to cure all of the world's economic and business problems while causing many of the world's ethical and moral problems.

To the first half of that statement, I would reply: Are business schools to be credited or blamed for a country's economic progress? Obviously not. Samuelson claimed in 1990 that "the MBA explosion has coincided with the deterioration in the performance and stature of corporate America." To that, I would point out that America's strong GDP growth over the past 50 years coincided with the growth of MBA programs. While some indicators suggest that American global competitiveness declined between 1945 and 1990, most of that decline can be attributed to the revival of post-war economies and the rise of Third World nations—who benefited from American business expertise.

To the second half of the statement, I would say: Business schools certainly have a responsibility to teach the ramifications of unethical corporate behavior and the



Despite the criticism of graduate business education, continue to flock to business schools to learn about

importance of a productive work ethic, but they cannot be the primary source for ethics education. Business schools instill a pro-social work ethic, an understanding of global competitiveness, and the skills to manage in a challenging world. It is up to students to use the knowledge they have gained in the classroom in a positive way.

Business schools do not produce business leaders—and the executives they do produce often fail.

This is a serious accusation, sometimes leveled by business professors themselves who are burdened with self-doubt. In their widely read article about the value of an MBA degree, Stanford University's Jeffrey Pfeffer and Christina Fong noted that the four most recognized American business leaders lack a graduate or undergraduate business degree. They cite *Fortune* magazine's "CEOs Who Fail," 40 percent of whom had an MBA.

To me, these seem like unconvincing correlations used to imply causality where none exists. They are based on incomplete evidence and anecdotes. Better evidence would require some kind of systemic study, such as a survey of senior executives of the Fortune 500.

As to the claim that business schools produce leaders who fail, it should be pointed out that failure is part of learning. Counting failures without measuring success is cynical and short-sighted; it is also an inappropriate test. Business leaders often cite their short-term failures as part of their long-term success.

It is true that MBA programs might occasionally produce "defective products"—leaders who are poorly trained or ethically challenged. Yet developing managerial competence is at the heart of an MBA education, and that is where it most often succeeds. The purpose of an MBA is to improve an individual's business management skills and odds of success as a manager. Census data relating income to educational level show that a professional education has an overall positive effect, despite well-publicized exceptions.

The value of a business degree has been diluted by too many programs.

Pfeffer and Fong look with dismay at the explosion of part-time, weekend, and executive programs. While they acknowledge the value of having working managers enrolled in MBA classes, they don't acknowledge that working managers often can only enroll in MBA classes through such part-time programs.

Citing prestigious, full-time MBA programs as a microcosm of university business education, as Pfeffer and Fong seem to do, would be like offering Rolls Royce as representative of the automobile industry. To reach every individual—undergraduate, working professional, or senior executive—who is interested in a business education, today's business schools must offer a wide range of programs and time slots. If we cannot be flexible enough to meet our students' needs, we won't have to worry about having students much longer. The explosion of part-time and weekend programs is a strength of today's business schools, not a weakness.



Business schools exist merely as cash cows for their parent universities.

Pfeffer and Fong note that "there is little doubt that business education is big business." I submit that the "big business" of business schools is a boon to the university system as a whole. The cost to develop and

maintain a business school is quickly recouped. And business schools procure large donations from alumni and corporations. In 2002, AACSB International reported that more than 270 responding business schools had their own positive endowments, totaling a combined market value in excess of \$68 billion. The Wharton School at the University of Pennsylvania completed a \$445 million campaign in 2003; Harvard has targeted \$500 million by 2005.

What would happen if MBA programs vanished? More than likely, many universities would suffer significant financial losses. My belief is, if MBA programs vanished, it would only be a matter of time before another business and management education program would appear out of common need.

Business professors do not contribute much to business knowledge today.

Pfeffer and Fong also claim few professors at business schools write popular business books. In 2001, they say, only two of the top ten best business books were authored by academics; the rest were written by journalists or businesspeople. However, I would point out that most business professors either spend their time teaching or writing textbooks; and the bulk of business texts are written by professors, not corporate leaders.

Textbooks are rarely popular, but they are likely to impact student learning more than popular books do. In other disci-



students and businesspeople from around the world

effective management, marketing, and leadership.

plines, are university professors responsible for the bulk of popular books in their areas of specialty? Probably not. If not, why try to hold business professors to that standard?

Business schools do not respond quickly enough to changes in the real world.



In responding to the threat of for-profit and online business programs, business schools have been aggressively innovative. It's true that innovation is sometimes absent from the top-tier schools,

but that is common across industries. Innovation often comes from struggling, second-tier organizations who leapfrog complacent first-tier competitors. Innovation can result from creative, poorly resourced desperation, not just from well-funded inspiration or complacency. And innovations brought to business education by one school are quickly adopted by other schools, so that the level of education and its delivery are raised across the spectrum.

The topic of business cannot really be taught.

This is the most serious accusation of all. Pfeffer has asked the question, "Do you really learn anything in business school?" Samuelson has declared that business schools have two main objectives: to enhance understanding of how business works and to train future managers. Samuelson claims that business schools are somewhat successful in achieving the first objective, but fail to achieve the second. Arguing that business skills are not teachable, Samuelson declares that "no two businesses are exactly alike. ... The essence of business—taking sensible risks, creating valuable products, motivating people, and satisfying customers—lies elsewhere and cannot be taught in the classroom."

I would reply that businesses—like human bodies for doctors and river beds for civil engineers—do indeed differ. However, the analysis and understanding of their problems, practices, and purpose is certainly possible, if difficult. Business schools succeed because they recognize that the world is diverse, dynamic, and complex; they prepare students to manage in that world. B-schools produce globally competitive products: knowledge and knowledge workers.

I would also look for inspiration to W. Edwards Deming, who awarded A grades to all his students, claiming he could

not judge how much they learned—nor *should* he judge them. Deming believed that profound knowledge can be difficult to describe and even more difficult to measure. He also believed that the customer determines the quality of the product of the process. According to these criteria, business schools regularly pass the most demanding test: the market test.

At the undergraduate level, business schools often are not able to enroll the very "best and brightest." Many of the more gifted choose liberal arts and science programs, including pre-medicine, pre-law, and engineering. The most valuable aspect of a business school education is how it can take the students with modest-to-good academic abilities and college board scores and transform them into informed, educated, realistic, productive, well-paid, contributing members of society.

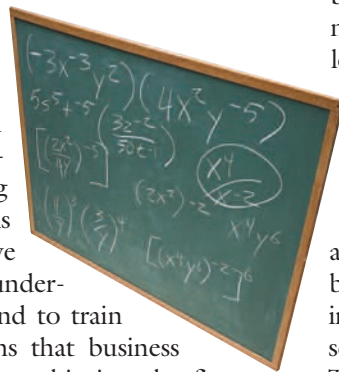
Business schools succeed because employers value what business school graduates bring to the workplace: mastery of the basic language and culture of business; a set of values, knowledge, and skills; and an appreciation of the integral role of work and career in a meaningful life. The fact that students bring some of these desired characteristics with them to business school or learn them outside the classroom makes the lessons no less valuable. Business schools value these characteristics and facilitate these lessons; the lessons need not be part of the business school's formal curriculum.

Conclusion: Business schools offer real value.

Despite the criticism of graduate business education, students and businesspeople from around the world continue to flock to business schools to learn about effective management, marketing, and leadership. Why? Because there is value in business school education, and that value will grow with globalization. The best evidence of the value of business education lies in its economic impact. Business education has resulted in market-driven salaries, advances in knowledge and creativity, and cultural knowledge transmitted across generations and geography.

Business schools serve customers. They create wealth by adding value to the lives of their students. They provide the basis for a sustainable comparative advantage to their host institutions and to their customers. While not businesses, business schools operate in a businesslike fashion, as global knowledge enterprises befitting and benefiting universities in the 21st century. We must actively advance these truths about business education. If we do not, the critics will continue to believe that business education offers more style than substance, more sizzle than steak. **Z**

Peter Lorenzi is a professor of management at the Sellinger School of Business, Loyola College, Baltimore, Maryland.





Poised for the Future

AACSB is perfectly positioned to cope with some of the most pressing issues in management education today, from globalization to the doctoral shortage to the implementation of international accounting standards.

It has been 42 years since I taught my first university class and 31 years since I was named to my first university administrative post. It should be no surprise if I note that much has changed in management education during that span of time.

Over the last four decades, our evolution has been steady—with dramatic spikes at some points. As a result of the rise in the global economy, emphasis on international business education has skyrocketed, along with the number of business schools around the globe. International partnerships, study abroad programs, and exchange programs have become commonplace. More and more college graduates are pursuing graduate degrees, especially MBAs.

Change has been rampant in other areas, as well. The production of Ph.D.s has risen, then fallen. More schools have raised the bar on research expectations. Accounting accreditation has become a reality. Rankings have emerged as a dominant focus for many schools. Classroom emphasis has shifted from teaching to learning and assessment. Technology has replaced blackboards and chalk as a key component in the delivery of management education. New dynamics in the economics of management education have caused more emphasis to be placed on fund raising and revenue generation for noncredit programs.

The changing environment of management education has

heightened the importance of our professional organization, AACSB International. In recent years, AACSB leadership has expanded its efforts to become a positive force in helping members to articulate, understand, and manage significant changes within the industry. An effective and committed network of members has been instrumental in leading initiatives that are advancing management education around the globe.

International Expansion

During the past five years, AACSB has firmly secured its position as a leader in management education beyond North America as it makes a significant impact in Europe, Asia, Latin America, and Australia. Through accreditation, educational programs, communications, and knowledge-based services, AACSB is providing high-level services to the global community. These initiatives benefit all members by enabling them to identify programs of quality outside their own boundaries. As a result, there have been enhanced opportunities for study abroad programs for students, as well as exchange programs for students and faculty.

Another significant step in worldwide advancement has been the establishment of the Global Foundation for Management Education, whose mission is to address global

by Doyle Z. Williams

challenges and opportunities within management education and practice. GFME was recently formed as a partnership between AACSB and the European Foundation for Management Education (efmd). I believe this partnership sends a powerful message that international cooperation is not just important; it has become an essential reality. Through the GFME partnership, management educators will be able to draw on resources that will help them address issues in cross-border management education.



Doctoral Faculty

One issue the new GFME partnership might address is the growing global shortage of doctorally qualified faculty. AACSB has taken a leadership role by forming a task force to seek solutions to this problem. The Doctoral Faculty Commission observed that a continued decline in the production of business Ph.D.s threatens the future of scholarship and research at a time when they are more important than ever.

Regardless of our diverse missions and programs, we are all affected by the doctoral shortage—and other professional groups have recognized that. AACSB's efforts have sparked interest among education and faculty leaders domestically and abroad. I urge AACSB members who have affiliations with other organizations to encourage these groups to take up the issue as well, as we seek long-term resolution of this problem.

One organization that is working to alleviate the doctoral shortage is the PhD Project. Founded nine years ago by Bernie Milano and the KPMG Foundation, it addresses the acute lack of minority Ph.D.s in business. The PhD Project has assisted hundreds of African Americans, Hispanics, and Native Americans to earn their Ph.D. degrees. The PhD Project now enjoys the support of 18 foundations, corporations, and other organizations, including AACSB.

Accent on Accounting

Another key area where AACSB can have an immense impact is in accrediting accounting programs. At AACSB's International Conference and Annual Meeting in April, the membership adopted revised accounting accreditation standards. Nonetheless, questions occasionally still arise about whether AACSB should accredit accounting programs. For me, the answer is a resounding "yes." I believe that accounting accreditation is inevitable and that if AACSB doesn't set the standards, someone else will. I also believe the accounting profession is best served if accounting education is offered in

concert with a quality business program. For those programs to be consistent and effective, accreditation standards for accounting and business should be coordinated and synchronized. AACSB is in the best position to achieve this outcome.

The public has a strong interest in the practice of public accounting. In the U.S., every state has a State Board of Public Accountancy that sets educational standards for aspiring CPAs. These boards work together through the National State Boards of Accountancy, which in turn worked with the American Institute of Certified Public Accountants to produce the Uniform Accountancy Act in 1997. While state statutes are not always in harmony with the Uniform Accountancy Act, these cooperative efforts have led to a great deal of consistency. AACSB accreditation is acknowledged in the UAA.

Given recent accounting scandals in the U.S., it is more important than ever for business schools to take a stance for strong accounting programs, including five-year programs. Acting under the Sarbanes-Oxley Act, Congress has created the Public Companies Accounting Oversight Board (PCAOB), which will undoubtedly address the credentialing of CPAs who practice before it. The PCAOB will be studying educational standards as well.

I predict that within the next ten years there will be the equivalent of a national CPA certificate for those auditing publicly held companies. Not only will strong, accredited accounting programs help create consistent national standards that will contribute to the CPA certificate, such programs also will aid in the ongoing effort to create international accounting standards. I believe that, within 20 years, an international certification program will be in place. Business schools need to be at the table when international standards are drafted.

An accreditation program of information systems is also under way, led by the Accreditation Board for Engineering and Technology (ABET). A few IS programs in business schools have already achieved such accreditation. The inevitable question is whether or not AACSB will seek to accredit IS programs in business or leave that task to ABET. AACSB's board of directors welcomes comments on this issue.

Rankings—and the Alternative

Another issue that many business schools wrestle with regularly is annual rankings of business schools produced by commercial publications. While these rankings have been beneficial in some respects, many well-documented ill effects also have

Meet the Board Chair

It's no surprise that Doyle Z. Williams ardently supports the idea of accounting accreditation. Williams has always had a passion for accounting. He served as founding dean of the School of Accounting at the University of Southern California and led that school to be among the top five in the nation. In other critical roles, he was coordinator for the Area of Accounting at Texas Tech University and chairman for the Accounting Education Change Commission from its inception in 1989 until 1993.



Doyle Williams receives the Gold Medal from the American Institute of Certified Public Accountants.

Most of his many honors revolve around accounting excellence, the most recent one being the American Institute of Certified Public Accountants' Gold Medal, its highest honor. He has also held key offices with accounting organizations, including president of the American Accounting Association, vice president and member of the board of directors of the American Institute of Certified Public

Accountants, and many other positions.

Now in his eleventh year as dean of the Sam M. Walton College of Business at the University of Arkansas in Fayetteville, Williams has presided over the school's rise in eminence. Since he has been dean, the school has recruited 63 percent new faculty, secured private funding for a new building, established the Graduate School of Business, and achieved ranking among the top 30 public undergraduate business schools in the United States.

Williams also is active within AACSB, serving as vice chair-chair elect from 2003 to 2004. His term as chair began in July 2004. He has been a member of the board of directors since 1999 and chairman of the Accounting Accreditation Committee twice. In addition, he has served on numerous accreditation visiting teams and as chairman and member of various committees.

Williams holds a B.S. degree in accounting from Northwestern State University of Louisiana and M.S. and Ph.D. degrees from Louisiana State University. He has authored more than 45 articles and several monographs and has contributed to more than ten books. He holds the Sam M. Walton Leadership Chair at the University of Arkansas.

resulted. AACSB's New Issues Committee is currently finalizing a paper addressing some of these points, and the report will be disseminated to all members.

In the meantime, I publicly call for the publishers of these rankings to cease the apparently intentional mislabeling of their products. For instance, magazine covers and book titles claim they include rankings of the best business schools. But a thorough read of the publication often reveals that it has ranked only MBA programs, or only full-time MBA programs. It is as if the magazine has touted itself as publishing rankings of the best countries in the world, when in fact it offers only a ranking of one city from each country.

B-schools annually produce more than a million graduates from baccalaureate and part-time MBA programs. The number of MBAs produced from full-time programs is one-fifth that number! When this misrepresentation is pointed out to the publishers, they shrug it off. They prefer to keep to their original claims in the interests of selling books and magazines.

These commercial rankings occasionally are valuable to business schools looking to benchmark themselves against peer institutions. However, business schools have another resource: the management education database developed by AACSB's Knowledge Services department. The database provides a wealth of data about business schools, their prospective students, and their prospective employers. Some of these data have now become an integral part of the accreditation process. Although the effort will be challenging, AACSB has committed itself to helping more non-U.S. schools participate in and use this database program. I'm truly excited about the important contribution this initiative is making and its potential for the future.

AACSB Member Services

The Knowledge Services database is not the only valuable service offered to AACSB members. Other useful services, which will continue to be priorities in the coming year, are Web-based resource centers, the community of affinity groups, and a variety of publications.

Resource Centers: Two existing resource centers and one in the construction stage provide members with forums for learning about and discussing critical issues in management education. The Ethics Education Resource Center, created by the Ethics Education Task Force and AACSB staff, helps members address ethical issues in the curriculum. The Assessment Resource Center helps educators as they seek to change their emphasis from teaching to learning. This second Web site is especially sensitive to regional institutional accreditation standards as well as AACSB's new accreditation standards.

A Walk About Walton

The University of Arkansas in Fayetteville first opened its doors to students on January 22, 1872. Fifty-four years later, the business school was founded, initially consisting of four professors teaching 36 courses in business administration, economics, and sociology. Today the faculty consists of 75 permanent full-time members teaching approximately 2,800 undergraduate and graduate students.

In 1998, the school received a \$50 million cash donation from the Walton Family Charitable Support Foundation, believed to be the largest donation to an American business school at that time. The school was subsequently renamed the Sam M. Walton College of Business.

The Walton College offers two Ph.D. programs—in economics and business administration—with concentrations in accounting, economics, finance, information systems, marketing, management, and transportation and logistics. Master's degrees are offered in accountancy, information systems, economics, and transportation and logistics management. Undergraduate fields of specialization include accounting, economics, information systems, finance, marketing, transportation and logistics, general business, and management. A separate bachelor's degree is offered in international business. The Walton College also boasts an advanced computing instruc-

AACSB is in the process of designing the Doctoral Education Resource Center, a joint project with DocNet, an organization of doctoral program administrators. The center will be directed at management educators and will focus on improving programs and developing innovative practices. Another site, which will be directed at prospective doctoral students, will contain information about doctoral education and accredited doctoral programs. These two sites, as well as the ethics and assessment Resource Centers, will be accessible through www.aacsb.edu.

Affinity Groups: AACSB's Affinity Groups offer members a chance to meet with like-minded professionals to discuss problems, solutions, issues, and concerns. The 12 existing Affinity Groups are organized around missions, scope of programs, size of institutions, geographical location, and other commonalities. Interest in the groups is growing, and three new groups were recently added—Development Professionals, Entrepreneurship Programs, and Technology Leaders. Currently representatives from more than half the member institutions, about 475 schools, participate in Affinity Groups.

Communications: Another key member benefit is the range of communications products that keep members connected and informed. The Web site, www.aacsb.edu, contains comprehensive information on accreditation, member benefits, affiliated organizations, conferences and seminars, and job openings.

eNEWSLINE, a monthly electronic publication, provides members with information on the association and its events,

tional and research center, with a state-of-the-art multimedia lab, four computer labs for undergraduate students, and a separate computer lab for graduate students.

The Walton College has implemented an integrated undergraduate core curriculum, developed an advanced enterprise resource program curriculum in information systems, and established three investment funds—a stock fund, a fixed-income fund, and an asset allocation fund—with real money managed by students.

Seven specialized centers have allowed the Walton College to strengthen its public service and research: the Center for Business and Economic Research; the Bessie Moore Center for Economic Education; the Small Business Development Center; the Center for Management and Executive Development; the Supply Chain Management Research Center; the Information Technology Research Center; and the Center for Retailing Excellence.

Throughout its long history, the Walton College has not lost sight of its threefold mission of teaching, research, and service. "Learning is a lifelong adventure that begins with discovery," according to the school's credo. "Our passion for learning must be sustained by intellectual curiosity and scholarship, and we must endeavor to instill this same passion in our students."

news from members, and thought-provoking columns such as "Dean's Corner."

Finally, *BizEd* celebrates its third full year of publication with this issue. Its mix of staff-written articles and contributions from outside experts brings readers up-to-date on relevant topics that range from globalization to corporate governance.

Planning for Progress

AACSB has made enormous progress in fulfilling its international leadership role in management education—and I expect that progress to be ongoing. AACSB accreditation will continue to expand around the globe. Knowledge services will become more valuable to educational institutions, prospective students, and employers. AACSB member services and affinity groups will continue to help members exchange best practices and keep abreast of changes in management education.

In the coming months, AACSB's role as a thought leader will become more critical. I believe AACSB is well positioned to serve its members and management education worldwide. I suspect those who founded AACSB in 1916 did not envision the global breadth of the organization today or expect it to attain a membership approaching 1,000. Similarly, we can only imagine the impact AACSB will have in the coming century.

The key to AACSB's future will be, as it was in the past, a committed and informed voluntary leadership drawn from institutions around the world. I urge all members to become involved in building an even stronger foundation for management education through leadership in regional, national, and international organizations. ■

Technology

How Effective Are Tech Tools for Learning?

The majority of business schools are using software and online learning tools to enhance their traditional delivery methods. Now, many educators are wondering how effective they are in facilitating student learning and how satisfied students are with a tech-driven approach. According to a recent survey of Wharton MBA students, most students wouldn't trade in technology for traditional teaching methods.

The Wharton School at the University of Pennsylvania in Philadelphia surveyed 290 '04 and '05 MBA students. When asked whether computer- and Web-based tools enhanced their learning, only 14 percent found that they didn't. Sixty-five percent reported that their learning experience was enhanced, while 21 percent reported that it was significantly enhanced.

Students also noted that the tech-based learning tools effectively captured their attention and kept them engaged in the material. Eighty-three percent surveyed said that computer- and Web-based tools were effective or very effective in enhancing their levels of attention and engagement in class, while 64 percent said that such tools were effective or very effective in enhancing their retention of the material afterward.

The most telling findings of the survey dealt with how students compared their experiences in tech-enhanced courses with those in more traditional courses. Sixty-two percent of students surveyed reported that their attention and engagement were better in tech-based courses than in traditional lecture- or case-based courses, while 46 percent said they

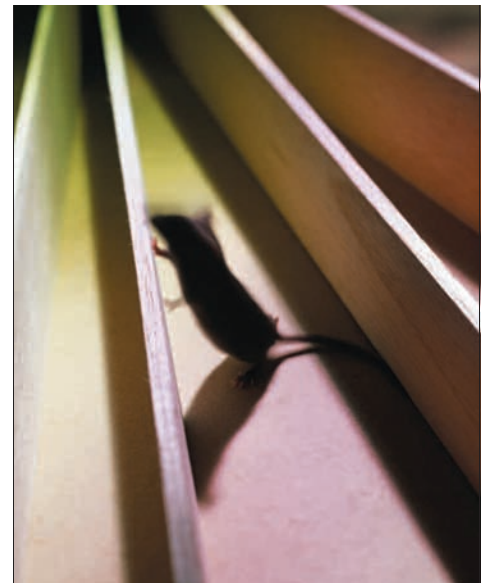
retained the materials better.

"In education, there's a lot of buzz about experiential learning right now, and I think simulations fit very well into that role," says Deirdre Woods, chief information officer and associate dean at the Wharton School. "Students seem to retain the material better and be more engaged." Woods notes that students can also repeat the experience with a simulation, through playback, to revisit choices they may have made in certain situations.

While technology may help increase student attention, however, the traditional case study still fares well when it comes to the depth of learning provided. Forty-two percent of students surveyed said that case-based courses were as effective as tech-based courses when it comes to how well they learned the material. And while 46 percent noted that they retained their knowledge of the material more effectively in a tech-based course, 39 percent noted that they found case-based courses equally effective in this area. Only 15 percent said that case-based courses were less effective in helping them retain the material than a tech-enhanced course.

XLab Targets Social Sciences

The University of California at Berkeley's Haas School of Business recently opened XLab, a new research facility designed to conduct controlled laboratory experiments that will test social science theories. Partially funded by a seed grant from the National Science Foundation, XLab is housed in two large rooms at the Haas School and can accommodate up to 40 participants as experimental subjects. It uses 50 battery-powered wireless laptop



computers, which will allow lab tests to be completely portable.

The new lab is now being used by researchers from a number of disciplines, including economics, political science, anthropology, and sociology. Their findings could be applied to a number of real-world business problems, says John Morgan, an economist and associate professor at Haas who is also serving as XLab's director.

For example, Morgan recently conducted an experiment to find out what produces greater revenue for sellers when a company is put up for sale—asking for payment in stock shares or cash. In the experiment, students took on the roles of corporate executives bidding against one another to purchase a firm. The students used laptops outfitted with custom-designed software that provided real-time information on bids to all participants and helped them calculate the consequences of various decisions. Students whose strategies proved successful would each earn \$50, providing incentive to play competitively.

The test supported the theory that shares bring more revenue for the seller in a bidding contest. "This idea comes from the economics liter-

ature, but hasn't really made its way out of the ivory tower," says Morgan. "With XLab, we assess whether the theory works in practice and whether it will have a big strategic payoff in the marketplace."

■ \$4 Million Software Gift for Iowa State

OPNET Technologies, a Bethesda, Maryland, software firm, recently donated more than \$4 million in software, licenses, and upgrades to Iowa State University's College of Business in Ames. Students will use the software, which includes licenses to OPNET's IT Guru and Modeler products, to design and study communication networks, diagnose application performance problems, and plan for network growth and high availability. In addition, graduate students and faculty will use the software to conduct advanced telecommunications research, such as modeling wireless security systems and study-

ing the impact of paperless environment installations.

Iowa State University is among a number of institutions that have received academic grants from OPNET. Other software recipients include the Massachusetts Institute of Technology in Cambridge; Stanford University in Oakland, California; the University of California at Berkeley; the University of Illinois at Urbana-Champaign; and the Georgia Institute of Technology in Atlanta.

The software gift from OPNET provides ISU's telecommunications laboratory with critical software to keep its business students up-to-date with corporate technology, says Labh Hira, dean of ISU's College of Business. "It sends a clear message that Iowa State is focused on providing a technology- and information-based business program." Hira adds that this type of external support is vital in outfitting Iowa State's new Gerdin Business Building with the latest technologies.

Two MIS associate professors, Tony Townsend and Brian Mennecke, have been working with OPNET Technologies for several months regarding the software acquisition. "Students will have the same computer tools used by IT professionals in Fortune 100 companies such as AT&T, MCI, Verizon, Accenture, Oracle, and NCR," says Townsend.

OPNET's gift to the College of Business was made through the Iowa State University Foundation. This gift includes licenses, future licenses, and future maintenance.

■ Sports Car or SUV? Ask the Software

With more products than ever available to consumers, the process of deciding which product to buy has become more complex. Researchers at the University at Buffalo School of Management, part of the State University of New York system, have developed a new software program called WEBAIM to help make that process a little easier.

Developed by Stanley Zions, a professor of management science and systems, and Jingguo Wang, a doctoral student, WEBAIM asks users to specify their levels of aspirations and then uses their responses to compare products. WEBAIM then determines whether one product is at least as good as, or better than, another. If it is, it deems that product the "superior" choice, and the one the user should consider purchasing.

"What makes WEBAIM unique is that users determine which factors are included in the analysis," Zions says. "They can evaluate products and services using their personal preferences, which may not correspond to



ISU's telecommunications lab, where OPNET's software gift will be used to study communication networks.

more general comparisons or the preferences of others.”

Although this software program may seem to be a more complex version of the pencil-and-paper “pros and cons” list that consumers have used for years, Zionts notes that consumers often miss important factors when making their purchasing decisions. For instance, consumers often use such guides as *Consumer Reports* magazine and online reviews, which can often lead them to a product ill-suited for their personal needs. To test this theory, the researchers used data from *Consumer Reports*, evaluating all the products considered in the March 2004 issue. The products ranged from carpet stain cleaners and disposable diapers to digital SLR cameras and computers. They expected to find that most of the products the magazine recommended would also be found “superior” by WEBAIM.

However, when subjective criteria were taken into account, WEBAIM found that almost 40 percent of the products were inferior to any particular individual’s needs. This finding indicates that consumer guides and consumers themselves may not be taking into account personal criteria such as the interaction between brand appeal and cost tolerance in their buying decisions, Zionts says.

“The value of the program really comes into play as consumers refine their preferences and one or more criteria change in importance,” Zionts says. “For example, a person using WEBAIM to purchase an SUV

might find that gas mileage is more important to him than he originally thought.” Zionts sees the program being used not only for big-ticket purchases, but also for any decision, such as renting an apartment—or even choosing a spouse. Eventually, the program might be used by manufacturers to gauge consumer perception of their products’ design and price.

■ The Big Apple Goes Wireless

This summer, New York City administrators took bids from companies to construct what promises to be the largest municipal wireless network ever established. The network, which will cover Manhattan, would provide broadband access not only to users of mobile devices such as PDAs and laptops, but also to emergency services personnel in the fire, police, and medical departments. The network also would be used to control traffic signals and locate vehicles.

The network eventually would have the capacity to serve tens of thousands of users at once, whether they are stationary or moving in vehicles at speeds up to 70 miles per hour.

According to *Computerworld* magazine, analysts note that traditional wi-fi technology would be too cost-prohibitive for such an ambitious project. Instead, they say that most practicable technology for the project would be a “mesh network.”

In a traditional wireless network, each individual user connects wirelessly

to an access point that is wired to the overall network; the access point must also have line-of-sight access to an antenna. This setup can be costly on a large scale. In a mesh network, many access points are connected wirelessly to one another, so that information can be relayed from one point to the next until it reaches its destination. A mesh network uses many low-cost wireless access points and requires only a limited number of wired points and antennae to operate. It also works especially well in areas where large mountains or skyscrapers might block traditionally relayed wireless signals.

To work in Manhattan, the network will require at least 600 access points—probably more. It is estimated that the project will cost between \$500 million and \$1 billion.

■ U.S. Falts in E-Readiness

A 2004 ranking of countries’ “e-readiness” indicated that the U.S. may be losing ground. The survey was conducted by The Economist Intelligence Unit Ltd. with the help of IBM’s Institute for Business Value. In terms of e-readiness, the U.S. slipped to sixth place. The U.S. had placed second in 2003 and first in 2000, 2001, and 2002. In the top five this year were Denmark, the U.K., Sweden, Norway, and Finland.

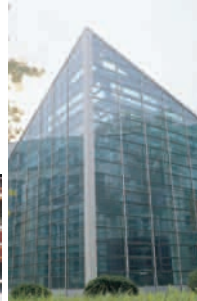
One reason for the drop, the study said, is that broadband is still a comparative rarity among U.S. households, reaching only 7 percent of the population. By comparison, South Korea ranked number one in broadband penetration at 27 percent. Another reason is that while the U.S. is still strong in terms of e-readiness, other countries are simply progressing more rapidly.

DATABIT

Gartner Research predicts that worldwide PC sales will jump 13.6 percent this year to 186.4 million units, spurred by the replacement of an estimated 100 million PCs. The average life-span of a corporate computer, Gartner finds, has lengthened to four years from three. About 30 percent of computers now in use are more than three years old.



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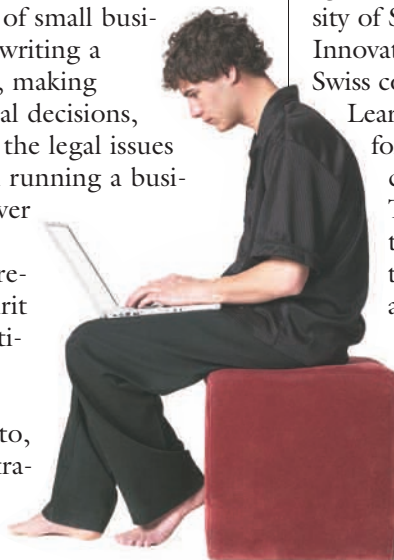
GRADUATE SCHOOL OF MANAGEMENT



NEWSBYTES

■ TARGETING TEEN BIZ

In a move to attract more teenagers to entrepreneurship, the U.S. Small Business Administration now offers a new Web site that targets teens who want to start or grow their own businesses. The site, at www.sba.gov/teens, offers information on the basics of small business, such as writing a business plan, making sound financial decisions, and knowing the legal issues involved with running a business. "It's never too early to spark the entrepreneurial spirit and instill optimism in our youth," says Hector Barreto, SBA administrator. "Access to key small



business information is essential to the future of our young people and to their full participation in our nation's economy."

■ NEW E-LEARNING INITIATIVE

The European Foundation for Management Development, the University of St. Gallen's Swiss Centre for Innovation in Learning, and the Swiss company Spirus Applied

Learning Solutions have joined forces to launch a new Certification of e-Learning (CEL). The certification is designed to ensure the quality and content of e-learning programs at business schools. To be eligible for CEL, a program must involve management education, be well-established (offered to at least two cohorts of students), offer the equivalent of 100 hours of education,

and provide at least 20 percent of its content in an online format. The CEL awarding body of e-learning experts is being finalized, and the program is currently undergoing pilot testing at two European business schools.

■ EXPERTS ONLINE

Southern Methodist University's Cox School of Business in Dallas, Texas, recently launched its new institutional research Web site at www.smubizexperts.com. Students, business professionals, and members of the media can access the latest research by Cox faculty in accounting, entrepreneurship, ethics, finance, management and organizations, marketing, strategy, and technology. The site also translates technical information into practical terms for nonacademics, and facilitates direct contact with Cox faculty members. **Z**

Your Turn

by Yash Gupta

Business School Is Not the “Real World”

Many industry executives, corporate recruiters, consulting firms, and even business academics have asserted that business schools are “behind the curve” when it comes to management training and practice. They see business schools as ineffective, at best—and, at worst, irrelevant. In response, business schools have attempted to provide more “real-world” business training to students, to prove their relevance to business. But in attempting to recreate real-world business, business schools are undermining their true core competency. Their purpose is not to offer real-world business experience; their purpose is *to educate*.

There’s no question that “learning by doing” works. Practical experience has been the primary source of management education for centuries, and it will forever be an important complement to academic study. But higher education was not built to emulate the real world. The best business schools in the world cannot match a true on-the-job experience. Anything we can do lacks the urgency, context, financial peril, and financial rewards of actual employment.

Bartlett Giamatti, in the book *A Free and Ordered Space*, eloquently formulated the difference between “for-profit” businesses and institutions of higher education. “A college or university,” he writes, “is an institution where financial incentives to excellence are absent; where the

product line is not a unit or an object but rather a value-laden and lifelong process; where the goal of the enterprise is not growth or market share but intellectual excellence; not profit or proprietary rights, but the free good of knowledge; not efficiency of operation but equity of treatment; not increased productivity in economic terms, but increased intensity of thinking about who we are and how we live and about the world around us.”



As academics, we sometimes forget that the atmosphere of higher education is, by design, inherently different from corporate environments. Its purpose is to offer an alternative to experience. It’s an alternative that has long been viewed as more effective and efficient than “learning by doing.” Rather than attempting to deliver quasi-real world experiences or trying to put a “corporate shell” over an institution-

al model far removed in structure, style, motivation, and culture from a for-profit corporation, we should emphasize how business schools *differ* from the real world. We should focus on our core competencies—on doing what higher education can do much better than industry.

First, we offer students and faculty the freedom to experiment via case studies, simulations, and other projects. Case-study experimentation exposes students to alternative solutions and to a level of feedback and *post mortem* analysis rarely available in real business situations. Students can see how others solved the same situation, compare their performances, and learn from that knowledge without the impingement of real-world pressures.

In addition, new technologies give us the ability to bring cases into the classroom in ways that greatly enhance the power of these proven learning tools. Via computer simulations, we can create scenarios that test a student’s mental agility and develop leadership and crisis management skills far beyond the real-world challenges our students are likely to face in the workplace. By facing the challenges of these “hyper-realities,” students learn not only how to manage “what is,” but how to manage “what might be.”

Even so, many business schools are still reluctant to integrate simulations into their classrooms. In the 1988 article accompanying *BusinessWeek*’s very first ranking of MBA programs, Andy Grove, former president of Intel, described how a business school dean rebuffed his suggestion of teaching leadership

using simulation. Sixteen years later, many business schools eschew simulations in favor of throwing students directly into so-called “real-world” experiences.

Just as the learning power of simulations is often overshadowed by this real-world emphasis, so is the insight provided by our research. Even as our faculty are creating knowledge and finding new solutions, our students often pass through our programs with little exposure to professors’ best work. Giving students more access to current research would give them insights and tools for the future that may be unknown and unavailable in any company or industry training program. Furthermore, exposure to faculty research opens students’ eyes to the research process itself and demonstrates how they can find new solutions and develop new analytical tools—a valuable skill for managing in an always uncertain future.

Unlike for-profit business, a university is built to provide an open exchange of ideas. We can present speakers with conflicting views of the future, sharp criticisms of business, wild proposals, and alternative solutions. In this rich environment of competing views, which might present a public relations nightmare for a private firm, students learn to develop and defend their own values and solutions to challenges they may face as future managers. In this regard, our “ivory towers” are actually far less insular than many corporate headquarters and provide a great learning benefit to our students.

Rather than trying to advance ourselves by following existing business models, we should be trying out our own new models and new ideas. Rather than recreating the

real world as it now is, business schools should provide platforms for experimentation and creative exploration of new management approaches. What better place to put new theories of management into play than in an institution unconstrained by the need to show quarterly earnings? What better place than business school to give free rein to the ideas of young future managers who will be asked to develop innovations in industry?

Let business deliver real-world experience. We must teach students to evaluate what works and what doesn’t, absent real-world consequences. We must give them freedom to experiment and open up the field to innovative new approaches. Many students may even prefer to wait to get their on-the-job training on the job, where they’ll actually get paid for it.

Finally, as business educators, we should tout our hidden gem. Some critics warn of the proliferation of corporate universities and expanded company training programs. But despite the rising cost of higher education, we have a clear cost advantage in training managers for the vast majority of businesses in the world. Only a few employers can justify committing the immense resources required to develop an internal struc-

ture that can deliver the depth and breadth of business knowledge needed to educate top managers. Business schools, on the other hand, already have an education infrastructure in place—portions of which may come at virtually no cost—and can add further value by offering programs tailored to the unique needs of a company. Most companies are better served by “outsourcing” management education to us.

Business educators can best serve the business community when we focus on the essence of who we are as educators and what we do better than anyone else. Let business deliver real-world experience. We must teach students to evaluate what works and what doesn’t, absent real-world consequences. We must give them freedom to experiment and open up the field to innovative new approaches. Many students may even prefer to wait to get their on-the-job training *on the job*, where they’ll actually get paid for it.

As educators, our primary mission should be to broaden the vision of our students, so that they analyze situations and problems more efficiently than any untrained observer. We should help them to see opportunities others do not see; to hear, understand, and effectively address all types of criticism and input; to solve problems not yet encountered; and to know how to experiment with new solutions. We must teach them to work with tools that haven’t yet been tested. More important, we must prepare them to test tools they’ll need to invent for themselves. **Z**

Yash Gupta is dean of the University of Southern California’s Marshall School of Business in Los Angeles.

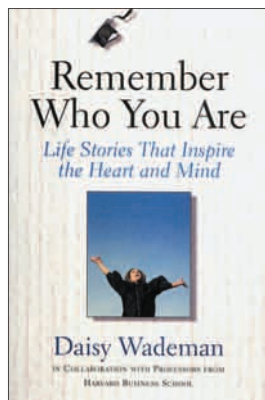
Bookshelf

Daisy Wademan's

Remember Who You Are might be considered the ultimate graduation present.

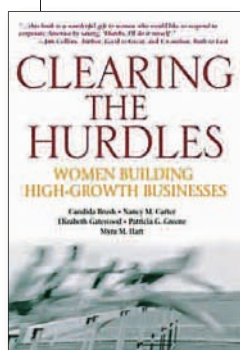
Inspired by the example of Harvard Business School professors who spend the last class hours sharing personal stories with their students, Wademan has collected essays from 15 HBS professors. Alternately moving, hilarious, and reflective, each story is as inspiring as an after-hours tête-à-tête with the most respected senior leader you've never had the chance to get to know. From Jeffrey Rayport's description of a bewildering final exam to Rosabeth Moss Kanter's experience of delivering a crucial speech by telephone, each essay offers an intimate look at a key event in the life of a gifted and thoughtful business school professor. The life lessons, though sometimes familiar, remain profound. Savor the moment. Understand yourself. Care about the people around you. Follow your dreams. Be open to possibilities. The lessons are even easier to learn when presented in such a charming format. (Harvard Business School Press, \$19.95)

In general, women make less money than men do, and that's even more true when they open businesses as entrepreneurs. While 39 percent of all U.S. firms in the U.S. had revenues exceeding \$1 million in the year 2000, only 26 percent of the firms owned by women broke that mark. Why would this be? Five professors with a background in entrepreneurship attempt to answer the question in *Clearing the Hurdles*. Candida



Brush, Nancy M. Carter, Elizabeth Gatewood, Patricia G. Greene, and Myra M. Hart examine attitudes about women as well as women's traditional roles in the workplace and juxtapose these against the specific skills and commitments required by

any individual bent on founding a fast-growing, high-stakes enterprise. They note that women historically start businesses in service-oriented sectors like flower shops and day-care centers, and often are content to keep them relatively small and controllable. But they also point out that other women with grander plans are frequently thwarted by stereotypical attitudes about women's roles in society that make it



difficult for women to secure funding and develop essential social networks. As the title of the book suggests, the authors have plenty of advice about how women can overcome the obsta-

cles clustered in their path and launch the next superstar business. (Prentice Hall, \$24.95)

Even the most self-reliant entrepreneur determined to go it alone depends on a vast and essential network of governmental agencies, community groups, and educational systems. According to Jonathan M. Tisch, Chairman and CEO of Loews Hotels, collaboration and cooperation are the basic building blocks of any successful enterprise. In *The Power of We*, he describes how his

organization has been strengthened by key partnerships with employees, customers, host communities, other businesses, government, and the owners of the parent company. Tisch is not above being goofy—in one memorable chapter, he describes how he dressed up as his mother in a video designed to pitch Loews as the best contender to build a new hotel. Nor is he aloof—he spent a week doing the front-line jobs of his bellmen, housekeepers, cooks, and waiters. But his message is serious. Only through partnering with every stakeholder, from taxi drivers to city planners, can a business develop a strong staff that can weather economic troubles and nimbly move to take advantage of fresh opportunities when they present themselves. (Wiley, \$24.95)

Most corporate leaders seeking to grow their companies are desperate to innovate their businesses and introduce new products. Not so fast, warns Sergio Zyman in *Renovate Before You Innovate*. The man who oversaw one of the most disastrous new product introductions in recent memory—New Coke—strongly believes that most innovation is a recipe for ruin. Instead, he favors renovation, in which companies examine their core essences and identify growth opportunities consistent with products consumers already want from them. “The philosophy of renovation is, ‘Let’s find out what we can sell and see whether we can make it,’” he writes. While CEOs might think they already know how consumers view them, Zyman suggests carrying out research to discover what emotional benefits, physical benefits, and attributes consumers associate with

Bookshelf

their brands. Only then should they consider growing their businesses organically with new products that make sense. (Portfolio, \$24.95)

■ **While top executives may spend a great deal of time constructing their organizational charts, much of the real**

work of any enterprise gets done through informal social networks. Discovering how connections work among employees at all levels will help managers learn how knowledge gets disseminated and how to encourage collaboration between departments. In *The Hidden Power of Social Networks*, Rob Cross and Andrew Parker dissect the factors—such as knowledge and accessibility—that make certain employees critical parts of the information exchange. They also provide templates for mapping social networks, uncovering bottlenecks, and building bridges between disparate groups. “Managers who target strategic points in social networks can quickly increase an organization’s effectiveness, efficiency, and opportunities for innovation,” write the authors. All the more reason to know who’s discussing what around the water cooler every morning. (Harvard Business School Press, \$29.95)

■ **Why do people perform kind acts? Why are they morally responsible? Are they always motivated by some selfish reason, or is there really a place for altruism in private life—and corporate life as well?** Robert H. Frank takes on these questions and more in

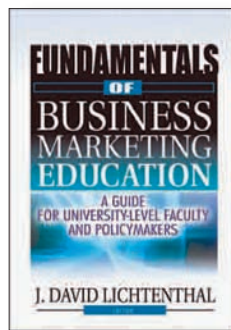
What Price the Moral High Ground? A management professor at Cornell, Frank uses sociological studies about sympathy, commitment, and cooperation to dissect why people keep bargains, why they defect, and why they behave fairly. In one chapter, he even asks the fascinating question, “Does studying economics inhibit cooperation?” (The answer is, it certainly seems to. Economists give less to charities and generally act less cooperatively than others, leading Frank to wonder if exposure to the self-interest model causes people to behave more selfishly.) He applies his analysis of human behavior not only to the ethical dilemmas of individuals but to situations calling for socially responsible behavior by firms. In general, his conclusions are optimistic. “People who are intrinsically motivated to adhere to ethical norms often prosper in competitive environments,” he observes. (Princeton University Press, \$27.95)

■ **In *Fundamentals of Business Marketing Education*, editor J. David Lichtenhal and a host of contributors consider how business-to-business marketing is being taught at the Ph.D., executive education, master’s, and undergraduate levels—and express their view that much improvement needs to be made. At the doctoral level, according to authors Erwin Danneels and**



Gary L. Lilien, “the bulk of research and teaching in marketing focuses on the consumer marketplace.” That’s true even though, in 1995, the financial value of B2B transactions was more than \$6 trillion—twice that of consumer transactions. Other contributors examine how technological advances have changed the marketing classroom and offer a comparative review of existing marketing textbooks. (Best Business Books, \$49.95 hardcover, \$29.95 softcover)

■ **School administrators considering accreditation might want to read Jeffrey W. Alstete’s *Accreditation Matters*. Part of a series of publications on higher education issues, the book takes a look at accreditation in general, although most of its comments are applicable to management accreditation in particular. Alstete reviews the history of accreditation by regional and specialized bodies, discusses its importance and a few criticisms, and then breaks down the key elements necessary for successfully achieving accreditation. “Recently, student learning has been at the forefront of regional and specialized accreditation requirements, and most institutions should make every effort to focus their resources and strategic planning on making this the highest goal of their strategic and operational agendas,” he writes. He sprinkles the text with examples of how one administrator committed the whole school to the accreditation process, or how another school devised a self-study plan. The cumulative effect is to give the reader a good idea of how much work is involved in accreditation—and how much value. (Jossey-Bass, \$26) Z**



Spotlight

Through a Gender Lens

Simmons School of Management
Simmons College
Boston, Massachusetts

Simmons School of Management may be the only business school in the world whose student population is 100 percent women. The school's mission is to provide business education "taught through a gender lens."

Simmons offers five product lines in business education, including its undergraduate program, which serves 180 students; its MBA program, which serves 250 students; and its executive education programs, which attract 800 women annually. It also offers its annual "Women and Leadership" conference and its Center for Gender in Organizations. Each program is designed not only to provide an education in management and leadership, but also to focus on the particular roles, challenges, and management styles of women in the workplace.

For 20 years, Simmons' "Women and Leadership" conference has attracted heavy hitters such as HP CEO Carly Fiorina, who spoke at this year's event. "Her story says to women, 'You can get there if that's where you want to be,'" says Patricia O'Brien, who served as dean of Simmons' business school for the last seven years before accepting a new position with Harvard College last month. "It's inspirational, and it's a way of building the network."

Simmons' Center for Gender in Organizations promotes research on gender roles and differences in busi-



ness environments. A recent CGO study by Deborah Merrill-Sands, who will be taking over as interim dean, explored whether women truly wanted to pursue top corporate positions. It surveyed 571 Simmons graduates and found that more than half of women 34 and younger wanted to achieve the highest leadership positions in their organizations. At the same time, only 27 percent said that being "in charge of others" was important. This distinction makes it important that business curricula take into account women's unique approach to leadership, says O'Brien.

It has become incredibly important that business schools provide

Left: Former dean Patricia O'Brien with Simmons MBA students and Boston Stock Exchange VP Bruce Newell ringing the opening bell. Below: Fulbright scholarship recipients Buhle Ngobo and Deborah May with Sherene Aram, recipient of a scholarship from C200, an organization of women business leaders. Bottom: Gail Deegan, retired CFO of Houghton Mifflin Company and 2002 Simmons executive in residence.

women and men with strong role models, says O'Brien. To that end, Simmons writes many of its own case studies on women leaders to supplement the existing, often sparse, supply of cases featuring women protagonists. Simmons

also offers an entrepreneurship program that focuses on women, addressing the difficulties women still face in getting venture funding or selling their business plans to banks. Through such efforts, O'Brien hopes more women will be encouraged to pursue business careers—and that gender will be less of an issue in the workplace.

"When we were founded 30 years ago, women were 5 percent of middle management. Now, it's 50 percent," said O'Brien. "Today, women hold only 5 percent of senior management positions. Our goal now is to get that up to 50 percent." Still, some women who attend Simmons' business school wonder whether a women-only business program truly reflects real-world business. On that issue, O'Brien is perfectly clear: It doesn't.

"This isn't the real world," O'Brien says. "We view our programs as sabbaticals where women can hone their skills. Then, they can return to the real world with a new voice, a new presence, a new confidence, and new skills."

Simmons School of Management is a member of AACSB International. **Z**