

BizEd

May/June 2011

Global Entrepreneurs

Students Commit to Social Entrepreneurship

Testing Your Global IQ
B-School Dean: Visionary, Catalyst, and CEO

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Business with Passion



RAQUITA HENDERSON

My friend Lee has a master's degree in social work, a passion for social justice, and a teenage son with Asperger's syndrome. He's fast approaching his 18th birthday, at which point he'll age out of the public school system, into a world with a paucity of services for adults on the autism spectrum. Lee has been seized by a new ambition: to found an agency that will support these individuals and their families as they look for jobs, housing, and social services. She's not sure where to begin—but she's auditing a social entrepreneurship class at Washington University in St. Louis as she figures it out.

She's picked the right field of study as a place to start. "Social entrepreneurship combines opportunities, resourcefulness, and leverage to create markets where they don't exist because of market failure or government failure," says Pamela Hartigan of the University of Oxford in the U.K. Social entrepreneurs are launching enterprises intended to address needs as diverse as combating infant mortality and providing clean drinking water—and more business schools are offering programs designed to educate and support these entrepreneurs.

At the same time, more schools are stressing the *business* side of socially focused ventures, ensuring that the enterprises are not grant-dependent, but self-sustaining—even profitable. Such an approach allows even young entrepreneurs just entering the workforce to give back to society without waiting until they've earned enough money working at jobs that might pay more but be less fulfilling.

In this issue of *BizEd*, we present several articles that focus on social entrepreneurship and the role of business in society. "Profit and Purpose" examines the changing nature of social entrepreneurship through the eyes of five business educators. "Case in Point" takes a closer look at two very different social entrepreneurship programs in place at Rutgers Business School and the Wharton School. "Lives, Not Just Livelihoods" offers dean Carolyn Woo's very personal perspective on the compact businesses and business schools must make with the world at large.

My friend Lee will face daunting challenges as she attempts to create a new agency in a space where almost nothing has existed before. But if business schools can turn idealists with social agendas into successful entrepreneurs, they can help redirect both business *and* society. **Z**

About This Issue

If you think *BizEd* looks different, you're right! We're officially launching our redesign with the May issue, which many of you will see for the first time at AACSB's ICAM in New York. Our fresh new look includes a cover design that emphasizes the topics most important to business schools today. It also features more quick-read items and bullet points to make it easier for readers to quickly find information. The makeover is just one of the ways we're celebrating *BizEd's* ten years in publication. Drop by www.bizedmagazine.com and let us know what you think!

Sharon Shinn



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Evaluating Faculty

I READ WITH INTEREST Don Epley's Your Turn column in the January/February issue of *BizEd*. The article, "Reassessing Faculty Evaluations," addressed student evaluations and due process. I have conducted research on the topic and written an article with co-authors Susan M. Des Rosiers and Amy B. Hietapelto. Our piece, "Evidentiary and Constitutional Due Process Constraints on the Uses by Colleges and Universities of Student Evaluations," was published in *The Journal of College and University Law* in 2005.

I would like to clarify two different types of due process that are mentioned in the Your Turn column. *Procedural due process* essentially means that a person has a right to present his or her side of the story at a hearing—which might simply be a hearing, but might also go as far as a trial. *Substantive due process* allows the accused to challenge the accuser. The university setting does give a professor a chance to have a hearing (procedural due process), but not a chance to challenge accusers (substantive due process). Therefore, one of the problems with the university evaluation system is that there is no substantive due process because there is no opportunity to actually learn exactly why students said what they said.

Let me provide an illustrative recent example. In an evaluation for one of my online classes, a student said that he was unhappy because I was "not available at his fingertips." He acknowledged that I had stated I would not always be available, but he thought that was wrong; he

believed I should be responsive 24/7. This comment lets us know what was said and why the person said it, and anyone reading it can decide whether or not the criticism is warranted.

However, let's assume the question on the evaluation had merely asked, "Was this professor available enough?" If the student only had "yes" and "no" options, he would have said "no," because my



hours did not conform to his idea of availability. On any evaluation where a faculty member cannot determine the reasons for the "no" answer, substantive due process has been violated.

Of course, there is another issue with substantive due process—the question of whether the evaluations themselves are valid. I know there is much debate on this very question, which just confirms that there is a problem. If your readers are interested in more detail on this topic, I hope they will seek out the article my co-authors and I published a few years ago. **Z**

Roger W. Reinsch
Professor of Business Law
College of Business and
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Northeastern Illinois University
Chicago



WALTER B. MCKENZIE/GETTY IMAGES

Improving Business Education

THE GRADUATE Management Admission Council has announced the winners in the first phase of its Met Fund Ideas to Innovation (i2i) Challenge, which invited entrants to submit creative ideas for improving graduate management education. The winning ideas—15 prize winners and five honorable mentions—were selected from 600 submissions. The US\$10 million challenge now enters its second phase, as GMAC invites non-profit organizations, schools, and higher education delivery providers to submit their proposals to turn any of these winning ideas into reality.

The US\$50,000 first prize went to Alice Stewart, an associate professor of strategic management in the School of Business and Economics at North Carolina A&T State University in Greensboro. Her idea is to encourage universities to design “stackable educational units and certificates” that can be used to deliver valuable chunks of knowledge as students need them—or that can be combined to design a customized graduate degree.

In her proposal, Stewart notes that high-tech fields frequently yield new knowledge that corporations are eager to

leverage into new products, but technical experts often lack the management expertise required to convert them. She envisions schools meeting their needs by creating educational programs that deploy teams of faculty, some with management backgrounds and some with technology backgrounds, working together as equals.

Schools then would create “stackable” educational units and certificates to cover specific areas of standalone knowledge; these units could be pursued individually or combined to create a designated graduate degree. Stewart believes stackable programs are achievable if schools create incentives for their development and work with consortiums of universities, some of which specialize in management and some of which specialize in technology. She writes, “Certificates or other stackable units could be transferred across consortiums, much like courses are transferred across universities in the current system, creating a more transparent market for well-taught specialized knowledge units.”

More information on all 20 winners can be found at www.gmac.com/i2iwinners.

Free Education at UC Berkeley

FREE, ONGOING, postgraduate training might be the next major trend among business schools seeking to strengthen their connections to their graduates and upgrade the level of business knowledge among practitioners.

The Haas School of Business at the University of California, Berkeley, is the latest school to announce plans to offer such programs to its graduates, starting with the students who graduate this spring. Alumni of Haas’ full-time, part-time, and executive MBA programs will be eligible to attend two days of free executive education programs within the first five years after graduation. New alumni will have access to a variety of open enrollment courses through the Haas School’s Center for Executive Education.

The new initiative expands an existing program that allows MBA alumni to take MBA courses for free, as availability allows, under the Alumni Audit Program. Approximately 200 alumni take advantage of the program each academic year. In addition, all Haas alumni enjoy a 15 percent discount for any open enrollment executive education courses they attend.

“The culture at Berkeley-Haas is that we are passionate about learning, and we know we’ll always have plenty more yet to learn,” says Rich Lyons, dean of the school. “That’s what makes the world exciting, and that’s what drives innovation in the marketplace.”

AACSB Elects New Board Members

NINE MANAGEMENT EDUCATION and business professionals have been elected to AACSB International's board of directors for 2011–2012. Terms will take effect July 1.

Joseph A. DiAngelo, dean of the Erivan K. Haub School of Business at Saint Joseph's University in Philadelphia, Pennsylvania, was elected to a three-year term, the first year as vice chair-chair elect. W. Randy Boxx, dean and George Edward Durell Chair at Shenandoah University's Harry F. Byrd Jr. School of Business in Winchester, Virginia, was elected to a two-year term as secretary-treasurer.

Other board members elected to three-year terms are William A. Dempsey, dean of the College of Business at Kutztown University in Pennsylvania; Susan Hart, dean of the Strathclyde Business School at the University of Strathclyde in Glasgow, Scotland; Patrick Molle, president of EM Lyon Business School in France; Craig M. McAllaster, dean of the Roy E. Crummer Graduate School of Business at Rollins College in Winter Park, Florida; Michael J. Page, provost and vice president for academic affairs at Bentley University in Waltham, Massachusetts; David G. Payne, vice president and chief operating officer of Educational Testing Service, headquartered in Princeton, New Jersey; and Robert T. Sumichrast, dean of the Terry College of Business at the University of Georgia in Athens.



SAM EDWARDS/GLOW IMAGES

Social Entrepreneurship Innovators

SIX WINNERS have been announced in the inaugural Ashoka U Innovation Awards in Social Entrepreneurship Education competition. Ashoka U fosters teaching

and research in social entrepreneurship. With the competition, the organization seeks to elevate the quality of social entrepreneurship in the academic setting and reward innovative educators.

Awards were given to the Social Entrepreneurs Action Learning Project initiated and implemented by Cheryl Kiser and Julie Manga at Babson College; Edun Live on Campus, founded by Brett Smith and Katie Mulligan, and further developed by Sam Monte, from Miami University of Ohio; the Social Entrepreneurship on Campus Internship Class co-founded by Todd Manwaring and Curtis and Misty Lefrandt from Brigham Young University; the Global Consulting Practicum in Social Entrepreneurship created by Matthew T.A. Nash from the Center for the Advancement of Social Entrepreneurship at Duke University; the Transformative Action Institute Curriculum developed by Scott Sherman from the Transformative Action Institute; and the Center for MicroConsignment created in collaboration with Greg Van Kirk of the Social Entrepreneurship Corps and Brett Smith from Miami University.

More detailed information about the winners and the competition can be found at ashokau.org/innovation-award-winners/.



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THE GMAT® REPORT

Faculty Win Case Awards

WINNERS HAVE BEEN announced for the first global ecch Case Awards, which succeed the annual European Case Awards. ecch is an independent nonprofit source for management case studies, and the awards recognize worldwide excellence in case writing. Taking home the award given to the overall winners were David Yoffie and Renee Kim of Harvard Business School for their case “Apple Inc. in 2010.” Kamran Kashani of IMD won for outstanding contribution to the case method.



ANDREW BRET WALLIS/GETTY IMAGES

Faculty from Harvard won in four more categories for cases written on specific subjects: for economics, politics, and business environment, Christopher Bartlett; for entrepreneurship, Mikolaj Jan Piskorski, Thomas Eisenmann, David Chen, and Brian Feinstein; for ethics and social responsibility,

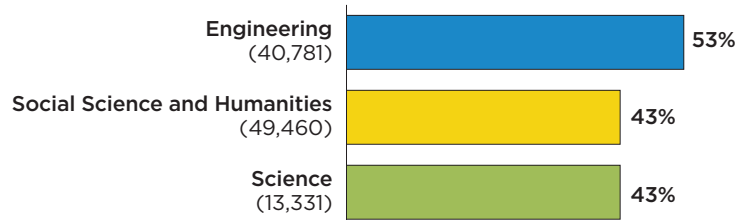


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Christopher Bartlett, Vincent Dessain, and Anders Sjöman; and for strategy and general management, Benjamin Edelman and Thomas Eisenmann.

Other winners also were honored in specific subject categories: for finance, accounting, and control, Andrew Inkpen of the Thunderbird School of Global Management; for human resource management/organizational behavior, Michael Jarrett and Kyle Ingram of London Business School; for information and communication systems management, Vivek Gupta, Indu Perepu, and Sachin Govind of the IBS Center for Management Research; for marketing, Kamran Kashani and Inna Francis of IMD; and for production and operations management, Carlos Cordon, Ralf Seifert, and Edwin Wellian of IMD. Winners in the competition's "hot topic" category of renewable and sustainable energy and technology were George Kohli-rieser, Francisco Szekely, and Sophie Coughlan of IMD. The award for best new case writer was won by Franco Quillico and Gregory Moscato of the International University of Monaco. More details can be found at www.ecch.com/casecompetition.

SHORT TAKES

New Appointments

■ As of July 1, **J. Howard Finch** will be the new dean of Samford University's Brock School of Business in Birmingham, Alabama. Finch, who also will have the faculty rank of professor, currently is Alico Chair of Financial Management and Planning at Florida Gulf Coast University in Fort Myers. He replaces Beck A. Taylor, who resigned in May 2010 to become president of Whitworth University in Spokane, Washington.

■ The University of Toronto in Ontario, Canada, has announced that **Roger Martin** will serve a third term as dean of the Rotman School of Management. The new term begins this May and ends in 2014. Under Martin's leadership, which began in 1998, the school has increased its existing programs, added new ones, and developed a signature focus on integrative thinking and business design.

■ **Christoph H. Loch** has been named the new director of Cambridge Judge Business School at the University of Cambridge in the U.K. Until Loch assumes his duties in September, professor **Geoff Meeks** will continue as acting director of the school.

Loch is currently the Glaxo-SmithKline Chaired Professor of Corporate Innovation and professor of technology and operations management at INSEAD, where he is also director of the INSEAD Israel Research Centre.

■ **John Quelch**, the Lincoln Filene Professor of Business Administration at Harvard Business School, has become vice president and dean of the China Europe International Business School in Shanghai. During 2009, Quelch took a sabbatical from Harvard to serve as the La Caixa Visiting Professor of International Management and Chairman of the Academic Advisory Council at CEIBS. Previously, he served as dean of the London Business School.



■ **Sara Robicheaux** is the new dean of business programs at Birmingham-Southern College in Birmingham, Alabama. Robicheaux joined the BSC faculty in 2002 as an assistant professor of finance and was named associate professor in 2007. Prior to joining the BSC faculty, she was a visiting professor of finance in the Kenan-Flagler

Business School at the University of North Carolina.

■ Beginning in May, **Leonard M. Jessup** will be the new dean of the Eller College of Management at the University of Arizona in Tucson. Jessup, an alumnus of the business school, was most recently chair of the department of entrepreneurship and information systems and director of the Center for Entrepreneurial Studies at Washington State University. During his ten years at WSU, he also spent three years as dean of the business school. At Arizona, Jessup replaces **Paul Portney**, who stepped down to join the faculty of the UA department of economics, and takes over for McClelland Professor of Accounting **Leslie Eldenburg**, who is serving as interim dean.

■ **Michael R. Cooper** has been named dean of Bryant University's College of Business in Smithfield, Rhode Island. For the past four years, Cooper has been the dean of Rutgers Business School, which operates on two campuses in New Jersey, as well as three international campuses and several satellite locations.

■ **Sudhakar (Sid) Balachandran** has been named the first assistant dean for

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teaching excellence at Columbia Business School in New York City. He will head the Arthur J. Samburg Institute for Teaching Excellence and will lead the school's mentoring program for new faculty members.

■ U.S. President Barack Obama has nominated **Carl Shapiro** as a member of the Council of Economic Advisors. Shapiro, a professor of business and economics at the University of California, Berkeley, is currently on leave to work as the deputy assistant attorney general for economics in the U.S. Department of Justice's anti-trust division. The Council of Economic Advisors provides the president with advice on domestic and international economic policy. Once confirmed by the U.S. Senate, Shapiro will succeed **Cecilia Rouse**, who will be leaving the council to return to Princeton University.

■ Celebrity-level faculty appointments will bring real-world knowledge into classes at two top business schools. Former NBC president and CEO **Jeff Zucker** will join Columbia Business School in New York City as a new executive

in residence. Zucker spent more than 24 years with NBC. Meanwhile, former Michigan governor **Jennifer Granholm** and her husband, **Daniel Mulhern**, are teaching interdisciplinary courses on energy, leadership, state budgets, and the economy in the schools of law, business, and public policy at the University of California, Berkeley. Granholm is a two-term governor who focused on strengthening her state's economy; Mulhern is a leadership coach, radio talk-show host, and author of books on leadership.



■ **Karen Forrest Turner** has been elected as the Mountain Regional Director of the National Association of State Boards of Accountancy (NASBA) Board of Directors for 2010–2011. Turner is director of accounting and CIS at the University of Northern Colorado's Monfort College of Business in Greeley, Colorado. She is also an associate professor in accounting at the college.

Moving On

■ **Ginny Dybenko** is stepping down from her position

as dean of the School of Business & Economics at Wilfred Laurier University in Waterloo, Ontario. During her tenure, Dybenko focused on establishing a strategic direction for the faculty, securing international partnerships, and integrating technology into the business curriculum. Dybenko joined the school in 2006 and was named one of Canada's Top 100 Most Powerful Women two years later. She plans to pursue other opportunities within the university.

■ **Thomas E. Moore** has retired as dean of Northeastern University's College of Business Administration in Boston, Massachusetts, for health reasons. Under his leadership, the college launched its online MBA, enhanced the undergraduate student profile, received national ranking for its full-time MBA program, and expanded its executive education programs. The new acting dean of the school is **Harry Lane**, who joined the college in 1999 as the first Darla and Frederick Brodsky Trustee Professor in Global Business.



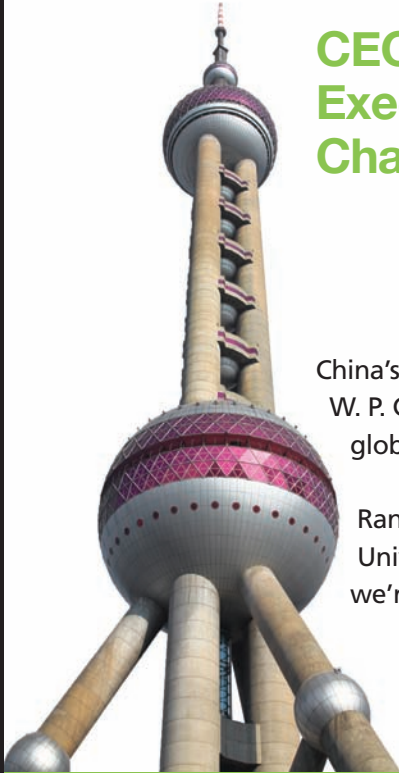
■ After ten years of service as dean of Fairfield University's Charles F. Dolan School of Business in Con-

necticut, **Norm Solomon** will step down in June. Under Solomon's leadership, the school created endowed chairs for faculty, initiated student exchange programs with European universities, focused on transformative social engagement through efforts such as the Center for Microfinance, and achieved reaccreditation through AACSB International. Solomon will take a yearlong sabbatical before returning to Fairfield in 2012 to teach and conduct research.

Honors and Awards

■ **Jerry Trapnell** has received the 2011 Federation of Schools of Accountancy–Joseph A. Silvoso Faculty Merit Award. Trapnell is executive vice president and chief accreditation officer of AACSB International, based in Tampa, Florida. The award, the highest given by the organization, honors an outstanding contribution by a faculty member in a post-baccalaureate professional program of an FSA member school.





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■ Several AACSB member schools were among the winners announced by the Institute of International Education in its tenth annual IIE Andrew Heiskell Awards for Innovation in International Education. In the category of Internationalizing the Campus: Business Education, the **George Washington University** School of Business won an honorable mention for the GWSB Global MBA Program. In the category of International Partnerships, an honorable mention was awarded to the undergraduate business partnership known as GLOBE (Global Learning Opportunities in Business Education); the partners are **The Chinese University of Hong Kong**, **Copenhagen Business School**, and the **University of North**

Carolina at Chapel Hill. North-eastern University won top honors in the Study Abroad category for its Dialogue of Civilizations Program, which connects students with their peers around the world for a series of meetings on language, conflict resolution, public health, and other topics. **Kennesaw State University** received an honorable mention in the same category.



■ **Gail Naughton** has been named Outstanding Dean for 2011 by Beta Alpha

Psi, an honorary and service organization for accounting, finance, and IT systems students at universities accredited by AACSB or EFMD.

Naughton is dean of the College of Business Administration at San Diego State University in California.

Collaborations

■ The **University of Maryland's** Robert H. Smith School of Business in College Park has partnered with the Gettysburg Foundation to develop customized leadership programs that integrate lessons from the Civil War battle. The programs will push participants to consider individual and organizational challenges through engagement in action-oriented sessions, both on the Pennsylvania battlefield and in the classroom. The customized programs—which range from two days to one week—incorporate battlefield

tours, lectures, discussion sessions, videos, role-playing, and team exercises.

■ The **Graduate Management Admission Council**, Pearson VUE, and ACT have announced an extension of their partnership to develop and administer the Graduate Management Admission Test (GMAT) through 2022.

■ **Cornell University's** Johnson Graduate School of Management in Ithaca, New York, has announced a partnership with the **Cheung Kong Graduate School of Business (CKGSB)** in China. The collaboration will include MBA student exchanges, a certificate program hosted by Johnson for an EMBA outbound group

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from CKGSB, and a joint energy certificate program in Ithaca for senior executives from the Chinese energy sector.

■ **The University of Tennessee in Knoxville** and **ESSEC Business School** of Paris and Singapore are collaborating on the inaugural Global Supply Chain Forum to be held June 28 to 29 in Paris. Subsequent forums will take place in North America, Central Europe, Eastern Europe, Asia, and Latin America. They will be held in collaboration with UT Knoxville and the Instituto de Logística e Supply Chain (ILOS) in Rio de Janeiro, Brazil, and the Central European University (CEU) Business School in Budapest, Hungary.

■ **Arcadia University** in Glenside, Pennsylvania, is now offering its International MBA in partnership with the Aventis School of Management in Singapore. Its first cohort recently launched with 29 students, more than half of whom are senior executives with multinational corporations.

New Programs

■ This September, **Grenoble Graduate School of Business** in France will launch an MSc in strategic marketing. The program, which will be conducted in English, will cover contemporary issues in strategy and marketing, strategic leadership and people development, sustainable marketing, digital marketing, global and transnational marketing, and other topics.

■ Using input from leading energy firms, the A.B. Freeman School of Business at **Tulane University** in New Orleans, Louisiana, has created a master of management in energy. The one-year program will combine academic training with real-world

applications and sophisticated simulations. The program begins in July and will include customized courses on energy fundamentals, finance, modeling, data analysis, economics, trading, accounting, risk management, strategy, and portfolio management. The curriculum also prepares students to take the Energy Risk Professional (ERP) examination and other industry certification exams.

■ The John Cook School of Business at **Saint Louis University** in Missouri has introduced a healthcare concentration as part of its existing master of supply chain management program. The new concentration is offered in collaboration with the Department of Health Management and Policy at the university.

■ France's **EDHEC Business School** has launched an MSc in risk and investment management. Participants will alternate between coursework and internships during the 13-month program, which begins this September under the academic direction of Philippe Foulquier. The focus will be on asset allocation and risk





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management as key sources of added value. Classes will be held on EDHEC's London campus, as well as its newly opened campus in Singapore. The new Singapore executive campus is the base for EDHEC-Risk Institute-Asia.

■ The School of Business and Economics at **Seattle Pacific University** in Washington state now offers an MA in social and sustainable management. The intensive, 11-month immersion program is intended for new, nonbusiness graduates. The SSM program offers a Christian perspective on business while emphasizing business fundamentals, leadership, ethics and responsibility, and sustainability and stewardship.



■ The **University of Tennessee, Knoxville**, is partnering with Oak Ridge National Laboratory (ORNL) to launch the UTK/ORNL Center for Interdisciplinary Research and Graduate Education (CIRE). The center will train scientists to take on some of the world's challenging energy problems by working with teams of researchers making scientific breakthroughs that could become thriving business enterprises. When it officially opens in

August, CIRE will offer an interdisciplinary doctoral degree in energy science and engineering. The program will focus on nuclear energy, bioenergy and biofuels, renewable energy, energy conversion and storage, distributed energy and grid management, and environmental and climate sciences related to energy.

■ The **University of California Davis** Graduate School of Management is revamping its MBA curriculum to increase its emphasis on globalization, responsible business ethics, and sustainability. The new curriculum will begin this fall for entering students in both the daytime MBA program at the Davis campus and the

working professional MBA programs at its campuses in Sacramento and San Ramon. The revamped curriculum is anchored by IMPACT (Integrated Management Project, Articulation, and Critical Thinking), a two-part capstone course designed to sharpen students' writing, speaking, and analytical abilities. Students will then take on 20-week team projects for client companies representing key regional industry sectors.

■ **IMD** in Lausanne, Switzerland, has announced innovations to its MBA, an international one-year leadership and general management program. Starting in 2012, the school will incorporate a new continuous "action learn-



Bryant University
President Ronald K. Machtley and
Vice President for Academic Affairs
José-Marie Griffiths are pleased
to announce the appointment of
DR. MICHAEL R. COOPER
to the distinguished position of
Dean of the College of Business

DR. MICHAEL R. COOPER

- Distinguished academic administrator and corporate executive
- Accomplished catalyst for global programs, strategist, and entrepreneur
- Talented coalition builder, noted for forging alliances between universities and corporate partners

Dr. Michael R. Cooper is a proven champion for innovation in global education and an internationally recognized expert in building strategic alliances between academia and the private sector. He has more than 30 years of experience as a senior executive in academic and corporate settings, including international market research, marketing services, management consulting, and technology commercialization.

Dr. Cooper comes to Bryant University from the Rutgers Business School (RBS) at The State University of New Jersey. As Dean of RBS, he managed faculty and programs across two main campuses (Newark and New Brunswick), three international campuses (Shanghai, Beijing, and Singapore), and multiple satellite locations.

Bryant University today is the culmination of nearly 150 years of continuous growth and innovation. More than 3,600 undergraduate and graduate students from 27 states and 57 countries are enrolled in the University's College of Business, College of Arts and Sciences, and Graduate School of Business.

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SHORT TAKES

ing cycle approach" which will integrate classes, live business cases, and real-world projects with companies. The new program also will offer students personalized learning and individual coaching, as well as structured pre-program preparation that will allow them to gain a basic understanding of business fundamentals before the program starts.

Grants and Donations

■ **Columbia University** in New York City has received a US\$10 million gift to establish the Richard Paul Richman Center for Business, Law, and Public Policy. The interdisciplinary academic center will be jointly administered by the Columbia Business School and the Columbia Law School. The grant has been awarded by the Richard Paul and Ellen S. Richman Private Family Foundation. Richard Richman, an alum of both schools, is chairman of The Richman Group, a developer of rental housing.



■ The Wharton School of the **University of Pennsylvania** in Philadelphia has received a US\$6.5 million gift from Barry R. Lipman to establish the Lipman Family Prize. The annual

prize will recognize the work of an organization devoted to positive social impact and the creation of sustainable solutions to significant social and economic challenges. Each winning organization will receive a US\$100,000 cash prize and opportunities for ongoing relationships with the Wharton School. Lipman, an alumnus, is co-founder of California law firm Goldfarb Lipman.

■ The Institute of Chartered Accountants of Ontario has renewed its commitment to support the **University of Toronto's** Rotman School of Management CA/Rotman Centre for Innovation in Accounting Education. Established in 2004, the center develops professional accounting programs at the graduate and undergraduate levels through the university. The center will receive annual funding of CAN\$100,000 through April 2015, bringing the institute's total support over the years to CAN\$1 million.

■ **Temple University** in Philadelphia has received a US\$500,000 donation from Goldman Sachs Gives to expand its annual

business plan competition, the Be Your Own Boss Bowl. The gift will go to the Fox School of Business, which organizes the competition via the Temple Innovation and Entrepreneurship Institute. The money, given from a donor-advised fund, was made at the recommendation of Alan and Deborah Cohen, both Temple alumni.

■ The foundation of the **American Institute of Certified Public Accountants** has awarded US\$254,500 to 92 recipients of the AICPA Scholarship for Minority Accounting Students for the 2010–11 academic year. The scholarship is funded by the AICPA Foundation, Robert Half International, and the New Jersey Society of CPAs.

■ Verizon Communications has given a US\$100,000 grant to the Henry L. "Hank" Lacayo Institute for Workforce & Community Studies at **California State University Channel Islands**. The money will be used in three main areas: to fund programs that encourage students to act as consultants to



small business owners in the region; to provide scholarships to underserved students pursuing business and social science degrees; and to help establish the Verizon Telecommunications & Conservation Lab, a green operations model that will aid small businesses in implementing eco-friendly practices.

■ AT&T has granted US\$20,000 to **Walsh College** in Troy, Michigan, to be used in the school's Blackstone LaunchPad facilities, which support aspiring student and alumni entrepreneurs. The LaunchPad program was founded in April 2010 when Blackstone Charitable Foundation made a US\$50 million commitment to spur entrepreneurship in Michigan by funding programs at Walsh College and Wayne State University in Detroit. The first US\$2 million were disbursed last year. LaunchPad is a business-creation and training program operated in collaboration with the University of Miami. **Z**

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Profit and Purpose

Today's student entrepreneurs want it to do it all:
Make a profit and make a difference.

BY SHARON SHINN

While academics produce a variety of definitions for the term *social entrepreneurship*, they generally agree on the basic outline: It's practiced by an organization that addresses social and environmental needs that aren't being adequately met by governments or private enterprises.

But there's a new dimension creeping into the definition. It's *sustainable*. It's *profitable*. It exists not only to do good, but also to make money in the process.

David Townsend is one of those who's closely watching as the traditional nonprofit view of social entrepreneurship widens to include for-profit models. The assistant professor in the department of management, innovation and entrepreneurship at North Carolina State University's Poole College of Management in Raleigh has joined with co-authors to make the case that "the organizational form itself doesn't matter as long as the goal of the organization is to create social and economic good simultaneously."



Ventures, Values

TCU's Raymond Smilor won the John E. Hughes Award for Entrepreneurial Advocacy from the United States Association for Small Business and Entrepreneurship (USABE) at its annual conference in January. There, the entrepreneurship program at TCU's Neeley School also was named the 2011 National Model Undergraduate Entrepreneurship Program.

At TCU, we have a program called Ventures and Values, which has two objectives. First, we help students improve their strengths, instead of trying to improve their weaknesses. Second, we help them determine their core virtues. Then we say, "Build an enterprise that reflects both your talents and core virtues."

In my opportunity recognition class, I teach creativity and feasibility assessment, where students learn that everyone is creative—just in different ways. We do a "jam session" exercise, where student teams choose musical instruments and take 20 minutes to prepare an original score that they must perform for three minutes. While some claim they're not musical, each group always manages to create successful songs.

Then I debrief them. "Who wrote the music? Maybe that person is innovatively creative. Who did the organizing? Maybe that person is adaptively creative." This exercise helps students identify their creative strengths.

In the "flying device game," students use any material to build something that will fly across the room; the winning entry goes the farthest in the straightest line. Afterward, students reflect on how they treated each other to better understand how they would like to act in their own companies someday.

We're in the process of launching a business plan competition, involving other schools, which will be an extension of this approach. We'll ask students to present a plan that's not only economically viable, but also reflects their values.

In all these efforts, we make it clear there has to be a social dimension to any organization students create. They need to base their businesses on their values and the things that have meaning for them. If they do that, the money will follow.

In fact, both sides of the social entrepreneurship equation are coming to the conclusion they need each other, says Raymond M. Smilor, the Robert and Edith Schumacher Executive Faculty Fellow at Texas Christian University's Neeley School of Business in Fort Worth. "You can have a social enterprise, but unless it's also a business, it's not going to be sustainable," he says. "And you can have a for-profit business, but if you don't create meaning along the way, you're less likely to succeed in the marketplace."

That puts a challenge straight before the growing number of business schools designing social entrepreneurship programs today: How can they teach students to build businesses that are both sustainable and profitable? What kinds of classes should they deliver, and what kinds of experiences should they offer? Here, five experts in the field offer eight ways to make social entrepreneurship a key part of the business school curriculum.

1. Capitalize on student interest.

Students no longer want to wait until they're 50 to start giving back, says Pamela Hartigan, director of the Skoll Centre for Social Entrepreneurship at the University of Oxford's Saïd Business School in the U.K. "They want to start now to make meaningful choices in their careers."

In fact, these experts say, to some extent social entrepreneurship initiatives have always been driven by the demands of students, no matter what their ages. For instance, older students such as executive MBAs are experiencing a "craving for meaning" in their lives and jobs, believes Johanna Mair, associate professor of strategic management

at the University of Navarra's IESE Business School in Spain.

But younger students, the so-called Millennials, are also agitating for social entrepreneurship, says Townsend of NC State. Idealistic and community-oriented, these students are determined to save the world once they learn the skills. "For all the criticism they get, the members of this generation are an amazing bunch with a tremendous amount of potential," says Townsend. "If we can give them structure and turn them loose, they're going to accomplish some incredible things."

Others agree. Smilor notes that more than 350 students belong to TCU's College Entrepreneurs Organization. And many students are coming to school with a whole new set of motivations, says Cheryl Kiser, managing director of the Lewis Institute at Babson College in Wellesley, Massachusetts.

Kiser adds, "Most have already done significant community service, and they've been raised to understand social issues. They want to work for companies that are responsible. They care about the opportunities that can be met by the tools of business."

2. Infuse social entrepreneurship throughout the coursework.

As students and schools become more committed to social entrepreneurship, the topic is increasingly integrated across the curriculum.

"In our practicum courses, students go after opportunities that create social *and* economic value," says Townsend of NC State. "In our business plan competition, they come up with ideas for social entrepreneurship ventures. We

Cheryl Y. Kiser is executive director of Babson's Social Innovation Lab and managing director of its Lewis Institute. Babson is one of ten universities chosen by the global organization Ashoka to be a Changemaker Campus—a school committed to social entrepreneurship.

At the Lewis Center, we sponsor a year's worth of coaching to selected graduates. That's important because social entrepreneurs are usually on their own. Not only will we help them understand the challenges a social entrepreneur faces and create resources for them, we will use their experiences to build content for the rest of the school.

The first five participants include two graduates working at an entrepreneurship center in Rwanda; two in San Francisco working on social entrepreneurship ventures; and one driving change at a school in Harlem. We coach them individually, then bring them back together so they can learn from each other and our professors can learn from them. All five have offered to stay on for a second year to help mentor the next group selected for the program.

uct in a global southern context to provide a cheap, cost-effective filtration system," Townsend says.

4. Offer more role models.

While most business programs expose students to successful executives, schools focusing on social entrepreneurship bring in a special kind of business owner with a cer-

don't intend to expand to a unique course set on social entrepreneurship because it's so fundamentally integrated into what students want and how we teach in general."

Other schools are slowly adopting the same approach. "Topics and cases that have previously been associated with social entrepreneurship are now being integrated into the mainstream curriculum," says IESE's Mair. She admits that kind of mainstreaming is difficult for professors who have taught strict disciplinary courses for a long time, but she adds, "It's time for us to open up a little."

3. Teach it across disciplines.

At TCU, social entrepreneurship reaches across campus to schools as diverse as engineering, journalism, nursing, and fashion design. "We've found that entrepreneurship applies to any discipline where students see the potential to be their own bosses," says Smilor. Using and matching a small grant from the Coleman Foundation, TCU supports eight Faculty Fellows in entrepreneurship who are promoting the notion that "entrepreneurship isn't a business discipline. It's a way of thinking. It

includes skills that can be applied to any discipline."

Similarly, NC State encourages entrepreneurship initiatives across disciplines, particularly through a technology program that brings together students from engineering, textiles, management, and other majors. While many of the connections have been informal, the university's new chancellor, Randy Woodson, is promoting social entrepreneurship as a university-wide mission, says Townsend. Among other initiatives, he's advocating a cross-functional agenda that's likely to lead to more formalized joint degree programs.

Multidisciplinary efforts in the past have often centered around the schools for textiles and engineering, the major players at NC State, Townsend explains, and that's likely to continue as social entrepreneurship is ingrained even more deeply into the curriculum. For instance, the textile school has discovered that a particular kind of fiber technology can also be used to filter bacteria and other organisms out of water. The business school is working with the textiles school to develop "early stage ideas about how to implement this prod-

Pyramids and Policies

While she primarily teaches at IESE Business School, Johanna Mair also holds appointments at INSEAD in France and Harvard's Kennedy School in Cambridge, Massachusetts, and she is academic editor of Stanford University's Social Innovation Review.

Much of my research has focused on how social entrepreneurship drives change at the base of the pyramid and, therefore, develops markets in that sector. More recently, I have focused on understanding not only how social initiatives get scaled up but on how effects differ from one location to another. I'm looking at the varying effects of social entrepreneurship initiatives on 400 villages in India over time. This will help give us a better understanding of what it takes to scale up and what the limitations are.

On the other end of the economic spectrum, I'm working with the European Commission to study successful social entrepreneurship organizations in five countries. Because the research is driven by the European Commission, there will be policy implications. We think we can go beyond the classic sector boundaries and carve out solutions and models that aren't categorized for the public and private sector. I find that very exciting.

tain way of looking at the world.

That's because, as Oxford's Hartigan says, "the best way to get students infected with the social entrepreneurship virus is to bring successful entrepreneurs to campus to share their experiences."

At NC State, to introduce students to many different sectors where entrepreneurship is essential, Townsend brings in speakers from industries as diverse as energy and biomedicine. At TCU, students learn about entrepreneurs like John Mackey of Whole Foods and Tony Hsieh of Zappos, who have created wildly successful enterprises built on expressed values. But they also meet more local heroes.

"I find people in the community who are doing stunning things, and invite them in to tell their stories," says Smilor. "That's a powerful way to help students understand the key elements involved in social entrepreneurship and for outsiders to communicate the spirit and challenge of running a social enterprise."

Students also have a chance to meet role models in a TCU class billed as the "entrepreneur's road trip." They tour the state visiting companies to learn what makes them successful and how the owners have engaged with the community in ways that reflect their values.

5. Take it outside the classroom.

In 2010, Babson launched an initiative called From Day One: Making a Difference, an all-day event that took place directly after freshman orientation. During the day, students could participate in a variety of activities related to social responsibility and entrepreneurship, including completing service work with nonprofits, hearing guest executive speakers, and

watching video snippets of social entrepreneurs discussing their businesses. At lunch, food services supplier Sodexo provided a meal that was completely sustainable, locally sourced when possible, and labeled so students could see the origins of menu items. The day was capped off with a presentation by Ron and Arnie Koss, organic food icons who founded Earth's Best baby food.

"Students could choose which activities to participate in, but we provided this 'marketplace of social entrepreneurship' to let them know this is what Babson is all about," says Kiser.

From Day One is part of Babson's effort to integrate its SEERS approach—a focus on *social environmental economic responsibility and sustainability*—into every aspect of the curriculum and school experience. The school underscores its commitment to social entrepreneurship with optional evening programs that cover topics such as cleantech and sustainable food sourcing. Introducing freshmen to this focus during

their orientation, explains Kiser, is one way that the school makes it clear from the beginning how closely it focuses on social innovation.

6. Offer real-world experiences.

Any educational experience is richer when students can learn by doing, and that's true for social entrepreneurship as well. In one Babson course, a professor takes students to Turkey, where they write case studies about social entrepreneurship in that country. In another Babson course, freshmen take turns pitching ideas to the class, which chooses two. Then students divide into teams to create those companies, choose their business strategies, source and manufacture their products, sell them, repay their loans, and use those funds to give back to society.

7. Prepare students for a wide range of jobs.

Graduates with a passion for social entrepreneurship no longer have to look for jobs within a narrow range

Nonprofits and For-Profits

David Townsend is an assistant professor at NC State, which recently received a US\$40 million naming gift for the Poole College of Management. Part of the money, Townsend says, will be used to expand the school's focus on entrepreneurship and sustainability.

While many people give lip service to the profitable aspects of social entrepreneurship, that's not enough. Capital markets for for-profit ventures are far larger than they are for nonprofits. If we could leverage all that capital and turn a profit that benefits the shareholders and simultaneously drastically improves the lives of people around the world, we would have the classic win-win.

My research is focused on recognizing that social entrepreneurship isn't linked to the nonprofit organizational form. I think it's critical for more research to address how business models are formed and what effect they have on firms, particularly if companies have double- or triple-bottom-line goals and multiple shareholders. Those issues will affect how firms organize, how they set up value chains, how they manage operations and accounting. I expect a lot of discussion around this topic in the next few years.



of small startups and charitable organizations, say these experts. Not only are there specialized consulting firms focused on social entrepreneurship, but established global firms like McKinsey have divisions devoted to these ventures. “The same is true in finance,” Mair adds. “There is a whole new industry shaping up in responsible investment and social impact investment.”

Students who take such jobs are set to make a difference. Says Oxford’s Hartigan, “Even when students go into mainstream consulting, they still carry that fanaticism around. We had a student who went to work at Morgan Stanley and started its whole microfinance department.”

At the other end of the spectrum are the social entrepreneurship majors who start their own companies. For instance, recent Babson graduates launched a business called Give Back a Pack. When any retail customer buys a backpack, its price includes a second backpack stuffed with school supplies that is donated to children in developing communities.

In the future, even more opportunities will open up, Mair predicts. That’s because she expects there to be more dual-degree programs between business schools and governance schools, meaning more graduates with social entre-

preneurship backgrounds might work their way into governmental and public policy positions.

8. Keep fine-tuning the program.

Once a school claims that it’s committed to social entrepreneurship, it has to make sure the curriculum and the university operations reflect that, says Kiser. “At Babson, our trucks use biodiesel fuel because it’s hard to espouse the principles of sustainability if you don’t understand the challenges,” she says. “A school starts to teach differently when it authentically acts on the beliefs it promotes.”

If a school *isn’t* committed to its social entrepreneurship programs, Hartigan notes, those initiatives can get trapped in what she calls the academic ghetto. “Some university social entrepreneurship programs remind me of the gender diversity programs at big corporations. You have one poor woman in the corner screaming, but no one is paying any attention.”

To stay on course, these educators also recommend that schools choose faculty champions for their social entrepreneurship programs and stay abreast of current content in publications such as Stanford University’s *Social Innovation Review*. Smilor suggests that schools expand their own perspectives on teaching social entrepreneurship by inviting faculty from other schools to talk about what they do and how they do it.

Above all, says Kiser, schools should stay connected to what students want. “They’re only in class for a certain amount of time, so look at what they choose for their co-curricular activities,” she says. “If you can do it and still stay true to your

Competing for Ideas

Oxford’s Pamela Hartigan is also founding partner of Volans Ventures, which builds scalable solutions to world challenges.

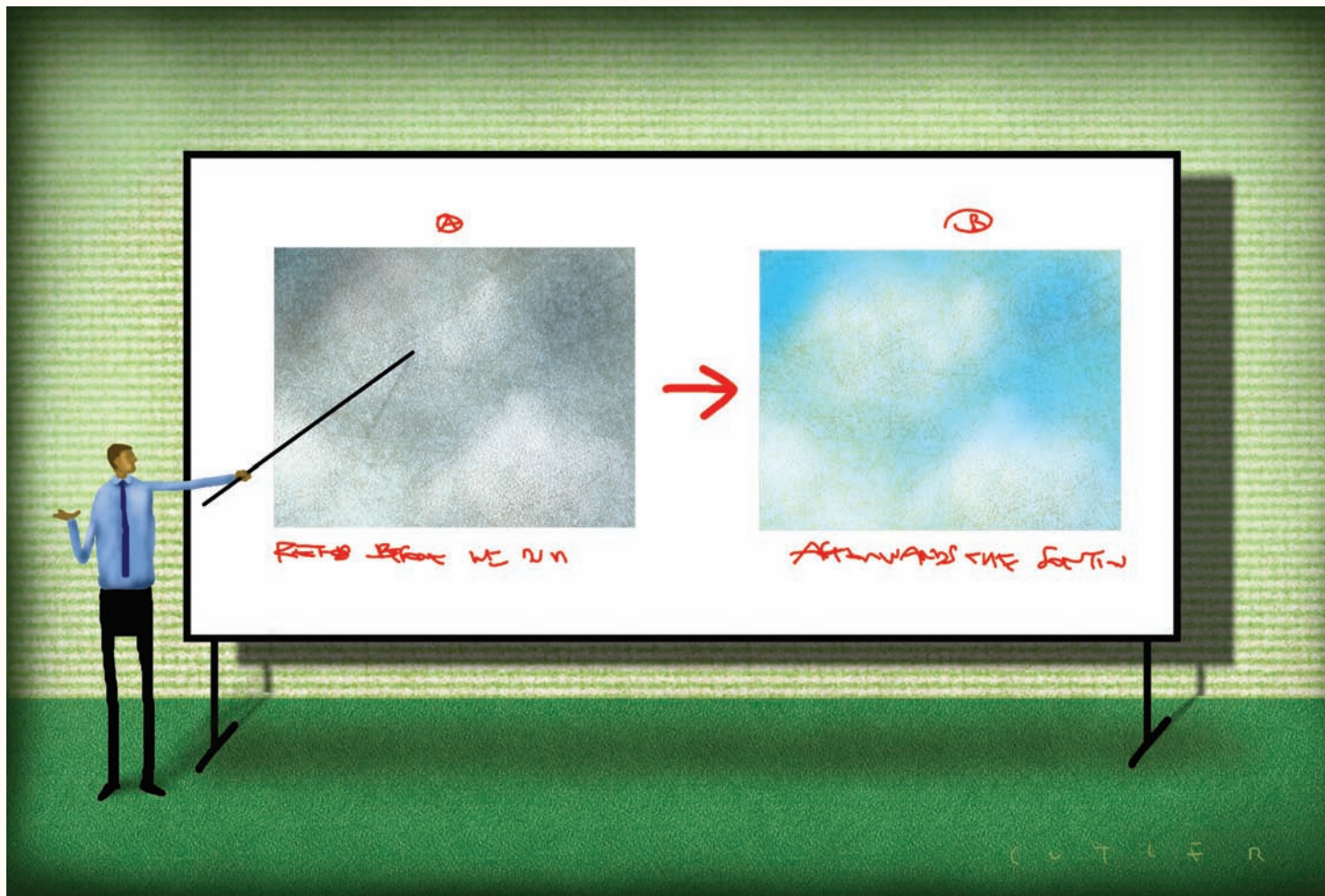
I hate the term social entrepreneurship. To me, any kind of entrepreneurship has to be social entrepreneurship. Any time you put “social” in front of it, you just diminish it.

That being said, I see key differences between social entrepreneurs and those heading nonprofits. Many nonprofits are palliative or advocacy-oriented organizations. They’re trying to solve a social problem, but they aren’t addressing the root causes. Social entrepreneurs want to address root causes. They want to transform systems and practices. They want to create sustainable sources of funding.

Our Emerge Venture Lab competition is an idea competition rather than a business plan competition. Students submit synopses of their ideas, and a panel selects the most promising ideas after first interviewing the team. The center accompanies and mentors the teams for the next year, then chooses the final winners, who are the ones whose ideas seem most advanced and likely to succeed. We think it’s important to look at ideas, because no entrepreneur I ever met started with a business plan. As Bill Gates says, “By the time you have the business plan, it’s too late.”

core, integrate the passion of the students into your business courses.”

These academics are convinced that social entrepreneurship is becoming part of a movement that simply can’t be overlooked. Says Kiser, “Creating both social and economic value is what a good business in the 21st century does. You can’t operate a business today if you are not aware of the social environment and all the other dimensions of your impact.” That same awareness is percolating through all levels of business school in every corner of the world. **Z**



Case in Point

Not sure how to implement a social entrepreneurship class at your school? Here's a look at two very different classes with wide-reaching impact. Ian MacMillan of the Wharton School describes the exercises he uses to help students formulate realistic, sustainable social ventures, while dt ogilvie explains how the Rutgers Business School has exported a successful community outreach entrepreneurship initiative.

The Wharton School Reality Check

BY IAN MACMILLAN

Undergrads and MBA students in my societal wealth venturing class know they'll be forming teams to create ventures aimed at address-

ing a pervasive societal problem. They know they'll be studying the details of what worked and what didn't in the Wharton Societal Wealth Program, which is field testing social entrepreneurship projects in areas like Zambia and Botswana. But they aren't always prepared for the kinds of analysis and refinements they'll be asked to do as they move their plans from

pie-in-the-sky idealism to practical, sustainable, profit-seeking businesses. They aren't always prepared for reality.

As a key part of the class, I help students think through what benefit they want to deliver, who they want to deliver it to, and what kinds of obstacles they'll face. For instance, students might have proposed a plan for encouraging more

people in a developing nation to receive inoculations at a clinic.

I ask them, “How will the people get there? What’s the transportation system? If you have vaccines, how will you keep them cold? Do you have a refrigeration system? What makes you think you’re going to have power? And, by the way, if you have a refrigerator, do you realize you’d better weld it to the floor or it might get stolen?” There’s a lot they’ll have to think about before they go into challenging environments.

Moreover, I ask them to consider what happens if their businesses are really successful. Even as they’re helping some people, there will be others who are disadvantaged by their success. I tell them, “Those people aren’t your friends, and if they have contacts in high places, you could be shut down.” So among the exercises I have them do is a political analysis.

I call this “thinking through the last yard of delivery” when planning in uncertain environments. It’s also simply a reality check. Students are working on ventures that are highly uncertain, and sometimes it becomes increasingly apparent that they won’t be able to accomplish their initial target outcome. So I have them think about how they can keep redirecting and refining their plans.

Some students also struggle with the notion that even ventures designed to do good need to generate sustained funding, so I constantly emphasize the themes of self-sufficiency and profitability. The sheer discipline of having to think about how to make a profit really forces students to drive down costs and increase potential revenues.

Even if students get to the end of the program and realize they can’t make profits on their ventures, any project they launch nonetheless will use far fewer resources.

The fact is, nonprofit organizations and governmental aid initiatives have poured a great deal of money into trying to combat poverty, and the impact hasn’t been encouraging. Now social entrepreneurs are starting to address the

world’s problems. However, let’s be clear that the challenges are immense. After all, if the solutions were obvious, someone else would already be employing them.

To teach social enterprise, we know we must attack these problems with a formidable array of weapons: cutting-edge research, deep intellectual insight, and committed students. There are many in today’s generation of students who say, “I was lucky



Hydros Bottle founders Aakash Mathur, right, and Jay Parekh.

Developed in part through the Wharton School’s societal wealth venturing program, the Hydros Bottle is a filtering water bottle that is an alternative to the disposable plastic water bottles that clog up landfills. The founders hope that improved filters one day will help provide clean water to people in developing nations. Currently, \$1 of each sale is donated to the nonprofit Engineers Without Borders for a mission that delivers fresh water to Gandom, a village in Cameroon.

enough to be born smart, and I'd like to devote some of my time and ability to helping others."

These passionate students have helped set off the wave of social entrepreneurship programming that is sweeping across business schools worldwide. They're also taking the lessons they've learned in classes like Wharton's and launching their own businesses.

However, it's not always apparent at the beginning of class that a successful idea will result from any of the plans. When students first propose their businesses, they're often clearly unworkable. For instance, students might decide they want to address the AIDS problem in Africa by encouraging condom use—even though, for thousands of years, most of the population of Africa hasn't even known what condoms are. I often have to bite my tongue to keep from saying something cynical. But these students bring a great deal of intellect, talent, and energy to class, and I don't want to discourage them.

Once students start applying some of the business tools and planning methodologies they learn in class—once they start becoming more realistic—their ideas start to get redirected. Often what they end up with is fairly different from their original idea. They might find themselves helping different people than they planned, and helping them in a different way. To be frank, I don't care who is helped and how, as long as help is delivered.

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Ian MacMillan is the Dhirubhai Ambani Professor of Innovation and director of the Sol C. Snider Entrepreneurial Research Center at the University of Pennsylvania's Wharton School in Philadelphia.

Rutgers Business School

Social Entrepreneurship at Home and Abroad

BY dt ogilvie

Recent surveys at Rutgers Business School have shown us that up to 80 percent of our students across all disciplines are interested in becoming entrepreneurs. Ten years ago, business students wanted to become the next Jack Welch; today their heroes are Facebook's Mark Zuckerberg and Google's Sergey Brin and Larry Page. But a growing number of them want their new businesses to be socially minded enterprises that address pressing needs *and* turn a profit.

All around them, they see examples of social entrepreneurs. For example, Greyston Bakery in Brooklyn, New York, hires local residents who are typically considered "unemployable" to sell brownies and other baked goods. Another Brooklyn-based company, IceStone, addresses environmental ills by creating countertops from 100 percent recycled glass.

We have developed a three-pronged approach to social entrepreneurship that incorporates research, teaching, and community outreach. As part of our teaching efforts, for instance, we've developed an entrepreneurship minor open to any student at the university. But one of our most successful programs is a community outreach initiative—and we're so excited about it that we're looking for ways to take the program overseas.

Serving the Community

At Rutgers, we've become con-

vinced that social reform is not being successfully addressed by the traditional methods of welfare, low-income housing, and job training, so we've developed a program called the Entrepreneurship Pioneers Initiatives (EPI).

We believe that we can use our entrepreneurship expertise to help people establish and expand local businesses that will, in turn, create local jobs. EPI was created by The Center for Urban Entrepreneurship & Economic Development (CUEED) at Rutgers Business School in partnership with The Institute for Entrepreneurial Leadership, the Greater Newark Business Development Consortium, and the Rutgers-Newark Small Business Development Center.

To find participants, we advertise the program in various media and ask interested parties to apply. There are a number of criteria: The businesses must be at least three years old, owned by first-generation business owners, and located and operating in New Jersey. They also must have at least four employees and possess the potential to grow. Each EPI class is made up of about 35 participants, who pay \$200 to enroll. The rest of the costs are funded by grants from PNC, our inaugural sponsor, and Prudential.

Classes are taught by multidisciplinary faculty focused on urban entrepreneurship and economic development. Because we wanted to take a broad approach to dealing with the problems and opportunities small businesses face, we recruited faculty with expertise in law, supply chain



Ten months after the first EPI class graduated, Rutgers evaluated the impact the program had had on participants and compiled these statistics:

40 percent
had increased revenue.

25 percent
had increased the number of workers they employed.

30 percent
had started additional business ventures.

65 percent
had consolidated their operations.

management, marketing, sociology, engineering, economic geography, creativity, and business strategy.

EPI offers mentorship and peer counseling as well as business training. Members of the initial EPI class have begun doing business with each other and requested additional training sessions from us. Since graduation, they have formed an alumni group that organizes conferences, seminars, and speakers, and now includes the second class of EPI graduates.

There have been dramatic individual success stories. For instance, Utterly Global, a company that provides anti-bullying programs to schools, parents, and civic groups, not only saw its revenues jump by more than 150 percent, but also recently won a \$62,000 contract from the New York City Family & Youth Services. The owner of storage company Box Butler used his newfound knowledge to obtain a loan that increased his revenue and allowed him to add more than 15 jobs last year. Other business owners have learned how to run more efficient operations, renegotiate leases, create productive networks, fund the purchases of new equipment, and expand to additional locations.

Exporting the Program

Now we have an opportunity to take EPI beyond New Jersey. Recently, after I gave a talk at the Melbourne Business School in Australia, we were asked to consider implementing a similar program in that country. We've joined forces with MBS and began working with Ian Williamson, director of the Asia Pacific Social Impact Leadership Centre and the Helen Macpherson Smith Chair of Leadership for Social Impact.

Williamson and his colleagues want to adapt the EPI model to foster entrepreneurship within Australia's indigenous communities, which are often pushed to the edge of the economy. The challenge is to help them create skill sets and opportunities that will offer them a path into Australia's economic mainstream, and entrepreneurship is one way to do this. At the beginning, we expect the program to be taught by both Rutgers and MBS professors, with additional instruction offered by community service providers. Rutgers will be involved until the program is running on its own.

We have also been invited to help develop EPI programs for communities in Africa, Brazil, and

China. We consider it essential to partner with universities for these programs, because universities bring a set of resources that are critical to a community-centered wealth development program.

We realize that we can't just lift a program from America and install it as-is anywhere in the world without evaluating the culture, business practices, and local conditions. As we set up the program in other countries, we might need to offer additional training in soft skills that increase self-esteem and self-sufficiency. As we did in Newark, we will draw on the support of community groups to help us understand the best way to implement the EPI program, and we will rely on EPI program members to help us deliver needed services. With adjustments, we believe that the basic program can be transplanted to many other communities.

We will also bear in mind that nothing is sacrosanct. Our No. 1 job is asking, "What will work best here? What new tactics should we integrate? Can we tweak our program, or do we need a brand-new model?"

But that's the very basis of social entrepreneurship. It starts with the talents and resources, however meager, that are already available, and uses them to create wealth, foster economic growth, and ameliorate social ills. **Z**

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dt ogilvie is associate professor of management and global business at Rutgers Business School in Newark, New Jersey. She is also founding director of The Center for Urban Entrepreneurship & Economic Development at the school. More information about EPI can be found at www.business.rutgers.edu/cueed/in-the-news.



Competitive Advantage

Want to boost student interest in social entrepreneurship? Direct them to a competition that seeks creative solutions to intractable social problems. While many schools run internal competitions, a growing number of events are open to teams from all over the world. Here's a look at three.

Global Case Challenge

SPONSORING SCHOOL: Hult International Business School, Boston, Massachusetts; San Francisco, California; London, England; Dubai, UAE; and Shanghai, China

YEAR STARTED: 2010

PRIZES: Hult will donate US\$1 million to help a chosen nonprofit implement the winning team's solution.

ELIGIBILITY: Open to all university and college students around the world. The expectation is that about 100 five-person teams will participate annually.

HOW IT WORKS: Each year, the competition focuses on a specific global social challenge. The 2011 event is a partnership with Water.org, which facilitates small loans for projects that will improve water and sanitation access in developing countries. Like the Global Case Chal-



lenge, Water.org is a member of the Clinton Global Initiative (CGI); it was co-founded by Gary White and Matt Damon.

Teams first compete at the regional level, and they have the option of participating at any of the school's five locations. Winners from that round go on to New York City for an all-expense paid trip to the final round, which is co-hosted by CGI.

Because so many teams wanted to enter the 2011 competition, the school added an online branch of the competition, open to all past, present, and future college and university students worldwide. The online winner, chosen by votes on YouTube as well as judges' input, joined other regional winners at the final event in New York City.

DEADLINE: March

RECENT WINNER: The 2010 competition benefited One Laptop Per Child (OLPC), which sells computers to the governments of developing nations, which then distribute the laptops to schoolchildren. But different countries, and different end users, have widely divergent needs for software and other computer applications.

Therefore, the winning team in the 2010 competition proposed that OLPC open source its software and hardware and build an app store to create sustainable local marketplaces for affordable laptops and educational software. Members of the winning team included five students from Carnegie Mellon's Tepper School of Business in Pittsburgh, Pennsylvania: Sandy Parakilas, Ayshwarya Subramanian, Logan Powell, Rekha Bhatt, and Bharani Rajakumar.

MORE INFORMATION: www.hultglobalcasechallenge.com



Anirudh Vallabhaneni, on the left, and David Auerbach, right, talk about their plans for Sanergy, which won the University of Washington's 2011 competition.

Global Social Entrepreneurship Competition

SPONSORING SCHOOL: Foster School of Business, University of Washington, Seattle

YEAR STARTED: 2005

PRIZES: US\$38,500 in prize money, which includes a US\$12,500 grand prize and a US\$10,000 prize in information and communication technology. Another US\$10,000 is awarded to the plan that best addresses health and healthcare in disadvantaged communities.

ELIGIBILITY: Open to students enrolled at any academic institution of higher learning worldwide. Multidisciplinary student teams are encouraged.

HOW IT WORKS: Student teams must create an innovative social business plan that seeks to alleviate a problem of poverty in a developing economy. Plans must clearly demonstrate social return on investment (SROI), financial sustainability, and feasibility of implementation. Applications go through two rounds of review before semifinalists are

selected and paired with mentors. Up to 15 teams of semifinalists travel to Seattle for GSEC Week in February, where they are exposed to global companies, leading research institutions, and representatives from the international development sector.

DEADLINE: November

RECENT WINNER: Sanergy, this year's grand prize winner, was co-founded by David Auerbach and Anirudh Vallabhaneni, both graduate students at MIT Sloan School of Management. They formed the company to address the lack of access to basic sanitation for 2.6 billion people worldwide. Currently focused on the slums of Kenya, Sanergy has plans to deploy low-cost, waterless toilets throughout the area using a micro-franchise model. Waste will be collected daily and transported to a processing facility for conversion to electricity and fertilizer. To learn more about Sanergy, follow their company blog at <http://saner.gy/>.

MORE INFORMATION: www.foster.washington.edu/centers/gbc/globalsocialentrepreneurshipcompetition/Pages/GSEC.aspx

Global Social Venture Competition

SPONSORING SCHOOL: Managing partner University of California Berkeley; regional partners Columbia Business School in New York City, London Business School, the Indian School of Business in Hyderabad, Thammasat University in Bangkok, ESSEC Business School in France, and the Social Enterprise Network in Korea.

YEAR STARTED: 1999 (as the National Social Venture Competition, launched by five Berkeley MBAs)

PRIZES: The top three prizes for blended value plans are US\$25,000, US\$10,000, and US\$5,000; there is also a US\$5,000 prize in social impact assessment.

ELIGIBILITY: Each team must

The GSVC competition supports the creation of real businesses that will bring about sustainable change. Nearly a quarter of past entrants are now operating companies.

include an active member who is a graduate student or recent graduate from any business school in the world.

HOW IT WORKS: The goal of the

competition is to support the creation of real businesses that will bring about sustainable change; it annually receives close to 900 business plan entries from around the globe. Regional partners host the early rounds of the GSVC, then the top 12 blended value and top five social impact assessment plans compete in the Global Finals held at UC Berkeley's Haas School of Business. At Berkeley, the GSVC is organized by a team of MBA students with support and sponsorship from the Lester Center for Entrepreneurship. Nearly a quarter of past GSVC entrants are now operating companies.

DEADLINE: January

RECENT WINNER: In 2010, the top prize went to Stanford University's Re:Motion Designs team, which aimed to develop high-performance, low-cost prosthetics for the 20 million amputees who live in developing countries. Its initial product, the JaipurKnee, is a knee joint that can be manufactured for less than US\$20. It is currently in field trials in India.

Last year's Social Impact Assessment Prize was awarded to WE CARE Solar, founded by Berkeley MBA students. WE CARE (Women's Emergency Communication and Reliable Electricity) Solar provides reliable electricity to obstetric healthcare facilities in low-resource settings with the goal of reducing some of the 500,000 maternal deaths worldwide caused by pregnancy-related complications. WE CARE Solar has developed and field-tested the Solar Suitcase, a user-friendly, portable, plug-and-play solar-electric system.

MORE INFORMATION: www.gsvc.org/the_competition/ 



Members of Stanford University's Re:Motion Designs team show off their design for a low-cost prosthetic knee. Pictured are permanent team members Joel Sadler (left) and Vinesh Narayan (right), with volunteer Ido Sum in the center.



Dean Carolyn Woo, left, tries on a hand-embroidered scarf that Afghan seamstresses presented to her as a gift.

LIVES, NOT JUST LIVELIHOODS

Business schools must challenge students
to serve the greater good.

BY CAROLYN Y. WOO

Sleep eluded me. Perhaps because I was staring out the ventilation hole in the roof of the mud shelter where I lay, a hole that also offered unimpeded entry for gnats. More likely, it was because of the decision I had just made—to stay in Afghanistan and complete my tour of local operations for Catholic Relief Services.

I wrote this journal entry in August 2009 during a stopover in the Ghor Province, just one of the villages I would visit during the ten days I spent traveling through Afghanistan and Pakistan. The decision to make this trip had been difficult for me, given the ongoing war and political instability in the region. The decision to stay was even tougher. There had been threats against another American NGO just 30 miles away. In the next five days, there would be two more incidents, including a rocket attack at an American compound in Kabul that would wound two people and another at the airport I would soon depart from.

But my decision to stay in Afghanistan was rewarded with unforgettable and uplifting encounters with many people rebuilding their lives—particularly women engaged in microventures. Their stories made lasting impressions on me and gave me hope for a better, more peaceful future in this region through the power of business enterprise.

During my lifetime, many experiences have informed my views of business education, including my childhood in the capitalist center of Hong Kong, my service on corporate and nonprofit boards, and my more than three decades as a business professor and dean. But none have expanded my view as widely as my travels over the past five years in Indonesia, Zambia, Ethiopia, Kenya, Uganda, India, Pakistan, Afghanistan, Palestine, Jerusalem, and China.

In the article that follows, I share two more diary entries from my travels, as well as some of the conclusions I have drawn from these experiences. I believe that business and business education are powerful forces able to transform lives, for better or worse. If business schools are to affect the world for the better, educators must acknowledge the necessary goal of a business school education: to help our students see the world through a larger lens so they can recognize their ability to make a difference in the human community.



Residents of an Ethiopian village celebrate the opening of a new irrigation system, built with the help of Catholic Relief Services.

Guiding Principles

July 2009, Afghanistan, Beyond the Bayan Pass in the poorest district of the Ghor Province:

Ghor Province is sparsely populated, with a great number of unskilled displaced migrants. Here, I sat cross-legged among 20 women who had recently started a bakery with a startup grant that helped them procure an oven and initial supplies. The fragrance of miniature cakes filled the building. The woman in charge of the bakery quietly recounted how her child had died of starvation before this business was established; beside her, a frail woman sat nursing an infant.

Later that day, I struggled as I tried to wrap a very long scarf around my head: a beautiful hand-embroidered gift presented to me by workers at another women's enterprise. These women design, sew, and sell scarves and household linens. The women spoke rapidly about their success and their desire for more training, noting that their growing operations were outstripping the simple inventory and accounting systems available to them.

They had ambitions and plans for the future; their most significant goals were to establish their own shop and educate their daughters. These women defined a new standard for hard work. They took care of their homes, cooked, and trekked up the mountains daily to collect firewood for the winter. Then they started sewing, sometimes staying up all night to make good on an order.



I could not help but be impressed by the work ethic these women possessed. But I also was impressed by the stark contrast between their lives before the bakery and home decor business and their lives after. Through our programs, business schools can train leaders who will recognize and reward the work ethic found in Afghanistan, Ethiopia, and elsewhere. These leaders can find ways to move the citizens of these communities into the global economy.

I believe it is essential that we communicate three principles to emerging business leaders, if they are to inspire this kind of change in the world and meet the challenges of our time:

1. Business is a necessary good, not a tolerated evil.

Despite the scandals and breakdown of responsible decision making that triggered the financial crisis, business is necessary for the well-being of individuals and communities. Businesses provide jobs, skill development, and capital for investment. They serve as the impetus for establishing physical, financial, regulatory, and social infrastructures. Although progress across the world has been uneven, global business has been the driver that has lifted



Dean Woo in an Afghan seamstress' shop.

more than 500 million people out of extreme poverty since 1981—400 million people in China alone.

As we look around the world, we can see that the major causes of social and political conflict are corruption, poverty, and social inequality. With that in mind, we can imagine the power of commerce, conducted in the right way, to counteract these forces and bring about peace.

We have seen countries such as Ireland, Cambodia, and Vietnam achieve peace and stability through economic growth. In contrast, I visited one African country where machine guns could be rented by the afternoon. These guns were routinely distributed to young teens to rain terror on targeted groups. It should come as no surprise that the unemployment rate there was 40 percent. Unless there are other ways for citizens to secure income in regions such as this, such violence will persist.

2. Corporate social responsibility is no longer exogenous to business.

Those with a traditional view of CSR efforts see them as outside of normal business operations. But that view has drastically changed over the last decade, both in percep-

tion and in reality. Now marking its tenth anniversary, the U.N. Global Compact has more than 8,000 businesses and organizations worldwide as signatories, signaling their support for more stringent human and labor rights standards, sustainable development, and adoption of anti-corruption practices.

During the U.N. Global Compact Leaders Summit 2010, I served on a plenary panel where the management consultancy firm Accenture presented results from its landmark survey reporting on how CEOs worldwide view sustainability. These results were also presented by Peter Lacy, the author of the research, at a plenary session during the recent AACSB Deans' Conference in Phoenix. From 766 survey responses and 100 in-depth interviews, the company reported that 93 percent of the CEOs see broadly defined sustainability issues to be critical to their operations, while 96 percent believe that such issues should be fully integrated into their organizations' strategies and operations. In addition, 88 percent of leaders surveyed foresee this integration extending to their suppliers.

The major motivations for the changing attitudes cited by the study were "brand, trust, and reputation." Hence, as multinationals are increasingly proactive in adopting socially responsible practices throughout their systems, it may be just a matter of time before there is greater accountability on these dimensions.

3. Business education must reframe the "winner takes all" mentality.

Too often, analytical frameworks for business turn human endeavors into competitions that glorify "prof-

it before all else." Such framing has led to a narrow agenda that focuses solely on wealth creation for owners and legitimizes the dismissal of issues outside the agenda and consequences we call "externalities."

This point was driven home to me in my early years as dean, when I was counseled by a colleague from a renowned business school that the sole purpose of business educators is to increase the slope of the earnings curve of our students. Nothing more, nothing less. Even then, my instinct told me that this attitude is highly self-centered, resulting in a developmental journey that begins with the self and ends with the self. Without external references, the journey suffocates.

Business at the Extremes

May 2008, Addis Adaba, Ethiopia

In the countryside, I visited what seemed like miles of greenhouses owned by flower growers from Europe. Such farms provide jobs in this desperately poor region and are supported with tax breaks from the local government. But there are significant drawbacks to these operations. These flower farms drain the river—the lifeblood for local families, as well as for their farms and cattle. Workers also use pesticides in poorly ventilated spaces, putting them at a higher risk for developing cancer. I love flower arranging, and back home I have enjoyed the bounty of roses available for as low as \$15 for two dozen. But since that day, a rose is no longer just a rose to me.

In sharp contrast, in an outlying village, I toured vegetable

farms that have benefited from an irrigation system installed by Catholic Relief Services. A farmer can now get more revenue from one-eighth hectare of land than he used to get from two and a quarter hectares. The technology is primitive by the standards of developed countries, but it required significant government, social, and market interven-

workers and the responsible use of resources. At the other, profit comes *because of* attention to the farmers' welfare. We must show this contrast to our students, so they can see that profits do not have to come at the expense of ethics.

On a brief trip to Shanghai last summer, I was heartened when I spent half a day with deans from Chinese business schools to discuss

which aims to bring universal values into business school curricula. The initiative was launched about 18 months ago through a partnership of AACSB International, EFMD, and the Aspen Institute, in association with the U.N. Global Compact. Already, more than 300 business schools in 63 countries have signed on to the initiative. At the U.N. Global Summit, PRME articulated its goal to achieve 1,000 signatories by 2015.

PRME provides an important counterpoint to the direction that business education has taken over the last 60 years. The prevailing approach has developed a lexicon that not only has provided terms, but also has shaped the basic attitudes and entrenched values of our students. That lexicon is highly mechanistic, employing terms such as efficiency, utility, maximization, and optimization as the basis for decision making.

The U.N. Global Compact and PRME call us back to the fundamental canons of human communities:

- In human communities, human rights take precedence over all other interests. Therefore, economic enterprises must serve people, not the other way around.
- As a *community*, by definition, we flourish and advance collectively, not individually.

A community calls for mutual-ity, a right proportion between what we take and what we give back, between what we use and how we replenish. Frameworks for law and business create the concept of "externalities," but in the life of a community, there are no



An Afghan woman works in a local bakery.

tions. Now, the 40 farm families in the area can earn a premium for growing produce out of season. They can also afford cell phones so that they can check prices and sell their produce to the highest bidders.

In these two experiences, I saw business at its two extremes. At one end of the spectrum, profit comes before the ethical treatment of

curriculum innovations and significant trends. These deans gave me renewed hope when they told me that they intend to join forces on a voluntary basis to establish a requirement in business ethics for MBA programs in China.

Business schools are beginning to step up to the challenge of a broader mission through the Principles for Responsible Management Education (PRME) initiative,

Watching Business Watch Itself

externalities. The consequences of what one member of a community does, for better or for worse, will be borne by other members—just as I saw with the flower growers in Ethiopia. These consequences happen whether or not those affected have the voice to protest. They may happen today or they may happen tomorrow in the commons of our shared earth.

To Engage and Enlighten

UNGC and PRME invite business educators to turn our attention to a part of our job we have honestly not done as well as we should have. In subtle but undeniable ways, through our focus and content, we have let our students walk away from the bigger picture and their greater responsibilities.

But we can reverse this trend. It is a profound privilege to educate so many young people whose collective talent, passion, and courage can lead to so much good. We owe it to our students to raise their sights to the big challenges of the present and future. We owe it to them to help them fashion narratives worthy of their intellects and hearts, in ways that honor lives rather than just livelihoods.

A true business education must ultimately engage and enlighten students. With such an education, our students cannot help but feel a sense of urgency that the collective good of society depends on them. **Z**

Carolyn Y. Woo is the Martin J. Gillen Dean of the Mendoza College of Business at the University of Notre Dame in Indiana. She co-convoked Principles for Responsible Management (PRME), an initiative of the United Nations Global Compact.

As business schools consider ways to help students view themselves as accountable for—and to—the world, they also should be aware of how business is doing the same. There has been an explosion in the number of organizations that serve as watchdogs of corporate actions.

On a trip to Hong Kong, as I was addressing the American Chamber of Commerce on corporate social responsibility, I found out that the Heng Seng Bank had recently created the Heng Seng Sustainability Index. The index will evaluate corporations using metrics similar to those employed by the FTSE 100 Index and the Dow Jones Sustainability Index.

Such indices are wonderful steps in the right direction. They add to the abundant evidence of the potential for business to be powerful tools in promoting authentic human development worldwide.

Bruce Piasecki, president and founder of the management consulting firm AHC Group, noted that in the last 20 years, more than 70 rating groups have been formed. These include agencies that perform credit ratings and governance scoring, as well as advise voting and proxy agents. Institutional Shareholder Services, renamed Risk Metrics, has expanded the evaluation of financial risks to include corporate governance and compliance, as well as legal, transactional, environmental, social, and reputational exposure.

The proliferation of ratings groups is partly due to a public skeptical of com-

panies' efforts to self-report. There also has been a call for third-party reporting protocols, such as the Global Reporting Initiative (GRI) and Dow Jones Sustainability Indices (DJSI), which provide a standardized format and a high bar for disclosure. The family of Dow Jones Sustainability Indices, employing the Zurich-based Sustainable Asset Management's comprehensive risk evaluation system, now provides ratings for companies across all three major industrial regions of the world: the Americas, Asia-Pacific, and Europe.

Because of the potential reputational risks and benefits associated with these reporting mechanisms, firms of all sectors, sizes, and regions are paying greater attention to corporate responsibility across their entire operations. More corporate boards are turning to director training programs, recruiting environmental experts, and creating separate committees for managing climate and social risks. Yet, I sense something even more transformative: Corporate boards are recognizing that by finding creative ways to meet customer expectations for responsible practices, they can derive significant competitive advantage and higher returns.

That reality is important for business schools to acknowledge as they present topics such as sustainability and business ethics to students. CSR has become not just a responsibility, but a viable strategy for building stronger and more profitable businesses.



Dean Woo, right, delivers an address at the United Nations in December 2008.



What's Your Global IQ?

A recent survey explores how business schools are increasing their students' global intelligence—and how they're re-evaluating their own.

BY ROBERT DYER AND M. MURAT TARIMCILAR

Business educators are experimenting with both direct and indirect ways to increase the global IQ of their MBA students. But what makes an MBA program global? Like many business schools, we've been exploring that question for many years at The George Washington University School of Business in Washington, D.C.

A team of GW researchers recently conducted a study to discover how business schools are increasing their own global intelligence, making the transition from simply offering global courses and components to integrating “global” throughout the entire program. They analyzed the Web sites of a sampling of MBA programs in the *Financial Times*' top 30 and surveyed 34 program administrators at MBA programs in the *FT*'s top 100.

Although the survey's sample size is small, its findings indicate that business schools are re-examining and rethinking their programs in terms of global content. It's a trend that promises to inspire the introduction of innovative approaches in MBA programs worldwide.

The Appeal of Direct Exposure

Most programs in the *FT*'s rankings offer “direct” global exposures. The study classified direct exposures as short global tours, study abroad offerings, exchange programs, overseas consulting projects, and internships.

Schools promote their global tour and study abroad opportunities the most prominently—especially short programs that last one to two weeks and offer academic credit—because they inspire the greatest student interest. The survey found that a little more than 85 percent offer exchange programs with partner schools, and 79 percent offer short-term MBA study tours to various countries. Internships and consulting practicums were options in the programs of slightly more than 67 percent and 58 percent, respectively.

Even so, only just over 14 percent of respondent schools make study abroad mandatory for all MBA students. Schools where these opportunities are elective see the highest participation rates for short-term global study offerings: Just over 43 percent reported that 20 percent to 40 percent of their MBA students participated in at least one study tour, while 26 percent of schools reported that 40 percent to 60 percent of students participated.

However, participation rates in longer term formats are much lower. More than 70 percent of respondents noted that participation rates in their study abroad and exchange programs, international internships, and research/consulting projects were 20 percent or less of their MBA student body. Even so, schools are making those oppor-



tunities available. Students at the Wharton School at the University of Pennsylvania in Philadelphia can choose to spend a semester at school in one of more than 153 countries, and at the London Business School, 35 percent of second-year MBAs spend a term abroad. Students in the International MBA program at the University of Chicago in Illinois must spend one term studying abroad.

More Emphasis on Indirect Exposure

More schools reported that they're paying greater attention to “indirect” global exposures, which represent tools at the core of a global MBA program. These tools fall into three categories:

- *Curriculum*—the integration of theory and application of global and cross-cultural topics in core courses, cases, and modules.
- *Faculty*—the hiring of scholars with experience in and knowledge of multiple cultures and business environments.
- *Students*—the recruitment and

enrollment of a heterogeneous, multicultural, multinational student body.

The study found that 90 percent or more of *FT*-recognized MBA programs report placing emphasis on these areas. For example, Hong Kong University of Science and Technology achieves its global focus, in part, through the international makeup of its students and faculty: 80 percent of its MBAs come from outside Hong Kong, and its 120 faculty include scholars from 16 countries.

The Tuck College of Business at Dartmouth in Hanover, New Hampshire, conducts outreach to increase awareness of its programs in areas such as Europe, India, and Mexico to attract an international student body and faculty. Tuck also hosts regular series and forums that convene visiting executives and scholars, students, and faculty to discuss issues affecting international business and public policy.

Many schools also report that they support student organizations with international perspectives and

Charged by South Korea's Battery Market

by Ian Cropp

As a full-time MBA student at the George Washington University School of Business, I completed a two-week capstone international experience at the end of the first year. Students could choose one of five residency projects with companies facing global business problems. I chose to accompany a group of students to South Korea, where we would work with one of the country's *chaebols*, or business conglomerates: SK Energy. Our job would be to identify opportunities for the company to strengthen its position in the lithium-ion battery market for electric vehicles as part of its increased venture into green technology.

Our professor, Danny Leipziger, had worked extensively in South Korea; before we departed, he taught us about the general economic policies that could affect the company. For instance, we looked extensively at the South Korean government's new Green Growth policy, the result of its passing the recent Framework Act for Low Carbon Green Growth. The act encourages the development of green technologies and clean energy sources.

Once in South Korea, we met with economists, politicians, journalists, and business leaders, who answered our questions and helped us better understand how to work for SK Energy effectively. We also visited the industrial city of Daejeon, where we toured the extensive main research center of SK Energy. We learned that, by taking advantage of its footprint in different industries, the company can enhance its ability to innovate. Its executives predict an enormous global demand for electric vehicles once prices drop.

However, even with the country's adoption of the Green Growth policy, the company will be unlikely to directly influence the government's interest in green energy. During our discussions with government officials and policymakers, we learned there really isn't a form of lobbying in Korea. As an American familiar with how public policy is formed in the United States—where lobbyists wield a great deal of influence—I found this aspect of South Korea incredibly surprising.

Our work with SK Energy was a great learning experience, but we also gained perspective on global business in other ways. In our discussions with business leaders, we learned that Korean consumers are attracted to brand names, but are likely to purchase Korean-made goods when available. We made new discover-

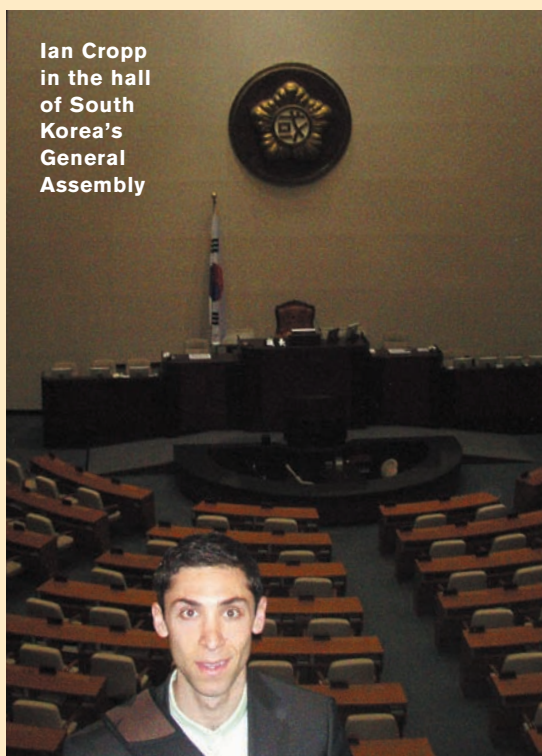
ies by riding the metro and attending a baseball game. I was amazed by the proliferation of digital technology—even grandmothers on the metro streamed TV shows on their cell phones.

The crux of the trip—our presentation to the company—challenged us to apply the skills we'd been honing all year in our classes, from crunching financials to tailoring the presentation to a foreign group unaccustomed to business-school jargon. For many of us, this was the first time we had worked on a real-world business project where high-level decision makers asked us tough questions. It was the first time we were truly held accountable for our work.

By the end of the trip, I was hooked on green energy—I still scan news stories about lithium-ion batteries. More important, I now have tangible international work experience, which I would not have gained through a simple tour of businesses in a foreign country.

As a second-year business student, I value the opportunity I had to participate in a hands-on consulting project and engage in learning that extended not just beyond the classroom, but outside the country. Now that I've begun my job search, I know that my future employer will require me to produce solid work as a part of an international team. I'll be able to contribute effectively with what I learned from this experience, which combined green energy, cultural exposure, and immersion in the Korean business climate.

Ian Cropp is a second-year MBA candidate at The George Washington University School of Business in Washington, D.C.



that host international guest speakers, seminars, and other events. A number of schools also offer certificates, or concentrations, as options within their full-time MBA programs—global management is proving to be among the most popular.

For example, the Haas School at U.C. Berkeley offers a certificate in global management that requires MBA students to participate in an overseas experience, complete on-campus coursework in international business, and develop proficiency in a language other than English. MBAs at the University of Florida's Warrington College of Business Administration in Gainesville can earn their certificates by completing on-campus coursework and six credits of study at a partner school abroad.

Unlike Haas, Warrington does not include a language requirement in its program. That's the case at many schools—courses in language and culture are still not as popular as other indirect exposures.

Even so, these types of courses appear in a small majority—51 percent—of programs, and some are joining Haas in making language proficiency a requirement. At London Business School, for instance, every graduate must show competency in one language other than English, by taking language courses at the school or by studying independently. HEC Paris offers intensive language courses, and native French speakers and fluent non-native French speakers alike are required to learn another language unless they are already trilingual.

GWSB's Global Evolution

Before 2007, our curriculum at the George Washington University School of Business included courses and electives on international business, enrolled international students in its full-time MBA program, and offered a variety of short-term study abroad courses. Our location in Washington, D.C., put us in close proximity to the World Bank and the U.S. State Department, as well as multiple embassies, agencies, and NGOs. Even so, we could not say we had a truly global MBA program.

Three years ago, we made that transition when GWSB launched its revised MBA curriculum, which integrates more content dedicated to ethical leadership, corporate responsibility, and globalization. The revision included our new 57-credit, full-time Global MBA. Delivered in a modular format, the program now includes a mandatory international practicum and residency.

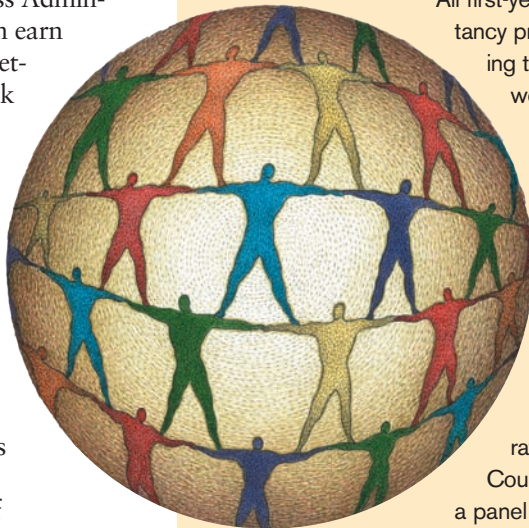
All first-year students participate in one of several consultancy projects, in which they spend seven weeks preparing to meet with clients overseas. They spend two weeks abroad working from their clients' offices; attend meetings with local leaders in business, government, and NGOs; and participate in cultural site visits. In 2010, students worked with clients in India, Mexico, Serbia, South Korea, and Sweden.

Last spring, 22 students chose to complete the international marketing residency in Sweden, working with Swedish "clean technology" firms to examine the potential for their products in the U.S. During their seven weeks of preparation, they were briefed by the Swedish Trade Counselor at the Swedish embassy in D.C. and had a panel discussion with metro D.C. companies on clean tech marketing. Before students departed, a team of faculty judges critiqued their market research and strategy presentations.

Students then traveled to Sweden and Denmark, where they visited cultural sites and companies such as Vestas Wind Power Systems, Schneider Electric, Tetra Pak, IKEA, and the Sustainable Business Hub.

Soon we plan to launch the one-year World Executive MBA, which will include two three-week residencies in Washington, D.C., and three two-week international residencies in China, India, and one of several European cities. The program will incorporate distance learning strategies to accommodate the schedules of working professionals around the globe.

The fierce competition in the MBA market, especially one as cluttered as Washington, D.C., makes such systematic change daunting. But in these two programs, our goal is to develop ethical managers whose cultural competence will set them apart.



Establishing Best Practices

Respondents shared a number of their best practices on the survey. These approaches, they noted, increase their students' "cultural competence" and prepare them to function effectively in the global arena.

Integrating travel into core courses: While the typical international visit lasts one to two weeks, many schools now make these trips part of semesterlong courses. Students conduct research, complete coursework, attend sessions about the country, or interact with consulting clients before they depart on their study tours. They attend debriefing sessions after their return.

For example, the Wharton School offers its Global Immersion Program, which attracts approximately 135 first-year MBAs each year. Students spend the first five weeks of the program studying a particular global region; they then spend four weeks experiencing that region firsthand.

Although they can be challenging to arrange, global consulting projects are quickly becoming among the most popular global experiences, combining study with real-world problem solving. IMD in Lausanne, Switzerland, makes its international consulting project compulsory in its MBA program. At the Tuck School, student teams have completed 135 on-site global consulting engagements in more than 45 countries.

Increased interest in courses on social responsibility has given rise to a range of consulting projects that focus on improving the quality of life in emerging markets. Columbia University's Chazen Institute of International Business in New York City holds a 12-week Master Class Program in which student teams complete consulting assignments

and case study work. A recent Master Class focused on private equity and entrepreneurship in Africa. Students spent the semester preparing for a two-week field trip to sub-Saharan and North Africa, where they worked with local firms. At MIT's Sloan School of Management in Cambridge, Massachusetts, teams of students work with entrepreneurs in particular sectors of emerging markets—for instance, global health delivery in Africa.

Offering a "menu" of options: Schools are finding a menu-style approach works best to serve diverse student populations. The programs surveyed typically offer trips to four to six countries in one academic year and provide at least four or five ways for students to meet global experience requirements. In some cases, students are asked to apply to different, selective opportunities by submitting statements that outline how they think particular global exposure options will fulfill their educational and professional objectives.

Adding time for reflection: Some schools ask students to keep introspective "cultural diaries" of their travel experiences.

Encouraging students to take the lead: Some schools reported that their students are even arranging their own activities, such as lunchtime sessions where international classmates share their knowledge about their home countries. In many programs, students also are allowed to design their own international programs, choosing among electives at their home schools and partner schools abroad, and choosing the duration of international study. In this way, they can tailor a program to best

suit their schedules, objectives, and time and financial constraints.

Globalization Is Risky—And Necessary

This study reflects a small sample of schools, but its findings still highlight the areas of innovation and change required to build a global MBA program. Schools making the transition into a global curriculum will face risk and uncertainty, not to mention dwindling revenue during the current recession.

To make this transition successfully, schools must assess and manage their faculty's reaction to curricular change without alienating anyone. They must involve students as integral players from the beginning, allowing them to provide feedback, contribute to the change process, and take ownership of the results. Most important, school administrators must anticipate the operational challenges of implementing new curricula, which will impact everything from advising to student services to staffing.

But in spite of these challenges, globalization is the key for a business school to remain competitive. The failure to prepare a global workforce will render an MBA program irrelevant sooner rather than later. **Z**

Robert F. Dyer is professor of marketing at the George Washington University School of Business in Washington, D.C. M. Murat Tarimcilar is GWSB's associate dean of graduate programs and professor of decision sciences. The complete findings of the survey can be found in "Global Exposure in Leading MBA Programs," chapter 12 of the book *Real Learning Opportunities in Business School and Beyond*.

The Dean's Many ROLES

With short tenures and ambitious goals, deans face critical challenges as they lead today's business schools through turbulent times.

BY HOWARD THOMAS AND FERNANDO FRAGUEIRO

In March 2009, Andrew Likierman was appointed dean of the London Business School—the fifth person in 11 years to hold that position at the U.K.'s most well-known business school. The *Financial Times* noted that, given the school's turbulent history over the previous 18 months, Likierman was taking on “what might seem like a veritable poisoned chalice.”

Likierman isn't the only individual to face turbulence and challenges in his role as the dean of a major international university. By any measure, a business school deanship is a critical and complex task, one that requires deans to oversee what authors M.D. Cohen, J.G. March, and J.P. Olsen call the “organized anarchies” of business schools.

Indeed, the job is stressful enough that the median length of tenure for a business school dean is three years, according to AACSB International. That means that even top schools are frequently in the position of vetting their next candidates. In 2010 alone, dean searches were under way at the American business schools of Harvard, Northwestern, and the University of Chicago, as well as the U.K. schools of Henley and Cambridge.



To deliver in their difficult roles, deans must succeed at a number of distinct tasks. They must act as strategic leaders willing to push for bold visions. They must act as CEOs who handle business decisions with clarity and set their strategic agendas decisively. They must act as collegial individuals who are “first among equals” as they guide and interact with a highly capable, highly intelligent, and highly idiosyncratic staff. They also must function as catalysts who bring about change inside and outside the school.

These conclusions are based on recent research we conducted at five prestigious international schools: IAE Business School in Argentina; IMD in Switzerland; INSEAD in France, Singapore, and the United Arab Emirates; and London Business School and Warwick Business School in the U.K. Our goal was to develop a portrait of the many roles deans play during their relatively short tenures.

The Dean as Strategic Leader

A dean’s central role is that of strategic leader with responsibilities that cross four dimensions: school visibility, fund raising, intellectual guidance, and operations management. While very few people are likely to deal with all four areas equally effectively, all deans con-

Deans must act
as strategic
leaders, CEOs,
collegial individuals,
and catalysts.



stantly juggle a series of organizational dilemmas and roles.

It’s not easy to lead a school’s strategic agenda, a task made even more complicated by business schools’ collegial nature and diffuse power schemes. Former LBS dean John Quelch told us in an interview, “I knew what I wanted. If I asked too many questions and I had too much discussion, I knew that there would be—as is always the case in academia—100 reasons not to do something. So my attitude was: *just do it*. From a political management point of view, you launch your first initiative, and some people are against it. But before they can organize, you launch another initiative that splits that group, because some people who opposed your first initiative are going to be in favor of the second. And so you basically keep splitting through initiative after initiative. You fragment the opposition.”

Strategic leadership skills are even more relevant today as business schools attempt to realign internal structures and reformulate their value propositions to come closer to real-world needs. Some leading business schools have responded to this challenge by

recruiting experienced management consultants as deans. However, these new “practitioner deans” must not only bring their real-world expertise to the business school, but also quickly understand the differences between the academic world they’ve entered and the professional world from which they’ve come.

Whether deans are drawn from the business or the academic world, they must be able to interpret different perspectives internally and externally before they can formulate a strategic direction. In the external context, they must identify threats and opportunities shaped by a variety of factors: regional and global trends; domestic and international economic conditions; the needs and concerns of their global corporate clients; competitors’ offerings; and the expectations of donors and benefactors.

As they consider their internal context, deans must devote time to getting to know all school stakeholders, with their respective interests, needs, and skill sets. Indeed, to introduce strategic initiatives into their schools’ agendas, deans need to understand the interests *and* the priorities of faculty and board members. Otherwise they’ll

The Life Cycle of a Dean

find it impossible to inspire and mobilize a large number of these actors to support—and even sponsor—key initiatives.

For instance, George Bain, another former dean of LBS, spent six months talking to everyone with some influence on the school's strategic agenda before he actually assumed the deanship. This dedicated effort translated into a significant asset when he set out to define and raise support around LBS' strategic guidelines. Based on his experience, he confidently stated that leadership "is more about having good ears than having a good mouth."

Strategic leadership ability is what enabled Antonio Borges to implement two breakthrough initiatives at INSEAD. He turned the school into a research-oriented institution—when most of the faculty had a different background—and later spearheaded the drive to open a new campus in Singapore in order to globalize the school. The globalization move easily could have conflicted with his earlier initiative, sidetracking INSEAD's efforts to make its incipient research capabilities competitive with leading U.S. business schools. However, Borges' ability to sell his initiatives to key faculty and board members, effectively engaging them as initiative sponsors, made it possible for INSEAD to overcome a multitude of obstacles and difficulties in both pursuits.

The Dean as First Among Equals

As heads of institutions where all members have a certain amount of parity, deans must share their visions on school strategy while building consensus among faculty on key

Deans assume many roles as they lead business schools, and they also go through specific stages during their tenures. In fact, research by Howard Thomas and Fernando Fragueiro shows that a dean's path typically covers four stages: initial exploration and learning; planning and agenda setting; improved performance during the middle years; and declining performance toward the end as strategic inertia and lack of motivation sink in.

Says Thomas, "I've seen these four critical periods played out in several of my own postings as dean, including my ten years at Warwick Business School. During 1999–2000, as I was transitioning out of my deanship of the University of Illinois, I made several visits to the U.K. Like George Bain before he took over the helm of the London Business School, I engaged key players and developed a sense of where Warwick was already positioned and where it needed to go. This enabled me to 'hit the ground running' when I arrived."

As his deanship at Warwick came to an end, Thomas saw that his career there was clearly split into the four stages:

- 2000–2002: Planning an agenda; building a commitment to strategic vision.

- 2002–2006: Settling on a paradigm; enjoying successful faculty development; overseeing student and program growth.

- 2006–2008: Moving to a new paradigm; creating a vision that would carry WBS through 2015.

- 2009–2010: Reaching a strategic crossroads. "During this time of financial crisis, the university centralized financial control, initiated funding cuts, and began its search for a new dean," he says. "As the decade drew to a close, I began my transition to the deanship of the Lee Kong Chian School of Business at the Singapore Management University—where I began a new cycle."

The cycle has been slightly different for someone like Fragueiro, who helped

shepherd the young IAE Business School through its quest to become a world-class institution. "Between 1995 and 2008, I needed to anticipate and adapt to continuous and dramatic institutional and external change," he says. He identifies three stages in his deanship at the school:

- 1995–1998: Integrating and consolidating full-time faculty and staff that shared the school's common vision. Key among these was developing an economic model that would be viable in Latin America, where private sector funding is almost nonexistent. Also important was identifying core teaching and research activities, setting strategic priorities, beginning the hiring process for the next group of full-time faculty members, and attracting the support of top business leaders who would help fund the school's growth.

- 1998–2003: Expanding the program portfolio; building academic relations with top business schools; strengthening IAE's reputation.

- 2004–2008: Positioning the school for the future by integrating with Austral University and pursuing accreditation from several international bodies.

"In retrospect, I see that those 14 years at IAE shaped my professional profile as an 'academic entrepreneur,'" says Fragueiro. "I began every year with a new personal agenda in which I decided which old tasks to delegate and which new ones to add that would be in tune with the evolution of the school."

After his successor took over in 2008, he spent a year as a visiting scholar at Harvard before launching a new academic initiative within IAE. ENOVA Thinking is a learning network of business leaders committed to speeding up sustainable business growth and socioeconomic development in Latin America. It's also the newest stage in Fragueiro's career as an entrepreneurial academic.

issues, attracting top scholars, finding adequate compensation schemes, and facilitating research agendas.

In this context, deans have little power to drive changes or to introduce bold strategic initiatives that may challenge their schools' status quo. In fact, as several interviewees pointed out during this research study, the role of the dean usually involves reconciling the needs of groups that are often in conflict: faculty and school boards, academics and business leaders, professors with their individual goals, and universities with their institutional goals. At the same time, deans must determine the best way to apportion resources to achieve long-term teaching and research excellence as well as short-term financial stability.

It's crucial for deans dealing with these dichotomies to hone all the skills associated with listening, integrating, communicating, and building consensus. These capabilities all hinge on personal credibility, which, in turn, is built on consistent behavior and the ability to deliver results.

For example, George Bain came to London in 1989 with a reputation for strength in both academic and administrative matters. He used this reputational advantage and quickly presented an agenda that set clear goals for change. The faculty welcomed this document with a sense of relief as it halted a period of strategic drift at LBS.

As another LBS former dean, Laura Tyson, puts it, "The main thing I think a dean is trying to do is to represent the institution to the different groups that don't quite see the institution in the same way." A dean stands for "the col-

lective interests and the future of the institution," she says. Deans must listen and respond to both faculty and board members, she notes, building bridges and sharing governance. She adds, "I actually think this is not a bad model for a business school."



The Dean as CEO

In their roles as top executives, deans set the strategic directions of their schools and help overcome the shared power structure that can lead to evolutionary paralysis. Bain believes that faculty at LBS were happier when he guided the school with a strong hand, even if they didn't agree with the directions he wanted to take the school. "If they didn't like it, they could argue, but at least they knew where they were going," he says.

Bain's particular challenge was to lead LBS when the school had determined it needed to focus on the international market. As mentioned earlier, he devoted six months to uncovering the concerns of all school constituencies; he also brought with him a success-

ful track record as chairman of Warwick Business School. Even so, his task was not easy. Although the faculty accepted his change agenda—a bias toward strategy—he knew he could not implement the agenda on his own. Therefore, like a CEO organizing a group of senior staffers, he created a management committee of four to five key players to achieve change and build consensus.

Similarly, other deans have needed to act as CEOs to shepherd through essential transformations. For instance, INSEAD's Borges drew on executive leadership skills when he promoted the initiative to open a second campus in Asia. Like a business CEO, he also identified the leading competitors by saying that INSEAD needed to "be as good as the Americans."

Borges introduced the idea of a Singapore campus at a faculty meeting. After leading a discussion that allowed him to hear the different views of the faculty members, he decided to go ahead with the project without taking a vote. Borges knew he had the full support of Claude Janssen, INSEAD's board chairman; even so, such an action is more reminiscent of a CEO than a dean.

Another top academic who has needed to draw on executive skills to forge organizational transformation is Peter Lorange, former president of IMD. Lorange believes that deans not only should determine a school's strategic focus, but should also decide which pathways are most effective in pursuing that goal. Therefore, he shaped IMD's strategy with four elements: "Real life, real learning," "The global meeting place," "All learning is

lifelong learning,” and “A minimalist organizational approach.” He believes such elements represent clear, broad guidelines, which he considers essential. As he says, “Simplicity is absolutely critical.”

In addition to leading transformational initiatives, the CEO/dean must carry out day-to-day leadership tasks, such as optimizing school performance, securing support from the board and faculty, and leading the school’s strategic agenda. But deans can’t be successful even at these basic responsibilities unless they have outstanding records for delivering results,

board were just not ready to take on a similar challenge so soon. Like dozens of CEOs, many deans must face the reality that at times it is best for both leader and institution to part ways.

It All Comes Down to Leadership

As they play their many parts, deans face a host of leadership challenges. In an article in the *The Journal of Higher Education*, V.J. Rosser, L.K. Johnsrud, and R.H. Heck gather some of the colorful metaphors applied to deans. They are “variously described as ‘doves of peace’ intervening among war-

Author Jim Collins, writing in the *Harvard Business Review*, outlines five levels of leadership and what defines them. Most deans we know have successfully reached level four leadership: They’re effective and they provide direction to their teams. But few have become level five leaders, who possess what Collins describes as “a paradoxical combination of personal humility plus professional will.” These are the great leaders who leave behind lasting legacies.

We believe one reason few deans become level five leaders is that they have relatively short tenures and life cycles of limited influence. Those with longer tenures—such as George Bain, who spent eight years at the helm of LBS—demonstrate that

Few deans have become level five leaders, who possess what author Jim Collins describes as “a paradoxical combination of personal humility plus professional will.”

which give them credibility when they want to raise bolder initiatives. Indeed, performance is both a prerequisite and a crucial source of power for deans.

Even deans with excellent reputations and strong credibility do not always succeed at implementing new initiatives. For instance, when Gabriel Hawawini was dean at INSEAD, his accomplishments and leadership style were largely praised by most constituencies. Yet his remarkable track record was not enough for him to win majority faculty support for opening a third campus in North America, which he had set as a pre-condition to staying on as dean. He recognized that he had underestimated some internal influences, such as the strain created by the opening of the Singapore campus. INSEAD’s faculty and

ring factions, ‘dragons’ holding internal and external threats at bay, and ‘diplomats’ guiding and encouraging people who live and work in the college.”

More pragmatically, in the book *The Business School and the Bottom Line*, Ken Starkey and Nick Tiratsoo portray the increasing complexity of the role of the business school dean over time: “Forty years ago, running a business school was something that a senior professor might well take as a matter of duty shortly before retirement. Nowadays deans almost constitute a profession in their own right, a cohort with unique and specialist skills ... Deans may be likened to sports coaches, hired to improve performance, fired at will, but with one eye always on building their own careers.”

deans can become the very best of leaders. They can provide both stable leadership and strategic direction as they fulfill the many roles required of deans serving at today’s international business schools. **Z**

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Howard Thomas is LKCSB Chair of Strategic Management and dean of the Lee Kong Chian School of Business at the Singapore Management University. He was previously dean at Warwick Business School in the U.K. Fernando Fragueiro is professor of general management and director of ENOVA Thinking, Centre for Leadership in Emerging Markets, at IAE Business School of Universidad Austral, Argentina. He was dean at IAE Business School between 1995 and 2007. Their book, *Strategic Leadership in Business Schools: Keeping One Step Ahead*, will be published by Cambridge University Press in 2011.

A Conversation with Dan Ariely

WHY DO PEOPLE CHOOSE to purchase a 15-cent gourmet chocolate rather than a lesser quality one-cent chocolate, but turn their noses up at a 14-cent gourmet chocolate if its lesser competitor is free? Why does company performance decline as CEO incentives increase? Because the human psyche is governed by irrationality, says researcher Dan Ariely, the James B. Duke Professor of Behavioral Economics at Duke University's Fuqua School of Business in Durham, North Carolina.

Ariely addresses such questions in his bestselling books *Predictably Irrational* and *The Upside of Irrationality* and on his blog at www.danariely.com. People can make irrationality work for them, Ariely says, if they're more conscious of how it works. He spoke on this topic and others at AACSB International's annual meeting in New York City in April.

How has behavioral economics changed since you began your studies?

As researchers, we've moved from the lab to the field; it's become more applied and less theoretical. We've learned that rational economics doesn't work in principle, so we want to understand exactly how it fails, and we're more interested in how to actually change how people behave.

The financial crisis really helped us in this regard. It's sad to say, but you probably cannot think of a better example of irrational economics than the financial crisis, which showed us just how big the problem is. I think the financial crisis eliminated the illusion that little people make mistakes from time to time, but professionals and big decision makers don't.

In your second book, you talk about the "upside" of irrationality. Was there any upside to the financial crisis?

The only possible hope would have been if we had learned from what happened and fixed the problems. But the crisis was caused by conflicts of interest, and we haven't eliminated those conflicts. I don't think bankers are evil—if you or I made \$5 million dollars a year to sell mortgage-backed securities, we'd behave

the same way. Of all the regulation changes made in banking, none have addressed the conflicts of interest. So, the financial crisis was a wasted crisis.

You became interested in behavioral economics after you suffered a serious accident and saw how your mind adapted to the difficult circumstances that followed. How has your own view of behavioral economics changed since then?

When I first started my research, I assumed that individuals might be irrational, but that companies are always rational. But I did not understand that irrationality is even more rampant in companies than in individuals.

Also, I didn't realize how much we look for ways to

It turns out that people can cheat a little bit and feel very good about themselves. As long as we cheat just a little, we can still see ourselves as honest, thanks to our cognitively flexible psychology.



Dan Ariely
of Duke
University

take our irrational tendencies and get the worst out of them. This happens a lot with technology. Cell phones are wonderful technology, but put them together with driving cars and they become incredibly dangerous. I recently read a paper that looked at how many deaths are caused by human mistakes versus old age or disease. The paper found that 70 or 80 years ago, human mistakes caused about 10 percent of all deaths. Today, it's about 50 percent. Basically, we create many more ways to fail, through our decisions in areas such as health, exercise, and safe sex.

Why are companies more irrational than individuals?

Two reasons. The first is that companies rely on lawyers. Lawyers aren't rewarded for trying something fantastic, but they're punished when something bad happens. So, they have to think about small unlikely things that could happen and try to prevent them. Because of that, they prevent lots of progression.

The second is how businesses fill everybody's time. Imagine if tomorrow you have an idea about how to do something differently, but your e-mail box is full, and you have meetings all day long. When are you going to find the time to do anything differently? Companies have to make more room for innovation.


In your studies of psychology, what findings have you found most fascinating?

The experiments on dishonesty. Before I started these studies, I had the vision that there were a few bad apples who cheat a lot but that most people are very honest. It turns out that people can cheat a little bit and feel very good about themselves. As long as we cheat just a little, we can still see ourselves as honest, thanks to our cognitively flexible psychology.

What are the most irrational behaviors you see in business schools?

I think that business schools don't understand conflicts of interest. For example, they think that if they offer classes on morality and ethics, people will stop being immoral or unethical. That won't necessarily happen.

Also, one of the things I hate the most in business education is case studies, because case studies give people the illusion that they've actually learned a concept. Students only learn about one story in a case study. They cannot learn the whole situation.



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How much can business students learn from behavioral economics?

One of the big lessons from behavioral economics and social science is how little we know. If we take this lesson to heart, most of our students should learn to be humble and realize that the answer to most questions should be, “I don’t know, but I have the tools to test it.”

But imagine if a student came to study with me for two years, and at the end of those two years, the only thing he had learned was that he didn’t know much, but he had the tools! It would be a more honest education, but incredibly unsatisfying for the student.

What are the most important tools they should have before graduation?

I think we need to teach students more statistics. They need to know how to use existing data and how to generate new data in case the existing data does not provide an answer. The world works in statistical probabilities. As researchers, we generate a lot of data, about how compensation works, about what really motivates people, and who gets motivated by what. But we don’t transmit that information nearly enough.

What project are you working on now? What’s next?

When I started writing, I wanted to write a cookbook called *Dining Without Crumbs: The Art of Eating over the Sink*. In it, I would talk about how to think about life through the lens of the kitchen, the place where we create and destroy and think about others and procrastinate. But nobody wanted to publish this. They said, “Why don’t you write a book about your research?” That was how *Predictably Irrational* was born. Then I wanted to write my cookbook, and they said, “How about one more on your research?” So I wrote *The Upside of Irrationality*. But now I’m ready to write my cookbook!

How would you like schools to use your work?

Well, there was one professor who took my advice a bit too seriously. He had read my research that showed that when people were asked to recall the Ten Commandments, they cheated less. So, he had his students read the following: “If I cheat on this exam, I will regret it for the rest of my life, and I will lose my eternal soul.” He got into lots of trouble.

So, you want schools to use your work rationally?
That’s right.

Weatherproofing the Financial Markets

THE SAME METHODS meteorologists use to predict the weather might also be used to make more accurate predictions of the stock market, according to Ashish Tiwari, associate professor of finance; Gene Savin, professor of economics; and doctoral student Michael O’Doherty at the University of Iowa’s Tippie College of Business in Iowa City.

Building on the work of a former Tippie economics colleague, John Geweke, they studied how meteorologists incorporate different types of climate information and then synthesize the results of each to determine whether a region is more likely to expect rain or sunshine.

Tiwari, Savin, and O’Doherty recently tested how well a series of model pools predicted stock returns between 1932 and 2008. They used the single-factor capital asset pricing model, the Fama-French three-factor model, and the Carhart four-factor model—the “workhorse models” of empirical asset pricing, according to Tiwari. After comparing the prediction to reality, they found that using two models led to more accurate predictions than using a single one. Moreover, using all three models was more accurate still.

Eventually, they added two more models to create a five-model pool. Because each one compensates for weaknesses in the others, the pool captures more information than any single approach, they explain. The only requirement is that each new model contain unique information.

Multiple model pools could more accurately predict not only the markets, but also economic systems such as the real estate market, unemployment rates, or GDP. Currently, the three are looking at how model pools can improve the benchmarks used to evaluate the performance of mutual fund and hedge fund managers.

The paper “Modeling the Cross Section of Stock Returns: A Model Pooling Approach” can be downloaded from SSRN at ssrn.com/abstract=1570772.



Michael O’Doherty



Ashish Tiwari



Gene Savin



Obsessions with Possessions

JOHN LASTOVICKA, a marketing professor at Arizona State University's W.P. Carey School of Business in Tempe, and Carey doctoral student Nancy Sirianni find that a person's relationship to possessions can go beyond mere attachment to outright love.

"Most consumer researchers have thought of this phenomenon in terms of self-identity, such as whether owning and driving an expensive sports car helps you tell others you have a higher social status," says Lastovicka. However, Lastovicka and Sirianni found that some people exhibit "material possession love," in which possessions become substitutes for human relationships.

The research is based on in-depth interviews with people at car shows, gun ranges, and other similar events, as well as surveys of hundreds of gun owners, computer owners, and cyclists. The study refers to a car show participant who named his car "Maybelline" and admitted to spending more time with his car than with people. Another said he felt "love at first sight" when he saw his car, which compelled him to spend all he had and borrow more to own it. The researchers found other participants lavishing similar attention on bicycles, computers, and guns.

As society becomes more prosperous, more people move away from family and friends and are more likely to be lonely, says Lastovicka. Material possession love can actually be a positive alternative to other reactions such as drug abuse and depression.

Lastovicka warns businesses that these customers require special care. "A marketer needs to be careful not to judge these people as weird," he says. They are excellent customers, but they will take their business elsewhere if they think they are being made fun of.

The article "Truly, Madly, Deeply: Consumers in the Throes of Material Possession Love," will be published in the *Journal of Consumer Research*. It is also available at www.jstor.org/stable/10.1086/658338.

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RESEARCH RECOGNITIONS

■ **Steven Klepper**, professor of economics and social sciences at Carnegie Mellon University's Tepper School of Business in Pittsburgh, Pennsylvania, has received the 2011 Global Award for Entrepreneurship Research for his contributions to understanding the birth and growth of new industries. Klepper will receive the honor, which carries a prize of 100,000 euros (US\$136,531), this June in Stockholm, Sweden. The award is bestowed jointly by the Swedish Entrepreneurship Forum, the Research Institute of Industrial Economics, and the Swedish Agency for Economic and Regional Growth.

■ **Richard C. Green**, also a professor of financial economics at the Tepper School of Business, and former doctoral students **Dan Li** and **Norman Schiurhoff** have been honored with the *Journal of Finance's* Smith Breeden 2010 Distinguished Paper Award. They received the recognition for their paper "Price Discovery in Illiquid Markets: Do Financial Asset Prices Rise Faster Than They Fall?"

■ **Andy Hoffman**, professor of sustainable enterprise at the University of Michigan's Ross School of Business and School of Natural Resources and Environment in Ann Arbor, is among 20 environmental researchers

in North America selected to be a 2011 Leopold Leadership Fellow. Based at Stanford University's Woods Institute for the Environment, the Leopold Leadership Program helps environmental scientists make their knowledge accessible to decision makers and the public.

■ The h-Index for Management Information Systems has identified **Andrew B. Whinston**, a professor at the McCombs School of Business at The University of Texas at Austin, as the most influential researcher in the field of management information systems. The h-Index is a ranking developed by Hsinchun Chen of the University of Arizona and Paul J. Hu of the University of Utah. It measures the impact of scholars in the field by the number of papers they have published in academic journals and the number of times those papers are cited by other scholarly works.

■ Four researchers have received the S. Tamer Cavusgil Award from the *Journal of International Marketing* for their paper, "Exploring Cross-National Differences in Organizational Buyers' Normative Expectations and Supplier Performance." The honored professors include **Michelle Steward**, assistant professor at Wake Forest University in Winston-Salem, North Carolina; **Felicia Morgan**, assistant

professor at the University of West Florida in Pensacola; **Lawrence Crosby**, chief loyalty architect of the firm Synovate Customer Experience, based in 62 countries; and **Ajith Kumar**, professor at Arizona State University in Tempe. Their paper was published in the journal's March 1, 2010, issue.

■ **Xavier Gabaix** and **Alexander Ljungqvist**, both professors at New York University's Stern School of Business in New York City, have been honored for their work. Gabaix, the Martin J. Gruber Chair in Asset Management, has received the 2011 Fischer Black Prize, awarded to a scholar under 40 for a body of original work relevant to financial practice. Ljungqvist, the Ira Rennert Chair in Finance and Entrepreneurship, has received the 2011 Ewing Marion Kauffman Prize Medal for Distinguished Research in Entrepreneurship, which recognizes a scholar under 40 years old for contributions to the entrepreneurship field.

■ **Nicholas Epley**, a social psychologist at the University of Chicago Booth School of Business in Illinois, will receive the 2011 American Psychological Association Distinguished Scientific Award for Early Career Contribution to Psychology. Epley was recognized for his research on the experimental study of social cognition, perspective taking, and intuitive human judgment.

Debunking The High IQ Myth

WESTERN EUROPE and North America have long placed a great deal of importance on high IQ, say authors Eliza Byington, a doctoral candidate, and Will Felps, a professor of organization and personnel management, at the Rotterdam School of Management at Erasmus University in the Netherlands. In the U.S., for example, scores on tests such as the SAT, ACT, GRE, and GMAT are used to determine which candidates are more likely to perform well in college.

Byington and Felps find that new studies in the Middle East and China make a substantially weaker correlation—and in some cases, a negative correlation—between high IQs and performance. They find that these regions may place higher priority on factors such as a job candidate's teachers, mentors, and peers, as well as the time they spent pursuing education opportunities.

"Why do IQ scores predict job performance? An alternative, sociological explanation" was published in the December 2010 *Research and Organizational Behavior*.



The Benefits of Blogging

MANY EMPLOYEES have gotten in trouble with the boss for postings on personal blogs. But a study from researchers at New York University in New York City and Carnegie Mellon University in Pittsburgh, Pennsylvania, finds that employees' extracurricular blogging habits might actually benefit companies in the long run.

The study was conducted by Yan Huang, a doctoral student at Heinz College, CMU's school of information systems and management; Param Vir Singh, associate professor of information systems at CMU's Tepper School of Business; and Anindya Ghose, an associate professor of information, operations and management sciences at NYU's Stern School

of Business. They studied bloggers at Fortune 500 IT consulting and services companies that permitted personal and professional blogging. They found that when companies allow employees to express themselves freely in their personal blogs, their work-related blogging becomes more effective, especially when it comes to sharing knowledge across the organization.

"Social media technologies such as corporate blogs have the potential to be of enormous value to firms," says Ghose. For that reason, the authors recommend that companies should not restrict personal blogging, because it has a positive effect on productivity. Moreover, companies that use social media should prominently display reputation metrics for contributors, to provide incentives for employees to contribute content.

"A Structural Model of Employee Behavioral Dynamics in Enterprise Social Media," is available at pages.stern.nyu.edu/~aghose/enterprise_blogs.pdf.



Yan Huang



Param Vir Singh



Anindya Ghose

UPCOMING & ONGOING

■ STUDY OF HOME HEALTHCARE

Feng Li, chair of e-business development at Newcastle University's Business School in the United Kingdom, will lead a study of how to better design healthcare models that help older people remain in their homes longer. The three-year project, funded by the government's Technology Strategy Board, will work with ten private, public, and volunteer organizations to find solutions for caring for

an aging population. Feng believes that digital technologies will support new, sustainable models that can ease the burden on an overwhelmed healthcare system.

■ BEHAVIORAL LAB LAUNCH

The University of Virginia Darden School of Business in Charlottesville has opened Behavioral Research at Darden (BRAD), an interdisciplinary behavioral lab that will help researchers in their

experiments in areas such as organizational behavior, marketing, business ethics, judgment and decision making, behavioral operations, and entrepreneurship.

■ RESEARCH ON RETAIL

Two research centers at the University of Texas at Austin's McCombs School of Business have partnered with the Center for Advancing Retail Technologies (CART) in Syracuse, New York. Faculty in the Center for Customer Insight and Marketing Solutions and the Supply Chain Management Center of Excellence at

McCombs will use CART's data on retail technologies, consumer behaviors, and other areas for research. CART has similar agreements with research centers at Stanford University in California, Cornell University in New York, the University of Florida, and Northwestern University in Illinois.

■ COLLABORATION AIDS INVESTORS

An upcoming research survey will explore whether individual investors have sufficient access to information to assess the risk factors of the stock market. Eileen

Noting Differences Eases Conflict

DIFFERENCES IN NATIONALITY, ethnicity, income, social status, and age have often been sources of tension within a group. But two researchers at Canada's University of Toronto in Ottawa find that such differences can actually serve to encourage unity within a group, under the right circumstances.

The Rotman School of Management's Geoffrey Leonardelli, a professor of management and psychology, and Soo Min Toh, a professor of management, conducted two field studies of the relations between local and foreign co-workers. They found that local employees were more likely to share work-related and cultural information with expatriate co-workers when they consciously recognized that their co-workers lacked knowledge about and comfort with local culture and customs.

With that recognition, the local workers realized they were experts who could provide their co-workers with the help and information they needed to accli-

mate to their new country, Leonardelli says. "We find that group-based differences can actually encourage cooperation," he adds.

However, for this cooperation to happen, the locals also must perceive a sense of social justice within their organizations. If bosses play favorites, any sense of cooperation will evaporate, the researchers emphasize. They extrapolate their findings to practices such as racial profiling by security officers and law enforcement, which may only worsen race relations by fueling distrust within both groups.

"Group-based differences often create an 'us versus them' mentality," says Toh. "However, we found that when employees felt that they were treated fairly by their employers, group-based differences were more likely to manifest as an 'us and them' mentality."

Find "Fair Treatment and Social Categorization" at www.rotman.utoronto.ca/newthinking/fairtreatment.pdf.



Geoffrey Leonardelli



Soo Min Toh

Taylor, assistant professor of accounting at North Carolina State University's Poole College of Management in Raleigh, will collaborate with BetterInvesting, a nonprofit association serving the indi-



PIXTAL/GLOW IMAGES

vidual investor, for the survey. The project's goal, she adds, is to discover whether corporations can improve the way they communicate risk factors to investors. The survey is part of research Taylor is conducting with Jennifer Blaskovich, assistant professor of accounting at the University of Nebraska at Omaha College of Business Administration. Preliminary results should be available this spring.

■ ENTREPRENEURSHIP IN THE MIDEAST

The American University of Beirut in Lebanon has

opened the Samih Darwazah Centre for Innovation Management and Entrepreneurship to conduct research, field studies, and benchmarking studies. The center also will offer seminars, workshops, and conferences related to innovative business practices.

■ SOCIETY FOR EFFECTUATION

The Batten Institute for Entrepreneurship and Innovation at the University of Virginia's Darden School of Business in Charlottesville has created the Society for Effectual Action and a

related online community, effectuation.org. Created by Darden professor Saras Sarasvathy and several of her colleagues, the society and community will focus on effectuation, a study of entrepreneurship that holds that an individual entrepreneur's path should depend on his or her personality, knowledge, and network, rather than on a predetermined sequence of actions. The Web-based community will include links to research and articles, a directory of researchers, forums for exchanges, and teaching materials. **Z**

technology

Startups, Start Your Networks!

IN JANUARY, the Unreasonable Institute, a startup accelerator launched last year in Boulder, Colorado, put the ideas of 45 entrepreneurs on its Web site and asked a global Internet audience to vote for the best ones—with their wallets. For 50 days, site visitors could back any of the ideas with funding. The first 25 social startups to raise US\$8,000 were accepted into the Institute's six-week mentoring program, where their founders will receive training, attend workshops, and seek guidance from a wide range of mentors.

The Institute imposed a US\$10 contribution cap in the first week and increased the cap incrementally over the course of the contest. That prevented any team from securing the full US\$8,000 from a single investor, and assured that each plan would have to win the support of hundreds of people through marketing and social media.

The 45 projects chosen for the voting process were selected from more than 300 applicants in 60 countries. Each project had to be scalable to serve at least 1 million people, demonstrate market feasibility, and show potential to be self-sustaining. The finalists included a Chinese engineer who had designed a waterless composting toilet, a Kenyan who has distributed more than 10,000 solar lanterns, and an American who has developed a water purification system that rolls up to the size of a ruler.

The Institute's "Finalist Marketplace" tests the entrepreneurs' ability to rally support behind their ideas, says Daniel Epstein, founder and president of the organization. The extent of public support, he adds, "offers a real-time measure of success."

This was an inaugural competition for the Institute. The entrepreneurs who entered raised more than US\$160,000 from nearly 3,000 supporters in 130 countries. Donors also had an incentive: They



JUSTIN LEWIS/GETTY IMAGES

The Institute's "Finalist Marketplace" tests the entrepreneurs' ability to rally support behind their ideas.

received a point for every dollar they contributed to a project, and two points for every dollar contributed as a result of their telling others about the project through social media. Top point-earners received prize bundles from HP, the Unreasonable Institute's first corporate partner. HP also is contributing technology and a scholarship fund for the entrepreneurs.

To learn more about the Unreasonable Institute, visit unreasonableinstitute.org. To read about the contest, visit marketplace.unreasonableinstitute.org.

Tips for Twitter-phobes

IS TWITTER TOO TRIVIAL for the business classroom? Absolutely not, says Mark Frydenberg, senior lecturer for computer information systems at Bentley University in Waltham, Massachusetts, and co-author of the textbook *Web 2.0 Concepts and Applications*.

“Too many professors still believe that people use Twitter to tell friends, ‘I’m having a peanut butter sandwich for lunch,’” says Frydenberg. But today, mainstream media outlets use Twitter to collect viewer feedback and information about breaking stories; companies use it to provide customer care and test new products; and marketers use it to conduct promotions.

“Students need to know how it’s being used in business and how to use it themselves,” he emphasizes. Twitter also can help professors achieve learning objectives in the classroom.

Frydenberg gave a presentation titled “Twitter for Skeptics” at Cengage Learning’s Course Technology Conference last year. In his talk, he highlighted ways that professors can use Twitter as a meaningful tool in the business classroom:

To share information. Have students send quick tweets to highlight blogs, articles, or Web sites of interest. Twitter has a feature called “Lists” that allows professors to create a group of their students and easily follow their tweets.

To collect ideas. Professors can specify a “hash tag”—a word preceded by a pound sign—for their courses that students can add to their tweets to route their ideas to a single feed for the class to see.

“The hash tag for my course is #CS299,” Frydenberg explains. “Last semester, I had a student who used Twitter to take notes. I asked him to add the hash tag so he could share his notes with the class. Other students often commented on his tweets, continuing the class discussion on Twitter.”

To refine ideas. Ask each student to compose a tweet that sums up an important concept in the lecture or assigned reading, and add the class hash tag. Then use an application such as [TwitterFall.com](#) or [TwitterFountain.com](#) to display their tweets onscreen

in front of the class. “Tweeting forces students to think about what they want to say in just 140 characters,” says Frydenberg.

To find current information. Even if students don’t tweet, they can use Twitter search ([search.twitter.com](#)) to see what people are saying about a current topic. People often will tweet links to recent blog posts, articles, and videos that they just discovered. “Retweets” give an indication of a tweet’s popularity.

To invite questions. When Frydenberg invites a guest presenter, he uses [www.ustream.tv](#) to stream the lecture live online, and he and his students tweet the videostream URL to their followers. Students in class and viewers outside the classroom can tweet questions to appear on an in-class screen, and speakers can answer in real time.

To research companies. Advise students to use Twitter to search for information on companies. “If they want to work at Deloitte, they can follow two or three people who work there,” says Frydenberg. “It’s a low-barrier way to get a window into that world.”

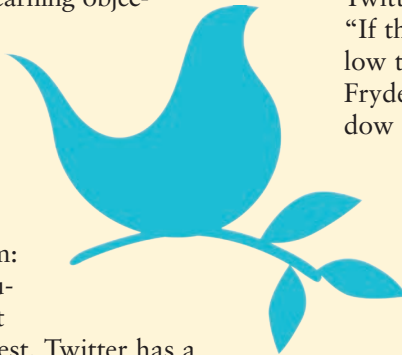
To build networks. Assign students to follow not just their friends on Twitter, but also ten or more people they don’t know. A “follow and be followed” approach can help them expand their personal and professional networks.

When he started using Twitter in the classroom, he required students to tweet three times a day for two weeks. “In the beginning, I learned a lot about when my students were showering or exercising! But eventually, they began tweeting, ‘I saw an interesting article or video, and here’s the link.’”

Frydenberg also keeps his personal and professional personae separate. “I follow my personal friends on Facebook, while most of my professional contacts are on LinkedIn and Twitter,” he says. To build a following, he shares his Twitter name at the end of each professional presentation he makes and lists his feed in online forums such as [WeFollow.com](#), a Twitter directory, under the education category.

“The book *Twitter for Dummies* calls Twitter the new business card. It helps people find you,” Frydenberg says. “If you say something interesting, people will follow you.”

Follow Mark Frydenberg on Twitter @checkmark.

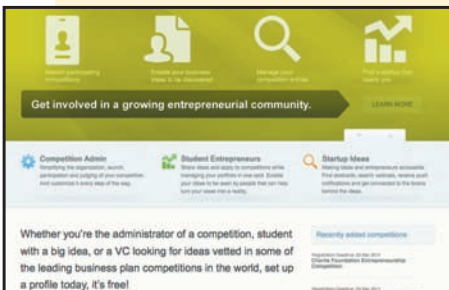


Tip: Don’t feel obligated to read every tweet from those you follow. Apps like **Filtr.com**, **TweetDeck.com**, and **T4bp.com** help filter out the noise and organize tweets by users or topics. —Mark Frydenberg

TOOLS OF THE TRADE Simplifying Competitions

Business plan competitions have become a pervasive part of business schools' entrepreneurship programs. In the U.S. alone, more than 50 universities conduct business plan competitions each year, according to the Ewing Marion Kauffman Foundation in Kansas City, Missouri. But doing so can be such an organizational challenge that many schools might limit the size and scope of their competitions—or avoid them altogether.

To simplify the process, the Kauffman Foundation has created iStart, a Web-based platform that provides schools with a tool to register applicants and judges,



receive business plan entries, manage communications, assist applicants to keep track of deadlines, and monitor the application and judging process.

The program also incorporates a networking function to help entrepreneurs connect to mentors and other resources.

The foundation tested iStart with Rice University's 2010 business plan competition. The platform helped the school manage communications with applicants and administrators and customize the look and feel of the competition.

The iStart platform also enables schools to mine data collected from multiple competitions and gain insight on the process. Katie Petersen, iStart manager, adds that the platform "makes the thousands of plans that are part of these competitions available to the world."

To learn more, visit www.iStart.org.



U.S. business schools offer up to
US\$10 million annually in
plan competitions, according to the
Kauffman Foundation.



NCSU Taps into 'Big Data'

COMMERCIALIZATION OF university-based inventions has become a top priority at many schools. But the process requires comprehensive searches of online data to identify trends, spot market opportunities, find potential investors, and research patents and copyrights. For students and faculty, that work can be data-intensive, time-consuming, and overwhelming.

And it's bound to get even worse: According to the annual "Digital Universe" survey from the research firm IDC, the amount of digital data has grown by more than 60 percent in the last year. IDC predicts the generation of digital data will increase by a factor of 44 over the next decade.

The Poole College of Management at North Carolina State University in Raleigh is testing software to help organizations harness the meaning and power of these massive amounts of data—or "big data," as many are calling these large datasets. Last fall, the college's Center for Innovation Management Studies (CIMS) began working with the university's Office of Technology Transfer (OTT) to identify potential partners to commercialize two university technologies: new



DAVE OUTLER/IMAGES.COM

Salmonella strains for animal vaccines and novel methods to deliver medications via inhalers.

In that pilot project, CIMS researchers used several IBM data analysis tools to analyze 1.4 million Web pages in less than a week—a process that normally would have taken several months. As a result, OTT licensing professionals now have a ranked list of companies that are likely to benefit from these inventions.

The projects began via an introduction from a former MBA student who learned of the software while interning in IBM's jStart Emerging Technologies division. After a classroom discussion about the difficulty organizations were having identifying potential partners, he mentioned the software to his professor. Ultimately, he was able to introduce Paul Mugge, director of CIMS, to the technology.

The project is still in Phase 2, which involves “proof-of-concept.” Recently, the center has been conducting searches that analyze up to 400 Web sites, which is the equivalent of 10 million pages of text, Mugge explains in the center's Winter 2011 newsletter. In Phase 3, these analyses will involve datasets that are up to 1,000 times larger. Currently, the center is building its hardware storage capacity to manage this amount of data.

Now, MBA students in the college's Jenkins Graduate School are using the same software as they work with local biosciences companies in their biosciences management practicum. In the future, these tools also will be built into an MBA elective and executive education courses at the college.

For more information about this project, visit cims.ncsu.edu/index.php/newsletters?id=37&view=default.



By 2020, the IDC predicts that the total amount of available digital data will comprise approximately **25 quintillion** files, or 35 zettabytes. A zettabyte is equal to 1 quadrillion gigabytes.

NEWSBYTES

■ GIFT SUPPORTS LIBRARY

Harvard Business School's Baker Library in Cambridge, Massachusetts, has received Mass Opinion Business Software, or MOBI 2.0, as a gift from WiseWindow, based in Irvine, California. The US\$5 million software package will provide faculty and students with tools such as cloud computing, Web site crawling, and statistical language analysis for research on the online sentiment and behavior of consumers.

■ LAB FOR SECURITY

The School of Business Administration at Oakland University in Rochester, Michigan, opened its new Security Network Instructional Lab this spring. The lab, funded by a donation of hardware from California-based Juniper Networks, uses a network of servers that will allow faculty and students to run simulations of new technologies in multiple server environments. Faculty also will use the lab to study issues related to desktop virtualization, surveillance, and information systems security. For information, visit www.oakland.edu/sbsecuritylab.

■ GOOGLE ADDS EDU AISLE

Google recently added EDU, a category of apps devoted to education, to the Google Apps Marketplace. The marketplace includes exter-

nally designed apps that can integrate with Google's free software tools such as Google Docs and Google Spreadsheets. Currently, the category has a good start, with apps such as EasyBib, a bibliography management tool; RCampus, an e-Portfolio builder and assessment system; and EDUBrite, an online test, quiz, and survey app. To see those and other offerings, visit www.google.com/enterprise/marketplace/ and click the “EDU” link.

■ MIT EXPANDS OCW

Educators at the Massachusetts Institute of Technology in Cambridge once believed that OpenCourseWare (OCW) would appeal mostly to teachers and professors who wanted a glimpse into MIT's curriculum. However, the free online repository of lecture notes and course materials has proved even more popular among college students and self-learners worldwide, who have asked for access to more complete courses. To meet that demand, MIT is using a US\$2 million grant from the Stanton Foundation to create OCW Scholar, which now offers more complete online versions of five courses in science and calculus; the school plans to have 20 courses available by 2014, including some in economics. OCW already includes more limited materials for the majority of courses offered through MIT's Sloan School of Management.



Surprising Attitudes Toward Texting

A SURVEY OF 1,043 STUDENTS at the University of New Hampshire Whittemore School of Business and Economics in Durham recently captured media attention with a surprising finding: Forty-nine percent of students surveyed actually feel guilty about texting in class, and 36 percent believe texting should be prohibited in the classroom.

But many do it anyway—especially business students. The survey showed that 65 percent of business students admit to sending at least one text message in a typical class.

The survey was conducted by students in a marketing research class taught by adjunct professor Chuck Martin. The survey is a semesterlong project, in which students learn the fundamentals of market research and then choose a survey topic. Then, they conduct exploratory research, design and test the survey, and refine it before conducting the survey on a large scale over two to three days. Martin divides the class into teams, each of which surveys one department in the school.

The researchers started the texting survey expecting not only that students would approve of in-class texting, but also that the majority would own smartphones, says Martin. They also expected that students would feel stressed if they weren't allowed to check their messages.

Both assumptions turned out to be false. While 45

percent of business students owned smartphones, only 36 percent of the general student body did. That number dropped to 21 percent among engineering students.

Martin's class was most surprised that 61 percent of the students surveyed said that they aren't bothered when they aren't allowed to text. Many reported that they are more stressed when they feel compelled to check their text messages. Fifty-one percent said that texting distracts them from class material.

Ironically, during final presentations, each team put a cell phone number on the board and asked the class to text their questions to the number. One team member

fielded the questions, and the others answered them as they spoke. "By the end, the Q&A was already finished," says Martin. "In that case, texting was very effective. I even texted my own questions to them!"

Martin's students have recommended that a future survey be conducted of UNH faculty and staff, to gauge their attitudes about texting.

The full study is available at www.unh.edu/news/docs/UNHtextingstudy.pdf. 



Last year, Internet users:

- numbered 1.97 billion as of June.
- sent 107 trillion e-mails, including spam.
- watched 60 billion YouTube videos—each month.
- posted **25 billion tweets** on Twitter.
- included 250 million Facebook users in January.
- included **600 million Facebook** users by December.

—From *Royal.Pingdom.com*

your turn

by Tami Fassinger

Women and the EMBA

AS A WOMAN growing up proficient in math and science, I was lucky to have a father who steered me toward a career in business. I went to business school the old-fashioned way in 1985: I enrolled right after college, my parents footed the bill for living expenses, and I paid for everything else out of scholarships and school loans. I was able to pay off my academic debts by about age 30, feeling certain that the investment would be worth it. I was right.

Today, anyone who decides to enroll in an MBA program might be a little less sure. Business has gotten a bad reputation, academic choices are overwhelming, and the degree itself is under fire. Working professionals who pursue an MBA also have to balance their jobs, their home lives, and their academic commitments. That balancing act is a particular struggle for women, who are still less likely than men to enroll in mid-career business programs for executive, part-time, or specialized MBAs.

I believe biological reality is a major reason for the discrepancy. The average age of a student enrolled in an EMBA program is 36, a time when women typically are having and raising children. While many of them believe they don't have time to pursue a degree, many would find an EMBA program extraordinarily useful—especially a young executive who wants to move into senior management or a woman who wants to return to the workforce after stepping out for a few years.

And an MBA from an executive program is demonstrably valuable. According to a 2010 survey by the Graduate Management Admission Council, 77 percent of EMBA graduates say that, within two years of

graduation, they have recovered half or more of what they paid for the degree; 21 percent have more than recouped their total investment. At my school, Vanderbilt University, the average salary increase for 2010 EMBA graduates was 20 percent over where it was when they started their two-year programs.

However, if business schools don't let women know how valuable an EMBA program can be—and if they don't accommodate women who believe they're too busy to go back to school—they'll see a sharp decrease in the number of women who enroll.

At Vanderbilt, we learned this the hard way. In 2008, the number of women enrolled in our EMBA program dropped to 9 percent from about 20 percent in previous years. Part of that decline could be blamed on an economy in shambles and a reluctance on the part of companies to pay for their employees' degrees. But when we surveyed potential applicants, we found another root problem. Many were concerned about asking to take Fridays off from work during a time of layoffs and cutbacks.

So in 2009, we abandoned our Friday-Saturday format and switched to two Saturdays per month. This required pushing the program from 21 months to 24 months and adding two brief summer sessions.

Our market research suggested this format would work, but personal experience was also my guide. I'm a working mother with two daughters who play soccer. I knew they would forgive me for missing games every other week, but not every week. I figured other mothers could set similar expectations with their children. One high-level executive told me the bi-weekly Saturday schedule allowed her to be available to clients every Friday and still be home with her family two weekends a month. She had put off pursuing her degree until she found a schedule that worked for her.

Our 2010 enrollment numbers confirmed that we made the right move: Women made up 20 percent of that class. I'm hopeful that, as the word spreads, that percentage will go even higher.



Women are still less likely than men to enroll in mid-career business programs.



CLAUDIA GOEPPERL/GETTY IMAGES

I'm encouraged when I see other business schools finding ways to accommodate women. For instance, Columbia University now offers a Saturday-only option for its EMBA program. The Judge School of Business at the University of Cambridge was highlighted in a recent *Financial Times* article for allowing a pregnant student to attend executive MBA classes by videolink. These are good solutions, but I'd like to challenge my business school peers to devise other ways to attract women to their EMBA programs. Here are a few that I've found useful:

Team up with other organizations. Such collaborations help women network and boost the school's recruiting. At Vanderbilt, we partner with Women in Technology of Tennessee to host a monthly gathering. I always invite an alum to give a two-minute overview of the value she derived from her graduate studies.

Identify role models and mentors who are already enrolled. At Vanderbilt, all first-year EMBA students are paired with second-year students. Our Women's Business Association offers a speaker series that helps build those connections by emphasizing the importance of networking. The women in this group also host social events like the "Fashion for a Passion" fund raiser, which showcases the latest styles in business attire while raising money for the international nonprofit Dress for Success. In addition, we frequently invite prominent female business leaders to speak to the group.

Help women strike a sensible work-life-school balance. Offer programs for working professionals that emphasize time management, stress management,

and efficiency. At Vanderbilt, we host programs like our annual Partner Day, where prior students and their spouses remind new students of great inventions like paper plates and dry cleaners—outsourcing at its best. We've also hosted a leadership development session with the executive coach of our EMBA program, Darin Rowell of 10.90 Consulting, on "Time Management versus Capacity Management."

Show women how to get employers to value their work. Research has shown—and I have found personally—that women are more reluctant than men to make demands on their organizations. Business schools need to teach them how to advocate for themselves in proactive, appropriate ways.

One method is to pair prospective students with women who were successful in negotiating raises and funding for their degrees. Another is to host workshops, webinars, and other coaching opportunities that help women have those difficult conversations with their bosses. For example, our executive coach has led a workshop on "Developing Trust Through Powerful Conversations."

Help women overcome the cost barrier. Women seem more reluctant than men to go into debt for their degrees, yet most EMBA students today are self-funding their educations, predominantly through loans. Schools should provide access to scholarships and host events on how to apply for government educational loans. They also should clearly communicate ROI data, such as the pre- and post-MBA income of recent graduates.

While I outline the strategies Vanderbilt has used to attract women to our school, most of them can be used to appeal to any working professional who has hesitated to pursue a higher education degree. But my point remains the same: If business schools truly want to enroll more members of a certain demographic, they need to remove the barriers those individuals perceive. They need to change the focus of prospective students from worry about the time and financial investment to excitement about how an MBA program can boost their careers and enrich their lives. **Z**

Tami Fassinger is associate dean of executive education for the Owen Graduate School of Management at Vanderbilt University in Nashville, Tennessee. She writes a blog about executive business education, time management, and other topics at vanderbiltemba.blogspot.com.

bookshelf



ONWARD

AUTHOR: Howard Schultz with Joanne Gordon

PUBLISHER: Rodale, US

PRICE: US\$25.99

THE YEARS 2007–2008 were rocky for many businesses, but for coffee giant Starbucks, much of the chaos played out in the media and over the Internet as leaked internal memos and falling sales led to internal dissent and public speculation about the company's future. In his book, Schultz describes the difficult period when he decided to return as CEO after an eight-year absence from that role. The book works on many levels—as a case study for one organization's turmoil and recovery, as a blueprint for building a company on a foundation of values, as a peek into the mind of a passionate entrepreneur, and as a wake-up call about the power of the digital media. Throughout, it's impossible to miss Schultz's love for his job or his product. He writes, "This is what merchants do. We take the ordinary—a shoe, a knife—and give it new life, believing that what we create has the potential to touch others' lives because it touched ours."

BUILDING RESPECTED COMPANIES

AUTHOR: Jordi Canals

PUBLISHER: Cambridge University Press

PRICE: US\$60

CORPORATE SCANDALS, tumbling economies, and the rise and fall of charismatic CEOs have combined to create public distrust of big business and send many firms into crisis. Canals, dean of

IESE Business School, has a solution: better corporate governance built around solid leadership and an understanding of the place of business in society. This requires "rethinking what a firm is, what its purpose is, what society

expects from firms, and what roles and responsibilities board directors and senior executives should have." He examines historical perspectives of business and analyzes the factors that have led to the recent turmoil, including the drive

to maximize shareholder wealth. Then he introduces the idea of a respected company, one that's successful in "its economic performance, the way it attracts people, its customers' loyalty, and its social impact." It's clear he thinks business has lost its way—but equally clear that he sees a solid road back.

FROM VALUES TO ACTION

AUTHOR: Harry M. Jansen Kraemer Jr.

PUBLISHER: Jossey-Bass

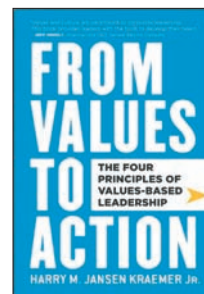
PRICE: US\$27.95

KRAEMER, a former healthcare CEO and current Northwestern professor, presents a persuasive case for values-based leadership built on four pillars: self-reflection, balance, self-confidence, and humility. He admits that they might sound simplistic, but warns that they aren't easy to implement, and indeed, each pillar becomes more complex as he thoughtfully examines its deeper meaning. For instance, leaders who practice self-reflection not only understand their strengths and weaknesses, they've also identified

priorities for themselves and their companies; they can make decisions based on sure knowledge of their abilities and core competencies.

Leaders who know how to balance not only make time for work, family, health, and other important areas of their lives, they also learn how to gather input from a variety of sources to weigh against their

own opinions. Building a leadership style is essential for everyone in the workplace, Kraemer believes: "Whether you manage ten thousand people ... or you are a single contributor influencing a team, you are on a leadership journey."



ENGAGING RESISTANCE

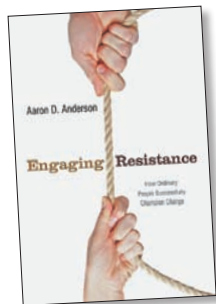
AUTHOR: Aaron D. Anderson

PUBLISHER: Stanford Business Books

PRICE: US\$29.95

WHILE VOLUMES have been written about change management, says Anderson of San Diego State

University, little of that literature deals specifically with why people resist change and how change champions can win them over. He gathers exhaustive detail about two radical transformations that occurred in two educational settings—Olivet College in Michigan and Portland State University in Oregon—exploring why change was considered necessary, who pushed for it, who fought against it, and how it was accomplished anyway. Along the way he identifies the factors that make people resist change, including fear of having their lives disrupted, reluctance to take on new work, resentment at the implication that the old ways were wrong, and legitimate concerns about the proposed overhaul. He also describes the methods that change champions used to bring resisters on board. He writes, “When ordinary people decide to make change happen, their championship behaviors permeate their daily existence, and advocacy of those changes becomes their prime directive.”



FULLY CHARGED

AUTHOR: Heike Bruch and Bernd Vogel
PUBLISHER: Harvard Business Review Press
PRICE: US\$29.95

COMPANIES CAN'T succeed without enthusiastic and motivated employees, but too often top executives are stymied by a lethargic or poisoned atmosphere that keeps workers from operating at their best. Bruch of the University of St. Gallen and Vogel of Henley Busi-

ness School describe this atmosphere as organizational energy, or “the extent to which an organization ... has mobilized its emotional, cognitive, and behavioral pattern to pursue its goals.” They believe any group of people united in a common endeavor fall into one of the quadrants of their energy matrix, which correlates high and low levels of intensity with negative



and positive energy. The trick for managers and CEOs is to use leadership strategies to move employees from “corrosive energy” or “resignation inertia”—or even from “comfortable energy”—into a sustained state of “positive energy.” They believe it’s critical for leaders to master these strategies because “energy in organizations can lead to either a wellspring of corporate vitality or the destruction of its very core.”

Don't Miss

TEACHING INNOVATIONS IN ECONOMICS presents findings from the Teaching Innovations Program (TIP), in which economics professors attended workshops and online sessions to learn how to implement interactive teaching strategies in undergraduate economics courses. Each chapter describes a specific teaching strategy and provides rich detail on how it can be used in the classroom. Edited by Michael K. Salemi of the University of North Carolina at Chapel Hill and William B. Walstad of the University of Nebraska in Lincoln, the book describes seven interactive strategies featured in the TIP project. The six-year project was funded by the National Science Foundation. Available for US\$125 from Edward Elgar Publishing.

The Rothman Institute of Entrepreneurship at Fairleigh Dickinson University has published **GLOBAL INSIGHTS FROM 24 LEADERS**, a collection of interviews and speech excerpts offered by two dozen entrepreneurs and CEOs. Entries from Avon’s Andrea Jung and Campbell Soup’s Douglas Conant are sprinkled in among the chapters from lesser-known but passionately committed executives. Engaging and easy to read, the book contains advice like this from Reginald Best of ProtonMedia:

“Don’t take too long to get out to the marketplace and try stuff out. It’s important to know quickly whether or not the dogs are going to eat the dog food.” The book sells for US\$19.95.

The second edition of **GREAT APPLICATIONS FOR BUSINESS SCHOOL** provides thorough, practical advice for writing the so-important application essay. Admissions consultant Paul Bodine first offers practical writing advice, then deconstructs actual essays of candidates who were admitted into their goal schools. Self-revelation essays, passion essays, PowerPoint essays—Bodine covers them all. A great asset to anyone applying to business school. Available for US\$13 from McGraw Hill. **Z**

idea exchange

Entrepreneurs on the 'FastTrac'

WHAT MAKES A SUCCESSFUL entrepreneur? Just four factors: a problem, a solution, ambition, and know-how. If an individual can supply the first three, the right training can provide the last.

To provide that training, the John Pappajohn Entrepreneurial Center (JPEC) at the University of Iowa's Tippie College of Business in Iowa City has adapted the FastTrac NewVenture program, offered through the nonprofit Ewing Marion Kauffman Foundation of Kansas City, Missouri. The curriculum, which Tippie has offered since 1997, helps a hopeful entrepreneur take an idea from concept to a potential real business in seven weeks, explains David Hensley, JPEC's director.


Gretchen Swan is one entrepreneur who took the program through JPEC. She enrolled after she encountered the first factor in the entrepreneurial equation: the problem. As an eco-conscious mother, Swan used drinking fountains to refill reusable bottles but found the process less than ideal. "I'd watch my kids get a little too personal with drinking fountains, or I'd only be able to refill my bottle halfway," says Swan.

Swan's solution? The ThirstStation, an

adaptation of a European vending machine that dispenses chilled and hot filtered water without sacrificing taste, convenience, or cleanliness. The machine also can dispense flavored water and teas.

Swan, who has a degree in marketing, enrolled in FastTrac, which meets once a week for seven weeks. Each three-hour session includes interactive discussions, guest speakers, networking, and mentoring. Additional guidance is available through JPEC and the local Small Business Development Center. Each student enrolls with a business concept and leaves the program with a business plan. "FastTrac made me accountable for my idea," Swan says.

With the help of Tippie marketing professor Dave Collins, Swan has piloted the ThirstStation at several locations in Iowa City, including in the Pappajohn Business Building on campus. In the pilot phase, Swan also has learned to emphasize educational efforts to both inform people about and attract them to the new concept. The response has been "very good so far," she says. Swan also has sold reusable bottles near the stations, in an effort to change consumer behavior.

Swan emphasizes that the FastTrac program is designed for people who have a vision but need the tools to move forward. Information about FastTrac programs is available at www.fasttrac.org. 



FastTrac has trained more than 300,000 people since 1993. The Tippie School has enrolled 370 participants since 1997.