



JOSEP SANFELIU

Students in IESE's Global Executive MBA visit Volkswagen's Shanghai facility.

## EMBA's Go to China

To understand rapidly evolving economies, students and faculty must see the changes firsthand.

**Thirty of IESE's Global Executive MBA** students recently completed a two-week module in Shanghai, which included a tour of Volkswagen's manufacturing plant in that region. Like many global executives, these executives possessed a great deal of international work experience before enrolling in the class, but few had direct experience with the Chinese market, says Pedro Videla, an associate professor of economics who accompanied them to Shanghai.

Videla wanted them not only to tour businesses, but also visit local markets, interact with vendors, and network with expatriate executives now living in China. "It's important that students see for themselves how fast China and other emerging economies are changing," Videla says. "They must see not only how China's businesses work, but also

what its daily life is like."

Videla especially wanted his students to visit Volkswagen, which has been in China since 1985, a time when China was just starting to open its economy to the global market. Students learned how the company is adapting to China's transition from a labor-intensive economy to a capital-based, technologically driven economy. In addition, Volkswagen, once one of the only car manufacturers in the country, now faces mounting competition from newer arrivals.

"Eight to ten years ago, Volkswagen held more than a 30 percent share of the automobile market. Now, as competition for China's expanding middle class grows, it

holds less than 15 percent," says Videla. "Still, many business leaders realize that if China becomes as big a player in the global market as many expect, they must establish a presence there to win a share of a very large market."

IESE operates its China study module through a relationship with the China European International Business School in Shanghai. The school's objective mirrors that of many business schools, both inside and outside China, that are integrating study of the Chinese economy into international curricula, says Videla. To stay on top of global development, he says, faculty must make regular visits to regions that promise to be increasingly important to the global economy, such as China, India, Russia, Brazil, and Africa. Schools also must create and continually update case studies on businesses in these economies.

Citizens in China's rural areas are still struggling, Videla emphasizes. But in China's metropolitan centers, new highways, building developments, and investments are rapidly changing the landscape. Global investment in China is already

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—Pedro Videla, IESE

40 percent over its gross domestic product, and its economy is growing at a pace of 30 percent per year. China's business student population is steadily growing to meet its increasing demand for skilled executives. Many of today's MBAs from outside China also may end up living and working in China, says Videla. It's up to business schools, he adds, to let them know what to expect once they get there. ■



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