

BizEd

JULY/AUGUST 2006

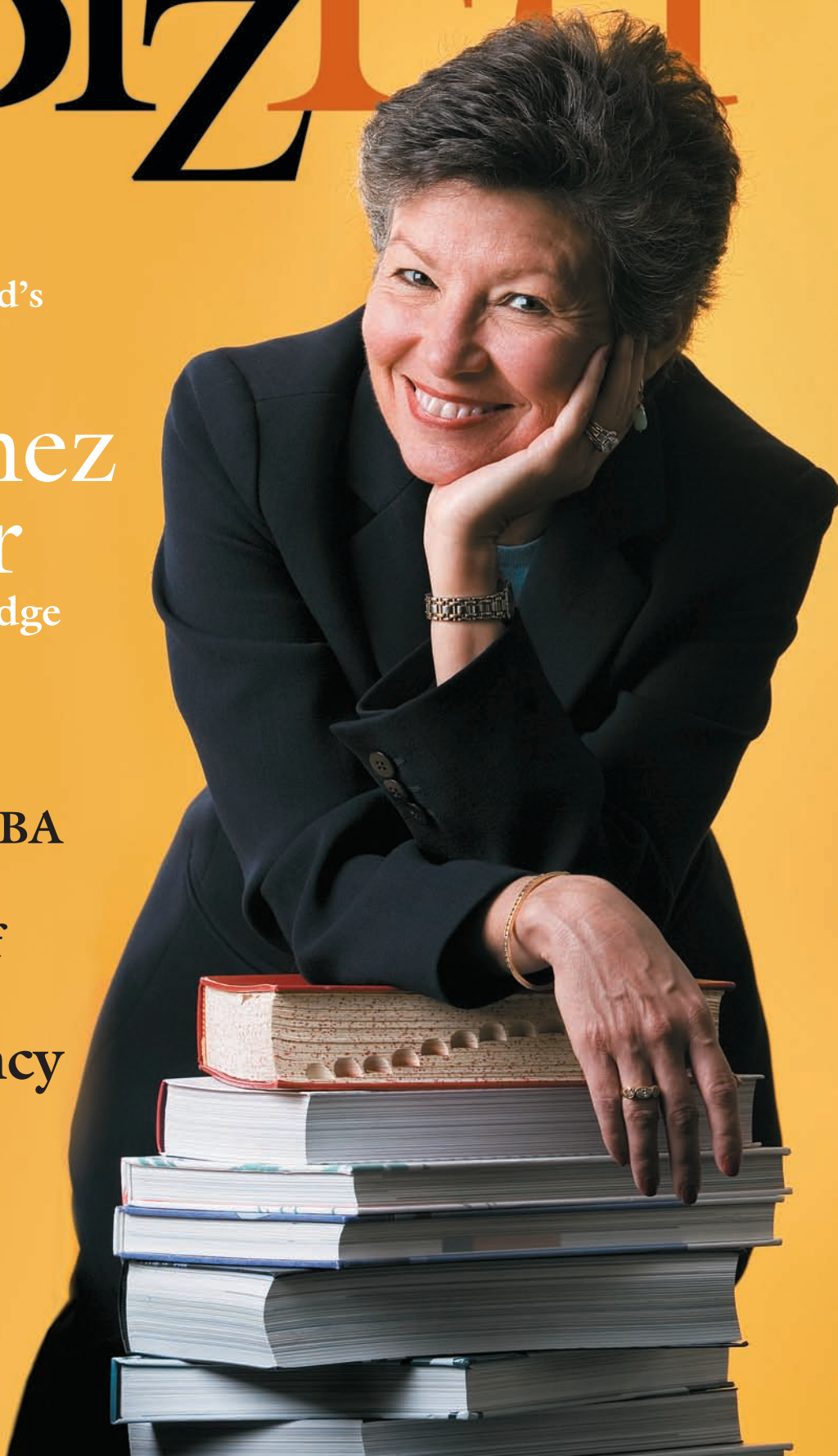
The Hispanic
Scholarship Fund's

Sara Martinez Tucker

Melds Knowledge
and Passion

The More
Flexible MBA

The Power of
the Global
Consultancy



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JULY/AUGUST 2006

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Cover photo: Robert Houser

From the Editors

Speaking the Culture

A country's cultural language is different from—although inextricably linked to—its spoken language. It's what people *do*, not what they say. I recently realized this as I was leaving the hotel after AACSB International's conference, held jointly with EFMD, in Paris, France.

It was checkout time, and one hotel associate was on duty. She stood at the far end of the desk under a sign noting that her line was for “very important people,” evidenced by the uniformed pilots and smart-looking execs she was assisting. I stood with several others, all non-Europeans, waiting for someone to help us common folk. More people arrived, and soon our line curved back to the concierge's desk. After some time, those in line began shifting their feet, exchanging puzzled glances, and murmuring their displeasure. And though the line grew ever longer, the lone associate at the desk did not glance our way.

As I watched this unfold, another hotel guest approached me. She said, with a French accent, “Go to the VIP line. She'll help you.” Now, I wouldn't dare stand in a VIP line without either an express invitation or tangible proof of my VIP status—an ID badge, a birthmark, *something*. I approached the end of the desk completely expecting to be told to go back to my place. But, to my surprise, the employee checked me out and wished me a nice day, no questions asked.

That was a micro-lesson in “speaking the culture.” Those of us in line had formed expectations based on *our* cultures, where one stands in line and waits to be called. We failed to realize that this country spoke a different cultural language. Here, one stands in line but, when necessary, calls for attention. The helpful hotel guest was fluent in the culture. She knew that the desk had been open all along.

As business schools integrate globalization into their curricula, they're designing programs to help students understand and embrace, rather than resist, all levels of cultural difference. For example, in this issue's “At Home with European Business,” Christopher Cripps describes how Grenoble Ecole de Management introduces foreign executives to business and cultural expectations in the EU. And in “The Global Consultancy Project,” we look at four programs where students conduct intensive research to discover more about a company's cultural context. These students learn that they need not be defined by, or confined to, their own cultural programming. They can learn to adapt to the cultures of others.

Language fluency is a valuable skill, but if students do not also develop cultural fluency, their ability to work or lead effectively in other countries will be hindered. As a result, they might wait in line—to get a job, win a contract, lead a team, or make a difference—much longer than they should. **Z**



BILL BASCOM

Lucia Brisson



Headlines

■ AACSB Board Targets Thought Leadership Initiatives

Acting on recommendations from its Committee on Issues in Management Education (CIME), the AACSB International Board of Directors recently approved reports from two of its key thought leadership task forces: The Alliance for Management Education (AME) and Peace Through Commerce (Peace). They also advanced a third project, The Impact of Research Task Force. The reports of both AME and Peace include recommendations, which will be implemented in accordance with the board's vote.

The AME task force, chaired by

Amelia Maurizio of SAP America, was formed to explore strategies for bringing together corporations and business schools to achieve common goals. One of the task force strategies was to assemble a focus group of senior corporate leaders and management educators to discuss the challenges businesses face today, the skills needed by new corporate hires, and the relevance of management education.

AME identified three key challenges before business schools: preparing the next generation of leaders, maintaining the relevance of research, and keeping up with the pace of globalization. The task force recommended that the association establish a permanent structure to

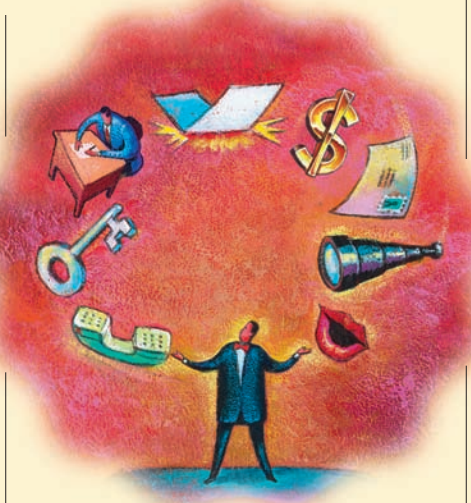
maintain the visibility of corporate concerns; increase opportunities to engage senior corporate leaders; increase engagement with associations that have corporate connections; and develop better and more frequent communications with nonmember corporations. A board champion will be named for AME to follow implementation efforts and monitor other developments.

The Peace report was submitted by Carolyn Woo of the University of Notre Dame, who is both chair and champion of the task force. The report notes that while "bringing peace to the planet has never been the purpose of business or business schools," both have the potential to be positive forces in helping

Challenges for Deans at Professional Colleges

A kind of hybrid school has emerged on many college campuses in recent years—a school that combines programs such as engineering, technology, computer science, and business. While these melded curricula create synergies that lead to innovative new programs, they also create challenges for deans that oversee these new "professional colleges." Identifying those challenges and ways to deal with them became the focus for four deans who wrote a paper on the topic: Ron Bottin of Missouri State University, Linda Garceau of East Tennessee State University, Diane Hoadley of Eastern Illinois University, and Bob Rogow of Eastern Kentucky University.

The authors drew many of their observations from a survey distributed through AACSB International



to 50 universities that include professional colleges. They found that most professional colleges are located at tier-two, public, regional universities. Most have been formed in the last ten years, although at least

one has been in existence more than 50 years. Cost efficiency appears to be the prime motive behind the establishment of the newer professional colleges.

Deans at these schools face a host of challenges:

■ Solving personnel issues.

Trouble can arise when these merged departments have wide gulfs in promotion, tenure, and workload expectations, as well as disparity in what constitutes research and creative activity.

Deans of combined programs often find it best to rely on the standards developed by the various academic departments when making decisions on promotion and tenure so that all faculty feel that traditional disciplinary differences are being respected.

■ **Addressing the disparity in salaries.** The merging of disciplines might create a situation in which one professor makes \$40,000 less than another

THE AACSB INTERNATIONAL BOARD OF DIRECTORS RECENTLY APPROVED REPORTS
FROM TWO OF ITS KEY THOUGHT LEADERSHIP TASK FORCES.

to achieve peace. In addition to establishing historical and scholarly underpinnings for the peace concept, the report described peace-related activities in which business schools are already involved.

Specific recommendations included encouraging scholarship that examines the link between business and peace and the role of business schools in those areas; collaborating with other organizations that promote peace; leveraging AACSB's educational channels and other resources to unite those with an interest in peace through commerce; and encouraging business schools to incorporate peace into the curriculum by providing platforms to exchange ideas and best practices.



ANGELO CAVALLI/GETTY IMAGES

Both reports will be published and distributed to members, the media, and others during the summer. They will also be published on the AACSB Web site.

Joseph A. Alutto of The Ohio State University has agreed to chair the board's new Impact of Research Task Force. This group will consider how AACSB and other organizations can enhance the value and visibility of academic research. The task force will consider the overall value proposition for academic research, study existing channels for disseminating research, and increase the involvement of stakeholders in identifying relevant targets for research.

Alutto notes that the task force will also consider how vastly different types of research—from publication in top-tier journals to books and monographs—can contribute to the impact of research. “All of these venues for expressing the product of scholarship are valuable and help create a sense of the importance of thought leadership in schools,” he says. “The impact of these different forms of inquiry should be effectively assessed both for accreditation purposes and to reflect the inherent value of scholarly inquiry to our external audiences.”

Ongoing information on these initiatives can be found on the association's Web site at www.aacsb.edu.

A Different Way of Doing Business

As traditional methods of management are coming under increasing scrutiny, some business schools are beginning to reassess management education. At HEC in Paris, a new “Alternative Management” major is allowing students to question classic management theories as they give greater attention to social, ethical, and environmental concerns.

Alternative management addresses more than just corporate

professor in the same college. The dean can minimize frustration of the faculty by distributing salary surveys compiled by accrediting bodies for each discipline. These surveys show faculty where they stand in respect to their peers within their discipline—not within their new department.

■ **Keeping up with standards for multiple accrediting bodies.** Accreditation standards can touch on faculty qualifications, curricula, workloads, staffing, technology, management practices, assessment, and intellectual activity. Deans frequently must reconcile department practices to address the norms established by various accrediting bodies—particularly when degree programs cut across multiple academic departments.

■ **Determining resource allocation.** An engineering department might require costly instrumentation, while a food management department might need a commercial

kitchen. Many deans use historical precedent to allocate resources or rely on requests from the departments to fulfill special needs.

■ **Creating a cohesive faculty.** This is a particular challenge when the diverse departments are located in multiple buildings and follow different departmental procedures. Acting almost as the parent in a blended family, the dean must find ways to make all faculty and departments feel equally appreciated.

Being dean of a professional college is not a job someone who is new to deaning, the authors say. Those who are successful in such posts tend to be those who thrive in unpredictable situations. But the challenge can be rewarding: Because of its diversity, the deanship at a professional college might be the perfect job for the individual interested in advancing to the position of provost or vice president of academic affairs.

social responsibility, according to two professors on HEC's alternative management team. Karim Medjad is a professor of business law, and Eve Chiapello is a professor of accounting and management control. Their position is that "sustainable development and corporate social responsibility look at what is wrong in an organization and try to fix it. Alternative management looks at changing entire firms: rethinking HR, resources, or management structures and challenging assumptions."

The new major—which will be available starting this September—uses a bottom-up learning process. Each student works on an individual yearlong entrepreneurial project while taking comparative theory and history courses such as "The Transformation of Human Resources" and "History of the Criticism of the Firm."

Says Medjad, "We are training reformers—whether they are questioning the traditional system from within or setting up their own companies."



Bridge Program Prepares B-School Faculty

The shortage of qualified doctoral faculty is an ongoing concern in the management education field, but a new program developed by AACSB International is aimed at relieving the problem. Launching this fall is the AACSB Bridge program, an outgrowth of recommendations made by AACSB's Doctoral Faculty Commission, chaired by Judy Olian of the University of California in Los Angeles. The program, designed to prepare senior business leaders for careers as business facul-

ty, will be presented by the University of California in Irvine and the University of Southern California in Los Angeles.

According to Richard E. Sorensen, dean of Virginia Tech and champion of the doctoral faculty initiative, "This program is designed to help relieve one of the most challenging issues facing collegiate business education on a global basis." Program participants will study academic culture, teaching trends, and the demographics of today's business students; learn teaching techniques and the fundamentals of course delivery; and gain insights into the student learning process.

Preferred candidates will have master's degrees and significant professional experience. Candidates also should have contributed to their fields through articles, development activities, or achievements within professional organizations.

The inaugural AACSB Bridge Program will take place October 22 to 28 at the Paul Merage School of Business at the University of California Irvine. A second course will be held at the University of Southern California in May of 2007. More details are available at www.bridge.program.aacsb.edu.



Private School Launched in India

Pearl Global Limited of India, a \$400 million garment exportation company, has formed a nonprofit educational trust devoted to developing a private business management institution at two campuses near New Delhi. Babson College in Wellesley, Massachusetts, will consult with the company on the strategies and procedures necessary to build an entrepreneurial curriculum.

The Pearl School for Business Studies will grant BBA and MBA degrees with a focus on entrepreneurship. Current plans are for first classes to be admitted in the fall of 2008 and expand over

the next seven years. Pearl will shape its entrepreneurship curriculum to reflect the requirements of education in India. Babson faculty will provide staff and faculty workshops and will visit regularly to monitor teaching, learning, and assessment standards.

THERE IS A STRIKING DIFFERENCE BETWEEN THE ACHIEVEMENTS OF THE U.S. ECONOMY IN 2005

—WHICH SAW A GROWTH OF 3.5 PERCENT—AND THE \$328 BILLION BUDGET DEFICIT

ACCUMULATED BY THE FEDERAL GOVERNMENT. —World Competitiveness Yearbook

AACSB Names New International Directors

AACSB International has named 11 management education professionals to its board of directors for 2006-2007. Judy Olian, dean of the Anderson School of Management at the University of California, Los Angeles, has been elected for a three-year term that begins July 1. Olian will assume the position of vice chair-chair elect.

Also elected for three year terms are Olli Ahtola, first vice-rector, Helsinki School of Economics in Finland; Fernando D'Alessio, director general, Centrum-Católica, Pontificia Universidad Católica del Perú in Lima; Robert B. Duncan, Eli & Edythe L. Broad dean, The Eli Broad College of Business and The Eli Broad Graduate School of Management, Michigan State University in East Lansing; Sara

M. Freedman, dean of the College of Business and Industry, Mississippi State University; Thierry Grange, dean and director general, Grenoble Ecole de Management in France; Mari A. Pearlman, senior vice president and general manager, Educational Testing Service, based in Princeton, New Jersey; and Robert S. Sullivan, dean of the Rady School of Management, University of California, San Diego.

Joining the board for a two-year term is John Wholihan, the president of Beta Gamma Sigma and dean of the College of Business Administration, Loyola Marymount University in Los Angeles, California. Appointed to the board for a three-year term are Pierre Tapie, president, ESSEC Business School Paris; and Otis A. Thomas, dean, The Earl G. Graves School of Business and Management, Morgan State University in Baltimore, Maryland.

Olian, who recently took the position of dean at the Anderson School, has served more than ten years on AACSB steering committees, peer review teams, and task forces, and was chair of the Doctoral Faculty Commission. As chair elect, Olian will become chair of the board July 1, 2007. The entire list of board members can be found online at www.aacsb.edu/members/board.asp.

Enhancing Business Education Around the World

How can management education be improved in developing nations? That was the topic at a recent meeting of the International Finance Corporation's Global Business School Network Academic Advisory Council. The Global Business School Network (GBSN) partners with institutions around the world to improve business schools in emerging markets so they can create a pool of managers with strong professional skills.

Attending were representatives from more than 20 schools, including Columbia Business School, Harvard Business School, HEC Paris,

IESE, IMD, and MIT's Sloan School of Management. The event was held at the Center for International Business at the Tuck School of Business at Dartmouth, Hanover, New Hampshire.

The GBSN identifies needs at the local level, forges links between

schools in emerging markets and partner schools, and creates a network for sharing best practices. The GBSN also promotes communication between schools in emerging

Competitiveness and the Government

The U.S. remains the most competitive country in the world, but other economies, especially Hong Kong and Singapore, are closing the gap. That's one of the key findings in the 2006 edition of the World Competitiveness Yearbook, published annually by IMD in Lausanne, Switzerland. The WCY offers a worldwide reference point on the competitiveness of 61 countries and regional economies.

According to the report, there is a striking difference between the achievements of the U.S. economy in 2005 — which saw a growth of 3.5 percent — and the \$328 billion budget deficit accumulated by the federal government. This is one example of a government that is failing to contribute to its country's overall competitiveness, the report notes. In fact, in both the U.S. and France, deficits and debt are running high even while the nations continue to be major world exporters. Says IMD's Stéphane Garelli, "In these two countries, business outperforms government."

For more information about countries and their competitiveness rankings, visit imd.ch/wcc.



ERIC WESTBROOK/GETTY IMAGES

markets so they can share experiences and strengthen their programs.

According to Guy Pfeffermann, director of the GBSN, the first two years of pilot programs have yielded impressive results in Africa. There, the GBSN has partnered with ten African institutions in seven countries—including Ethiopia, Ghana, Kenya, Nigeria, and South Africa—on programs such as teacher training, case study development, and entrepreneurial management training.

For more information about IFC and GBSN, visit: www.ifc.org and www.ifc.org/gbsn.

Twelve Earn AACSB Accreditation

Twelve institutions of higher learning from six countries have earned international accreditation from AACSB International—The Association to Advance Collegiate Schools of Business. The newly accredited schools are Berry

College in Mount Berry, Georgia; Bilkent University in Ankara, Turkey; Clayton State University in Morrow, Georgia; Ecole Supérieure de Commerce et de Management in Tours and Poitiers, France; McMaster University in Hamilton, Ontario; Nagoya University of Commerce and Business in Japan; Prairie View A&M University in Texas; Rockhurst University in Kansas City, Missouri; Southern Utah University in Cedar City; The American University in Cairo in Egypt; University of Nebraska at Kearney; and Washburn University in Topeka, Kansas.

The newest accreditations raise to 527 the number of institutions in 31 countries that have earned AACSB accreditation for their business schools. Fewer than ten percent of the world's business schools have achieved this designation. More information can be found on the Web at www.aacsb.edu.

Business and Law

Last semester, an innovative educational collaboration exposed law and business students to New York City's international financial markets and competitive job market. The 20 students were law, MBA, and joint JD/MBA students from the State University of New York's University at Buffalo (UB). They studied international finance and global investment banking in New York City at the Levin Graduate Institute of International Relations and Commerce, a new graduate institution operating within the SUNY system.

The 12-credit, semesterlong program introduced students to the challenges of managing financial transactions and capital flows across borders, business cultures, and multiple regulatory systems. Courses were taught by UB law and management faculty, as well as other faculty from law and business schools. Students also worked on projects with executives from international banks and law firms.

SHORT TAKES

NEW APPOINTMENTS

■ **David Wheeler** has been named the dean of the Faculty of Management at Dalhousie University in Halifax, Nova Scotia. Wheeler most recently was Erivan K. Haub Professor of Business and Sustainability at York University's Schulich School of Business.

■ **Susan M. Phillips** has been appointed to the board of trustees for the Financial Accounting Foundation,



which is responsible for the oversight, administration, and finances of the Financial Accounting Standards Board and the Governmental Accounting Standards Board. Phillips is dean and professor of finance at the George Washington School of Business in Washington, D.C.

■ **Denise Schoenbachler** is the new dean of the College of Business at Northern Illinois University in DeKalb. Schoenbachler, who most recently served as chair of the NIU department of marketing, has served on the faculty of the college since 1992.

■ **Ray Whittington** has been named the new dean of DePaul University's College of Commerce and Kellstadt Graduate School of Business in Chicago. Whittington joined DePaul's faculty nine years ago to direct its School of Accountancy & Management Information Systems. He has served as interim dean since November, replacing Arthur Kraft,

who left DePaul to assume the deanship of the George L. Argyros School of Business and Economics at Chapman University.

COLLABORATIONS

■ **IESE Business School** in Barcelona, Spain, and La Caixa bank have joined forces to create the La Caixa Chair of Corporate Social Responsibility and Corporate Governance. Antonio Argandoña, economics professor and associate



dean of IESE, will hold the chair. Sponsorship of the chair will go to support research and other academic activities in the area of corporate social responsibility, and the chair will support MBA and EMBA programs on social responsibility and corporate governance.

■ **Cranfield School of Management** in the U.K. has launched the Cranfield Corporate Partnership, an exclusive environment where education and industry work together for mutual benefit. Rail freight logistics operator EWS has been announced as the founding partner. Organizations that join the partnership will enjoy a members-only information portal, early recruiting opportunities with Cranfield students, access to the school's latest research, and other benefits. In the first year, membership in the partnership is limited to 15 founding partners who will commit to working with the school for at least three years.

■ The Fisher College of Business at **The Ohio State University** in Colum-



“At CCA we look for the kind of leadership qualities that are the foundation of a Massey graduate education. We value the ability of those with a Massey MBA or MACC to weave analytical thinking with ethical decision making.”

John D. Ferguson,
President & Chief Executive
Officer, Corrections Corporation
of America

Executive Decision



bus will partner with management software firm Hyperion to open the first Center for Business Performance Management in the United States. Hyperion is supplying the grant money that will fund the center, which will create an interactive forum for academics, professionals and practitioners interested in performance management.

■ The United Nations University has authorized the establishment of the Regional Centre of Expertise in Sustainable Development in Barcelona, Spain. The project, which was jointly presented by **ESADE Business School** and **Universitat Politècnica de Catalunya**, forms part of the United Nations Decade for Education in Sustainable Development (2005–2014). The new center in Barcelona is one of seven worldwide. ESADE has promoted the project through its Institute for the Individual,



Corporations and Society, and the Universitat Politècnica de Catalonia through its Interdisciplinary Centre for Technology, Innovation, and Sustainable Development.

■ Two Paris-based institutions—**HEC School of Management Paris** and **Institut Français de la Mode**—have partnered with the School of Economics and Management of **Tsinghua University** to launch a partnership in fashion and luxury management. The partners have received the support of industry leaders such as Chanel, Devanlay-Lacoste, Gucci Group, L'Oréal, and Montagut, as well as the Embassy of France in China. The partners held a Fashion & Luxury Management Forum last April at Tsinghua University. Joint executive programs soon will be available.



SHORT TAKES

NEW PROGRAMS

■ This fall, the School of Business and Economics at **Seattle University** in Washington state launches a Leadership Executive Masters in Business Administration that encourages participants to demonstrate ethical and socially responsible leadership. The two-year program will include coursework focusing on executive leadership—such as



effective teamwork, ethical decision making, and corporate social responsibility—as well as traditional business education. The final quarter will involve projects that challenge participants to explore their positions of social responsibility, impact, and significance in both their professional and personal lives.

■ **EM Lyon** in France will be launching a doctoral program in September. The four-year, full-time program, taught in English, will cover entrepreneurial management, strategy, and organizational dynamics, while being anchored in social and political science. Program director will be David Courpasson, the school's Associate Dean for Research.

FACILITIES

■ The planned new undergraduate building for the **University of Minnesota's** Carlson School of Management in Minneapolis will be named Herbert M. Hanson Jr. Hall. Hanson Hall takes its name from the alumnus and his wife, Barbara, who gave \$10 million to the school to support the expansion of its undergraduate

program. The new 124,000-square-foot building is expected to open in 2008 and will connect to the school's current 243,000-square-foot building by a skyway.

■ **Simmons College** in Boston has become the first Massachusetts school to receive a Green Building Initiative grant from The Kresge Foundation. The grant is designed to help nonprofits plan environmentally friendly buildings. Simmons will use the \$50,000 award to support planning for a new five-story, 66,500-square-foot, “green” School of Management building. For the new facility, Simmons officials plan to seek a Silver level certification from Leadership in Energy and Environmental Design (LEED), which judges a building's sustainable elements in areas such as energy consumption, building materials, air quality, and lighting.

■ **ESADE Business School** will invest €70 million to create the new Sant Cugat Campus in Barcelona, Spain, which is projected to be ready for the 2007–2008 academic year. More than half of the campus will be devoted to Creapolis, a “creativ-



ity park” for new and established businesses that want to be close to the thriving academic environment of a university. ESADE's current business management program will be the first to move to the new campus and will be followed by other graduate and post-graduate programs. Ultimately, 1,600 students will be situated on the new campus, which will offer

a residence hall and food service options designed to accommodate foreign students.

HONORS AND AWARDS

■ **Scott M. Smith** has been named a Fulbright Scholar who will travel to Moldova to develop a marketing and entrepreneurship curriculum for the former Soviet-bloc country. Smith is James Passey Professor of Marketing and director of the Brigham Young University Institute of Marketing at the Marriott School of Management in Provo, Utah.

■ **Lawrence D. Brown** has been named the 2006 recipient of the American Accounting Association's Outstanding Educator Award. Brown, who is the J. Mack Robinson College of Business Distinguished Professor of Accountancy at Georgia State University in Atlanta, will receive his award at the association's annual meeting in August. The \$5,000 award is funded by PricewaterhouseCoopers Foundation and generally goes to two individuals who have made a contribution to the field of accounting education over time. Brown will be the sole award recipient for 2006.

■ This November, **C.K. Prahalad** will receive an honorary doctorate from the Tias Business School at Tilburg University in The Netherlands. Prahalad is the Paul and Ruth McCracken Distinguished University Professor of Corporate Strategy at the Stephen M. Ross School of Business, University of Michigan, Ann Arbor.



■ **Monika Piazzesi**, an associate professor of finance at the University of Chicago Graduate School of Business, has won the 2005 Bernácer Prize as the best European economist under the age of 40 focusing on finance or macroeconomics. The Bernácer Prize, sponsored by Spanish bank La Caja de Ahorros del Mediterráneo, includes a cash award of €25,000, approximately \$31,500 in U.S. dollars. Winners must have a nationality from one of the countries in the European Union. Piazzesi is a citizen of Germany.

■ Honors have been bestowed upon two individuals from the University of Alabama's Culverhouse College of Commerce and Business Administration in Tuscaloosa. **J. Barry Mason**, dean of the business school, has been inducted into the Tuscaloosa County Civic Hall of Fame. In addition, **Robert W. Ingram**, Ross-Culverhouse Endowed Chair of Accountancy and senior associate dean of the school, has been selected to receive the 2006 Cornelius E. Tierney/Ernst & Young Research award presented by the Association of Government Accountants.

GIFTS AND DONATIONS

■ **Columbia Business School** in New York City has received gifts totaling \$45 million from three alumni. Russell L. Carson and Henry R. Kravis each will donate \$10 million, and Arthur J. Samberg will give \$25 million. All three alumni donors are leaders in the investing community. The Samberg gift is a challenge grant that will endow faculty chairs.

The Carson gift will support Business Practice Partnerships—which team faculty with corporate leaders on internships and research initiatives—as well as the Social Enterprise Program. The Kravis gift will underwrite a new center for case study development.

■ The College of Business at **Florida Gulf Coast University** in Fort Myers has been renamed the Lutgert College of Business in honor of supporters Raymond and Beverly Lutgert. Their gift and matching state funds will provide \$18.8 million dollars to construct Lutgert Hall, the new home for the business school. Real estate developer Raymond Lutgert organized the first planned development in Florida.

■ Undergraduate business students across the state of Arizona have a chance to benefit from the McCord Scholars program funded by Robert and Sharon McCord. Their \$10 million gift will be divided among three universities: \$6 million will go to the



W.P. Carey School of Business at **Arizona State University** in Tempe; \$3 million to the Eller College of Management at the

University of Arizona in Tucson; and \$1 million to the College of Business Administration at **Northern Arizona University** in Flagstaff.

■ The Eller College of Management at **University of Arizona** in Tucson has established two new chairs as the result of significant gifts from alumni. The Jim and Pamela Muzzy Chair in Entrepreneurship will be offered to a tenured faculty mem-

ber who will serve as the executive director of the McGuire Center and be a leader in the school's entrepreneurship research. The Salter Distinguished Professorship in Management and Technology, made possible by a donation from Peter W. and Nancy Salter, will support a partnership between the Eller College and the College of Engineering. Mohan Tanniru is the newly named Salter Professor.

OTHER NEWS

■ CATAAlliance, Canada's largest high-tech association, has renamed its longstanding award for the best technology product of the year in Canada. The award is now known as the **University of Ottawa** School of Management Award For Private Sector Leadership.

■ In its ongoing series of reports called "A Closer Look at Business Education," **The Aspen Institute** offers a look at how business schools are slowly integrating social and environmental issues into the teaching of finance. The report offers both commentary by experts and resources for case studies and additional information. The report can be found at www.beyondgreypinstripes.org/pdf/financereportpr.pdf.



■ The Center for Sport Management at **Seton Hall University's** Stillman School of Business in South Orange, New Jersey, has launched the Seton Hall Sports Poll Conducted by The Sharkey Institute. The Sports Poll will examine issues relating to sports in society, including moral and ethical concerns. Z

Profiting From Experience

Sara Martinez Tucker takes a corporate mindset into the not-for-profit world as she leads the Hispanic Scholarship Fund toward ambitious goals and programs.

by Sharon Shinn

Running a nonprofit organization requires passion, dedication, and tenacity.

Turning that nonprofit into a force for change requires a whole new set of skills, most of them rooted in business savvy. Sara Martinez Tucker brings both true commitment and financial shrewdness to her role as CEO of the Hispanic Scholarship Fund, based in San Francisco, California.

When Tucker joined HSF in 1997, the organization had been in existence for more than 20 years and had distributed nearly \$35 million in scholarship aid to Hispanic students seeking money for college. Tucker has expanded HSF's reach and financial base so significantly that now the fund distributes more than \$25 million *per year*.

Much of the growth can be credited to Tucker's business acumen. She received her MBA from the University of Texas at Austin in 1979 and soon joined AT&T, where she ultimately became regional vice president for the company's Global Business Communications Systems. During her tenure at AT&T, she served on HSF's board before taking over the role of president and CEO.

One of Tucker's key goals is to double the rate at which Hispanics earn college degrees. In 2000, HSF commissioned the RAND Corporation and the Institute for Latino Studies at the University of Notre Dame to tell her how. The resulting report led to the formation of various programs designed to involve families and communities in the education process and to encourage students to enroll in college and stay there.

Another one of Tucker's goals is to raise more funds so the organization has more money to disburse. She knows this means making the scholarship organization "palatable" to big-money donors. Corporate boards often don't want to fund scholarships, Tucker says, because they're so open ended: "The boards never know what happens to the scholarship recipients." She commissioned a survey by Harder + Company Community Research to discover exactly what had happened to the individuals who had received scholarships from HSF during its first 20 years. The survey uncovered the astonishing fact that 97 percent of HSF scholars earned their four-year degrees.

Armed with such information, Tucker has been able to attract donors such as Lilly Endowment Inc., which provided a \$50 million grant to HSF. Tucker has also secured HSF's participation in the \$1 billion Gates Millennium Scholars Program, as well as countless other partnerships with foundations, corporations, and other giving campaigns.

Tucker's success at HSF has led to widespread recognition. She was named the 2000 Hispanic of the Year by *Hispanic Magazine* and made *Hispanic Business* magazine's 2003 list of America's Top 80 Elite Hispanic Women. In 2001, George W. Bush appointed her to the board of directors of the Student Loan Marketing Association (Sallie Mae). Tucker also promotes the cause of education in other forums, such as the National Center for Educational Accountability.

Even a brief conversation with Tucker leaves the impression that she draws on every scrap of business knowledge, every moment of her life experience, in the performance of her daily job. What's more, Tucker is extremely willing to share the lessons she's learned about for-profits and nonprofits—as well as business and education.



“We’re not asking for a permanent handout. We’re saying, ‘Corporate America, if you invest in our kids now, you’ll get the diverse worker you’re going to need later.’”

Although for-profit corporations receive much more attention in the business school, nonprofits are becoming a bigger part of the curriculum. When you moved from AT&T to HSF, what did you find to be the biggest difference in the nonprofit world?

Probably the speed at which things happen. By the end of my career at AT&T, I was in senior positions. I had control of my own budget, and I could move as fast as I could get my organization to move. If I had an idea, I could field test it and decide if it was worth the investment.

I brought the same mindset to the nonprofit world—but, candidly, no matter how good you are in terms of innovation or thinking through accountability, your speed is gated by your ability to get a funder behind your idea. That was the hardest adjustment for me.

What would you tell today’s business students about the best way to pursue a career in the not-for-profit sector?

I like the way I did it—moving from the for-profit to the not-for-profit world. I came out of my MBA program broke and in debt. I also came out very sheltered. I was 25 years old, and I had spent my entire life in south Texas. I had no clue what was out there.

The for-profit world allowed me to understand what it was like to work from a variety of perspectives—sales, human resources, operations, technology. It helped me understand how all the different pieces of a business have to come together to make a profit. So it gave me a diversity of experience.

It also gave me a diversity of living. The company moved me to Minneapolis, Santa Clara, Phoenix, D.C., and New Jersey, so I got to understand varying market segments by moving across the United States. I also was able to earn a good salary and pay off my student loans. The for-profit world exposed me to what was available and gave me the seasoning I needed to be an executive.

But I found in my corporate life that more and more decisions were based on shareholder expectations. There are a lot of politics in corporate America, and sometimes politics win out instead of what’s right.

For you, what have been the advantages of working for a nonprofit organization? What would you tell business students considering such a career?

For me, the benefits of working in the not-for-profit world are twofold. The first is that, no matter how controversial the decision gets, it’s easy for me to say to my team, “What would our students want us to do?” There’s a joy in knowing that we’re going to make decisions based on what our

kids need from us. I can go home at the end of the day and say, “I did something that made a difference for a student and a family.”

The second reason I would advocate a not-for-profit career is, we’re lagging behind the for-profit world by seven to ten years. We’re in need of sharp workers who have a business background and understand how to bring accountability into the not-for-profit world. There’s no free money anymore. We saw that with Hurricane Rita and Hurricane Katrina. People want to see where their dollars are going and what difference their dollars are making. You have to be able to create programs where people can see the results of their investments—and people who have the skills to do that are greatly sought-after.

Do students need different skills to excel in the for-profit and not-for-profit worlds?

When I was a for-profit employee serving as a director on a not-for-profit board, I think I would have said that there were very different skill sets. But in the past ten or 12 years, I’ve seen a convergence.

When I took this job, most companies would write us a check and trust we would do the right thing. Today there is a heightened sense of accountability. Now as I negotiate with corporations, foundations, and even individuals, I find that they want to understand what they’re funding. They want to know what difference they’re making. They want to see a return on their investment over time. Donors have become like shareholders in the for-profit world.

Since the skill sets are converging, students shouldn’t have to figure that their options are either/or. Ideally, even if you get a job in the for-profit world, sooner or later you’ll get involved in local nonprofits, serving on boards and bridging the skills. Or if you join a nonprofit, you might love sitting on corporate boards, because that will give you a fresh vantage point. I think there’s a lot of learning to be done on both sides.

Do you believe that business schools adequately prepare students for careers with nonprofit organizations?

I find that different campuses put a different emphasis on the whole idea of service. Some do it under the guise of ethics, some teach the notion of being a servant leader. When kids come out of certain campuses, you can tell just how much of that service ethic they’re going to have.

Students who come out of BBA and MBA programs wanting to work in the for-profit world don’t seem to have



the zealously of the students who want to change the world. Instead, they want to learn the system.

By contrast, the kids who want to change the world don't really want to learn your business model. They don't want to know what your distinct advantage is. They just want to do things. I'd like them to be tempered a little. I want them to understand the business philosophy and the organizing principles of the organization.

I wish there were more of a blend of service ethic and business skills. I would also hope that students who come to the not-for-profit world would understand that accountability and return on investment are necessary. We need to organize ourselves in the not-for-profit world so that we don't lose out on the passion we have for the work we want to do.

As head of the Hispanic Scholarship Fund, you've been able to bring your for-profit skills to the nonprofit world. Your goal is to double the rate of Hispanics earning college degrees. What changes have you made in the organization to reach that goal?

The RAND report helped us look at three levers: the percentage of Hispanics who graduate high school college-ready, the percentage of Hispanics who start college as soon as they graduate high school, and the persistence of these students once they start college. We knew we couldn't focus on improving any two of those; we had to look at all three.

We also knew we had to change our business model from focusing on college retention only. We needed to start looking at high school programs and summer programs. Instead of viewing our customers as being 18- to 26-year-old Hispanics, we had to view them as being 15- to 26-year-old Hispanics. We had to expand our work.

That was the practical side. At the same time, we wanted to consider the human side. After looking at the Latino community and doing focus groups with families, we realized it was necessary to create a common expectation in families. Ninety-seven percent of my scholarship recipients get their college degrees, so we asked them, "Why are so many of you making it?" These students told us that, in their families, the question had not been *if* they would go to college, but *when* they would go to college. So we realized we had to create that expectation in the community.

Today, the first thing we do is help parents understand what they can do at home to create an expectation of scholarship. The second thing we do is teach them about the American education system. A lot of them come from countries where

a fifth-grade education is the norm. Third, we help them understand what resources are available. We speak to them about federal, state, and institutional aid.

A lot of our parents think taking federal aid means you're on welfare. We have to teach them what programs are available to low-income kids.

But ultimately we know that the biggest barrier to higher education in this community is lack of financial resources. We've diversified our scholarship program so that we have scholarships for graduating high school seniors, for students going to community college, and for community college transfer students. We also help students understand what kind of help is available to them once they're on campus—what services to get from a student union and how important it is to establish a faculty relationship.

You've dramatically increased both the amount of money HSF raises for scholarships and the amount it disburses. How have you raised the profile of HSF and enabled it to attract corporate attention?

It's going to sound hokey, but we don't think of our kids as a charity. We're not asking for a permanent handout. We're saying, "Corporate America, if you invest in our kids now, you'll get the diverse worker you're going to need later, or you'll create brand loyalty with the fastest-growing segment of the American population." We go to foundations and say, "Two-thirds of our kids become active volunteers in their communities. Invest in their educations, and you not only get the citizen you want to live next door, you get the community leaders you want." What we take to our donors is the potential for accomplishing what they want to accomplish.

After I became president of HSF, the first thing I did was prove how the scholarship program offered a return on investment by surveying scholars about what difference the program had made in their lives. The second thing I did was show donors how their investment yielded either a productive community leader or a productive worker. The third thing I did was create a sense of urgency by saying that this is the generation we can't afford to lose.

We know that the two biggest predictors of a child going to college are parental level of education and family level of income. In 2010, one out of every five high school students in the U.S. will be Hispanic. Many of those students will be at-risk, either in low-income households or in households where both parents have less than a high school education. Imagine, with the growth of this community, how expensive this situation will be if we don't solve it with this generation.

“I’m grateful for what my MBA taught me.

It gave me discipline and skills that I could take with me whether I stayed in corporate America or went to work at an organization that mattered to me.”

Once more Hispanics are attending college, how can business schools specifically interest them in pursuing business degrees?

We need to do a better job of helping Hispanics understand what’s possible with the MBA today. I’m grateful for what my MBA taught me. It gave me discipline and skills that I could take with me whether I stayed in corporate America or went to work at an organization that mattered to me.

When I was weighing my graduate degree options, I told my father that an MBA would cost me a fortune. My father said, “I’ve been working for 27 years. I feel I’m a really good general manager, but it’s taken me 27 years to learn everything. I want you to attend a program that helps you go through things faster and get places sooner.”

It’s so important for us to get the message out to students of color that a graduate business degree allows you to build a plan for whatever you want to accomplish. It’s not going to happen anywhere else. You can be a great salesman, you can be a great marketer, but until you understand the whole complexity of business planning and execution, you’re not going to have the confidence you need.

You have a seat on Toyota’s Diversity Advisory Board. Studies note that women and minorities are still largely absent on boards of directors. What do you think corporations are doing to improve diversity and representation on their boards?

Some boards bring in women and minorities because they believe it’s the right thing. Others do it because they think they have to. Some boards assess how good you are at leadership and building consensus. Others dare you to prove yourself a subject matter expert.

My hope is that more corporate boards will begin to appreciate the fact that once women have achieved certain levels, it’s because they’ve proven they’re good strategic thinkers, they can enroll others in their plans, and they can marshal resources in a particular direction. Women shouldn’t have to prove they’re subject matter experts in engineering or nuclear energy. What women will bring to the table is leadership.

Not many Hispanic women have achieved your level of success. What kinds of role models did you have?

I was the first Hispanic female to reach AT&T’s executive level, so all my role models were white males. When I was in corporate America, I used to run employee resource groups and say, “You don’t have to have Hispanic role models. Every boss is a learning opportunity—you either learn how to do

things better, or you learn how you never want to behave.”

But since I’ve been at HSF I’ve come to understand the importance of introducing my kids to folks they can identify with. A while ago, I was meeting with high school students, and I asked them, “If you were me—if you were trying to double the rate of Hispanics getting college degrees—how would you spend your money?” They said I should build an office here and put this kind of counselor there. I said, “For every dollar I spend on buildings and salaries, that’s a dollar less I have for scholarships.” And one young man said, “If I can’t see myself in college, all the money in the world isn’t going to get me there.” That stopped me dead in my tracks.

I realized that once you put yourself on a trajectory for improvement, you can learn from people who are different from you. But when you’re in a place where you can’t see yourself progressing, it’s important to connect with someone who can understand where you’re coming from.


Now when we do outreach, we always bring some of our alums. We start with a guest speaker who is a local scholarship recipient. I want to show my kids many people they can identify with, people who are using their education to make a better life for themselves and their families.

Do you consider yourself one of those role models for Hispanic students?

You know, I’m a 50-year-old woman. What 17-year-old is going to identify with me? I don’t see myself as a role model. I see myself as being in the business of creating role models.

I guess if someone could identify with me, they’d see that I left Laredo knowing I always wanted to be remembered as a good daughter, a good sister, a good friend, and—now that I’ve been married for 22 years—a good wife. I would hope, if people would look at me, they would see that, through my corporate career and my not-for-profit career, what hasn’t been lost is always my desire to be remembered that way. I’d hope that they’d also see that, no matter what I was doing, I gave it my all. And hopefully I did it for the right reasons.

When you look toward the future, what’s next that you’d like to accomplish—either with HSF, with another nonprofit, or back in the for-profit world?

In my corporate career, I was the first to say, “What’s the next thing? What can I tackle?” I love being on a steep learning curve. But I’m not done here yet. I don’t think the broad spectrum of Americans understands just how important the education of Hispanics is to their future. So until I get that message across, I figure I’m going to be that thorn in their sides. 

Flex-Time for the MBA

Demand for more work-, life-, and budget-friendly MBA programs continues to rise. In response, business schools are designing new formats, finding new niches, and testing the limits of the “anytime-anywhere” MBA.

by **Tricia Bisoux**

Many business schools are responding to the mounting demand for MBAs that flex to fit a variety of schedules. But with the rush of so many new, alternative MBA programs to the market, some educators wonder whether they match the rigor and relevance of the traditional two-year, full-time MBA that has for so long been the mainstay of business education.

As educators debate the issue, however, the market already has made its choice. Statistics show that in the U.S., for example, nontraditional programs attract the vast majority of MBA enrollments. In the 2003–2004 academic year, nearly 24 percent of MBA enrollments at AACSB-member schools in the U.S. were in traditional two-year programs, according to AACSB International. In 2004–2005, that number slipped to slightly more than 21 percent. On the other hand, enrollment in part-time evening and weekend MBA programs at these schools ticked up to 63.7 percent in 2004–2005 from 61.2 percent in 2003–2004.

For students considering an MBA, the proliferation of alternative options is undoubtedly good news. Whether they are high-level execs, mid-career managers, second-career seekers, or stay-at-home moms, a program exists that will allow them to earn their MBAs without radically changing their lifestyles—or their incomes. Educators emphasize that the challenge for business schools is to design nontraditional MBA models that meet the needs of these students without sacrificing quality.

A Worldwide Trend

“Flexibility” has become a prominent selling point for MBA programs all over the world. Schools in the U.S., Canada, Europe, and Asia are targeting students who are struggling to strike a balance between their educational goals and their work and family lives.

In an emerging market like India, for example, the desire for a work-life-education balance is a relatively new phenomenon among students, says V. Pandurango Rao, vice chancellor of the ICFAI Business School in Hyderabad. In the past, few students returned to school once they began their careers; but that reality is quickly changing, says Rao. “India’s booming economy is changing the usual pattern of education. Employees are realizing they need to learn new skills to be competitive,” he says.

To meet this new generation of Indian MBA candidates, ICFAI has added new options to its programs. In addition to its two-year, full-time MBA, it now also offers a three-year, part-time MBA program in which students meet evenings and weekends. The school also is testing a one-year accelerated option. Both programs, Rao says, are gaining tremendous interest.



“Many aspirants want to pursue an MBA designation, but they do not want to leave their jobs,” says Rao. “A full-time, two-year program simply takes too much time.”

Some schools are actively seeking out new pools of students who would be unable to pursue an MBA *unless* an option existed that suited their individual needs. For example, the Graziadio School of Management at Pepperdine University in Los Angeles, California, recently launched its “Morning MBA.” The 28-month program meets from 9:30 a.m. to 1:30 p.m. on Tuesdays and Thursdays and recesses for seven weeks during the summer. Tailored to stay-at-home moms who want to fit an MBA into their family responsibilities, the program has garnered attention in the national news.

“We’ve received the press because we’re targeting a largely untapped and unique market,” says Linda Livingstone, dean of the Graziadio School. “We’re finding, more and more, that our students have rigorous and demanding work and family schedules that require the need for more creative program alternatives in terms of scheduling and content. Offering more options, like the Morning MBA, is a necessary response to the rapidly changing business world.”

Pace University’s Lubin School of Business in New York, New York, also has found a strong audience for its EMBA model, eMBA@Pace. The 23-month program combines online education with weekly conference calls and quarterly residencies. The program’s content and delivery were designed to create an educational experience that was “problem-centered and student-driven,” says Jim Hall, professor of management and associate dean for planning and assessment. This model was designed to provide students with hands-on experience in solving immediate business problems; but what faculty didn’t anticipate, Hall notes, was the added benefits the new delivery structure would have for students.

“With this model, if someone is transferred to a different town—or even a different country—they can still fly in for the quarterly residencies and work online with their teams.” Hall mentions one student who was unexpectedly transferred back to his home country of South Africa five months

before the end of the program. “With our old model, that would have been the end of the story for him,” says Hall. “But he was able to fly in for residencies and complete the rest of his work from Cape Town.”

The format an MBA follows is really beside the point, asserts Joseph Baczko, dean of the Lubin School. “The focus of an MBA remains the creation, acquisition, and application of knowledge,” says Baczko. “The MBA is evolving into new forms, and people who worry about that are missing the point. Instead, they should listen to employers and students to find out what aspects are missing, like critical thinking, real-world problem solving, team-building, and an interdisciplinary approach to teaching.”



Revenue Realities

Although educational rigor and excellence are top priorities for these schools, there is still another factor to be considered: revenues. After all, business schools may bank their reputations on their traditional full-time, two-year MBA programs, but they often bank their finances on the more profitable array of part-time, evening, and online options, says Dan LeClair, vice president and chief knowledge officer for AACSB International.

“In many cases, full-time traditional programs are not making money. They represent more of an investment in the school’s reputation,” says LeClair. “Part-time,

executive, and other types of hybrid MBA programs are often a school’s key opportunities for financial support.”

No business school can dismiss the fact that the market pays for what it wants, agrees James Danko, dean of Villanova University’s School of Business in Pennsylvania and president of the MBA Roundtable. “At the end of the day, business schools feel pressure to deliver revenues,” he says. “As much as I’d like to think we’re all academic purists, we still have to fill the seats.”

Filling those seats has become more difficult as students have more and more MBA choices. Business schools, especially those in active metropolitan markets, are facing new competition from all quarters, says Jana Allen, director of Baylor University’s executive MBA program in Dallas, Texas, and chair for the Executive MBA Council’s board of trustees.

“At the end of the day, business schools feel pressure to deliver revenues. As much as I’d like to think we’re all academic purists, we still have to fill the seats.”

—James Danko of Villanova University

For example, in 1993, Baylor University was the first school to launch a satellite EMBA program in the Dallas area. It contended only with schools whose main campuses were also in Dallas, such as Southern Methodist University, Texas Christian University, and University of Texas–Dallas. Now the market is different, she says. The University of Texas at Austin offers an EMBA program in Dallas, and the University of Texas at Arlington is poised to launch a program. Duke University also comes to Dallas to hold information sessions.

“You never know when a competitor is going to come in to capture some of your market,” she says. To maintain a presence in such a competitive landscape, she says, each school must promote the features of its program that will attract the most interest, from its faculty and programs to its schedule and delivery methods.

Competition and shifting student preferences are affecting the composition of some nontraditionally delivered programs. Executive MBA programs, for example, are undergoing some gradual changes. A 2005 survey by the Executive MBA Council found that, while EMBA programs are still the same average length today as they were in 2001 (about 20 months), more schools are offering shorter programs. In 2003, 37 percent of member programs took 21 to 22 months to complete; in 2005, that number dropped to 27 percent. Programs that take 17 to 18 months to complete, however, increased to 17 percent of members in 2005 from 15 percent in 2003.

In addition, the survey found that its member programs are attracting slightly younger students. Although the percentage of EMBA students in the 31 to 40 age bracket has

The Recruiter’s Perspective

For many recruiters, the skills of a job candidate mean more than the format of his MBA.

Business schools may be concerned about how employers perceive the flexible or accelerated MBA. In large part, however, employers seem unconcerned with the delivery model of a candidate’s business education. Rather, they judge the quality of the MBA credential according to two criteria: the reputation of the school and the demonstrable skills of the candidate.

“For the most part, I think corporate America measures the value of an MBA degree using other criteria—whether it’s granted by an accredited business school, for example,” says Jana Allen, director of Baylor University’s executive MBA program in Dallas, Texas. “Requests come across my desk from employers who are specifically seeking a candidate from an accredited business school. I appreciate that.”

Some corporate recruiters take that a step further, arguing that the format of a candidate’s degree is less important than the skills that degree affords him—and how well those skills serve the job description. At Hyperion, a software provider in Santa Clara, California, for example, the format of an MBA graduate’s degree program has little to do with hiring decisions, says Judy DeSherlia, a college recruiter for the company.

“Our hiring managers target certain skills. The name of the school or the format of the program doesn’t make

or break their decision to interview a candidate,” says DeSherlia. “They make that decision based on both academic background and relevant work experience.”

At A.G. Edwards, a brokerage firm headquartered in St. Louis, Missouri, how closely hiring managers look at a candidate’s MBA credential depends on the job position, says Wendy Schaeferle, the company’s vice president, employment manager. “For certain jobs that absolutely require an MBA, such as those in our capital markets or securities research departments, we do see a difference between full-time and part-time MBA programs,” says Schaeferle. “From a qualitative and competitive standpoint, we prefer the two-year program because of the level of professional interaction those programs offer.”

However, for positions where an MBA is a benefit but not a requirement, program delivery becomes less important, Schaeferle adds. “If the school has a good reputation and a rigorous program, the alternative formats would certainly be acceptable,” she says.

No matter how they deliver their MBAs, business schools that focus on learning objectives and skill sets should fare well when placing their graduates, say these recruiters. They’ll have a distinct advantage over any school that focuses on the marketability of an MBA over its substance.

“For many years, business schools could fill their classes with people who had 12 years of work experience or more. But if we’re to have growth, business schools may have to seek out a **younger** audience.”

—Jana Allen of Baylor University



held steady at 58 percent since 2001, the *average* age of EMBA students is declining, from 37 years old in 2001 to 35.9 years in 2005.

Younger executives could represent an important target demographic for business schools, says Allen. “For many years, business schools could fill their classes with people who had 12 years of work experience or more,” she says. “But if we’re to have growth, business schools may have to seek out a younger audience.”

Setting the Boundaries

As schools test new MBA models, they also are establishing which models suit their unique missions—and which ones don’t. In the end, many educators believe that an MBA can be too flexible or too fast to meet the educational needs of students.

In fact, many educators disagree about just how fast an MBA can be delivered before its quality is compromised. Although some argue that the optimum duration is the traditional 24 months, others assert that, under the right circumstances and for students with the right experience already in hand, a full-time equivalent MBA can be offered in an accelerated format of 12 months or even less. Students often flock to accelerated MBA programs, intrigued by the prospect of earning their degrees in less time. But while these programs are becoming increasingly popular, many educators worry that some providers could take the concept too far.

“The competition for students has become so intense that some providers may design programs that short-circuit

the value of an MBA education,” says Danko of Villanova. “When I see ads that say, ‘Get an MBA in 12 months, part-time,’ I worry whether those programs have enough content to be effective.”

Many institutions are testing the accelerated concept to find how—and whether—a form of the accelerated model might fit into their curricula. Some schools have tried it and just as quickly decided to phase it out. The University of Denver’s Daniels College of Business in Colorado, for example, began its one-year accelerated MBA program in 2000 and stopped accepting applications to the program in 2002. Stephen Haag, associate dean of graduate programs at Daniels College, explains that the format simply required too many compromises.

“We felt the program helped students develop solid knowledge in the classroom, but its one-year format required us to set aside many opportunities for experiential learning, such as our three-day outdoor leadership experience, dinners, case competitions, and internships,” he says. “We could have made it successful from a numbers standpoint, but it just wasn’t consistent with our philosophy.”

On the other hand, some schools have designed accelerated programs that they find strikes the right balance between benefiting students and maintaining their educational standards. For Babson College in Babson Park, Massachusetts, the speed limit for its part-time Fast Track MBA program is 24 months, instead of the four to five years it takes to complete its part-time evening program. Babson faculty wanted to design a program that allows working adults to complete a part-time MBA more quickly but that still maintains the rigor and requirements of the school’s other MBA options, says Stephen Laster, director of curriculum innovation and technology at Babson College.

“When we designed the two-year, part-time Fast Track, we started with our learning objectives and expectations for our students. We then worked back to the 24-month time frame,” says Laster. “All students at the master’s level receive a Babson MBA, no matter which program they complete. We make certain that all our MBA programs are of the same quality.”

And then there are schools that are holding fast to the traditional full-time, two-year format. This places them, somewhat ironically, into a niche market, serving those students who want to focus their full attention on their education, without the demands of a day job. For example, Dartmouth College’s Tuck School of Business in Hanover, New Hampshire, as well as Harvard Business School and MIT’s Sloan School of Business, both in Cambridge, Mas-

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sachusetts, offer only the traditional MBA, offering no EMBA or part-time options.

Others, like IESE Business School at the University of Navarra in Barcelona, Spain, offer part-time executive MBA programs, but only through a series of two-week, full-time modules that require students to leave their jobs for two weeks at a time. And its MBA is delivered only one way—two-year, full-time. “We think it’s a better educational process for our students. Full-time programs work at a slower pace and are more comprehensive,” says Jordi Canals, dean of IESE. “They offer students the chance to reflect more on what they learn.”

Canals admits that part-time MBAs and EMBA do offer students advantages. “Part-time evening and weekend programs can have lower opportunity costs. In addition, they allow students to implement what they learn more readily at their jobs,” says Canals. “But full-time programs offer students more time to process the information. There will always be a tradeoff.”

Innovations, Not Compromises

The tradeoffs between alternative MBA formats and their traditionally delivered counterparts may be unavoidable, but they are providing business schools with fertile ground to cultivate new approaches to MBA education. New MBA formats of all types, educators predict, will be more technol-

ogy-enabled and less defined by a strict timetable. “With the executive MBA program, we moved from a time-bound format to a largely time-free format,” says Hall of the Lubin School. “Students have more control over when and where their learning happens.”

Most educators agree with Hall that the MBA itself is not a constant—it must respond to the changing dynamics of the marketplace. “I don’t think that anyone has proven beyond a reasonable doubt that you need exactly 60 credits for an MBA, or that you must earn them in this sequence or within this period of time,” says Danko of Villanova. “We don’t have to be locked into that model.”

Baczko of the Lubin School agrees. “The two-year program is here to stay,” he says. “But it’s not the only way to deliver an MBA.”

Although debate will continue over where nontraditional MBA formats will eventually lead, most agree on two points: Their popularity will continue to grow, and business schools will continue to offer new options. Still, as students decide on the level of flexibility that best suits their objectives, so too will business schools decide on the level of quality, rigor, and interaction they want to offer. That scenario could present an exciting challenge to business educators, as they work to create more innovative programs to meet students’ constantly changing needs without sacrificing quality, or reputation, in the process. **Z**

Introduction to the **World**

At Georgia State University, a mandatory course for incoming MBAs focuses on how to integrate all functional disciplines across the organization while keeping a global perspective on business.

**by Bill Bogner,
Susan Houghton,
Chris Lemley, and
Alfred Mettler**

New MBAs joining the workforce are expected to have excellent functional skills, the know-how to apply them in the real world, and a basic understanding of the organization as a whole. That's why many b-schools today emphasize integration, relevance, and immediacy in their coursework. But it's challenging to develop a curriculum that teaches students how a business decision resonates throughout the whole organization and what its implications might be in the global marketplace.

At Georgia State University's J. Mack Robinson College of Business in Atlanta, we have designed an introductory MBA course that takes current real-world cases from across the globe and examines them from a cross-disciplinary perspective. The new cornerstone core course was instituted after a steering committee determined that our MBA students weren't taking an integrated business course until fairly late in their studies. We realized that if, at the very *beginning* of the curriculum, our students understood how a firm functions across its lifetime, they would have context for the specific disciplines they would study in the heart of the MBA program. We also believed that it was critical for such a course to be absolutely up-to-date and to teach students a global perspective.

With that in mind, a group of faculty created "Managing in the Global Economy," which became mandatory for all entering MBA students. Using current periodicals, recent case studies, and other reading material, the course was designed to help students understand the complexity of international business and the way the various business functions interconnect. The goal was to prepare them for the fast-paced world of today's global business.

Laying the Groundwork

The course concept was built around key business activities and how they change as a firm progresses through its life. Most businesses go through four major life cycle changes: start-up and initial growth, the fight for pole positions, competition in mature markets, and renewal in declining industries. We wanted to examine this cycle in the context of five core business activities: identifying markets, industries, and competitive advantages; finding and retaining customers; organizing and using cash and capital; integrating systems into organizations; and developing relationships among managers and employees. These



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What's Ahead
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How Not to Carry Favor With a Club: Say It's Full of Crooks

Mr. Winkler, a Finkler, is Fighting Back. A Reference to an Amusement

By M. Scott Brown
A former Wall Street Journal reporter, Mr. Winkler is a former Wall Street Journal reporter. He is a former Wall Street Journal reporter.



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Matter of Timing Five More Companies Show Questionable Options

Chip Industry's KLA-Tencor Among Firms With Grants Judge Stock Price Drops

A 200 Million to One Bid

By Peter H. Rabinovitch
The company's stock price has fallen sharply. The company's stock price has fallen sharply.

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Team-taught courses often fail because each instructor brings a different style and approach to the material. In those cases, silos are replicated rather than integrated.

concepts collapsed into an easily communicated matrix that we used to anchor the topics of this course, as shown in the accompanying graphic.

We decided that 12 out of the semester’s 15 class sessions should be devoted to the course material, covering a different cell of the matrix in each class. For instance, one week we planned to consider the best ways to find customers during the start-up phase, and another week we planned to examine how companies develop relationships in a declining market. This left a few class times for exams and special sessions.

The dean’s office knew that selecting faculty to deliver the course was critical. The instructors had to be a diverse but experienced group, drawn from core faculty at all different academic ranks, to avoid the idea that the course was being taught by rookies or adjunct instructors. Thus, as the first team assembled to teach “Managing in the Global Economy,” we represented a range of knowledge and experience. Bill Bogner and Susan Houghton came from the department of managerial sciences, Chris Lemley from marketing, and Alfred Mettler from finance. Each of us had been with the college for at least six years, and two were members of the steering committee.

Although the four of us continue to be the primary instructors, we anticipate that we ultimately will need six to eight faculty to teach the course. As long as we draw faculty from many different departments, no department will ever “own” the course, and it will be truly integrative. For the same reason, direct control of the class remains with the MBA steering committee and the associate dean for graduate programs.

As the instructors, we wanted to avoid a “team-teaching” approach, which many schools adopt for their cornerstone courses. Team-taught courses often fail because each instructor brings a different style and approach to the material. In those cases, silos are replicated rather than integrated. Instead, we decided that each of us would teach *all* sessions of our assigned section, regardless of topic. In that way, we not only would standardize our approach to the course, but we also would truly

integrate our presentation of the material. Of course, that meant each of us would have to get up to speed on all areas of the class; and, as expected, this required us to invest an enormous amount of time prepping ourselves for teaching the course.

The Spontaneous Curriculum

Once the faculty was in place, our next challenge was finding suitable course material. But when we analyzed textbooks, cases, and media databases, it became clear that the course could not take a traditional textbook approach. Instead, it would have to be based on current events and real-world examples, which meant much of the material would have to be spontaneously generated.

To determine which readings and cases to use, we all suggested possibilities from our own fields and outlined a teaching plan for that module. If the group agreed, the material was included in the syllabus. As needed, we supplemented cases in which we had expertise with cases and readings suggested by colleagues with expertise in other departments, such as CIS, real estate, and risk management.

As might be expected, the initial learning curve was very

Managing in the Global Economy				
	Startup and initial growth	Fighting for pole positions	Competing in mature markets	Renewal in declining industries
Identifying markets, industries, and competitive advantages			Identifying advantages in mature markets	
Finding and retaining customers				Finding customers in a declining industry
Organizing and using cash and capital	Using capital during the startup phase			
Integrating systems into organizations				Renewing a declining market by integrating new systems
Developing relationships among managers and employees		Developing relationships while fighting for pole position		
We constructed a matrix to illustrate the idea that firms engage in five key business activities as they progress through four life cycle changes. During the fifteen weeks of the course, we studied various cells from the matrix, examining how the business activities changed depending on where a firm was in its life cycle.				

steep, and the process of putting the final course together was intensive. But slowly, a reading list took shape. Thomas Friedman's book on globalization, *The Lexus and the Olive Tree*, was an immediate choice for focusing on global issues. We also decided to have students read original classics from gurus such as Peter Drucker and Michael Porter, rather than textbooks interpreting their observations. We added up-to-date articles from publications such as *The Economist*, *The Wall Street Journal*, and *CEO Magazine* to help students apply the concepts they were learning to current situations.

It was soon clear that *The Lexus and the Olive Tree* would serve as a major thread throughout the course. Because so many of its examples are international in nature, it provided an easy bridge to the global business articles we culled from current business publications. Thus, from week to week, we cross-referenced the Friedman book with current cases, readings, and articles, which helped to bring continuity to the course.

The matrix also guaranteed continuity; but, in addition, we wanted a cohesive framework embedded across all modules. We settled on the idea of "delivering value



across multiple stakeholders in a firm, while understanding their varied interests and varied geographical locations in a globalized business world.”

Once we determined content, we looked at delivery. We set up a course Web site at www.study.net so students could download required cases

and reading materials. We also decided to use the case method in class so students could exercise their new understanding to solve problems in organizations. We determined that a significant part of students' evaluations would be based on their individual contributions in class; and that, as part of their grade, they had to attend at least one session of the college's "Atlanta Business Speaker Series." In addition, we decided that all instructors should develop their own exams so they could be certain students were being tested on material they had emphasized.

Once the first classes started, we continued to fine-tune. The four of us met every week for two hours to debrief each other about previous classes, analyzing what went well and what could be improved for the following semester. Then we extensively discussed the content of the next class and considered additional reading material from key

Keys to Success

For a course such as "Managing in the Global Economy" to succeed, many factors must be in place. These components are critical:

A strong administrator at the dean's level. This individual must insist on a thorough analysis of the structure and content of the existing MBA program and on the development of a modern, integrated curriculum.

The broad involvement of many departments within the business school. If the steering committee is composed of faculty from all divisions, the responsibility of program development is shared and nobody feels left out.

A step-by-step approach that allows a top-down redesign of the MBA program. In our case, we first determined the general parameters of the program, then the general structure of the different classes, and then the detailed content of particular courses.

Regular meetings of the steering committee. This creates an environment where communication is strongly encouraged. It's also important to hold weekly meetings for the faculty teaching the course so they can develop standardized procedures and stay on course.

The right team. The instructors should be dedicated, experienced classroom managers with a genuine interest in business and a willingness to approach new territory. At the same time, there should be a single, well-prepared instructor and leader who integrates every class meeting for a given section of students.

A unified, strong desire "to make it happen."

For the Robinson College, another key to the success of the program has been our highly diverse student body, which highlights the points we make about globalization. We enroll students from socialist countries, formerly communist countries, developing economies, and free market economies. The messages about globalization are reinforced by reading materials, faculty input, and student interaction. The dynamic conversations in the classroom always remind everyone how complex the global perspective is and how critical it is to any business concern.



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business periodicals. Also, we developed a limited number of PowerPoint slides that could be used in class each week. We not only found these meetings valuable in terms of keeping the course on track, but in keeping ourselves engaged as academics.

Meeting the Challenge

The first sessions of “Managing in the Global Economy” were offered in fall 2004, and more than 180 students enrolled in the first six sections. Course evaluations were outstanding. One student wrote: “I was not keeping up much with what is happening in the world when I started the MBA program, and this class was an eye-opener for me. I am reading the *WSJ* almost on a daily basis, and I keep up with news. And the best thing is that I find it all fascinating.”

The first students to take “Managing in a Global Economy” eventually enrolled in the capstone strategy course for the MBA program. Instructors found these students are more engaged in the class and more active in pursuing the global angles to the cases discussed in the capstone course. Not only do they consider the issues in the case at hand, but they extend the implications of the decision making to other areas of the organization. In short, after finishing the introductory course, they are more deeply engaged with the problems and the solutions—just as we hoped.

We know, however, that we will need to constantly refresh the course to keep it relevant. We continue to hold weekly

meetings to discuss what worked in the previous class and what might be needed in the next class. In addition, we still anticipate that we eventually will expand our roster of teachers, which will also affect the composition of the course.

Keeping the curriculum current and relevant is clearly one of the challenges facing business schools today. It is our hope that “Managing in the Global Economy” will help students expand their understanding of international business before they enter the marketplace. As another first-year MBA student told us: “For me, the most beneficial aspect of the class is the type of assignments that require us to think critically, synthesize information from a variety of sources, and learn how to make decisions based on incomplete and sometimes contradictory information. By taking this class during the first semester of my MBA program, I learn how to see things, not through a silo, but at the strategic and big-picture level.”

Nonetheless, we know that, as global business faces rapid changes, our cornerstone course must change along with it. We must constantly draw on fresh, current material from a wide variety of sources, and seek perspectives from a diverse group of faculty and students, to truly prepare our students for managing in a global economy. **Z**

Alfred Mettler is an assistant professor of finance, Bill Bogner and Susan Houghton are associate professors of managerial sciences, and Chris Lemley is a marketing instructor at Georgia State University’s J. Mack Robinson College of Business in Atlanta.

The **Global** **Consultancy** Project

A global student consultancy can open students' eyes to challenges businesses face in other parts of the world—and sometimes change everything they thought they knew about business.

by Tricia Bisoux

At a time when business educators are looking for ways to integrate both global perspective and hands-on learning into their programs, some schools have found a way to accomplish both objectives in one fell swoop: the global student consultancy. Schools with global consultancy projects often count them among their most well-received and worthwhile programs.

Even so, the global consultancy is still a relative rarity on b-school campuses. This may well have to do with the level of time, effort, and resources necessary to run these programs. Project coordinators must search the globe—literally—for clients with suitable projects and resources. Then, they must establish funding through client fees, school grants, private donations, or student contributions; select participants from a large number of applicants; and integrate on-campus coursework with travel to the destination country.

Three schools on the U.S. East Coast and one in the United Kingdom are among those that have established track records with their global consultancy programs. These include the Massachusetts Institute of Technology's Sloan School of Management in Cambridge; Dartmouth College's Tuck School of Management in Hanover, New Hampshire; Yale University's School of Management in New Haven, Connecticut; and the Manchester Business School in the United Kingdom.

The most effective global consultancy projects strike just the right balance, say the directors of these programs. They must be large enough to present a challenge to their students and small enough to be tackled within a few weeks. More important, clients must deliver worthwhile educational experiences to students, and students must deliver solutions that will make their clients' businesses better.



Students soon discover that entrepreneurship is **not always romantic** or easy, especially in countries with infrastructures still in their formative stages.

MIT's Global E-Lab:

Delving into Developing Markets

by Richard Locke

The Global Entrepreneurship Lab at MIT's Sloan School of Management, which launched in 1999, is an interdisciplinary program that enables management, engineering, and science students to work closely with top managers of international high-tech startups. Most of the 160 students enrolled in the program are Sloan MBA candidates, but some also come from MIT's Media Lab and engineering program.

Through Global E-Lab, we not only provide companies in developing economies with the kind of business expertise they otherwise could not afford, but also expose students to the issues affecting startups around the world. Participants learn how to navigate countries without U.S.-driven corporate governance, government oversight, or legal systems. They soon discover that entrepreneurship is not always romantic or easy, especially in countries with infrastructures still in their formative stages.

The E-Lab Process

Before the academic year begins, I look for companies in emerging markets that have achieved local success and are poised for global expansion—they just need help taking that next significant step. Selected companies fill out in-depth questionnaires, in which they outline their history, the demands of their projects, and the expectations they have for our students. We post these questionnaires on our internal Web site, and students decide which projects interest them most. In 2005-2006, for example, students selected startups in South Africa, Guana, Rwanda, Nepal, Turkey, India, and Vietnam.

In September, students begin their Global E-Lab coursework and form four-

person teams. In October, teams bid on the projects, and we match each team to a client based on the team's skill set. We advise students that, to win a project, at least one team member should have a firm grasp of the company's technology and another should understand the country's culture and infrastructure. Even then, we inform all teams that, although they will be assigned a project, it may not be one on which they originally bid.

Once a team is matched with a project, students begin the research phase, communicating with their clients by phone and e-mail to establish expectations and keep clients informed of their progress. In January, when MIT classes are not in session, students travel to meet their clients for three to four weeks, gathering more information and holding face-to-face meetings with managers to make sure the project is still on track. At the end of the visit, each team gives a formal presentation of its findings and recommendations to the organization's top management, along with a written report.

Our Consultants in Action

At first, potential clients of Global E-Lab may wonder whether business students can really provide sound advice to international companies. Once they actually work with us, however, they find that our students not only offer sound advice—they make a difference in the success of their businesses.



Sloan MBA and Global E-Lab participant Liesbet Peeters (third from right, back row) meets with small business owners in central Africa on behalf of the World Bank.

COURTESY OF THE MIT SLOAN SCHOOL OF MANAGEMENT.

One example is a student team that traveled to Dalian, China, to meet with the managers of HiSoft, one of the most successful information technology providers in China. Its managers wanted to enter new markets, particularly the U.S. However, their attempts to attract U.S. customers had been so far unsuccessful.

Through research and interviews, the students found that saving money was not enough of an incentive for U.S. companies to outsource their IT to a Chinese supplier. Instead, U.S. companies also wanted to extend their capabilities and expand their business knowledge. Our students recommended that HiSoft take time to develop more sophisticated services, gain further traction in their existing markets, and win smaller U.S. accounts before pursuing larger opportunities.

HiSoft made the perfect client for our global student consultants. It was located in a challenging business environment, had a history of success, and presented a compelling problem for our students to solve.

New Experiences, New Possibilities

I've found that the Global E-Lab experience can change the career paths of participants. For example, Liesbet Peeters, a 2005 graduate from Sloan's MBA program, worked with companies in the Ivory Coast, Peru, and India as a Global E-Lab participant. That experience led her to a job with the World Bank Group. She spent the summer after her graduation traveling throughout West Africa for the International Finance Corp., a subsidiary of the World Bank, teaching entrepreneurship skills to young adults and helping young artisans improve and market their products.

Stephen Hazelton, another 2005 graduate, worked with a venture capital firm in Vietnam during his consultancy. Today, Hazelton is creating a securities industry business in Hanoi, Vietnam, that will provide the basic trading and institutional support that we take for granted in Western countries.

As Peeters' and Hazelton's experiences illustrate, global student consultancies not only provide valuable services that many companies could not otherwise afford, but also open students' eyes to a world of opportunities. Students may enter our program planning to pursue careers in the Fortune 500 companies or on Wall Street; but at graduation, many decide to take a pass on Wall Street to seek out the career options that emerging economies have to offer.

Richard Locke is the Alvin J. Siteman Professor of Entrepreneurship and Political Science and a founder of the Global E-Lab at MIT's Sloan School in Cambridge, Massachusetts. For information on the Global E-Lab, visit entrepreneurship.mit.edu/glab/.

The Tuck Global Consultancy: Reaping the Rewards

by John Owens

During the ten years that we have operated the Tuck Global Consultancy, MBA teams have completed 104 assignments for more than 70 clients in 51 countries. In that time, the Tuck Global Consultancy has become our most popular second-year elective. Unfortunately, our main difficulty is that we cannot satisfy demand—for every six students we enroll in the course, we need one cash-paying client. As a result, half of our MBA class wants to participate in the program, but we can only enroll about a third.

For those who are selected, however, the experience is life-changing. At graduation, most participants tell us that the global consultancy project was the most important experience they had at the Tuck School. It's a highly visible program with very tangible results.

How the TGC Works

Clients hire our students as they would hire any corporate consultant. Each company pays a \$23,500 administrative fee, which only partially covers the cost of the program, as well



The interdisciplinary TGC team that worked on the MUCHS pharmaceutical project in Tanzania included, from left to right, Lorelei Wall and Allison Sekikawa, Tuck MBAs; Sarah Schuster, a student from Dartmouth's Center for the Evaluative Clinical Sciences; Greg Butz and Kelly Tschantz, Tuck MBAs; Doug Madory from Dartmouth's Thayer School of Engineering; and Eduardo Santos, Tuck MBA.

as for the team's travel and other out-of-pocket expenses. That means that the cost of our MBA consultants depends largely on the client: A company in India will pay more than one in Mexico City.

Each year, we typically do 15 projects that take 13 weeks to complete. During the first phase, which occurs during the summer or early fall, students take five weeks to research the company, communicate with company managers, and refine the project scope. Once everyone agrees on the project's parameters, the clients sign a letter of engagement that the students provide.

In the second phase of the project, students spend an intensive three weeks "in country" to conduct primary research on the market and meet face-to-face with top managers. Before they return to the U.S., they present their current findings to the client and ask the managers to indicate any alterations they would like them to make.

In the third and final phase, students travel back to campus and spend four to six weeks assembling their final report before presenting it to the client. Students make their final presentations via video conference or face-to-face meeting with the client.

'In Country' in Tanzania

One of the Tuck Global Consultancy's latest projects was for the Muhimbili University College of Health Sciences in Dar es Salaam, Tanzania. The MUCHS School of Pharmacy planned to build a pharmaceutical manufacturing plant on land obtained through a grant from the Tanzanian government, and it wanted our students to create a business and feasibility plan for the project. Because of the complexity of the project, the Tuck Global Consultancy created its first interdisciplinary team, which included students from Tuck as well as Dartmouth's schools of medicine and engineering.

During their three-week visit to Dar es Salaam, our students investigated the Tanzanian pharmaceutical market and drug distribution system, conducting interviews with doctors, pharmacists, distributors, and government agencies. By the end of the project, the students confirmed that the project was viable and made 30 recommendations to MUCHS based on their extensive research.

The project will take many years to complete and will require future Tuck MBAs to return to Tanzania in 2007, and possibly even 2008, to get the plant up and running. Because of the long-term nature of this project, our students kept intensive files on each stage of the project, so that the next team can pick up where the last left off.



Dar es Salaam, Tanzania, was the site of a consultancy project by MBA students from Dartmouth's Tuck School to create a feasibility study for a planned pharmaceutical plant.

Stories to Tell

The Tuck Global Consultancy requires a concerted marketing effort to let companies know how they can benefit from our students' expertise. I spend half of the year marketing our consultancy projects to potential clients, and I keep a database of likely clients with whom I maintain regular contact.

Attracting student interest, however, is never a problem. The word is out on the rewards this experience has to offer. The global consultancy program forces students to use all the skill sets and functional knowledge they've learned, while operating in a country where they face unfamiliar cultural and linguistic challenges. In the end, students work harder than they ever expected—and enjoy the experience more.

In fact, most students place their global consultancy experiences at the top of their resumes. Telling employers they completed a summer internship at The Gap in San Francisco is one thing; telling employers they worked on a pharmaceutical consulting project in Tanzania is quite another.

John Owens is the director of the Tuck Global Consultancy and adjunct professor of business at Dartmouth College's Tuck School of Business in Hanover, New Hampshire. For information about the Tuck Global Consultancy, visit mba.tuck.dartmouth.edu/cib/tgc/.

Yale's Global Social Enterprise: Students in Charge

by Tricia Bisoux

Sometimes all it takes to start a global student consultancy is a group of students who want to make it happen. In the 2004–2005 academic year, students at Yale University's School of Management in New Haven, Connecticut, launched the school's first Global Social Enterprise (GSE) project with the United Nations. This year, students continued the GSE, designing entirely new global consultancy experiences.

The GSE accepts only 20 participants each year to keep the costs low and logistics of travel manageable. This year, participants included nine second-year and 11 first-year MBA students who formed three teams of six to seven students each. "We wanted participants who demonstrated adaptability," says Karin Barry, one of three student leaders. "Given the conditions and stressors we would face, we chose students who we felt would be able to withstand the pressure."

Destination: Madagascar

During the summer, the student leaders leveraged school contacts and conducted online research to determine the next GSE projects. They looked for organizations with a socially responsible focus, an English-speaking project manager, and facilities the students could use while on-site. After soliciting feedback from faculty and students, the leaders focused on three organizations in Madagascar:

- Mad Imports, a company that sells handmade art by native artisans from Madagascar and Kenya, asked GSE students to help it increase the living standards for the greatest number of artisans and improve its overall operations.

- The Andrew Lees Trust (ALT), a U.K.-based nonprofit organization that manages seven social and environmental projects in southern Madagascar, asked the GSE to create a business plan to help it maximize the success of a coconut-growing cooperative.

- Habitat for Humanity-Madagascar, which has built 539 houses for Madagascar citizens since November 2000, needed help in restructuring its loan payment system. It also wanted to create better relationships with volunteers and donors.

The Madagascar projects incorporated elements that the previous year's UN Project did not, says Caroline Tsai, another GSE student leader. "The UN Project was completed over two weeks in South Africa," says Tsai. "However, students told us that they felt two weeks wasn't long enough to make any real impact."

As a result, students and faculty advisors added a preliminary research phase to the project and created a for-credit, six-week course, "Managing Social Enterprises in Developing Countries," that students would complete prior to their trip. The course comprised a series of lectures that covered the broad concerns of businesses in developing markets, as well as those specific to Madagascar.

A Sense of Pride

During the fall, as students were finalizing their project choices, they were also securing donations for the trip, which was not covered by university funding. Then, the project work began. Except for its student-run nature, the 2005–2006 GSE project shared the same characteristic stages of other global student consultancies. In January, students began the course, conducted preliminary research, and contacted their clients. In March, during Yale's two-week spring break, the students traveled to meet with their client organizations and conduct in-country research. Once their on-site visits were completed, student teams prepared reports outlining their final recommendations to their clients.

During their on-site research, students learned quickly that consultants must often radically change their original visions for their projects when their clients change the variables. For example, while still on campus, the students that worked with ALT had meticulously learned everything there was to know about coconut farming. It wasn't until they arrived in Madagascar that they discovered that the co-op also planned



GSE students speak with a farmer in Madagascar about ways to improve a coconut farming co-op on behalf of the nonprofit organization Andrew Lees Trust.

COURTESY OF CAROLINE TSAI

Starting a Global Consultancy

It's a "leap of faith," says Gary McLaughlin of the Manchester Business School.

Schools interested in starting their own global consultancy program might consider the model of the U.K.'s University of Manchester, which has had its International Business Project in place for 20 years. The Manchester Business School launched its ten-week IB Program in the 1970s as a student elective. Today, it's the capstone of MBS' full-time MBA program. Executive and part-time students can take the course as an elective.

In the IB Project, students form five-member teams and bid on 20 to 25 projects each year. Once assigned a project, each team conducts preliminary research, travels to the client's country, and returns to prepare its final report and presentation.

What makes the IB Project stand out is its sheer longevity—and visibility. Now that IB Project has worked with hundreds of clients in dozens of countries, many companies view the school almost as a professional consultancy firm in its own right. In this case, however, they pay only a fraction of the cost, an advisory fee of £2,500 plus the team's travel expenses. Some of the IB Project's past sponsors return with new projects. Occasionally, the school has more projects than student teams to work on them.

Taking on the challenges of starting a global consultancy from scratch may seem daunting, says Gary McLaughlin, the school's MBA project coordinator. It requires early planning; input from administrators, students, and faculty; and contingency plans in case projects fall through. But the rewards—to students, companies, and the school itself—can be incredibly fulfilling, if schools take the right approach:

Manage expectations. The biggest challenge of the IB Project, says McLaughlin, is the diversity of its students. Unlike elective global consultancies in which students largely self-select, Manchester's compulsory program is a "take-all" proposition. Faculty must work with students who present a very wide range of skills, attitudes, and expectations.

"Our students have been studying for 15 months, and this is the last requirement for the program. Some are

already thinking ahead to their jobs, their families, or their grades. Under these circumstances, it's difficult to assign projects in a way that pleases everyone," says McLaughlin. "But after they complete the program, even students who were initially lukewarm about the project understand its value. They see how all the subjects they've been studying fit into international business."

If a consultancy is not compulsory, students and corporate clients still must be fully informed of the process—both the level of involvement required and the potential for glitches along the way. "We make it much like a real-life experience in that sense," says McLaughlin. "We tell students upfront that they may not get to work on their preferred projects; and we tell clients that, in the end, we may not be able to assign a student team to them."

Start with your loyal supporters. McLaughlin advises schools that are just getting started to look first to their own students, alumni, and corporate sponsors to find companies willing to take a chance on student consultants. "Employers who sponsor the educations of your students already think your program has value," he says. "It makes sense to ask them if they would like to realize more value by sponsoring a global consultancy project."

Give it time. As the Manchester Business School has learned, it can take many years for a global consultancy program to establish a loyal following. The endeavor can require a huge "leap of faith" on the part of both the school and the organizations it wants to attract, McLaughlin says. "It's a difficult pitch to go into an industry and say, 'You've not worked with our university before but please give us thousands of pounds so that our students can run around Europe on your behalf,'" he says.

Once clients and students see the value in the experience, however, a program's reputation will build on its own accomplishments. Clients will want to take advantage of the insights the students bring to the projects, and students and faculty will want the life-changing experiences they often have to offer. And once that happens, McLaughlin emphasizes, a business school's global consultancy project is well on its way to long-term success.

“Employers who sponsor the educations of your students already think your program has value. It makes sense to ask them if they would like to realize more value by sponsoring a global consultancy project.”

—Gary McLaughlin, University of Manchester MBA project coordinator

to plant cashews and legumes. Suddenly, the students had to learn everything there was to know about cashew and legume farming—and revise their entire approach to the project.

In late April, all teams finalized their recommendations to their clients:

- The Mad Imports team developed a new pricing strategy and a new accounting system in Excel. It consolidated Word files that the company had used to track orders into a single customer relationship management system in Access.

- The ALT team created a preliminary business plan for the farming co-op, complete with cost and revenue projections.

- The Habitat for Humanity team recommended, among other things, that the organization create a system of pre-payments to give borrowers a sense of ownership in the loan process and mitigate risk. The team also built a Web



site, created an e-newsletter, and developed new volunteer opportunities to help Habitat create and maintain better relationships with its volunteers and donors.

GSE volunteers take special pride in the completion of the Madagascar project. Not only did they provide a valuable service to their chosen companies, but they also designed and implemented the entire program from start to finish.

Nathaniel Keohane, assistant professor of economics at the Yale School of Management, served as the GSE advisor. He emphasizes that his role was mainly as a sounding

board—the students did all the work necessary to make the consultancy projects happen.

“If I or another faculty member had designed the template for the project, secured the funding, and told the students, ‘Here’s where you’re going, and here’s what you’ll be doing,’ it would have been a very different experience for them. It wouldn’t have had the same hands-on involvement or the same meaningfulness,” says Keohane. “Much of the value of the GSE consultancy project is that students thought of the possibility of going to Madagascar. They chose the companies, they made the schedule, and they secured the funding.”

That level of involvement and initiative creates an environment where students take ownership of the experience, he adds. In fact, Keohane notes that two students who participated in the GSE Madagascar consultancy projects returned to the country once the project and the school year ended. They are currently working with nonprofits they had encountered during their research.

“GSE participants may never write business plans for coconut plantations again, but they learn the unique problems that businesses in these markets face,” says Barry, now an MBA graduate. “They face new challenges and stretch their skills and thinking in new ways.” In other words, these students emphasize, global consultancy experiences provide students with opportunities that no traditional course or study trip can easily duplicate.

For more information about the Global Social Enterprise program at Yale University’s School of Management, visit students.som.yale.edu/signs/GSE/.

Tapping Global Potential

As these examples show, global student consultancy projects can take many forms—they can be faculty-run or student-run, university-funded or privately funded, at some expense to clients or completely *pro bono*. Business schools can choose the particular features of their own programs according to their unique circumstances. What’s important, say these directors, is that students emerge from their experiences with enhanced skills and changed perspectives.

These directors also would like to see more business schools start their own global consultancy programs, so that more organizations are aware of the expertise and enthusiasm student consultants bring to the toughest global business problems. Their stories offer a starting point for any school that wants to add a global consultancy to its curriculum—and a rich, worldwide network of corporations and nonprofits to its contacts. **Z**

At Home with **European** Business

The European Union is a complex amalgamation of independent nations. A residency program at a European school can teach international executives how to slip through the cultural barriers and effectively conduct business in the EU.

by Christopher Cripps

As business becomes increasingly international, it's imperative that executives around the world understand the cultures and practices of the countries where their companies operate. One of the most complex regions in the world is the European Union, which contains 25 countries, 25 national cultures, and countless subcultures for businesspeople to negotiate. Regulations, working conditions, and business protocols all vary greatly from country to country.

Despite the fact that international executives routinely find themselves doing business in Europe, many of them are not well prepared for the challenges they will face. Business schools that operate in the EU have a unique opportunity to offer executive education programs that familiarize managers with the situations and settings that await them once they start doing business in Europe.

Taking advantage of its location in France, the Grenoble Ecole de Management has developed European residency programs that can be customized for visiting executives from many nations. We keep the size of groups to 20 or 40 people and conduct programs in English over seven to ten days. Participants may stay in Grenoble for the duration of the program or travel to other parts of Europe to observe contrasting views of business in cities such as Geneva, Paris, Munich, Berlin, Budapest, Prague, Brussels, Vienna, and Warsaw. Two-thirds of our program participants come from the U.S. and Canada. The next biggest group is from China and other parts of Southeast Asia.

We believe executives develop a broader perspective on doing business in Europe when the program focuses on seven key areas. We also believe that, if it offers an appropriate mix of topics and activities, even a short residency program can provide an extremely valuable education for non-European managers.



It's impossible to discuss European business with executives until they have at least an introductory knowledge of the **cultural factors** they will confront.

1. Appreciating Cultural Differences

It's impossible to discuss European business with executives until they have at least an introductory knowledge of the cultural factors they will confront. In our programs, we've found that approximately 65 percent of the Americans and 85 to 90 percent of the Chinese who participate have never left their home countries before. Therefore, it's absolutely essential to inject some "cultural awakening" into any international residency program.

Many participants arrive with their minds full of stereotypes—which they don't mind voicing. Americans will say they expected the French to be rude to them. Chinese participants will struggle through their first salads. "Chinese food is the best!" they will declare within earshot of the chef. The question we hear most often from all visitors is, "How can the French be competitive if they only work 35 hours a week?"

Obviously, it is not easy for participants to shed their cultural baggage. However, at Grenoble Ecole de Management we have developed techniques that help executives identify culturally different situations, learn how to go against their ingrained national instincts when appropriate, and manage effectively in new countries. Sessions are conducted by professional cross-cultural trainers with multicultural knowledge and experience.

With the Chinese, we will most often explore the issue of food, which is usually their biggest concern when traveling abroad. They simply are not accustomed to eating Western-style meals. Many have never used fork and knife. And, like the French, the Chinese have a deep love of their own cuisine.

We tackle the issue at the beginning of a Chinese program and explain the different types of foods participants may encounter. We always plan for the first meal to be typically French but with a menu our Chinese guests won't find offensive. We then walk them through the French way of dining. Meals in the middle of the program alternate between Western and Asian cooking. This helps the learners remain within their comfort zones for some meals while they are pushed to try new things at other times. It's always delightful when, by the end of the program, they have found European food they enjoy.

We use different tactics to address the Americans' perception that the French are unfriendly. As a U.S. native living in France, I've always tried to make sure my fellow Americans don't leave the country with a negative opinion about the French. Many cultural incidents, for instance, occur in restaurants. Americans will often exit an establishment making comments such as "The waiters were rude"

or "We could tell they didn't like us because the service was really slow." We hear these comments dozens of times after the first day or two of any program.

Defusing these cultural misunderstandings always begins with an examination of the group's behavior at the restaurant. We will ask: "Were you making a great deal of noise or laughing loudly? Were you being impatient? Were you using humor the locals couldn't understand?" Generally, the answers to these questions are "yes, yes, and yes." We get straight to the point: The French *do not* dislike Americans. What the French dislike is certain types of behavior that some Americans exhibit in public. For a Frenchman, eating out is the evening's entertainment, so a meal might last three hours. There is no such thing as eating and running in France, except for the purchase of a sandwich off the street. The French also want peace and quiet during their meals. Once our American visitors understand these points, they generally start keeping each other quieter and taking more time to savor their meals.

Even if a program only dedicates a few hours to the topic of managing cultural differences, participants often will note that these components are the most useful. The goal is to ensure that participants understand how important culture is to the way people live and do business in their host country. These sessions also will help participants get a better grasp on their own cultural identities—which is the first step toward understanding someone else's.

2. Understanding the European Union

International executives doing business in Europe also need to gain some perspective on the realities of doing business in the EU. In our residency programs, we discuss the geopolitical issues of the day, such as feuds over common agricultural policy matters and worries about European border security and immigration. We also look at the aging population of Europe, the growing divide between rich nations and poor nations, and the new attitudes of young people toward Europe as a whole.

Next, we spend time exploring national differences and cultures. It is not always easy for non-Europeans to see the differences between European nations. During one recent session, we transferred a Chinese delegation from Grenoble to Munich. As we sat down for our first plate of schnitzel, in a restaurant filled with German-speaking patrons, someone asked a member of the group what he thought of Germany. His answer was, "It's just like France. I can't see a bit of difference. Same people, same food, same buildings!" The *différence française* just took a hit!



It's also crucial to help visitors understand how geography affects business in the EU. Many international executives are from huge countries, such as the U.S. and China, or countries surrounded by water, such as Indonesia. They often have trouble comprehending the idea that, when they're in Europe, if they put their car in gear and drive for five hours, they can go through three or four countries where six different languages are spoken. We stress to participants that just because countries are close or contiguous does not mean that the people are particularly similar. The Germans, Austrians, and Hungarians will attest to that.

Finally, we discuss issues such as the difference in labor practices in each country. Among other topics, we touch on the fact that some of the richer companies are outsourcing their labor needs to poorer nations, causing unemployment and factory closings in more developed countries. By covering contemporary issues like these, we help participants in the residency program better understand how the EU functions as a collective unit made up of very different nations.

3. Learning to Conduct Business

It's crucial for visiting executives to understand how the host country conducts business. At the Grenoble Ecole de Management, we hold a workshop in which local academics or practitioners take participants through the key elements every businessperson must be aware of to operate in European nations.

Naturally, the group will tackle the most obvious issues, such as corporate governance, management styles, hierarchy, labor unions, and the role of government in business. These topics make for good "compare and contrast" discussions between the participants and their hosts. However, we've found that even more debate, excitement, and sometimes shock are generated by hot-button topics such as women in the workplace, maternity leave, working time, working conditions, the numerous weeks of paid vacation enjoyed by

most Europeans, and the relatively high taxes companies pay in addition to their employees' salaries.

We actually had a minor incident a couple of years ago on the topic of women in the workplace. Questions on this subject are most frequently asked by Americans, the U.S. perhaps being one of the more advanced countries in terms of equal opportunity. We were visiting with the male store manager of a French hypermarket chain when a woman from our group asked him whether any of the upper managers were female. When his answer was "no," our participant asserted that such a situation was not normal and asked why women were kept out of the top echelons of management.

The very surprised manager explained that the door was open and that the opportunity existed for women to attain upper management positions in the chain. He observed, "In France, many women do not seek such high positions because of the close knit-family structures and their desire to have time for their families." Our group member was not entirely satisfied. The next day we brought in a female French colleague to address the issue and answer further questions. This helped clear the air on a very touchy subject.

In addition to examining such cultural issues, we think it's important to cover the host country's attitude toward education. Participants are fascinated to learn that, in some European countries, people can be defined for life by what degree of education they've attained and what schools they've attended. In France, for example, even 50-year-old job seekers will be scrutinized for their academic pedigrees, even if they have a stellar 30-year track record of success in business. French employers believe that the more elite the school, the greater the likelihood that the candidate will be of high quality.

4. Visiting Local Companies

International executives can learn a great deal about European business if they have a chance to tour companies in and around the host city to see firsthand how business is conducted. Participants in our program visit a cocktail of three to five companies. One might be from the manufacturing sector and one from the services sector; one might be large and another small. We also expose executives to companies owned by a variety of nationalities. It is always interesting to visit a Hungarian company while in Budapest, but if we are in Hungary conducting a session for Americans, we will also add in an American company doing business there.

We always choose speakers from the top tier of management. Most have worked abroad and understand the curiosity of their audience. After speakers make a general

A well-rounded program helps visiting executives gain a better understanding of their own cultures while they learn how their country is perceived by others.

presentation, they hold an interactive discussion with the audience and field questions from participants. It's ideal if these sessions can include expatriates from the visiting executives' home country. Those expatriates will have a mindset that's similar to that of the visitors, and thus they can more easily help the visitors understand what it's like to work in the host country.

Once the speaker is finished, the group tours the factory or corporate offices. Visiting the company's facilities lets participants see how people really work in the host country. Invariably, the tour raises questions about health and safety in the workplace. In Prague, executives might ask, "How can that woman cutting crystal not be wearing safety glasses and a mask?" or "That man who is blowing hot glass into a vase. Why is he barefoot?" In Hungary, a typical comment might be, "I can't believe the people painting these beautiful Herend vases by hand make less than \$800 a month." Such questions and more can be discussed at the end of the visit.

5. Networking with Local Executives

In any executive education program, participants benefit tremendously if they're allowed to draw some of their experiences from informal settings. During Grenoble's residency program, we set up dinners and cocktail receptions where foreign visitors can act as hosts to local executives. At these events, the European executives and the visiting managers get a chance to trade valuable business information. Once the beer and wine start to flow, there is much networking and general discussion on a range of issues. These "executive receptions" are always highly successful with the visiting groups and the local participants.

However, we cannot hold these receptions in every country. Again, cultural differences are in play. The Germans come in droves to these executive receptions, giving their time freely and enjoying themselves thoroughly. In contrast, executives from another country, which shall remain nameless, ask to be paid to attend!

6. Experiencing Daily Life

We believe that executives can't learn the true flavor of a country unless they have the opportunity to visit famous sites, eat local food, visit bars, shop, and make cultural mistakes with local merchants and restaurant staffs. It is absolutely necessary for residency participants to take part in the life of the country, however limited that time may be. The resulting experiences contribute to both group cohesion and cultural learning. They also prompt participants to ask more questions in class and during company visits. In addition,

such experiences generate some great anecdotes, which are also part of the learning experience.


7. Learning to Communicate

It's unlikely that any short residency program will be able to focus much on language, even though that is an important consideration for executives doing business in a country that is not their own. At Grenoble, we do teach participants a small selection of survival phrases for each host country. More important, we stress the value of learning to communicate with the locals in spite of the language barrier. We also discuss the difficulties language creates for people working in the EU, whether or not they are European.

The Right Balance

Residency programs can be tailored to suit the needs of any group of visiting executives. However, our experience shows that a nearly equal mix of classroom time, company visits, and cultural events makes for the best experiential learning program. Such a ratio gives the participants a balanced look at life in Europe on both the professional and human levels and shows them that culture, education, and business practices are all linked. In addition, a well-rounded program helps visiting executives gain a better understanding of their own cultures while they learn how their country is perceived by others.

Participants often develop close relationships with their classmates. For instance, many business deals have resulted from residency programs at the Grenoble Ecole de Management, and some of our past residency participants have been recruited by European companies. One of our Canadian residency participants even married one of our U.K.-based lecturers after they met in Grenoble. Talk about a cultural exchange!

Globalization has made it critical for management educators to equip their students with the skills to conduct international business. No matter where a school is located, it can offer comprehensive training programs to executives from other countries who want to do business in its part of the world. While the culture and challenges of the EU are unique, the seven areas that form the foundation of Grenoble's approach to cultural education could be modified to suit any school's program. After all, managers who understand the intricacies of local markets will quickly develop a competitive edge in international business. 

Christopher Cripps is associate dean for international affairs and executive education at the Grenoble Ecole de Management in France.

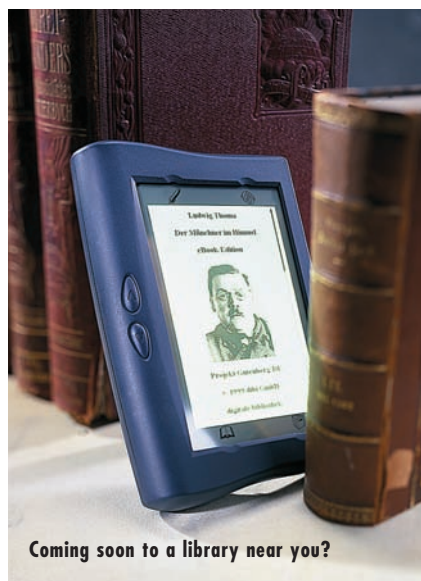
Technology

A Growing Market for E-Books

New technologies, from the Internet to iPods, have captured the imaginations of techno-wizards and technophobes alike. But electronic books, or e-books, have not had the same impact. Because technology has yet to produce a computer screen that is as comfortable to read as the printed page, users just haven't embraced e-books with the same enthusiasm as they have other innovations.

That trend may be turning as the public becomes more accustomed to reading text onscreen and as more online texts become available. Practitioners in quickly evolving fields like business, science, and engineering especially appreciate the e-book format because it is much more easily updated than print.

Efforts such as Project Gutenberg, which aims to convert books and journals in the public domain into digital format, now offers nearly 17,000 free books in its catalog at www.gutenberg.com. In 2004,



Coming soon to a library near you?

PICTUREPRESS/GETTY IMAGES

search engine giant Google announced its intentions to digitally scan the 10 million book titles in the collections of five major research libraries, including those at Oxford University, Stanford University, Harvard University, the University of Michigan, and the New York Public Library.

The evolution of e-books themselves has also helped their cause. The latest generation of e-books includes a wide range of features, many of which a traditional textbook cannot match. Companies are enhancing electronically printed materials with highlighting and notetaking capabilities, Web links, video, and electronic talking Flash presentations that allow the students to hear the words as they read them to increase their onscreen comprehension. Boston-based Texthelp Systems, for example, offers Lexiflow, a software program that offers these features as well as keyword searches, zoom control, and quick page navigation.

Traditional publishers like McGraw-Hill also have entered the e-book market to offer digital textbooks to students. In partnership with digital publishing company Zinio, which also digitally publishes a number of magazines, McGraw-Hill Higher Education has made available 150 of its college textbooks in e-book format at half the cost of their printed counterparts.

Although the public's love affair with e-books may be slow to develop, educators like David Blakesley,

DATABIT

According to the Associated Press, African Internet users pay 90 percent more for Internet access than Americans do. African citizens pay about \$1,800 for 20 gigabytes of data per month, while Americans pay only \$20 for the same capacity. An obstacle to Africa's economic development, this discrepancy stems, in part, from the continent's lack of communications infrastructure, say government officials.

an associate professor of English at Purdue University in West Lafayette, Indiana, believes e-books ultimately will become a major force in the publishing industry. Their affordability and ease of distribution will win out, especially when technology produces a device that makes onscreen reading more viable, he believes.

"E-books are becoming popular not only because of their affordability, but also

because they are a great resource," he says. Blakesley admits that many people, including his own students, still prefer holding a traditional book in their hands when it comes to reading for pleasure. But as far as informational reading is concerned, the e-book is starting to win out. "E-books are here to stay," says Blakesley.

New RFID Tech at IU

A new piece of equipment at Indiana

University's Kelley School of Business is more than just a printer—it prints radio frequency identification (RFID) tags, which will allow Kelley undergraduate and graduate students to model the complete life cycle of an item embedded with RFID technology. The printer is a gift from Zebra Technologies, a company based in Vernon Hills, Illinois, that manufactures universal product code (UPC) and RFID printers.

The printer adds a new capability to the Kelley School's RFID lab, which was established two years ago as the first working RFID education-

Kelley MBA supply chain academy students in the RFID lab.



TYAGAN MILLER

al model at a U.S. business school, according to school officials. “We were able to design and read tags through a system, develop interfaces to other systems, and generate metrics; but until this gift, we were not actually able to produce the tags,” says Daniel Conway, a visiting clinical associate professor who runs the school’s RFID lab.

RFID technology utilizes smart media, which can incorporate text, graphics, and bar code information into “smart tags” that allow organizations to track inventory, packages, and even people. Unlike standard UPC bar codes, RFID tags do not require line-of-sight access to be recognized—they can be detected over a wide area. Because of its versatility,

RFID technology is being adopted by businesses of all types, including warehouses, shipping operations, distribution centers, and hospitals.

RFID technology is still in its infancy, but as companies use RFID more frequently, business schools will need to produce more graduates skilled in this area,

says M.A. Venkataramanan, chair of undergraduate programs and the Lawrence D. Glaubinger Professor of business administration at Kelley. A fully equipped RFID lab, he says, is one way to help students stay at the “leading edge of this emerging technology.”

DATABIT

A study by the Association for Computing Machinery aims to calm those who fear offshoring will take too many IT jobs from the U.S. The study estimates that only **2 percent to 3 percent** of computing jobs will move from the U.S. annually over the next decade.

TOOLS OF THE TRADE

More flexible benchmarking with AACSB International’s DataDirect

Business schools often benchmark their programs against peer and aspirant institutions to know where they stand in the marketplace. In an effort to make such comparative information more accessible, AACSB International recently rolled out its new online subscription service, DataDirect. The service’s objective is to offer schools more flexibility and customization when it comes to obtaining benchmarking data, says Dan LeClair, vice president and chief knowledge officer for AACSB.

“Schools have asked us for much more flexibility in terms of how they receive information,” says LeClair. “Before DataDirect, when schools asked for benchmarking reports, the only information that schools could customize was the group of schools included—the reports were standardized. With this new system, schools can not only select their comparison group, but also focus on particular variables. They also can access the system online and

receive information in a variety of formats, such as Excel, PDF, or HTML.”

DataDirect was created with the help of New York-based Peerfocus, a provider of association-oriented research Web engines. With the Peerfocus product, AACSB and DataDirect are able to provide schools with anytime-anywhere access to member information within a secure online environment.

The system includes five years of data, which allows schools to follow historical trends as well as obtain data-driven snapshots of the current market. All AACSB-member schools have free access to manage their own data and download standardized reports through DataDirect. Customized information is available through time-limited subscriptions—\$150 for three months or \$500 per year.

For more information about DataDirect, visit www.aacsb.edu/datadirect/.

New Skills Required for Virtual Teams

Being a “team player” isn’t the same as it used to be, according to Cristina Gibson, associate professor of organization and strategy at the Paul Merage School of Business at the University of California at Irvine. When Gibson began studying team-based collaborative processes more than a decade ago, most teams included people who worked in the same office, shared the same nationality, and maintained the same roles and responsibilities for the duration of their projects. Today, technology has transformed the team-building environment. “The kinds of teams we studied in 1995 are essentially extinct,” Gibson says.

Gibson has found that four characteristics differentiate modern teams from their historical counterparts:

- They are geographically dispersed, with at least one member in a different location from other members.
- They are electronically mediated, with most communication occurring via e-mail, the Internet, or video conferencing.
- They are culturally diverse, with more than one nationality represented.
- Finally, they are continually dynamic, with team members and their roles changing to suit changing circumstances.

In her latest research project, “The Science and Art of Global Collaboration,” Gibson is studying the collaborative processes that drive



REZA ESTAKHRIAN/GETTY IMAGES

the most innovative and successful virtual teams—and those that bring effective collaboration to a screeching halt. Her research focuses specifically on the film industry, which operates under the most extreme conditions of virtual collaboration. “To make a film, team members must work across geographical distances under intense time pressure, with people they don’t know, under constantly changing circumstances,” she says.

Gibson received \$140,000 in funding from the National Science Foundation and the Merage School to complete two of the three phases of her research. In the first phase, completed last year, Gibson interviewed filmmakers, producers, directors, actors, and moviegoers in four different geographic centers of filmmaking: the U.S., India, France, and New Zealand, where her interview

subjects included Peter Jackson, director of *Lord of the Rings*. She asked her subjects pointed questions about the individual characteristics they brought to the filmmaking process and how successful their collaborations have been.

In the second phase, currently in progress, Gibson is collecting survey data at film festivals. So far she has surveyed 65 filmmakers, as well as many moviegoers who just viewed their films. Her goal is to discover the filmmakers’ vision during the collaborative process and whether viewers felt that vision was achieved.

Gibson is currently seeking funding for the third phase of the project, a longitudinal study that follows the making of films from start to finish—from actors’ first readings of scripts, through the filming and editing processes, to the films’ box office releases. The objective, she says, is to compare the collaborative methods used to make the films to their eventual reception at the box office. Although gaining such intimate

“PEOPLE OFTEN INSPIRE TRUST VIA NONVERBAL CUES: MAKING EYE CONTACT, LEANING IN, UNFOLDING THE ARMS. WITHOUT THESE CUES, MANY PEOPLE AREN’T COMFORTABLE ENOUGH TO SHARE THEIR IDEAS.”

—Cristina Gibson, University of California at Irvine

access to the filmmaking process will be challenging, Gibson believes the results will produce valuable data on how the best—and worst—virtual teams operate.

In her research so far, Gibson has discovered that many expectations that people have of virtual teams often do not come to fruition. “With advances in technology, managers are able to bring individuals together based on their expertise, not on their location,” Gibson explains. “They then assume that by putting together the best people, they’ll increase the innovation and creativity of the team.”

In reality, says Gibson, that’s often not the case. She has found that the greater the degree of what she calls a team’s “virtuality,” the *less* innovative the team generally turns out to be. Communication and scheduling challenges simply interfere. “This is the exact opposite of what is intended,” she says.

This does not need to be the case, however, says Gibson. She has identified the skills required to overcome obstacles inherent to virtuality:

■ **The ability to create an environment of mutual trust over virtual channels.** “In face-to-face interactions, people often inspire trust via nonverbal cues: making eye contact, leaning in, unfolding the arms. Without these cues, many people aren’t comfortable enough to share their ideas,” says Gibson. In virtual environments, she says, people must make an effort to create that comfort level. “People need to use greetings in their e-mails. They need to share small elements of their lives, values, and cultures,” she explains. “An e-mail with no greeting or personal information can seem cold and unfriendly to the recipient.”

■ **A willingness to offer feedback and encouragement.** “Managers need to let members know the importance of the work and what contribution it made, positive or negative,” says Gibson. “Feedback, follow-ups, and open channels of communication are essential to managing virtual teams—and all are more difficult to do in the virtual environment.”

■ **“Reconfigurability.”** Team members must adjust their work processes when something unexpected happens, be it a sudden loss of funding, a corporate restructuring, or the departure of a team member.

Gibson says that managers also should not underestimate the value of a face-to-face meeting to help team members develop a bond. “It’s amazing how even a single, short face-to-face meeting helps people put faces to names and establish relationships. They feel much more comfortable working together, even if they don’t meet again for some time.” Ironically, she adds, a video conference does not have the same effect. “New research shows that even though people can see nonverbal cues via video conferencing, there’s something about the artificiality of the experience that decreases the potency of those cues.”

Gibson hopes her research findings will help businesses adjust their expectations of virtual teams—and team members’ expectations of their roles. “In the future, reconfigurability will be a key feature of successful virtual collaborations,” she says. Gibson adds that managers also must realize that they cannot take an “out-of-sight, out-of-mind” approach to virtual teams. Rather, these teams must be actively cultivated over time, through a careful attention to written communication,

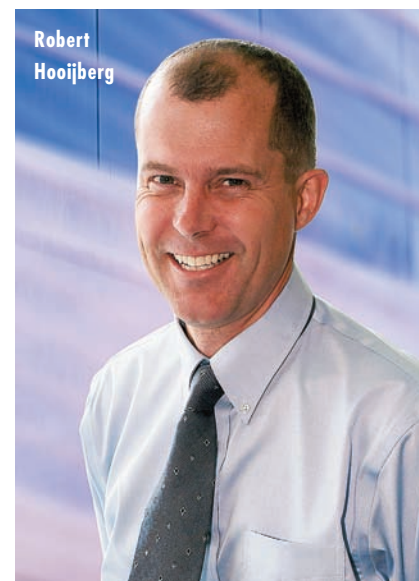
relationship building, and constant, conscious outreach efforts.

To make sure students and faculty have these skills, business schools need to work virtual team experiences into their curricula, says Gibson. “Students who work only on co-located teams will be at a disadvantage when they begin their careers,” she asserts. “We have to train our students so they’ll have the skill sets to work well in the virtual environment.”

■ **Maximizing the Effects of 360-Degree Feedback**

Many organizations use coaching to give employees a better idea of their strengths and weaknesses. But can short-term coaching be as effective as long-term coaching? Robert Hooijberg, a professor of organizational behavior at the Institute for Management Development (IMD) in Lausanne, Switzerland, plans to find out.

Hooijberg and his research associate, Nancy Lane, decided to



examine the dynamics of short-term coaching interactions. The goal, he says, was to determine whether the same advice that works for long-term coaching sessions also applies to one-time, one-hour sessions. They also wanted to discover if shorter interactions could be as meaningful to participants as longer-term coaching relationships.

He and Lane decided to narrow their study to 360-degree feedback, a specific type of short-term coaching used by a growing number of organizations. In 360-degree feedback, everyone who works with an employee provides evaluations of his or her strengths. Ideally, says Hooijberg, the employee should then have a one-hour coaching ses-

sion to interpret that feedback.

“Without a subsequent short-term coaching session, the 360-degree feedback itself isn’t terribly helpful,” says Hooijberg. “So many managers use 360-degree feedback as part of their leadership programs, but I wonder if they really have investigated the effectiveness of this short-term interaction and

UPCOMING & ONGOING

■ FOCUS ON FAMILY BIZ



Three institutions focused on the concerns of family businesses have signed a four-year agreement to collaborate on research in this area. Spain’s Family Enterprise Institute has partnered with IESE Business School’s Center for Family-Owned Business and Entrepreneurship in Barcelona, Spain, and the Wharton School’s Global Family Alliance (GFA) in Philadelphia, Pennsylvania. The partnership acknowledges that a majority of the world’s economic resources are concentrated in the hands of a few business families, says Raphael Amit, chairman of the Wharton GFA executive committee. The joining of these institutions will lead to analysis of issues that face family businesses in the global marketplace.

■ NEW U.K. INSTITUTE



The United Kingdom’s Cranfield School of Management recently began the construction of its new Cranfield Management Research Institute. The £4.3 million facility,

which will be housed in an existing building on campus, will allow the school to locate its research centers and doctoral programs in the same building and facilitate private research. The building also will include dedicated “interaction spaces” where academics from different disciplines can work with practicing managers to develop new research projects. School officials say the institute will be completed by the summer of 2007.

■ NEW CENTERS FOR STARTUPS



In May, INSEAD officially opened its first center in the Caesarea Business Park near Tel Aviv, Israel. The new center is a first step in INSEAD’s plan to open a network of regional research centers for entrepreneurship around the world. Eventually, these centers will be part of INSEAD’s Rudolf and Valeria Maag International Centre for Entrepreneurship. “Traditionally, entrepreneurship has been examined from a narrow local perspective,” says Phil Anderson, director of the Maag Centre. The new research network, says Anderson, “will bring a fresh global perspective to entrepreneurship research and teaching.” The

new center’s initial activities will include the production of case studies and other research materials about Israel’s high-tech entrepreneurs. Research will cover topics such as how to keep jobs in developed countries, how to commercialize public-sector technology, and how to transfer knowledge from the defense industry to the commercial industry.

■ RESEARCH IN MUMBAI



Harvard Business School recently marked the opening of its India Research Centre (IRC) with a faculty research symposium in Mumbai. The IRC is the fifth in the school’s network of research centers, including those in Hong Kong, Tokyo, Paris, and Buenos Aires. “To understand the global economy, you need to understand what’s happening in Mumbai as well as New York, London, and Tokyo. To understand technology, Bangalore is as essential as Silicon Valley,” HBS dean Jay Light remarked at the IRC’s opening. The center is dedicated to producing faculty research on Indian business as well as collaborating with corporate and academic organizations in the region.

“OUR RESPONDENTS INDICATED THAT IF THEY HAVE ONLY ONE HOUR WITH A COACH, THEY WANT THE BENEFIT OF THAT PERSON’S KNOWLEDGE AND EXPERIENCE.”

—Robert Hooijberg, IMD

what they can do with the results. When we decided to study it more thoroughly, we discovered that very little empirical evidence had been gathered on this topic.”

Hooijberg and Lane sent questionnaires to 900 former IMD students who had experienced 360-degree feedback in an IMD course. They chose students who had participated in the feedback nine to 12 months prior to the survey—enough time to give participants an opportunity to process the experience, but not so long ago that they had forgotten the details. The questionnaire asked participants what they believed made this type

of coaching most effective, what types of coaching interactions they desired, what effects they expected, and what influence the experience had on their behavior after the program. Approximately 240 people responded.

The questionnaire responses revealed that many of the best practices that apply to long-term coaching also apply to short-term interactions. For example, participants expect coaches to show an interest in their success, empathize with their situations, and ask good questions.

However, there was a central difference in expectations for long-

term versus short-term coaching, says Hooijberg. Coaches and employees in long-term relationships, for example, assume that employees will take responsibility for solving their problems. Coaches give less direct advice.

In the short-term interactions that often accompany 360-degree feedback, however, expectations change. “Our respondents indicated that if they have only one hour with a coach, they want the benefit of that person’s knowledge and experience. They expect that coach to inspire action and give advice in that time frame,” says Hooijberg. “In addition, they want that coach

Coming

IN THE SEPTEMBER/OCTOBER ISSUE

- **Ethics in the b-school.** International experts discuss how the topic of ethics is approached in the classroom and how such training translates into the real-world setting.
- **Students in the boardroom.** When Wharton MBAs serve one-year terms at nonprofit organizations, they get a chance to share their business knowledge—and learn a whole new set of skills.



- **Research across disciplines.** A fresh initiative at Bentley College promotes collaboration among disparate faculty.

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"FACULTY AND BUSINESS SCHOOLS CAN DO MORE TO CREATE A STRONG CULTURE OF ACADEMIC INTEGRITY AND TO INFLUENCE STUDENT ATTITUDES AND BEHAVIOR."

—Ken Butterfield, Washington State University

to focus on improving *one* thing—such as developing better listening skills—rather than on a complete personality change. That's the key difference we found between long-term and short-term coaching."

In the future, Hooijberg plans to broaden the scope of this research by surveying the coaches themselves, as well as human resources directors. He hopes to use the results to determine that short-term coaching can be as effective as long-term coaching in improving employee performance. He also hopes to find ways that IMD and other organizations can improve their use of all short-term coaching methods, including 360-degree feedback.

"Above all else, these participants look for opportunities to improve; and if their coach has a view on what that might be, they want to hear it," says Hooijberg. "On our side, we try to encourage behavioral change by asking the participants to formulate smart goals in 360-degree feedback situations, so that the outcome is specific, measurable, applicable, realistic, and timely."

Ethical Lapses Among MBAs

Three professors recently completed a study that explored incidents of cheating among business graduate students and nonbusiness graduate students. The findings are not encouraging for business schools: According to the study, more graduate students in business reported that they've cheated during their programs than graduate students from other disciplines.

In the 2002-2003 and 2003-2004 academic years, Ken Butter-

field of Washington State University in Pullman; Donald McCabe of Rutgers Business School in Newark, New Jersey; and Linda Treviño of Pennsylvania State University in University Park, Pennsylvania, surveyed 5,331 graduate students at 32 colleges and universities in the U.S. and Canada. The survey group included students in business (mostly MBAs) and students in other disciplines. The professors found that 56 percent of graduate business students admitted to cheating, compared to only 47


percent of those in nonbusiness disciplines.

In the survey, students reported that peer behavior had the greatest influence on whether or not they cheated. Penalties and academic policies had little effect.

"I would have guessed that peer influence would be important," says Butterfield. "But given that graduate students are generally older and presumably more mature, I would have expected that other influences would be *more* important."

The results of the study, say

researchers, may stem from weak academic ethics policies at the graduate level. They suggest that business schools may need to make more efforts to build an "ethical community," where students have a clear idea of the rules of collaboration and are not so easily influenced by negative peer behavior. "Faculty and business schools can do more to create a strong culture of academic integrity and to influence student attitudes and behavior," says Butterfield.

The researchers' paper, "Academic Dishonesty in Graduate Business Programs: Prevalence, Causes, and Proposed Action," has been accepted for publication in 2006 by the *Academy of Management Learning and Education*. 



Ken Butterfield of Washington State University

I B-School Critics Miss the Mark

Management education, a decidedly

American innovation, is secure in its success. We need only consider the number of businesses and nonprofits run by graduates of premier business schools to know that business schools offer a valuable product. But if this is true, why has there been such an outpouring of self-criticism from business educators?

Warren Bennis and James O'Toole, Jeffrey Pfeffer and Christina Fong, Harry DeAngelo and Linda DeAngelo, Jerry Zimmerman—all have decried the state of business schools today. At the heart of their criticism lies the implication that business schools are completely to blame for the problems they face, that declining enrollments and other trends are the direct result of business schools' failure to meet the needs of their market.

Although their criticisms are not altogether groundless, I could not disagree more. Business schools are well-advised to look for ways to improve their programs; but the inferences these critics make, I believe, are unfounded.

Yes, business schools are facing difficult market realities. Applications to full-time and executive MBA programs have declined since September 11, 2001. Even top-tier schools are reporting that the number of applications to their full-time programs is down 30 percent to 50 percent. Class sizes, ratios of selling-to-sticker price, and standard measures of student quality are falling as individual schools adapt to shrinking demand. Business schools also must cope with a decline in

the number of business doctorates, which has been steadily decreasing since 1992. Faculty compensation has been arrested, and budgets are tight. Clearly, the industry has hit a soft spot, and no one seems comfortable in predicting its duration.

Criticism from the professoriate has come in the wake of the waning fortunes of business schools. One faction, voiced by Bennis and O'Toole, has pronounced the industry irrelevant because professors' proximity to "real world" practice has been sacrificed for scholarship. Pfeffer and Fong represent the view that management educators have lost their souls and that altruistic values have been supplanted by a "show-me-the-money" mindset among our students. This criticism resonates especially well with those who believe the moral turpitude of the Fastows, Kozlowskis, Rigas, and Scrushys of the world somehow tie back to the curricular shortcomings of business schools.

Finally, the DeAngelos and Zimmerman offer yet another perspective. They attribute the current funk in management education to a communal loss of scholarly focus. Schools' fixation upon MBA program rankings, they argue, has prompted the diversion of scarce resources away from scholarly research.

Implicit in much of this criticism is the idea that the current predicament of many business schools stems from their own refusal to adhere to academic ideals and adapt to changing times. However, linking this criticism of business schools to the decline in demand for full-time and executive MBA programs seems strained. What these critics

fail to consider is that many exogenous factors have been at least partially to blame for the decline in enrollment:

Increased competition. American MBA programs are challenged with the plethora of options available to prospective students. MBA programs are proliferating in other parts of the world, part-time programs are increasing in popularity, and online programs have proven remarkably alluring.

The job market. The demand for management education—and for MBA education in particular—is tightly bound to the conditions of the job market. Generally speaking, the more employers are hiring MBAs, the more applications there are to MBA programs. The tougher the job market for MBAs, the fewer applications business schools are likely to see in their admissions offices.

Dot-com disasters. The growth of entrepreneurship among U.S. business schools is a beneficial development that survived the dot-com bust of 2001. However, during the boom, the movement diverted talent away from business schools' traditional employers. This redirection applied upward pressure on MBA compensation packages and fueled the flow of students to MBA programs of every stripe.

With the pricking of the dot-com bubble, equity prices collapsed among the dot-coms and essentially closed the IPO and "deal" markets. The result was a surfeit of investment bankers, devalued equity, and a lack of cash and capital. The demand for consultants evaporated and, not surprisingly, so did the demand for business degrees. In 2000 and 2001, many MBA pro-

grams had 90 percent or more of their students placed at graduation. A year or two later, these same programs were placing only 50 percent of their graduates. Stories of employers “renegeing” on job offers were widely disseminated. The falling number and value of job offers inevitably damaged the perceived value of the MBA degree.

While the job market has rebounded from its nadir, it has not recovered sufficiently to mend the damage done by the dot-com debacle. Starting salaries for MBAs have been essentially flat for the past five years. Moreover, the cost of attending full-time MBA programs has risen, further eroding the number of people seeking to attend a high-cost, full-time MBA program.

The global environment. To be sure, recessions, wars, rising fuel costs, and supply shocks occasionally result in shrinking job opportunities and declining compensation. The current period of stalled compensation growth, job scarcity, and application declines may be one such episode, but we cannot rule out the possibility that the problem could be sustained. Globalization, with its attendant technological displacement, trade and budget deficits, energy price shocks, and the “war on terror,” has the potential to reduce the long-term demand for MBAs. If this proves to be the case, the management education enterprise will need to adapt—and possibly even shrink.

With these factors in mind, we can better process what the critics have to say and take a realistic look at what business schools have to offer. For example, there are certain things that management education will *never* be able to do.



**WHAT MANAGEMENT EDUCATION DOES,
AND WILL CONTINUE TO
DO EXCEEDINGLY WELL, IS TO EQUIP
THE EAGER AND INTELLIGENT
WITH POWERFUL TOOLS OF BUSINESS.**

A quality business education will neither transform blackguards into paragons of virtue nor turn recluses into consummate team players. It will not guarantee that each of the 125,000 MBAs who graduate each year will ascend to the leadership of Fortune 500 firms or find their way into the top 1 percent of the wealth distribution. It will not ensure that each and every graduate will emerge from his or her business education amazingly eloquent, analytically gifted, extraordinarily creative, or wonderfully altruistic.

What management education does, and will continue to do exceedingly well, is to equip the

eager and intelligent with powerful tools of business: the basic principles of finance, marketing, strategy, economics, and management science, as well as the proper vocabulary to discuss them articulately. It will enhance their communication and analytical skills, accelerate on-the-job learning, and improve productivity. This is no mean achievement—it is the value and purpose of management education.

One thing is certain: Business schools must respond to competition and marketplace demands. While educators certainly should consider the rash of criticism of business schools carefully—and respond where appropriate—they should not accept the implication that they are somehow responsible for the decreasing demand for business education.

The decline in business school enrollment could be reversed by a variety of factors, including a growth in employer demand and/or a more time-efficient delivery of MBA training. Absent these, the industry will continue to shrink, and lower-cost programs will displace the more expensive. Student demographics and employer demand will continue to evolve, and business schools will need to stay in touch with these trends.

Only then will business schools' circumstances improve. Of course, a rising tide will not lift all boats. Those that float, however, will have reason for optimism. **Z**

Stuart Greenbaum is the Bank of America Professor of Managerial Leadership at the John M. Olin School of Business at Washington University in St. Louis, Missouri. He served as the dean of the Olin School from 1995 to 2005.

As workplaces and communities become more globalized, the potential for conflict dramatically increases—and so does the need for leaders who can shepherd others through times of turmoil. In *Leading Through Conflict*, Mark Gerzon describes three types of leaders: the Demagogue, who rules by fear and by demonizing anyone who is “other”; the Manager, who cares only about taking care of his own particular

fiefdom; and the Mediator, who is inclusive, holistic, and able to build bridges between differing parties. Gerzon spends most of his time on the Mediator, “the emerging leadership archetype of our era.” He offers

a detailed analysis of the Mediator’s tools, such as the ability to see all sides of a conflict, the commitment to communication, the ability to promote alliances between factions, and the desire to create innovative solutions to old problems. “Although conflict is built into our commercial and civic institutions, the skills for dealing with it are rarely taught,” Gerzon notes. He tries to change that with his book. (Harvard Business School Press, \$27.95)

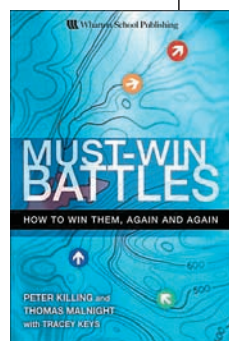
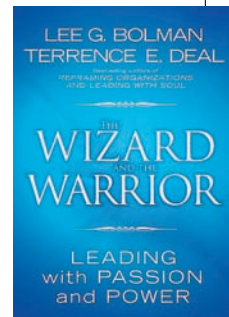
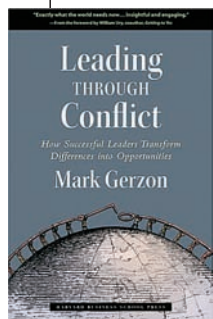
Innovators have to strike a tricky balance: They must thoroughly understand the history of their fields, and they must be able to toss away all that collective knowledge to create something new. In *The Innovation Killer*, Cynthia Barton Rabe takes a hard look at how companies strangle innovative ideas by insisting on familiar processes and procedures, by succumbing to “groupthink”—and

by promoting the even more disastrous “expertthink,” in which workers blindly align themselves with the bosses or the company’s standard practices. To break this cycle, Rabe believes, organizations need to import “zero gravity thinkers,” individuals who are not weighed down by a company’s internal forces. These aren’t just random iconoclastic mavericks who spout radical ideas, she says. The best zero gravity thinkers might be outsiders with a psychological distance from the challenge at hand, but ideally they also have some related expertise. Even better, they tend to be renaissance thinkers—that is, people with broad interests who are able to synthesize ideas. Rabe offers plenty of examples of zero gravity thinkers who shook up companies and helped bring great new products to market. (Amacom, \$26)

Transforming a company isn’t a simple or an overnight process. It requires identifying the corporation’s key goals and making sure the right people are committed to achieving them over the long haul. Such goals are *Must-Win Battles*, according to IMD professors Peter Killing and Thomas Malnight and their co-author Tracey Keys. They argue that these battles can’t be won unless companies simultaneously deploy a committed team, a defined strategy, and effective leadership. Unlike many business books, *Must-Win Battles* isn’t a motivational tract. It’s more of a step-by-step blueprint for how to find the

right team members, lead them through the first difficult meeting, reach consensus on goals, and go forward. The authors pause to describe what kind of setting would work best for the first off-site discussion and to consider what kinds of leadership styles will work best to unite the team. They also offer histories of companies that fought their own transformative battles—and won. (Wharton School Publishing, \$27.99)

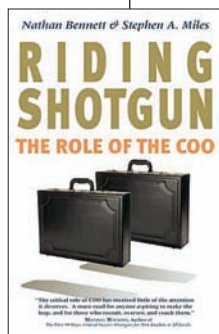
Swordfights and sorcery are at the heart of epics like *Harry Potter* and *Lord of the Rings*—but they’re also common in boardrooms and corner offices. So say Lee G. Bolman and Terrence E. Deal, writing about two leadership styles in *The Wizard and the Warrior*. Wizards are able to invoke symbolism and work within a cultural framework to lead or transform a workplace. Warriors understand the necessity of conflict in the workplace, but the best of them also know how to harness the political power of combat. “The wizard role enables them to bring imagination, creativity, meaning, and magic,” write the authors. “The warrior role mobilizes strength, courage, and willingness to fight as hard and long as necessary to fulfill their mission.” Bolman and Deal offer plenty of examples of both toxic and terrific role models—from Mother Teresa to Richard Nixon, from Merlin to Gollum—in this entertaining and informative book. (Jossey-Bass, \$27.95)



"THERE IS AN UNDERSTANDING THAT THE COO IS THE PERSON YOU WOULD WANT HOLDING THE ROPE, SHOULD YOU FIND YOURSELF DANGLING OFF A CLIFF."

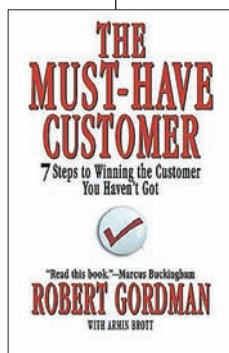
— *Riding Shotgun*

Chief operating officers are among the most crucial members of any corporation's management team, and yet little literature exists about how their jobs should be structured or what they should bring to the organization. In *Riding Shotgun*, Nathan Bennett and Stephen A. Miles ask when companies should create a COO slot, how they should design the position, and who might be a good choice. The COO's role varies widely from company to company, depending on why the individual was hired in the first place: to act as a mentor to an inexperienced CEO, to run internal operations while the CEO focuses on external matters, or to gain experience as the heir apparent to the corner office. The authors study companies in which the CEO-COO partnership has been brilliant, such as IBM, or disastrous, such as Disney. Some of the most intriguing sections of the book feature interviews with CEOs and COOs who vividly recount their experiences in the No. 1 and No. 2 positions. But the best description comes from Celtic House's Andrew Waitman: "There is an understanding that the COO is the person you would want holding the rope, should you find yourself dangling off a cliff." (Stanford University Press, \$27.95)



identifying and wooing the similar customers who aren't yet loyal to its brand. That's only one of the seven steps Gordman says a company must take to be successful. The others are: determining its market position, identifying its unique "sweet spot," figuring out why customers buy from the competitors, focusing on critical strategies, recruiting top employees, and communicating with customers. If that sounds like a great deal of work, it is; and Gordman acknowledges the fact. But he also provides a clean, detailed, sensible plan for how to lead a company through each step and emerge victorious and profitable. (St. Martin's Press, \$24.95)

In its first ten years of existence, the magazine *Fast Company* covered an astonishing range of business topics by a stellar lineup of authors. Some of the best can be found in *Fast Company's Greatest Hits*, a collection of more than 30 articles from the magazine's archives. Here Mort Meyerson, CEO of Perot Systems in the 1990s, offers his thoughts about why "Everything I Thought I Knew About Leadership Is Wrong." Jim Collins, author of the best seller *Built to Last*, muses on the plausibility of creating and selling companies that are "Built to Flip." Senator John McCain chastises business leaders who do not go "In Search of Courage." Other articles provide quick biographies of professors, entrepreneurs, and social leaders who have had an impact on the business community. Each selection is followed



"Companies don't die of natural causes; management kills them...one customer at a time," writes Robert Gordman in *The Must-Have Customer*. A company thrives by identifying its own core customers—and then

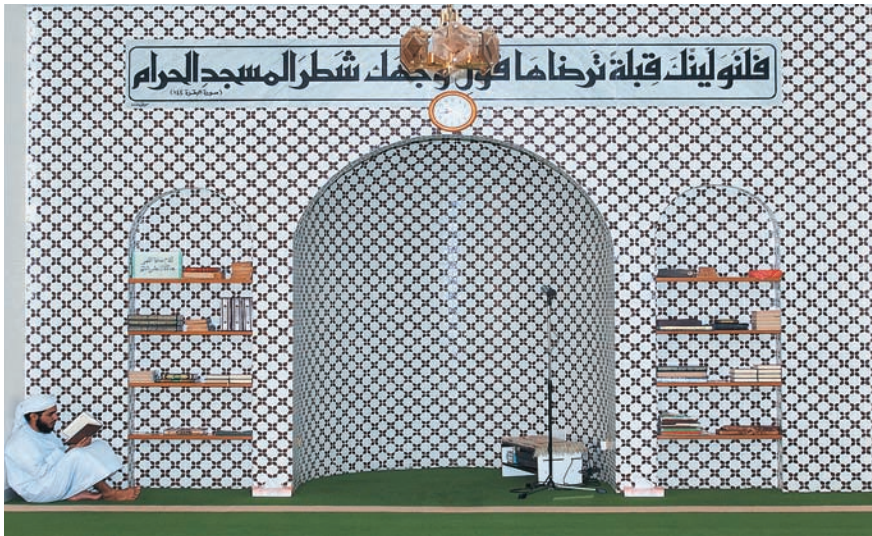


by a letter to the editor written in response to the article, many airing contrasting views. An intriguing collection with plenty of insights to offer in today's business climate. (Portfolio, \$24.95)

Quick Looks

Looking for a crash course in marketing theories? *The Marketing Gurus*, edited by Chris Murray, is a compilation of summaries of some of the most well-known marketing texts of the past decade or so. Jack Trout and Steve Rivkin explain product differentiation, Faith Popcorn emphasizes the importance of predicting trends, and Philip Kotler uses lateral marketing to create a whole new market. Other fascinating contributions deconstruct the Japanese mindset of the marketer as "egoless servant" or explore the necessity of "one-to-one" consumer marketing. The summaries are concise, easy to digest, and full of insights. (Portfolio, \$24.95)

Jeffrey L. Buller's *The Essential Department Chair* is a plainspoken, eminently useful guide for university administrators struggling with all their critical chores. It gives advice on how to hire, fire, write a job description, deal with difficult staff members, mentor faculty, set budgets, design a code of ethics, and much more. Says Buller, "You've got to know, on a day-to-day basis, how to excel at the many administrative tasks assigned to you." His slim book is an excellent tool. (Anker Publishing, \$32.95) **Z**



A business student reads in a mosque on the UAEU's Al Ain campus.

Middle East Meets West

UAEU's business school works to bridge a wide cultural divide.

Perhaps not too long ago, it would have been rare to see a business student studying in the shadow of a campus mosque. It would have been uncommon to visit a business school that worked its courses on Western business practices around daily synchronized calls for Muslim prayer. And it would have been unheard of to discuss management education with the American-born dean of a Middle Eastern business school.

Today, however, much has changed as the Middle East and West reach a better mutual understanding, says David Graf, the new dean of the United Arab Emirates University's College of Business and Economics (CBE) in Al Ain. In large part, business is driving that understanding.

"Dubai and Abu Dhabi have become financial and tourism centers, and the UAE has become a center of commerce," Graf says. He adds that, as multinational companies seek management training for their new hires, the university must

work to bridge the cultural divide between the Middle East and West.

To help position the region for its expanded role in the global economy, the CBE has had to make critical changes, says Graf. The school has transitioned from an Egyptian administrative model, characterized by layers of bureaucracy, to a Western administrative model, characterized by a democratic, decentralized power structure. It also achieved initial AACSB accreditation in 2000, becoming the first business school in the region to do so.

The CBE must also work to dispel the many misconceptions that Westerners have about the Middle East. For instance, many believe that Arabs distrust Westerners—and that they especially distrust Americans. Graf asserts that, while citizens of the UAE may not like the American government's policies, they truly admire the Western system of education and welcome Westerners to their country. "We try to hire American faculty, but we can't get

any to apply because they're afraid," says Graf. "It saddens me that Americans aren't represented among our faculty."

Many Westerners also still believe that Arab women do not work; yet, they are among the UAE's most ambitious citizens, Graf explains. In fact, two-thirds of the CBE's 2,200-member student body is female. Men, he says, most often pursue lifetime government or military jobs and so do not enroll in universities at the same rate as women do.

This is a trend that the CBE wants to change. "We have to make all students here realize that the private sector is the future," says Graf. "Companies here are asking our help with everything from strategic planning to reorganization."

Westerners who come to the Middle East need to ask questions in advance and, once they arrive,

"WE TRY TO HIRE AMERICAN FACULTY, BUT WE CAN'T GET ANY TO APPLY BECAUSE THEY'RE AFRAID."

—David Graf

surround themselves with those who understand the culture, says Graf. This will help them develop a true understanding of Arabic life.

At the same time, an ongoing challenge for the CBE is to embrace globalization while preserving the region's rich Arabic culture, says Graf. "There is so much Western influence, many here are afraid they're losing their Arabic heritage," says Graf. "That's what I like about our school—we preserve the Islamic culture while adapting to Western business practices." **Z**