

# IESE

Alumni Magazine  
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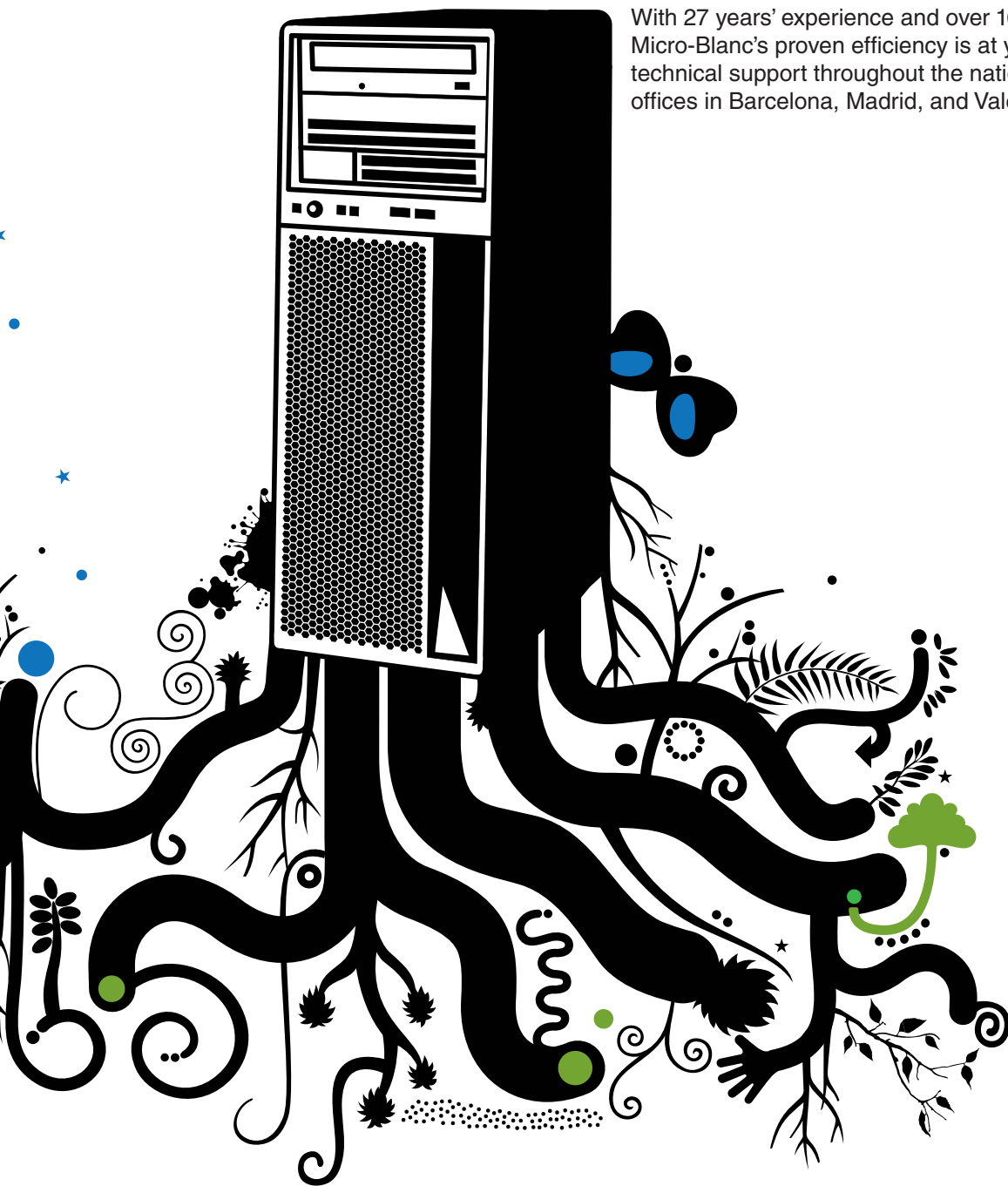
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# Celebrations and Sadness

Celebration is in the air in this issue of the *IESE Alumni Magazine*. Firstly, celebrations are in order because the magazine is delighted to welcome a new addition to the family, *IESE Insight*. The publication is the school's new online management review that delivers the vital knowledge which alumni and other executives need.

The celebrations continue with coverage of the MBA graduation ceremony on April 30. The graduating class of 2009 heard inspiring words from keynote speaker, Peter Sutherland, chairman of BP and Goldman Sachs International.

Sutherland is also a member of IESE's International Advisory Board, which held its annual meeting in Barcelona on April 17. We deeply appreciate the effort made by this group of business and civic leaders to find a space in their schedules to attend this meeting, bringing their unique perspectives, advice and experiences.

As well as participating in the annual IAB meeting, some of the board members generously gave IESE alumni master classes on getting through the downturn in a special Continuous Education Session. Michel Camdessus, honorary governor of Banque de France, participated in a panel discussion on the financial crisis. We have reproduced his assessment of the current U.S and European rescue plans in this issue.

Then at the end of the following month, almost 1,000 MBA alumni descended on the Barcelona campus for the biannual

MBA Alumni Reunion on May 30. Among the alumni present were MBA graduates celebrating their 5-year anniversaries – the classes of '69, '74, '79, '84, '89, '94, '99 and '04. The MBA alumni were invited to continue the festivities at the Global Alumni Reunion to be held in New York on Oct. 10-11.

This issue of the *IESE Alumni Magazine* is also tinged with sadness, though. Our much-loved colleague, Prof. Eduardo Ballarín, died of a heart attack at home in Madrid on April 27 aged 62. He is remembered as an outstanding educator and person in tributes from his fellow IESE faculty members and friends from Harvard, his alma mater. Our thoughts and prayers are with his wife, Reyes, and his three children.



**Antonio Argandoña**  
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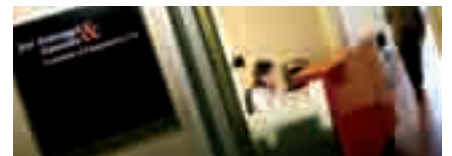
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# features\*

## 10 Ethics is the Cornerstone of Recovery

Alumni enjoyed master classes on getting through the downturn given by members of IESE's International Advisory Board (IAB) at a special Continuous Education Session held at IESE's Barcelona campus on May 17. Michel Camdessus, honorary governor of Banque de France and member of the IAB, participated in a panel discussion on the financial crisis. In this issue of *IESE Alumni Magazine*, he assesses the current U.S. and European rescue plans.

## 14 A Competitive Advantage in Any Period

We are witnessing a unique period of sharp contractions in the world economy. The perception is that we are facing a change of cycle that will result in all-encompassing shifts. While some countries and sectors are struggling, others continue to grow by exploiting the full potential of opportunities presented by the convergence of new forms of consumption, new ways of working and new ways of doing business.

## 18 Sport Sponsors' Wallets Snap Shut in Downturn

Until recently, sport sponsorship was perceived to be immune to volatility. However, the latest data from Infoadex on advertising in Spain shows that sports sponsorship slumped by 27 percent in 2008 compared to 2007. IESE Prof. José L. Nueno and Javier Mancebo, director of Havas, examine the factors that explain this huge plunge.

# Ethics Is the Cornerstone of Recovery

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With respect to the rescue plans, as a former central banker, I am beginning to ask myself if central banks aren't starting to do a bit too much. I agree with other members of the IAB on the need for fiscal coordination and the fact that, in an uncoordinated way, we aren't doing that bad. I also feel that governments are making poor progress in restructuring the banks they decided to nationalize without knowing very well what they would do afterward.

The problem is that for the banks' restructuring, as in many things, you need two to tango. Governments are anxious to get things done but, on the other hand, the bankers have different prerogatives and that is understandable. This is the critical element today. Either we are able to make a difference in this arena or not, and there are reasons to be optimistic.

At the same time, though, we have a very serious problem if the restructuring is delayed too long. We must remember that all the elements of the rescue plans are systemically related: if one is missing, the others are endangered or at risk of becoming less effective.

That said, I would like to focus on what was really behind this tremendous economic and financial catastrophe, what was lacking for such an absurd situation to occur, and then what should be done to avoid a recurrence.

I believe that behind this crisis there were three major basic interlinking deficiencies or failings.

## A three-pronged problem

One is regulation. We believed that markets would resolve all of finance's problems, i.e., that self-regulation was enough. That was a mistake. This has been corrected, and the G20 is doing a remarkable job. I have observed or participated in G5, G6, G7 and G8 cooperation for over 20 years, along with my IAB colleague and friend, Toyoo Gyohten of the Institute for International Monetary Affairs. In my opinion, no summit during the last 30 years has been prepared in such a serious and comprehensive way as the London event.



**Michel Camdessus**  
Honorary Governor of Banque  
de France,  
Member of IESE's IAB

The summit opened debates on previously taboo issues such as hedge funds, offshore centers and regulating entities. All of these topics were seriously and rigorously addressed. So, concerning regulation, they are doing something now. But this was the first failing.

The second was the international architecture. Six months ago, we were still in 1945. The institutions controlling the monetary and financial sphere concentrated exclusively on monetary developments. They had no right to speak with authority to financiers. Even now, their mandate, mission and instruments have barely been touched.

The resource part of the problem has been tackled. But the mandate of the governing institutions has not been tackled and this, of course, will be difficult. I have been a member of a working group on that topic that is making pretty revolutionary suggestions, but we see a kind of reluctance to make progress in this field.

And the third element, the third missing link, and in my opinion the most important one, which makes me a little concerned about the possibility of really achieving a convincing new start soon, was the ethical part of the problem. Behind this crisis you have problems in the regulatory and institutional fields, and you have major ethical problems.

It is as though we had forgotten half the lessons Adam Smith taught us, that the market economy is probably the best instrument and that profit can be a way of optimizing the economy, provided one is able and committed to moderating one's own greed and to keep in mind the interest of others and society.

Over the last 30 years, we have dismissed Adam Smith as a moral philosopher rather than as the father of modern economics. We convinced ourselves that his theses were possibly relevant in the primitive time of the 18<sup>th</sup> century, but that we don't need them now. Every ethical rule reduces the efficiency of the market so we should forget them. Well, this kind of thinking has led us to the present catastrophe.

My view is that if we don't address the three systemic interlinked deficiencies in ethics, institutions and regulatory bodies, we will have a questionable temporary end of the crisis.



We need to educate people on ethics rather than prescribe it by regulation. And customers need to react. They can demand that companies behave ethically or take their business elsewhere.

The next one could be just round the corner, unless we introduce profound changes in the three domains I have touched on, and in particular in ethics. This is a question for business schools: what kind of business ethics are we conveying to the next generation of leaders?

### The clean-up operation

Looking specifically at Secretary of the Treasury Tim Geithner's plan for the United States, I believe there is an essential precondition for the issue of toxic assets to be solved and for the public to believe that it is really being handled.

That is to get all the banks involved to abandon their present attitude of denial. We need to have, as soon as possible, a clear assessment of their situations. The regulatory authorities have to put strong pressure on the banks, and I believe that pressure will be robust. This is the foundation for any rebuilding of confidence.

After that, of course, the correct measures will have to be taken. Recognition of losses means reducing the banks' capital and then putting all the other elements in place. Here you have different approaches. I don't like the "bad bank" approach of nationalization due to my experience of it in France.

Even if it is a temporary measure, the nationalization solution can work in certain cases, depending on the country's culture. But, of course, the temporary nature of the move must be established. And governments must act decisively and rapidly once they decide on nationalization. Then governments must implement measures in line with that country's needs.

### The requirements of capital requirements

Another of the questions we are facing is whether Basel II is adequate or whether we should be doing more as with regards capital requirements. There is the underlying fact that precisely as we are trying to do everything to speed up the recovery, we will have a clash between two issues: achieving the appropriate level of capital requirements and the low cost of money. It's a tricky issue.

Here I would like to insist on two other things. Firstly, there is plenty of work being done to correct some elements of the capital requirement, all the issues of pro-cyclicality of the rules and so on. All of these must be corrected.

But I must stress that the very origins of this crisis are still a mystery: the fact is that my friends and former colleagues, supervisors and regulators allowed themselves to be outsmarted for so long. It is amazing that they allowed so many operations to escape their control by being put through securitization or off balance sheet and so on. For me, it's something I am not reconciled with and something that must be addressed right away.

### Ethics: education not regulation

In terms of improving business ethics in both the private and public sector, I couldn't agree more with my fellow IAB member Rolf-E. Breuer of **Deutsche Bank**. We need to educate people on ethics rather than prescribe it by regulation. And customers need to react. They can demand that companies behave ethically or take their business elsewhere.

Another issue is corporate social responsibility (CSR). During the last 30 years we had an extraordinary clash between two cultures. On the one hand was CSR, a great innovation of the last 30 years that had an enormous impact on many companies, academia, business schools and management.

Simultaneously, we saw the prevalence of another ethos, the culture of greed, short-termism and the pursuit of the highest profits by any means. The two were totally un-reconciled. Well, here we are. This second culture has destroyed the system and it must be rebuilt from scratch. Confidence will not be reestablished just because the economic outlook improves. Deeper changes must take place.

Perhaps we need to revisit what CSR means. I had the impression recently, at least in France, that CSR increasingly meant including a flattering paragraph in the company's annual report on its funding of two schools in Zimbabwe, for example, accompanied by pictures of disadvantaged young women sitting neatly dressed before their computers.

This was prostituting the concept of CSR. I believe we must revisit it from scratch. We really must instill this culture in younger generations. Confidence in companies will only be reestablished when they are perceived to be working toward something more than just quarterly profit maximization. Only then will the health of the world market economy recover. ■

A woman with dark hair, wearing a black jacket and grey trousers, is walking towards the camera on a paved path lined with trees. The trees have yellow and orange leaves, suggesting autumn. A white graphic line with circular nodes starts from the bottom left, goes up to the text 'GREAT IDEA', then up to the text 'Microsoft', then up to the text 'GREAT COMPANY', and finally goes up to the top right corner of the image.

**GREAT COMPANY**

**Microsoft**

Pilar Manchón, who participated in the Microsoft Impulsa programme, received free training and support. This allowed her to develop her potential and Pilar is now more self-confident. She has also increased her customer base and her number of partners. To date, Microsoft has helped more than 150,000 people who, like Pilar, have interesting stories to share. If you would like to know more, visit [enmicamino.es](http://enmicamino.es)

**GREAT IDEA**





# A Competitive Advantage in Any Period

We are witnessing a unique period of sharp contractions in the world economy. The perception is that we are facing a change of cycle that will result in all-encompassing shifts. While some countries and sectors are struggling, others continue to grow by exploiting the full potential of opportunities presented by the convergence of new forms of consumption, new ways of working and new ways of doing business.

In short, we live in a more global, more integrated world, with sharp imbalances and a break-neck pace of change. But at the same time it is a world full of opportunities where the potential for creating value has grown on an unprecedented scale. Obviously, all this is taking place in a much more complex and intense competitive environment aggravated by the difficulties brought on by a full-blown economic crisis.

One of the questions that may arise is whether entrepreneurship makes sense in times of crisis. Is it worth the effort? The question is relevant and is particularly worth asking when uncertainty levels are higher than usual.

During the period of sustained growth we experienced from the mid-1990s to the financial crisis, a host of factors forced companies to innovate continuously and become more creative and flexible. Factors such as the emergence of more hostile competitive environments, the increase in market fragmentation, the reduction of product life cycles and technological change forced firms to step up the pace.

This often took precedence over the objective of maximizing operational quality and efficiency that any self-respecting organization should aim for if it wants to compete successfully in any market.

Many companies have been aware, and in a sense have rediscovered, the advantage of promoting entrepreneurial leadership and management within the organization and focusing on exploiting opportunities in their arena by adapting their means and resources and learning on the go.

## Entrepreneurship: a continual challenge

A potential effect of the current crisis, above and beyond the easily prescribed "long [economic] winter," is that it might result in restricting or diluting a company's entrepreneurial focus and drive. If entrepreneurship comes to a halt, two potential consequences may emerge.

Firstly, a company's vulnerability relative to its competitors, particularly in the eyes of its customers, is more likely to increase. Secondly, it will fail to exploit the extraordinary opportunities to further penetrate niche markets; take over complementary businesses or assets; enter international markets in countries with high potential; and hire talent that was inaccessible in other times.

Ultimately, ensuring that a company is entrepreneurial is a key challenge and an important part of its competitive advantage, in periods of prosperity as well as recession. Where the focus should be placed and how measures are implemented is another matter altogether that hinges on the organization's structure and operating environment. Whether in times of expansion or adjustment, the challenge of preserving entrepreneurship is an ongoing one.

## Executive Summary

In the midst of the challenging current economic environment, many companies are discovering or rediscovering the advantage of promoting entrepreneurial leadership and management within the organization. By adapting their resources and learning on the go, these firms are exploiting the full potential of opportunities presented by the new economic panorama.



**Joan Roure**  
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The entire organization should be cognizant of the importance of funding, with all functions pitching in to optimize investment in working capital and facilities.



### **Vision and strategy: focused but also flexible**

In the current environment, it is more important than ever that we first identify how the company's strategy is focused on the core business, how related products or services are focused on niche markets, and how R&D is aimed at strategic areas and maximizing its distinctive capabilities. But that's not all. We also have to ask how flexible the combination is. Is the company capable of restructuring unprofitable business activities and scrupulously exploring key future opportunities, for example?

Also, in times of uncertainty we must be particularly careful when communicating an exciting long-term business plan to all members of the organization. We must acknowledge the contribution of each member in achieving this vision, without

losing the company's sense of realism. It boils down to focusing on the basics, the core business and its distinctive capabilities, while spurring an exciting and "opportunist" spirit to pursue new ventures.

### **Viable financial model**

A second crucial issue in any entrepreneurial initiative is whether the financial model is viable. Access to financing is always complex and even more so in the current credit crunch. However, besides the difficulty of obtaining funds due to the economic climate, the absence of an appropriate financial structure is often attributable to senior managers' and owners' shortcomings.

These shortcomings consist of a failure to search for, select and evaluate alternative funding sources. Among other notable deficiencies are a failure to develop medium-term business plans and business leaders' ability to appropriately communicate the business plan.

Therefore, companies should not only seek financing. They also need to address their medium-term needs, evaluate alternatives, present the business plan, negotiate periodically at the appropriate level and avoid delegating this task to the CFO. There is a tendency to delegate such decisions, out of inertia, to the financial department, which normally acts as a control system.

What is needed instead is for the entrepreneur or CEO, or even the board, to get directly and proactively involved in financial decisions affecting the overall philosophy of the company with regard to seeking funding. Similarly, the entire organization should be cognizant of the importance of funding, with all functions pitching in to optimize investment in working capital and facilities.

### **People: administrator versus "sponsor" behavior**

Thirdly, in the current environment it is crucial that companies ask themselves whether their team is adequately equipped to exploit entrepreneurial activities. In particular, they should consider what kind of behaviors and attitudes make up the organization's culture. For example, employees with an "administrator" behavioral profile focus on management, coordinating resources, risk management and handling transactions. For entrepreneurial activity to occur, the company must counterbalance this type of

Entrepreneurship as a competitive advantage is more important now than ever. But the way we manage it and where we place our focus has to be consistent with the challenges we face.

employee with staff members with a "sponsor" profile who are focused on clients, opportunities, action and value creation.

What we can learn from the most entrepreneurial companies is particularly enlightening in this regard. They are very flexible at adapting to their environment, both in terms of their team's headcount and skill set. In particular, their strategic focus is always trained on the exploration and development of internal or external opportunities as an imperative and also as a key to making the business sustainable for all members of the organization.

### **Management teams equal to the challenge**

Fourth, a crucial question that we should ask is whether we have the right management team to confront the current challenges. Great leaders in times of expansion may not be so appropriate in recessionary periods. Moreover, we note that entrepreneurial companies build management teams which are balanced, experienced, and somewhat "oversized," not only to manage the day-to-day, but also to harness the extraordinary opportunities that present themselves and to address the often unknown challenges that surface in periods of high uncertainty.

### **Active and efficient government bodies**

Finally, in fifth place, companies should consider the role and contribution of its board of directors. The company's model of governance is key to its viability in the medium and long terms, the aptitude of its management team and its ongoing entrepreneurial culture.

There is no denying that many boards do not always perform, and that their contribution to the company's bottom line does not always reach its full potential. Therefore, having formal bodies of corporate governance (and family governance in family businesses) is not enough.

We must ensure that these bodies are active and efficient in facing the challenges thrown up in these times of rapid change. Beyond its formal role as the controlling body, the board should actively support management in defining medium-term strategies and making decisions concerning property strategy, mergers and acquisitions, or joint ventures, to exploit the opportunities of an increasingly challenging global competitive environment.

In conclusion, entrepreneurship as a competitive advantage is more important now than ever. But the way we manage it and where we place our focus has to be consistent with the challenges we face.

Today, more than ever, it is essential to have a shared, focused, realistic and exciting business vision and strategy in the medium term, while scrupulously taking advantage of every opportunity that emerges.

Today, more than ever, as in any entrepreneurial initiative, we must also evaluate whether we have the financial and business model that fits the new realities of the financial system, taking responsibility at the owner or executive level to ensure viability in the medium term, recapitalizing the company with share capital or debt if necessary.

And today, more than ever, we must assess whether we have the staff, management and governance team with the right profile and level of commitment to exploit the exciting and challenging times we are living in. ■

# Sport Sponsors' Wallets Snap Shut in Downturn

## Executive Summary

Until recently, sports sponsorship was perceived to be immune to volatility. However, the latest data from Infoadex on advertising in Spain show that sports sponsorship slumped by 27 percent in 2008 compared to 2007. IESE Prof. José L. Nueno and Javier Mancebo, director of Havas, examine the factors that explain this huge plunge.

Few things in life generate as much passion as sport. It is capable of mobilizing so many fans committed to their club, national team or an individual athlete. Sportsmen and women at the top of their game often embody a wealth of values found only in athletes. For this reason, sponsorship has long been seen as a transparent way to finance sport and an opportunity to align brands with those values.

In fact, sports sponsorship was perceived to be the "safe haven" of promotion, immune to passing trends and other volatility. However, the latest data from Infoadex on advertising in Spain show that sports sponsorship was one of the most rapidly declining categories in 2008. Sports sponsorship slumped by 27 percent in 2008 compared to 2007, with an average fall of 11 percent in conventional media and 4 percent in non-conventional media. What factors explain this huge plunge?



**Television audiences.** Television audiences and media coverage are the *raison d'être* of sport sponsorship. In Spain, important sports events continue to enjoy steady or slightly bigger audiences than in previous years. Broadcasts of soccer matches in Spain's *La Primera Liga* or England's Premier League, the UEFA Champions League, the MotoGP World Championship and tennis tournaments top the rankings of most-watched broadcasts. The current crisis has prompted consumers to spend more time at home, and live sports content is unrivalled in attracting audiences. Therefore, the fall in sport sponsorship is not due to declining viewer numbers.



**Sports results.** The main attraction for fans is the possibility of seeing their favorite athlete or team win. And in Spain's case, we've never had it so good: Spain won the UEFA 2008 European Soccer Championship last summer and the men's basketball team took silver in the Beijing 2008 Olympic Games, losing out to the United States. That is not to mention the country's global sports superstars in Formula 1, motorcycling and tennis.

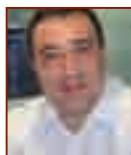
This influences television and radio programming above and beyond the sports broadcast itself: it is omnipresent in the media. What country other than Spain dedicates nearly a third of its daily TV news bulletins to sport?



**Consumers' rejection of brands in sport.** Just as there is a backlash against advertising saturation in mainstream media, might something similar be occurring in sports? Research in several countries refutes this: consumers seem to be favorably predisposed toward brands that support sports. The broad consensus is that brands' support is fundamental to sports' survival, so much so that it is an essential element for the media.



**Absence of tools to measure ROI.** In the mid-1990s, advertisers were often reluctant to invest in sports sponsorship due to the lack of rigorous tools for measuring return on investment (ROI). Investment in conventional advertising media could be more or less measured, or there was at least a consensus between advertisers and advertising agencies over metrics and models to evaluate every euro invested on TV, for example.



**Javier Mancebo**  
Director of Strategy and Development,  
Havas Sports and Entertainment



**Prof. José Luis Nueno**  
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## The collapse in Spain of a medium regarded as unassailable cannot be explained by audience figures, stars, rejection or the lack of measurement tools.

In sports sponsorship, however, the approach to its impact was more "artistic." This lack of measurement currency was a burden, especially since the cost of organizing sports events was rising while sport's global impact was increasing. Faced with the heightened need to demonstrate sport sponsorship's profitability and remove the fear of the unknown, qualitative analysis alone was not enough.

The situation is radically different today. Tools to calculate the impact of sports sponsorship have been reinforced and developed in the last few years. Over a 10-year period, the overdependence on press clippings and managers' intuition in evaluating the results of each investment have been supplemented by quantitative and qualitative processes and models which calculate ROI and return on objectives (ROO).

Proof of this is that nearly all specialized agencies in the industry, such as media agencies and sports event organizers, offer rigorous measurement in some format. In conclusion, the collapse in Spain of a medium regarded as unassailable cannot be explained by audience figures, stars, rejection or the lack of measurement tools.

### What has triggered this crisis?

To answer this question, we must look back to the beginning of the last decade and analyze the factors that created the sponsorship "bubble" in Spain.

The sponsorship industry in Spain experienced a "Big Bang" in 1992 when two events took place in Spain that offered Spanish businesses global reach: the 1992 Barcelona Olympic Games and Expo '92 Seville. Many brands, in an attempt to avoid saturation in conventional media, embraced sponsorship as a way to differentiate themselves and tap into the positive values associated with sport while avoiding saturation-related rejection.

The sponsorship bubble was further fed by the real estate bubble and rising private consumption in Spain from the mid 1990s onward. Advertisers had the budget to invest in conventional advertising and "experimental" media. There are at least three types of sponsor profile:



**Sponsors of conviction.** These are brands that have traditionally been present in sports. The most established

were usually sporting-goods firms, energy companies, car manufacturers and others. Over the years, however, sport sponsorship has ceased to be their exclusive hunting ground. The sponsorship club now counts among its members several highly committed global brand owners with plenty of experience and know-how, especially in the United States. These brand owners are aware of the potential benefits and know their way around the sector.



**"Me-too" sponsors.** These brands are generally industry leaders with little or no experience of sports sponsorship. They tend to join the fray after seeing the positive results enjoyed by other companies. The economic boom helped prompt previously reluctant brands to experiment in this area in a defensive attempt to find differentiators that would help them stay ahead of the competition.



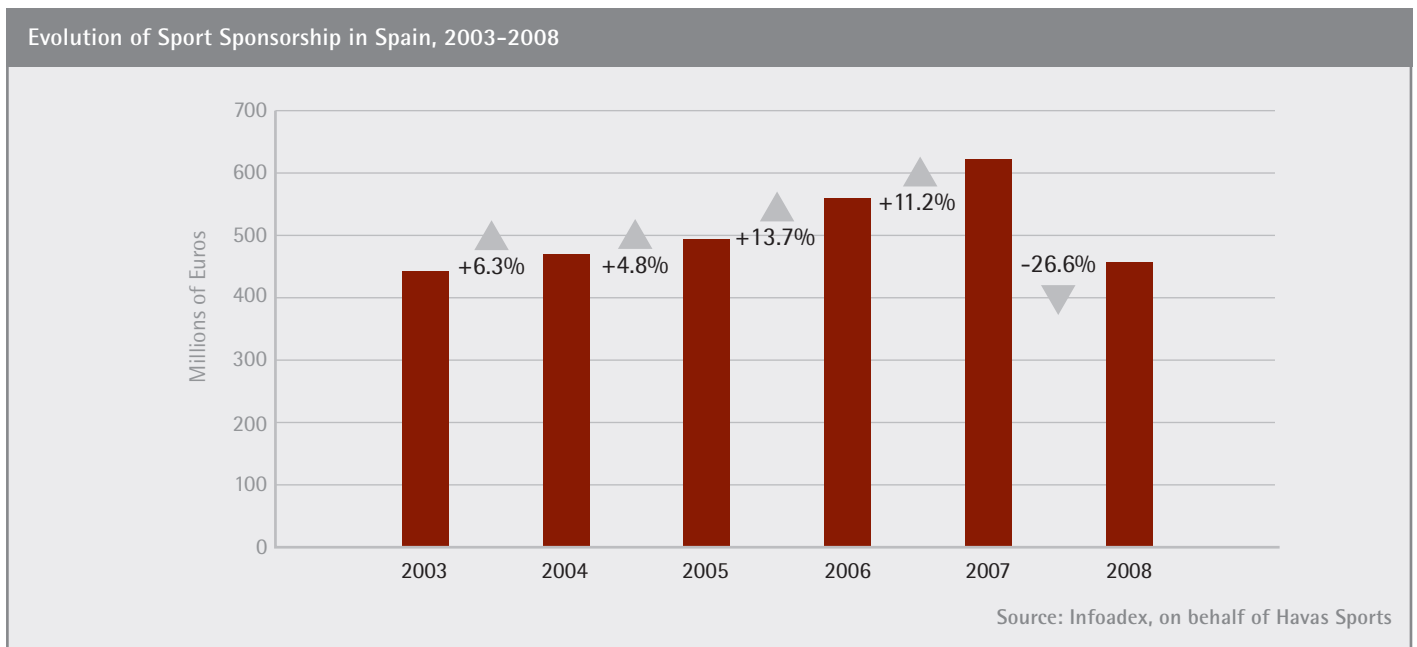
**Fair-weather sponsors.** These are brands within industries that benefited most from the economic boom. This group includes construction companies, banks and insurance companies. It is important to point out that other brands within the construction and financial services industries belong to the "conviction" and "me-too" group. But the majority of latecomers to sport sponsorship would never have dipped their toes in if it were not for the abundant financial resources brought by the economic boom.

Broadly speaking, the "sponsors of conviction" increased their presence while the "me-toos" and "fair-weather" brought additional cash injections to the party, creating the sport sponsorship market bubble. The data from Infoadex shows that this bubble has now burst.

### How does the crisis affect brands and their investments in sponsorship?

The underlying problem is the crisis in consumption. What all advertising media need to do most right now is to help brands sell. Unlike conventional promotional media, sponsorship is not a direct sales tool. Investments in sport sponsorship have clearly established goals, as in other advertising media, but also affect the brand's image because it becomes associated with the sponsored agent's image. If the sponsored agent is successful, the brand owner can aim to exploit the association commercially and achieve increased sales.

Sponsors of conviction will continue to support strategic events and athletes, but they may scale back their commitment.



In times of crisis, brand owners dedicate their advertising budgets to solving short-term problems (driving up sales) and postpone their medium- and long-term goals (image and notoriety).

### How will brand owners react in the current situation?



**Sponsors of conviction.** The likelihood of them shelving sponsorship plans are slim, as their brands, promotional strategies and sport are inextricably linked. They have become pickier, however, and will only invest in what is demonstrably incrementally differentiated. Spending on sport sponsorship will drop and the inertia that typified the media just three years ago is now gone. Sponsors of conviction will continue to support strategic events and athletes, but they may scale back their commitment.



**"Me-too" sponsors.** Most of these will revert to where they were before the boom: they will "disinvest" their sponsorship deals and concentrate on other marketing activities focused on helping them achieve their short-term goals.

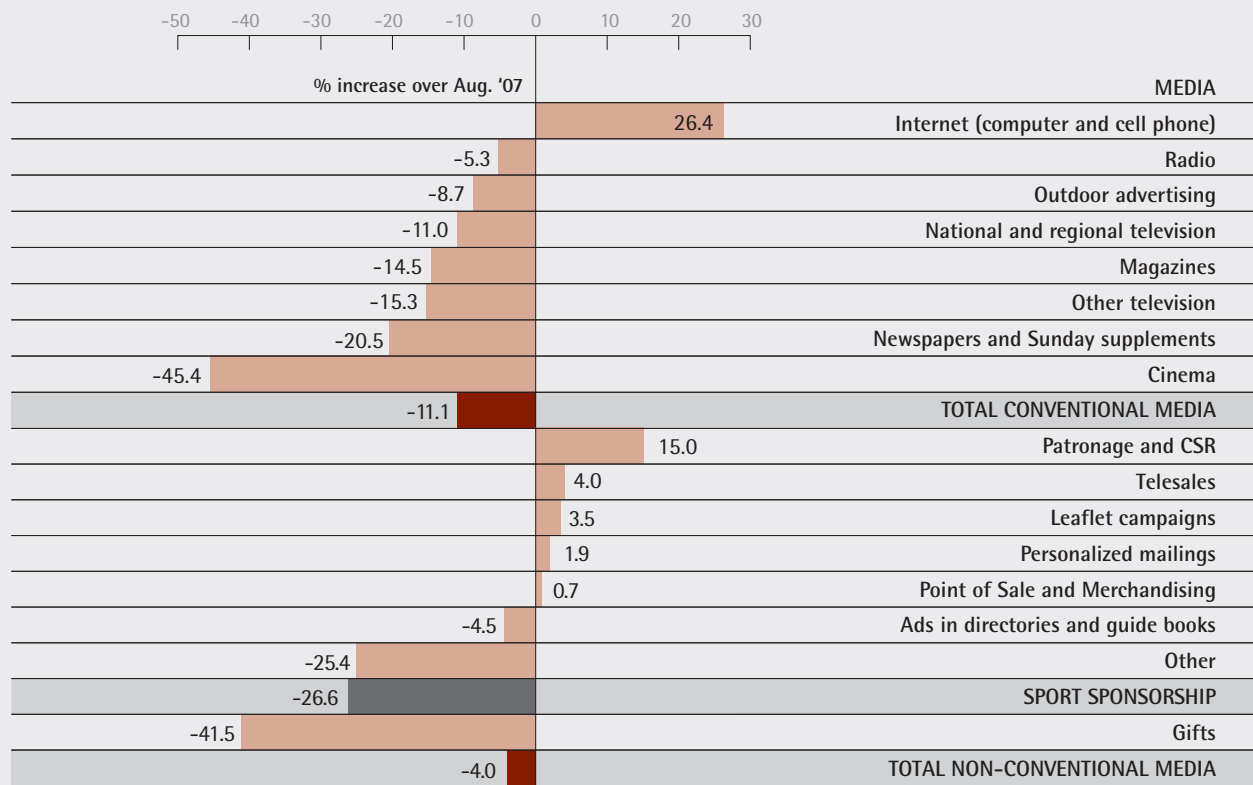


**"Fair-weather" sponsors.** The outlook for fair-weather sponsors is more pessimistic, as they are among those most affected by the crisis (the construction industry in particular). It's no longer a question of choosing what to invest in; it's a question of survival. This category, however, includes big brands in the financial sector, which have been investing heavily in sponsorship. If these companies stick with sponsorship in these rough times, their brands could become "legendary" when they emerge from the recession. They could thereby choose to consolidate their presence now when sports sponsorships deals are more favorable.

The sum of these factors – less cash from long-established sponsors while newcomers head for the exit – explains the disproportionate collapse in this market. There are two main consequences of this investor exodus.

We hear about sponsors abandoning both high-profile and minority sports every day. In the short and medium terms, minority sports will be the most exposed to the downturn. While sponsor-

## Advertising Expenditure in Spain, 2008 versus 2007



Source: Infoadex, on behalf of Havas Sports

ing a minority sport may be cheaper, it also generates lower ROI. As a result, the long-established sponsors are rationalizing and concentrating on deals that will give the most value. We have already seen events canceled and even disappear in sports as well as in other areas such as music.

Minority sports, smaller clubs and nascent sports stars – or even athletes on their way out – allow for more granular targeting, though. They are a lot more sensitive to shifts in goodwill and are more dedicated to the brands that sponsor them than high-profile clubs and athletes.

In the last few years, sports have evolved in such a way that, whether they win or lose, sportsmen and women can be more profitably managed. In all certainty, some brands will take advantage of the current adverse economic environment to get involved at the end of the cycle.

The lack of private investment is creating an inflow of public investment. During 2008, regional and central government bodies in Spain became the main engine of sponsorship in the country. These institutions find themselves between a rock and a hard place, as the collapse of certain clubs and sports events is not easy to manage from a public relations point of view. This helps the minnows of the sports industry stay afloat, exactly the opposite of privately funded initiatives.

In conclusion, how can we take advantage of a market that shrank by over a quarter in 2008 and is forecasted to contract even further in 2009? There are at least four possibilities:

**Look to the long-term:** it is easy to take the short-term view, but we need to think in the medium and long terms. There have never been so many possibilities to use sports sponsorship to connect with consumers. Medium-sized brands can build their image with deals and sports stars that would have been beyond their budget a year ago.



**Planning ahead:** have a clear idea of the company's objectives and look out for sponsorship deals. In the current environment we need to be more cautious than ever and take advantage of the fact that stringency pays off in a buyers' market. Before deciding to enter the sports sponsorship arena, you need to first decide whether this is what your brand really needs and how the brand owner plans to exploit it. Many brand owners have poured millions into sponsorship only to find after signing the deal that they do not know how to get value out of their investment.



**Use communication:** putting a logo on a T-shirt or a billboard is not sponsorship. It is outdoor advertising and generally not very effective. Sponsorship has to be incorporated into the brand owner's communication efforts. It is a symbiotic relationship whereby both the sponsor and the sponsored agent maximize benefits and needs to be developed. Think about PARTNERSHIP and go beyond SPONSORSHIP. Failure in these two areas is one of the main reasons sponsorship deals break down and why many brand owners regard this marketing tool with skepticism.



**Be patient:** Notoriety and image are two issues that call for in-depth efforts from investors. No one should expect to invest in sponsorship and get results the following month. The sponsorship deal must be given time to become "embedded" in consumers' minds in order to establish the link between the brand and the object of sponsorship. If a brand is under pressure to get immediate results, it would be ill-advised to dedicate either efforts and funds to sports sponsorship.

In conclusion, sports sponsorship is in crisis and this is more apparent in Spain than in any other market. This slump was triggered by the global downturn but the sheer magnitude of its fall makes it more dramatic. This is the result of the bursting of the sport-sponsorship bubble, which was fed by fair-weather sponsors joining the fray toward the end of the growth cycle. It cannot be said, however, that sports sponsorship as a marketing tool is in crisis in any way. ■





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When the economy slows down

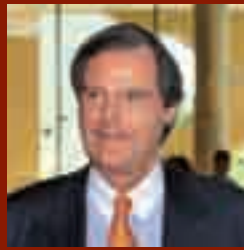
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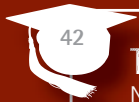
# highlights\*

## 26 Navigation Skills

In this issue of IESE Alumni Magazine, we asked a wide range of faculty members for their advice to alumni on managing their careers. Some highlighted specific topics depending on their areas of expertise. But all were in resounding agreement on one point: the importance of having what Yih-teen Lee, professor in the Department of Managing People in Organizations, defined as, "a clear long-term goal which directs our energy and provides meaning to our life."

## 36 "A Magnificent Person"

Colleagues, staff and alumni of IESE were saddened by the news of the death of Eduardo Ballarín, Nissan Chair of Corporate Strategy and International Business, on April 27. Prof. Ballarín died of a heart attack at his home in Madrid aged 62. He was married and had three children.



## 42 The Global Alumni Reunion Goes "Stateside"

New York: two words that evoke vivid images of a city bursting with life, culture and enterprise. As a center for international business, it is a fitting host for the 2009 IESE Global Alumni Reunion on Oct 10-11.

## 56 Looking to the Future

Members of IESE's International Advisory Board met on the Barcelona campus on April 17 to deliberate recent shifts in the business world, and more specifically, the future of management education. The board includes 29 members from diverse countries, all prominent business and civic leaders.

## 60 Working Toward Shared Goals

IESE hosted its 22nd annual meeting of IESE Sponsoring Companies at the Barcelona campus on May 18. IESE's sponsoring companies provide invaluable support for the school's long-term research projects, faculty development, library improvements, scholarships and campus expansion projects.





IESE FACULTY REFLECT ON CAREER MANAGEMENT

# NAVIGATION SKILLS

In this issue of *IESE Alumni Magazine*, we asked a wide range of faculty members to give advice to alumni on how to manage their careers. Some highlighted specific topics, depending on their areas of expertise. But all were in resounding agreement on one point: the importance of having what Yih-teen Lee, professor in the Department of Managing People in Organizations, defined as, “a clear long-term goal which directs our energy and provides meaning to our life.”

# M

ark Albion, author, venture philanthropist, former **Harvard Business School** professor and speaker at this year's "Doing Good and Doing Well" conference, quotes the following parable in his book *More than Money: Questions Every MBA Needs to Answer*.

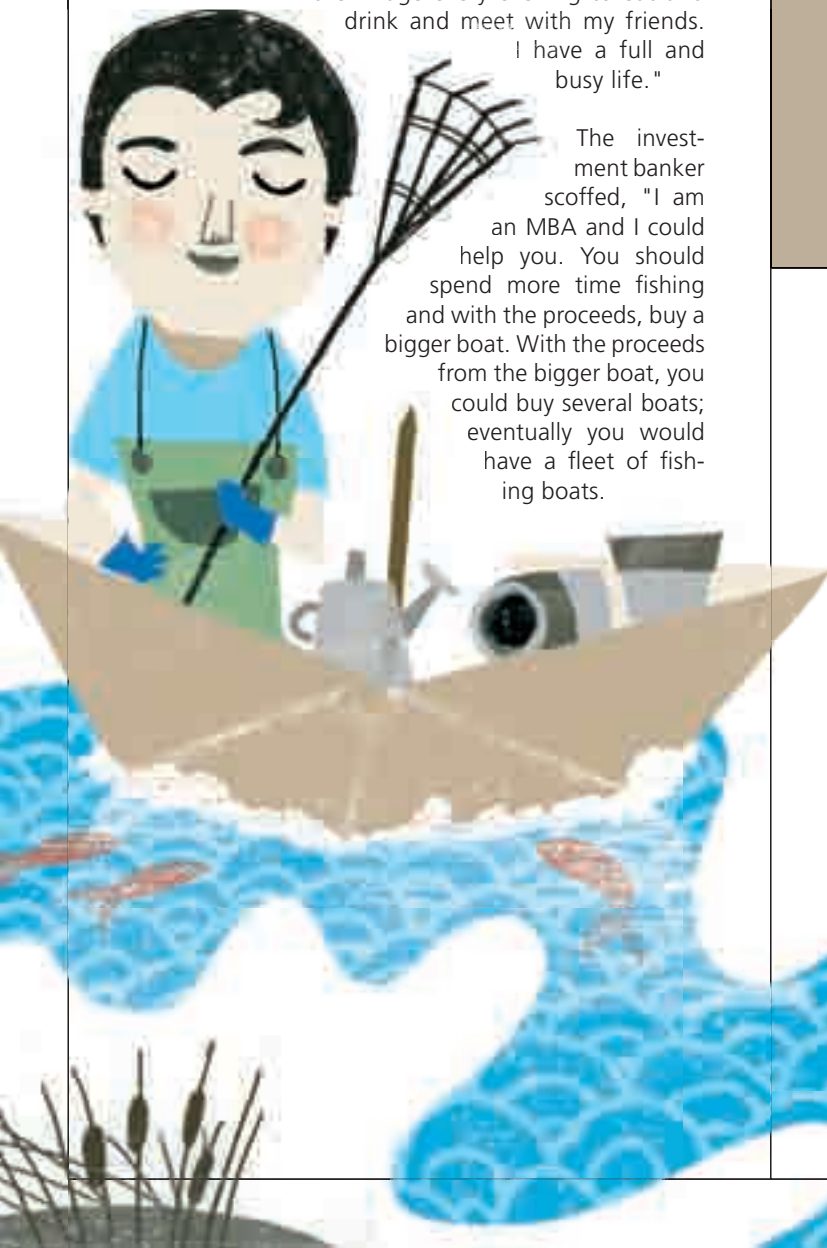
An investment banker was at the pier of a small coastal village when a fisherman docked his small one-man boat. Inside the boat were several large tuna. The banker complimented the fisherman on the excellent quality of his fish and asked how long it took to catch them. He replied, "Only a little while."

The investment banker asked, "Why didn't you stay out longer and catch more fish?" The fisherman said he had enough to support his family's immediate needs. The financier then asked, "But what do you do with the rest of your time?"

The fisherman said, "I sleep late, fish a little, play with my children, take a siesta with my wife, stroll into the village every evening to eat and drink and meet with my friends.

I have a full and busy life."

The investment banker scoffed, "I am an MBA and I could help you. You should spend more time fishing and with the proceeds, buy a bigger boat. With the proceeds from the bigger boat, you could buy several boats; eventually you would have a fleet of fishing boats.



"Instead of selling your catch to a middleman, you could sell directly to the processor, eventually opening your own cannery. You would control the product, processing and distribution. You would need to leave the village and move to the capital and eventually to New York or London where you would run your expanding empire."

The fisherman asked, "But how long will this all take?" The investment banker replied that it would take around 15 to 20 years. "But then what?" asked the fisherman. The investment banker laughed and said, "That's the best part! When the time is right, you would announce an IPO and sell your company's shares on the stock exchange and become very rich. You would make millions!"

"Millions...but then what would I do after making millions?" asked the fisherman.

The banker said, "Then you would retire. Move to a small coastal fishing village where you would sleep late, fish a little, play with your kids, take a siesta with your wife, stroll to the village in the evenings where you could eat and drink and meet with your friends."

## The parable throws up a number of fundamental questions on how we measure success and prompts us to reflect on our motivations.

Alumni may not be attracted to the fisherman's lifestyle, despite his highly attractive work/life balance. But the parable does throw up a number of fundamental questions on how we measure success. It also prompts us to reflect on what motivates our career decisions, and whether the way we manage our careers is a true reflection of our desires and expectations.

In this issue of *IESE Alumni Magazine*, we asked a wide range of faculty members to give advice to alumni on how to manage their careers. Some highlighted specific topics – such as networks – depending on their areas of expertise. But all were in resounding agreement on one point: the importance of having what Yih-teen Lee, professor in the Department of Managing People in Organizations, defined as, "a clear long-term goal which directs our energy and provides meaning to our life."

In principle, IESE alumni should have a head start in this field. After all, decision making is a critical focus of virtually all of the school's

programs. And alumni have the benefit of ongoing education, which further helps them to make informed, measured decisions about their future, right?

**"There are many people with all the external appearances of success who are dissatisfied with their lives," Prof. Nuria Chinchilla said.**

In reality, though, alumni's career management can be piecemeal and reactive, according to Prof. Lee's departmental colleagues, Profs. Nuria Chinchilla and Steven Poelmans. "Often [MBA] students have one offer that is the most attractive in monetary terms or it is with a prestigious company with a strong brand. That gives the student a sense of self-affirmation. It looks good and it sounds good but it is not always that good," Poelmans said.

"In this day and age, we focus heavily on the quantifiable, believing it to be the only measure of success we need to be happy," Prof. Chinchilla said. Chinchilla notes that the signs of "external success" – the high salary or the executive position at a prestigious firm – are easy to measure and quantify. But "internal success," the level of satisfaction about one's life, for example, is much more intangible.

"There are many people with all the external appearances of success who are dissatisfied with their lives because they are not doing what they really want," Chinchilla said.

Mike Rosenberg, professor in the Department of Strategic Management, explained how many people end up there. "Say you are an MBA student and someone mentions investment banking and you think, 'Yeah, OK' but you don't give it a lot of thought. So you put your boat in the investment banking river and the river carries you along."

"Then you approach some rapids and you have to focus all your attention on keeping your boat afloat. You abandon your friends, neglect your spouse and your children. If investment banking is your true passion – if you are in the right boat for you and in the right river – you'll ride out the rough. But if it's not, you are going to hit the rocks at some point."

The solution, according to Rosenberg, is not to try and paddle upstream against the current. "You need to get your boat out of the river, carry it to another river and then put it back in."

## IDENTIFY THE TARGET

That can mean thinking long and hard about what you want to do with your life, identifying that "clear long-term goal," as defined by Prof. Lee. "Self-knowledge is important in this process," Santiago Alvarez de Mon, professor in the Department of Managing People in Organizations, said. "[Your career plan] should be genuine and original and yours alone; not a photocopy of anyone else's."

Prof. Chinchilla also highlighted the importance of self-knowledge as the foundation for this process. "First of all, you need to know who you are and how you are. Then you can identify the unique and unrepeatable personal mission that is inside of all of us."

Luis M. Calleja, professor in the Department of Strategic Management, suggests that alumni take a wide view when identifying their long-term goal. "You need to mull things over in your head, experiment and try things out, and investigate 'hidden opportunities' in other sectors that require similar skill sets to your own."

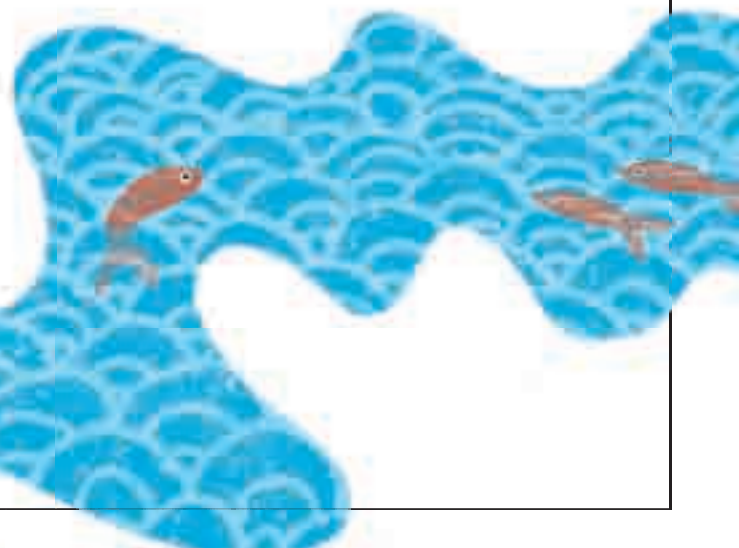
Prof. Chinchilla points out that part of this process is personal, but another part of the process consists of accepting feedback. Here, IESE faculty can lend a hand. "I help participants reflect on their career progress and desired future in light of their personal and professional priorities," Marta Elvira, professor in the Department of Managing People in Organizations, said. "That reflection process helps develop challenging, yet inspiring, career action plans."

The importance of accepting feedback is especially true if the decision will impact the lives of others such as spouses and offspring. "Couples need to share criteria," Prof. Poelmans said. "They need to be explicit about what they are happy to accept or not. This is the most typical mistake of MBAs," he added.

Poelmans indicated that this process could enhance alumni's decision-making processes, as well as avoid recriminations or misunderstandings further down the line. "Once we can include the criteria of others, we become better decision makers – as managers and spouses – because we are able to look at things in a broader sense."

## A ROAD MAP TO YOUR LONG-TERM GOAL

Rosenberg offers alumni a framework for this process. (See Figure 1). "Ask yourself, 'What is my passion?'"



Then alumni need to look at their résumés: that is their current skill set mapped out for them. Alumni also need to honestly identify their restraints. Are you willing to work “anywhere in the world” or “anywhere in the world with a French lycée and a highly developed health care system?”

The strategic management professor then suggests alumni ask themselves a question that may contradict with their instincts. “Ask yourself: ‘how much money do I need to run my life?’

Many MBAs, especially male MBAs, benchmark themselves purely on how much money they earn, not what they need,” he said.

Once alumni have put everything into the mix, they should identify a job function, an industry and a city they would like to live in. “It’s got to be that narrow or it will not work,” he said.

That said, Rosenberg and his faculty colleagues stressed that, given the current economic panorama, now is not the optimal time to strike out looking for your dream job. “We have to be realistic: there is no beautiful sky out there,”

Prof. Poelmans said. “Finding a job in a crisis can force people to become more creative, though, force creative behaviors,” he added.

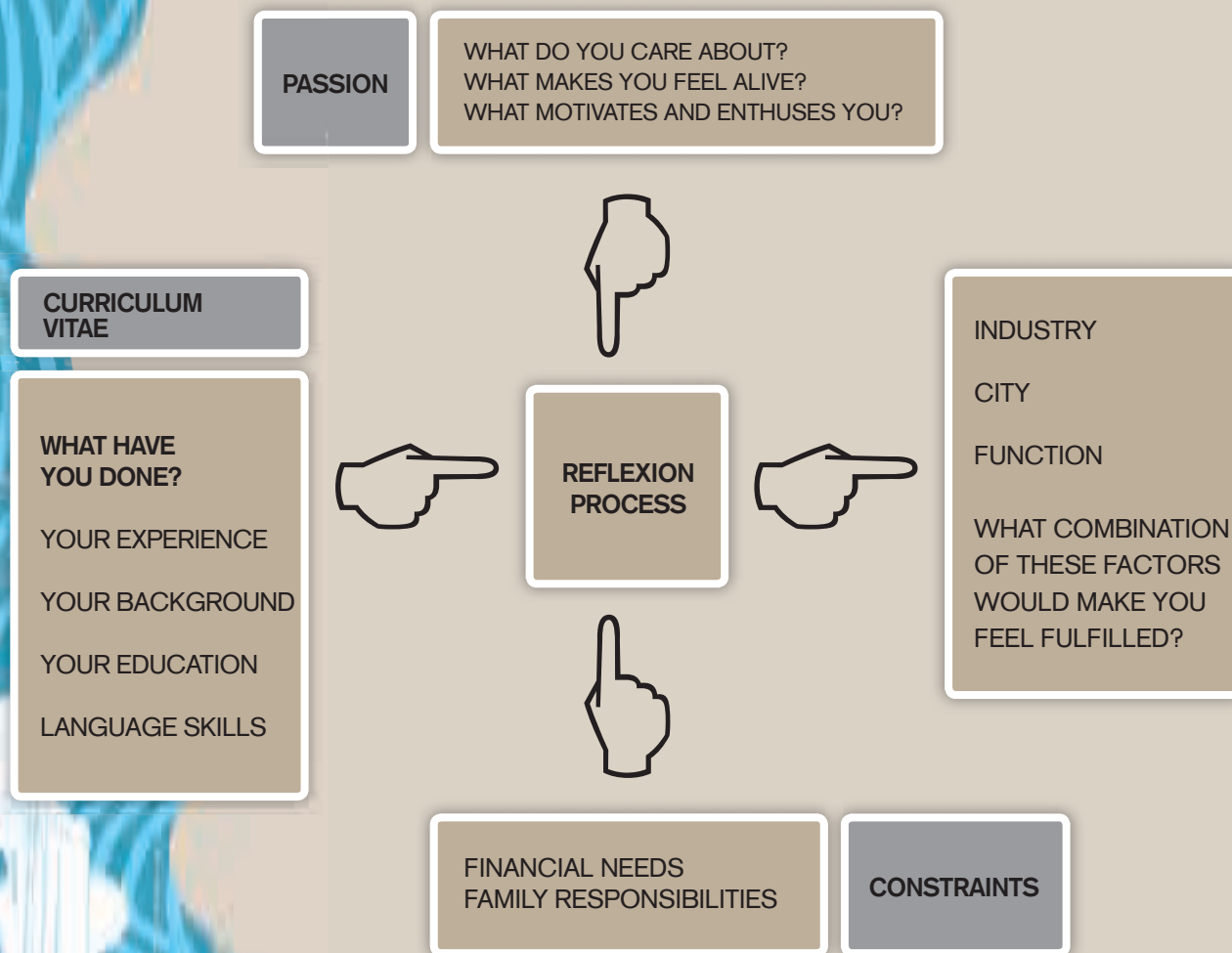
For aspiring entrepreneurs, however, a crisis can actually provide the ideal backdrop for pursuing one’s ambitions.

“Recessions are the best time to start new companies,” Fabrizio Ferraro, professor of strategic management, said. “Many smart people are willing to take a risk [during a recession] given that their ‘safe jobs’ may not be so safe after all. And many of the resources you need to get started will be available at better prices.”

But in terms of looking for your ideal job, Poelmans said that what is important is to identify your long-term goal and “keep that light burning, keep that dream alive.” By any means, faculty generally agreed that alumni are unlikely to tee off and then score a hole-in-one when reaching for their long-term goals: it may take four or five strokes to reach the flag.

“Imagine you are a tourist,” Alvarez de Mon suggests. “You’ve got a reliable map to depend on and your destination is clearly marked. But if you spend all your time with your eyes stuck on the map, if you don’t look up every now and again and look around, you are not going to enjoy the journey and you could miss opportunities,” he said.

**Figure 1. A Due Diligence Process for Career Management**  
Prof. Mike Rosenberg





Prof. Lee, who mentors participants in the Global Executive MBA on career management, agreed that it is important to consider career development in a flexible manner to be able to react to circumstances. Borrowing from traditional Chinese philosophy, Lee also proposes participants take a circular rather than linear approach to career management.

"Certain detours may at first sight seem to be leading us away from our initial goals... But a flexible point of view helps us to accept and benefit from such detours, whether voluntary or involuntary." As before, what is important is to identify your long-term goal and keep moving toward it.

**"Don't just network with people you know - build bridges. Ask yourself which groups you can unite," Prof. Steven Poelmans said.**

## CAST YOUR NET WIDE

IESE's alumni network is another useful resource that alumni have in their toolbox. The IESE Alumni Association organizes a number of networking events such as the annual Global Alumni Reunion (see page 86), MBA Alumni Reunions (see page 76) and the Continuous Education events (see page 82).

On top of that, the IESE Alumni Association recently launched its alumni portal, which was created based on feedback from alumni on which services are most important to them. And faculty from the department of Managing People in Organizations is preparing an executive career development program based on academic research.

However, faculty made it clear that when it comes to networking, it is up to alumni themselves to make it work and this requires effort. As Prof. Elvira pointed out, when it comes to networks, IESE's alumni community as a group is greater than the sum of its parts. "The better the entire alumni cohort does, the more alumni help their own branding."



Beyond keeping in contact with your class peers, Prof. Poelmans suggests alumni extend their networks. "Research shows that one's network is strengthened when one works to bridge the structural gaps in one's network," he said.

For example, you are a member of the IESE Alumni Association's Japan Chapter and you accept a post in Brazil. If you work to bring the Japan chapter and the Brazil chapter together, this strengthens your network and the network as a whole. Poelman's message is: "Don't just network with people you know – build bridges, ask yourself which groups you can unite."

In a similar vein, Prof. Ferraro also suggests IESE alumni take a selfless approach to networking (see Figure 2). Ferraro is a globally-recognized expert on networking. His research on the "small world" phenomenon confirms the commonly-held belief that strong social ties are crucial in successful businesses and careers. Alumni can read more about his findings on *IESE Insight*, the school's knowledge portal.

"Social relationships are created by providing and receiving help," Ferraro points out. As a result, the professor of strategic management suggests that we don't start by asking, "but rather by helping others."

Ferraro quotes Keith Ferrazzi, a former CMO of **Starwood Hotels, Harvard Business School** MBA and author of *Never Eat Alone* to illustrate his point. "Those who are best at networking don't network ... they make friends. They gain admirers and win trust precisely because their amicable overtures extend to everyone. A widening circle of influence is an unintended result, not a calculated aim."

This is perhaps something alumni should bear in mind when building one's "personal reputation," as Alex Herrera (MBA '97), IESE's director of Career Services termed it. "Getting to your long-term goal is a question of managing your personal reputation," he said. "For example, MBA students are building their personal reputations with their peers and faculty throughout the 2-year program."

While faculty recognized the value of internet-based networking tools, the majority felt that the most effective networking is done in person, not virtually. Ferraro pointed out that research since the 1950s shows that most social relationships start because of physical proximity. "You may need to be physically close to those with whom you want to develop relationships," he suggested.

This may present a challenge for women executives, according to Prof. Chinchilla. "Men tend to spend more time networking with colleagues on the golf course or in other similar environments, but women tend to socialize with friends outside their professional circle... This is relevant when keeping your hat in the

ring for leadership positions where out of sight can mean out of mind."

Nevertheless, Prof. Alvarez de Mon warned alumni to get their priorities right with respect to networking. "One shouldn't spend too much energy on working the room at the cocktail reception or constantly lobbying decision-makers...The most important thing is to do your job well."

**"You've got to make sure your team is learning all the time. People are happy when they are learning," Prof. Rosenberg said.**

## MANAGING OTHERS

As alumni gain greater responsibility in their organizations, an increasingly important aspect of their professional aptitude is their ability to inspire others to work well.

In other words, alumni's professional success depends on their ability as a team leader. "The executive must ensure that his or her team works better day by day," José M. Rodríguez, professor emeritus of the Department of Managing People in Organizations, said.

For Profs. Poelmans and Alvarez de Mon, the key here is to know your team members. "Humans are complete beings. Only if you know what makes them tick can you further develop their abilities to the company's benefit. Recognize each individual's unique talents," Poelmans said.

Prof. Rosenberg cites the work of the late IESE Prof. Juan A. Pérez Lopez, who was deeply concerned with the development of people in organizations, in identifying the key to motivating team members. "You've got to make sure your team is learning all the time. People are happy when they are learning," he said. "There are IESE courses that can help with that, for example, the Advanced Management Program (AMP)," he added.

For Helen Wilkinson, an associate researcher at IESE, ensuring that your team members are learning is a win-win situation for the company. "I don't think there is a better way to attract talent than by working

to ensure that your company provides the best conditions to learn and develop professionally," she said.

And for José R. Pin, professor in the Department of Managing People in Organizations, good team leaders are responsible for their team members beyond the employee's useful life for the firm. "If the company cannot adequately develop the employee's career, it should help him or her to leave the company... The company should view ex-employees more as alumni than rejects. Ex-employees can be future clients and an anchor for the future."

Looking closer to home, some faculty members had advice for alumni on helping their children manage their careers. "Don't just look at the demand side of the equation," Prof. Poelmans said. "Don't think, 'there's high demand for doctors so medicine is a good degree for my child.' Look at the offer side, too. What are they good at? And recognize that they are unique; not another version of you or your spouse."

## IN THE MEANTIME

Managing one's career means more than just identifying and working toward a long-term goal, ensuring that team members are stimulated and learning, and maintaining connections. Alumni also need to ensure that their careers do not become unmanageable and infiltrate every aspect of their lives.

Prof. Poelmans and Prof. Chinchilla, director of IESE's International Center for Work and Family (ICWF), point to the center's research on how to find a balance between the professional and home environment. "Work will creep into any cracks you leave open, so you need to be very disciplined about protecting your time for family," Chinchilla said.

**"The company should view ex-employees more as alumni than as rejects. Ex-employees can be future clients," Prof. Pin said.**

This can be easier said than done and Poelmans points to research in the field of positive psychology for insights on how to achieve it. This branch of psychology focuses on the empirical

study of areas such as positive emotions and strengths-based character rather than on manifestations of negative behavior, such as stress-induced breakdowns.

"Positive psychology studies into long working hours and stress show that the most successful executives leave the stress behind once they cross the threshold of their home," Poelmans said. To achieve this separation, the professor added, you need to be conscious of the fact that work-related stress is affecting you.

You also need to establish a routine or ritual that allows you to transition from one state to another. "Some examples are taking the train home, listening to some relaxing music on your way home, taking a shower, changing your clothes, or spending some time in the garden," Poelmans said.

But going beyond tips and tricks to resolve the conflict between work and life, Prof. Chinchilla notes that,

"These two spheres of the professional and the personal life are increasingly viewed as mutually enriching."

Prof. Poelmans points to research carried out by the **Boston Consulting Group** and the **European Association of Personnel Managers**. The study found that for young people in Eastern Europe, work itself gives meaning to their life. "For them, it is more important to work in an organization that you respect and allows you to realize your purpose," he said.

In short, one of the keys to finding balance between your personal and professional life is to ensure that your job is aligned with the "clear long-term goal that directs our energy and provides meaning to our life," as Prof. Lee stated. "We see more and more MBAs adopting this point of view; they want to integrate work and life," Poelmans said. "It is not a coincidence."

*Marcella Moohan*

## Figure 2. Build Relationships, Not Networks Prof. Fabrizio Ferraro

**Reciprocity** is a fundamental rule of social relationships: when others help us, we are more likely to help them. Social relationships are created and maintained by providing and receiving help.

**Networking insight:** Do something for others! Don't start by asking, but rather by helping others.

**Similarity** is another key principle of social relationships. Simply put, we are more likely to befriend people who are similar to us in a number of ways such as language, interests or attitudes.

**Networking insight:** While this might seem a barrier to getting to know new people, it is important to remind ourselves that it is always

possible to find common interests with others.

**Proximity.** Since the early 1950s we have known that most social relationships start because of physical proximity: the best predictor of friendship is how far you live from someone (or how far your office is from someone).

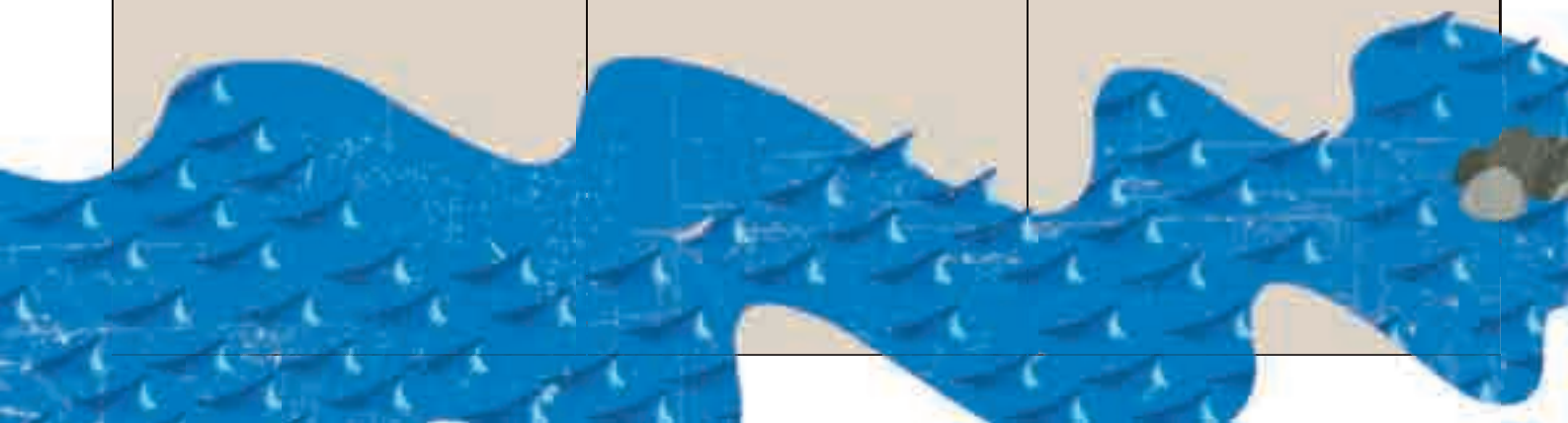
**Networking insight:** you might need to be physically close to those with whom you want to develop relationships. Networking events might help, but often more casual occasions are better.

**Longevity.** Relationship building takes time, and you cannot really compress this time just by doing it faster.

**Networking insight:** start building your network before you need it. Once you are looking for a job, or a business opportunity, you have either done your networking homework or it is too late.

**Sociability.** Energy and passion are contagious and spread through social encounters. One key to social relationships is the extent to which you enjoy socializing for its own sake.

**Networking insight:** Have fun meeting new people! If you do it only to "build a network," it's not going to work.



# THE SEVEN STEPS TO SUCCEED

The IESE Alumni Association is to launch a new online platform named SUCCEED in September that will help alumni advance along their career paths. Mireia Rius, director of the Alumni Association, led a team of association staff, IESE faculty members and experts in career management in developing the project. She explains the platform here.

"We realized how much alumni appreciated guidance in this field when we were organizing a special series of sessions on professional development as part of the Continuous Education Program," Mireia Rius, director of the Alumni Association told *IESE Alumni Magazine*. "We wanted to offer a tool that would enable us to reach all alumni, regardless of their geographical location," she added.

Alumni will be able to find the online platform, named SUCCEED, in the Professional Development section of the association's recently launched new portal from the fall. "It is based on a holistic concept of the alumnus or alumna that goes far beyond providing mere technical knowledge and instead seeks to deliver a transformational impact on the individual, in accordance with IESE's core values," Rius said.

It may be one of the projects that has most enthused the Alumni Association team. When Rius discusses the new platform her face visibly lights up. "I don't think we have any favorite projects as such; we all put the same amount of effort into all the initiatives we are involved in," she said. "But this one is particularly special as career coaching is a common need of many alumni," she added.

Rius brings hands-on experience in career management as well as enthusiasm to the project: she worked in IESE's Career Services department and MBA Admissions before heading up the Alumni Association. The association's

director said the new career management tool would boost the quality of support that IESE has been able to offer alumni with respect to career development.

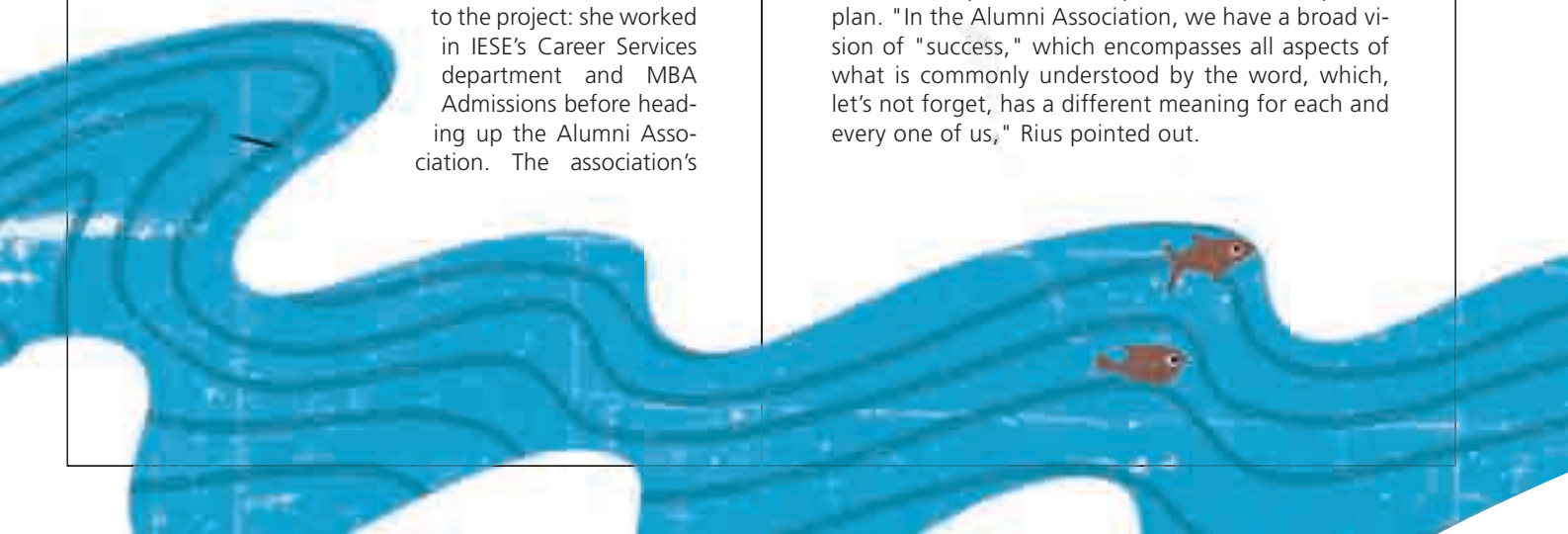
SUCCEED will not replace personal career counseling sessions but instead complement them. "It is an online platform, but it also features offline support. We believe in digital tools, but we also understand the importance of backing them up with personal support provided by a professional team.

"As a result, we will have staff on hand to provide face-to-face consultations with alumni at IESE's Madrid and Barcelona campuses. We also hope to gradually expand this service. In the meantime, the association will offer career guidance sessions via videoconference for those who live and work outside Spain," Rius said.

The new career management tool will appeal to a broad alumni base. "It could be particularly useful to those who are considering a change of direction in their career path, seeking a change of sector, company, or even their position within the same organization," Rius said.

However, it has also been designed to help those who want to improve their day-to-day performance. For example, if an alumnus or alumna is looking to develop their time-management skills, this platform will offer them support to do so. "It is a dynamic, constantly-involving project which will grow over time to meet the changing needs of our alumni," said Rius.

The platform's name, SUCCEED, is the acronym of the seven steps that make up the career development plan. "In the Alumni Association, we have a broad vision of "success," which encompasses all aspects of what is commonly understood by the word, which, let's not forget, has a different meaning for each and every one of us," Rius pointed out.





## **S**elf-Assessment

Knowing and understanding yourself is the best way to improve. That is why the first step is to take a diagnostic test to determine the two basic elements that map out your professional path: your personal-professional roots (career anchors) and what you value in your current work situation (need for change).

## **U**nderstanding the market

Every sector, function or professional stage in your career, works in a different way, and as a result requires a different approach. Understanding this will help you narrow your search and gain a basic understanding of your situation, allowing you to chart a more effective action plan. First-hand experience from people working in your envisaged ideal professional environment is also an invaluable source of information.

## **C**hoosing your options

Now that you know the key factors for determining whether or not you need to change your work situation (compatibility between your professional roots and your current work situation and personal preferences), it is time to create your Career Path Plan with a proper focus that allows you to discover the ideal career path for you: one in which work and enjoyment go hand-in-hand.

## **C**reating your brand

Knowing how to sell the idea you have in mind (your ideal professional position) is as important as the idea itself. To do this, you need certain tools to help you sell the professional project you have formulated.

## **E**xecuting your action plan

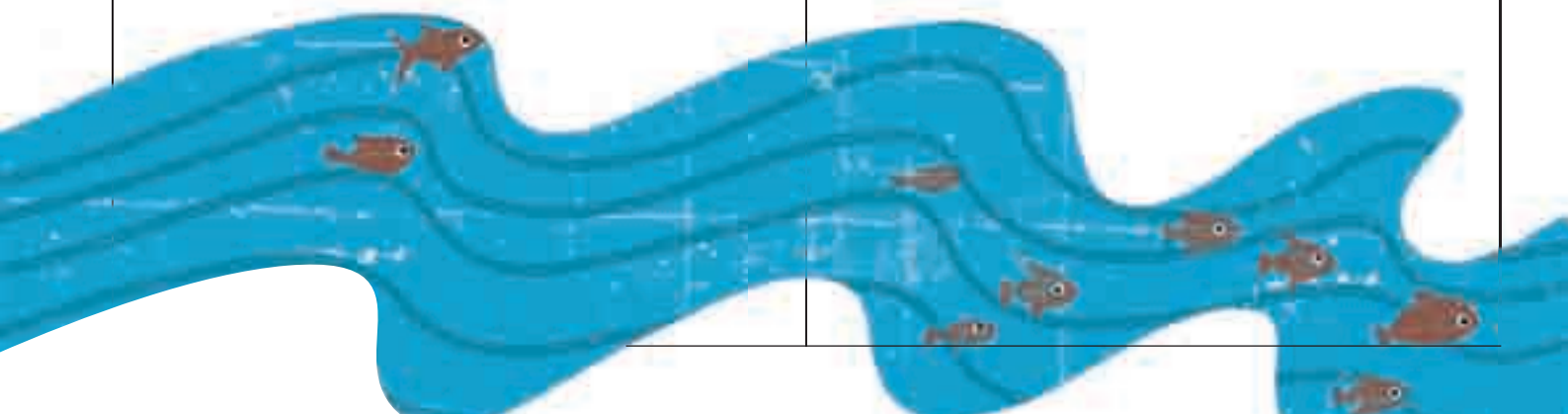
Using the following information, you should now create a very clear and detailed action plan. For this, you need to use specific exercises which help you to stay focused on the final objective you have set yourself.

## **E**valuating your opportunities

Evaluate all the elements – both legal and work-related – that come under discussion in a negotiation over a prospective job offer. Knowing the key elements and your own level of competence beforehand will give you a better chance at successful negotiation.

## **D**eveloping your future career plan

Once you have taken a new professional leap, regularly draw an analysis on a short- and long-term basis to make sure that you are achieving your professional objectives.



# "A Magnificent Person"

Colleagues, staff and alumni of IESE were saddened by the news of the death of Eduardo Ballarín, Nissan Chair of Corporate Strategy and International Business, on April 27. Prof. Ballarín died of a heart attack at his home in Madrid, aged 62. He was married and had three children.



The late Prof. Eduardo Ballarín in his natural habitat, the classroom.

Dean Jordi Canals lamented the loss of one of IESE's most valued faculty members earlier this year. Ballarín was "a true powerhouse in the school's pedagogical development," Canals said. The professor was also "a magnificent person, loyal and highly committed to his work here at IESE, which he always strove to carry out with the highest level of enthusiasm and professionalism," IESE's dean said.

Prof. Ballarín joined IESE in 1969 and was a valued member of the Department of Strategic Management. He held a doctorate from **Harvard Business School (HBS)** ('76) and a Ph.D. in Business and Economics from the **Universitat de Barcelona**.

The IESE professor maintained strong links with **Harvard** throughout his life. He was a member of the Harvard Business School-IESE Advisory Committee and President of the Harvard Club of Spain. He also founded the International Center for Competitiveness (ICC), a research unit closely linked to the Institute for Strategy and Competitiveness (ISC), led by Harvard Prof. Michael Porter.

Throughout his academic career, Ballarín published widely on strategy and organization with particular emphasis on the financial services and telecommunications industries. His books include *Commercial Banks Amid the Financial Revolution* (Ballinger, 1986), which was published in English, Spanish and Japanese. He was also the co-author of *Management Accounting*, a classic textbook that is in its 27<sup>th</sup> edition (EUNSA, 2000).

Firms in the telecoms and finance sectors such as **Alcatel**, **Bankinter**, **British Telecom** and **KPMG** sought his specialist knowledge on a consultancy basis. On top of that, he was actively involved in the mergers of several major financial institutions in Spain, including **BBVA** (Banco Bilbao-Vizcaya) and "**la Caixa**."

In addition, he served as IESE's Director of Research and Course Development and Chairman of the Planning and Control Department. From 1993 to '96, he was co-chairman of the Global Program for Management Development, an executive education program offered annually by IESE and the **University of Michigan**. He was also a Fellow of the **International Academy of Management**, and a founding partner of the **Strategic Management Society**.

**IESE PROF. SANTIAGO ALVAREZ DE MON**

## The Dignity of an Educator

The passing of Prof. Eduardo Ballarín took his colleagues and friends at IESE, myself included, by surprise. For years, Eduardo had been fighting a complex new disease. In the most virulent stages of his illness, his immense reservoir of didactic resources, knowledge and experience came to his rescue.

When I joined the IESE faculty in 1989, Eduardo was already Professor of General Management. He joined IESE in 1969 and completed his doctorate at **HBS** in 1976. He was holder of the Nissan Chair for Corporate Strategy and International Business, founding partner of the Strategic Management Society, a member of the HBS-IESE Advisory Committee and author of several books on strategy and management control.

But his impressive résumé does not begin to do justice to the scope and intensity of his career. Eduardo was a serious, shy and reserved man who became a different person in the classroom: it was his natural habitat. In this magical environment, his delicate and serene internal conversation gave way to a debate driven by intellectual freedom, high expectations and academic rigor.

And here, Ballarín embodies the epitome of the classic teacher, someone who marks a turning point in a student's life of learning. He was gentle and kind to his students, while being simultaneously tough and ruthless in the face of frivolity and laziness.

An avalanche of grateful memories clamors for attention in my mind's eye. As director of the Executive MBA program, I witnessed severe crises. It was amazing to see him carry out his duties and responsibilities with integrity and determination. When the road became unbearably steep, it was endearing to see how he would gather his thoughts in his office with patience and humility. We had adjacent offices in IESE's Madrid campus and I can say that Eduardo represented the dignity of the human spirit. He played down the importance of public opinion while constantly exploring what was at his core, his essence.

We once carried out a consultancy project together along with Profs. María Jesús Grandes and Nano Toro. Eduardo was the joint administrator of our fees and he suggested we go out to dinner with our spouses with the money that was left over. Austere and wise though he was, he recommended a luxury restaurant. Why not splurge for once! It was an enjoyable evening; I can still hear our peals of laughter at Nano's jokes. The others were so generous that we did it again on a further two occasions. Would it have been better to just split the profits? I am so glad we didn't. Thanks to Eduardo's initiative, memories of those unforgettable evenings will stay with me forever.

A universal Catalan living in Madrid and a diehard Barça [Barcelona FC] fan, his home was an oasis of freedom. He spoke proudly of one of his sons, a jazz musician, and with despair of another, a Real Madrid FC fan. I bid farewell with one clear certainty. His wife, Reyes, and their three children will not be the only ones to miss him. The academic com-

## Harvard Grieves with IESE

The Harvard community - in Spain, in the United States and worldwide - has suffered a great loss with the passing of Eduardo Ballarín.

For many years, Eduardo was an energetic member of the Harvard Alumni Association, where his kind manner and thoughtful presentations were instrumental in turning ideas and hopes into realities. After receiving his doctorate from **HBS**, Eduardo became a member of the Harvard Business School-IESE Advisory Committee (1980-2005) and was instrumental in promoting strong ties between the two organizations.

In 2003, as President of the Harvard Club of Spain, Eduardo hosted an event presided over by His Royal Highness the Crown Prince Felipe, an alumnus of **Georgetown University**. Eduardo delivered a passionate speech about Harvard to the 150 attendees, and presented the Crown Prince with a Harvard baseball hat and scarf. Prince Felipe took the "Harvard nudge" very well and even tried on the hat, much to the delight of all the attendees. This event epitomized Eduardo's ability to bring people together, his warmth and humor, and his love for Harvard.

His commitment to the university was evident throughout his eight years as President of the Harvard Club of Spain, and particularly so at last fall's European Club Leaders meeting in Madrid, where Eduardo helped to convene more than 50 club leaders from 20 countries across the region to discuss best practices on alumni engagement.

Here at Harvard University, Eduardo is remembered as a scholarly gentleman with an ironic sense of humor. He will be sorely missed by the Harvard community, his colleagues and friends, and of course, by his family.

John P. Reardon, Jr.  
Executive Director of the Harvard Alumni Association and Associate Vice President for University Relations  
Harvard University

munity has lost a great professor – an endangered species. The business community has lost a well-educated and no-nonsense consultant. And his colleagues at IESE have lost a good man, a true friend. Rest in peace, and *hasta siempre*.

#### IESE PROF. SANDALIO GÓMEZ

## Remembering a Colleague

When I pass by Eduardo's office, which has been next to mine for the last 18 years, it's not hard for me to imagine him sitting at his desk, surrounded by the huge puppets that had proliferated in the previous months due to the explanations of his cases, and enveloped in a haze of almost palpable silence and intensity. A thought escapes me, a memory, a skyward glance... perhaps looking out for the perpetually discrete presence of Eduardo.

Only a few months have passed and I miss him deeply. I feel a mixture of emptiness and completeness that converge at the same time in my memory. Forty years at IESE is both a long time and a blink of an eye. Forty years of discrete complicity, sharing work, closeness, tiredness, anecdotes, which he enjoyed recalling in private with a mixture of irony and satisfaction.

His characteristic silence, together with his smile, conveyed composure and inspired great respect and admiration in me. He has suffered in the last few years as only some can and he gave us, day after day, an example of the values that he personified, suffering in silence with admirable spirit. Eduardo gave of himself generously, especially in class, where he transformed into a genius. His students were astounded by his brilliance and commitment.

I will remember him always with that spirit that accompanied us a few years ago when we went for an impromptu jog at 4:00 a.m. in a hotel in Buenos Aires, escaping from a fire. At one point I suddenly stopped when I remembered I had left our case studies in the room. I suggested we turn back to save them from the flames. "An IESE professor is nothing without his cases," we both said at once. He looked at me with that spontaneous and surprised smile of his and I realized that my quip would stay with him forever. He often recalled, with laughter, that small anecdote.

Thorough, profound, enthusiastic, likeable, a great friend and colleague, a great professor from whom I learned a great deal and whom I will remember always

with special fondness and admiration. Thanks a lot, Eduardo.

#### IESE PROF. JUAN C. VAZQUEZ-DODERO

## The Professor Who Switched Departments

Eduardo Ballarín has left us. His work, professionalism, academic excellence and friendship will remain with us forever. Eduardo was one of those examples of dedication so common among IESE's faculty, of someone who always found time for everything, even moving departments. Let me explain...

It must have been 1972 when Eduardo, a research assistant in what was then the Department of Business Policy, was considering leaving IESE. Eduardo, who graduated top in his class, had joined IESE in 1969 and was immediately asked by Prof. Valero – head of that department – to coordinate a course on the "Economic and Social Environment" as part of the MBA program. It was no mean feat for a 22- or 23-year-old "boy" to tangle with future business leaders who were three or four years older and had already survived hard dialectic combat with the likes of Carlos Cavallé, Antonio Dionis, Juan A. Pérez López and José M. Villota, to mention just a few of the great teachers of that era.

I remember agreeing with Prof. Josep M. Rosanas, who was preparing to leave for a doctoral program at Northwestern University in Chicago, that the thought of Eduardo's leaving IESE was unfathomable. "Eduardo cannot possibly leave IESE," we said. It was clear we could not afford to lose such a great talent, but what could we do?

Perhaps we could snatch this young research assistant from Professor Valero (the only full "professor" in the organization at the time). Perhaps we could convince him to join the Department of Control Systems. But would he ever take such a backwards career step knowing that Control Systems was a functional department, whereas Business Policy was IESE's flagship?

IESE's Dean, Fernando Pereira, signed off the operation. That was when Eduardo changed departments for the first time, in 1972. I say "for the first time" because, after earning his Ph.D. from HBS, he returned to IESE and worked for eight years in Control Systems before switching back to Business Pol-

icy (now called General Management) in 1985.

Eduardo's work left a huge legacy for both departments. His case studies, technical notes and books have served as reference points for how to stay current at all times. His teaching of any subject, from dry financial accounting to exciting global competitive strategy, was an example of vocation, dedication and best practice throughout his life.

A prolific researcher and extraordinary teacher, Eduardo made academics compatible with a long and rewarding career in management consulting, especially in banking, his favorite sector. In fact, from 1986 to 1988, he served as strategic planning director with Pedro de Toledo in what was then the **Banco de Vizcaya**.

Remarkably, he still found time to dedicate many hours as academic coordinator of various programs, particularly the Advanced Management Program in Madrid, as well as other strategically important IESE projects such as research management, Continuous Education, the Nissan Chair of Corporate Strategy and International Business, and the HBS-IESE Advisory Committee. Eduardo also managed to participate in public roles, such as President of the Harvard Club of Spain.

I have recounted all of this as my own homage to a great professional and friend. But I would also like to celebrate an example for a new generation of professors who will someday be reference points at IESE, just as Eduardo was and will always be. With talent, dedication and a positive spirit, there is time for everything... as long as you know how to shield your elders. And speaking of "time for everything," that includes even changing departments!

I could not possibly end this note of gratitude to Eduardo without mentioning and celebrating his entire family, his wife Reyes in particular, who stood by his side and supported him always.

#### IESE DEAN EMERITUS AND PROFESSOR EMERITUS CARLOS CAVALLÉ

## Eduardo Ballarín: a Loyal Servant of IESE

Many will write articles about Eduardo Ballarín's extraordinary attributes as a professor. I subscribe to these; all of them. But today I prefer to remember Eduardo as a loyal man committed to IESE.



I have always admired his loyalty. Whenever you look at Eduardo's professional life, loyalty stands out. And he was loyal because he was committed to the truth and to respect for people and institutions.

He didn't beat around the bush. He called things by their name. In faculty and work meetings he would put forward his point of view with clarity and without concessions. This was in no way a sign of stubbornness, but rather conviction that his ideas could help IESE's management.

For many years, for example, he defended the advantages of residential management programs, in an era when IESE neither offered them nor had any intention of doing so, nor were they supported by most of the academic staff. In fact, it was he, together with other in-house professors, who promoted and participated in the first international residential programs in collaboration firstly with the **University of Michigan** and then with **HBS** in the early 1990s.

Eduardo was loyal because he was a man of his word. It wasn't easy to get him to commit because he had a clearly marked career path, with well defined mid- and long-term objectives. But when he took on a commitment, he saw it through. Those of us who have or have had management responsibilities understand the value of this commitment. Eduardo was a reliable professor. He always fulfilled his duties.

Loyalty and commitment are two attributes that we usually look for in organizations but we don't always find them to the degree we would hope for. Many problems in companies arise from a shortage of loyalty and commitment. Eduardo, without making a fuss, was an example to us all of these qualities, and as a result he was always an asset to the school's management. Far from being the origin of any problems, he was one of the pillars on which IESE built its future, which Eduardo is and always will be a part of.

#### IESE PROF. RAFAEL ANDREU

## Eduardo Ballarín: A Teacher, But Above All a Friend

I heard the news while on the AVE train from Barcelona to Madrid. Alone, I cried. We had all just lost a teacher and a

friend. Because Eduardo was close to his friends as well as walking the line between kindness and competence in his professional life and his teaching. I remember his excitement at beginning a career in IESE when he joined. It was an honest excitement, based on a clear disposition to work as hard as necessary. We joined IESE around the same time, and we left to study for doctorates in the United States at the same time. We shared the experience of doing a Ph.D., he at **Harvard Business School** and I at **MIT**. Back then, proximity enabled us to get to know each other better.

His excitement and effort brimmed at **HBS**. He integrated completely; he was happy to be a part of that academic community. He shared his experiences with enthusiasm: the good, the not so good, the profound and the day-to-day. And as he pondered which stereo to buy or what simple electronic gadget of the time he would include in his small arsenal, he concentrated on his DBA (Doctor in Business Administration) in the extreme. When he came to dinner at our home, my wife Cristina and I knew that as soon as the coffees were finished Eduardo would withdraw to the point where it would be pointless to try to engage him in conversation... unless it was about cinema – he would always sign up to that.

Graduation arrived, which he saw as the perfect conclusion to that time of learning and study in an environment that he deeply embraced. Once again, his eyes lit up with excitement, a mixture of satisfaction with the moment and with hope for the future. It was apparent then that, years later, he would become actively involved in the Harvard Club of Spain.

What followed is well known: vibrant academic sessions with rhythm and magnificent content; new teaching material and fresh ideas; a continual reflection on improvement without ever losing ties with his beloved Harvard. Indeed, he continued to reinforce them by making many return trips and forging new ties with **HBS** professors. His educational, professional and personal advancement was exceptional and deserved. He had sought it and worked hard for it without overlooking the details.

We were all saddened to hear about his health problems. Nevertheless, throughout the ups and downs, he continued with his projects, his work and his example. A few months ago he told me, satisfied and happy, how during a program the participants had given him a standing ovation. Know, those of you who applauded him, that you contributed to making Eduardo appear once again in



## A GENTLEMAN AND MOST GIFTED SCHOLAR

Dear Harvard Club Presidents,

It is with great sadness that I inform you that Eduardo Ballarín passed away last week at the age of 62.

Eduardo Ballarín, HBS-DBA'76, ITP'73 was the President of the Harvard Club of Spain and of the Harvard Business School Club of Spain for many years. At the beginning of this year, he stepped down and passed on the presidency to Raquel Meizoso, HGSE - MED'83.

Most of you will remember Eduardo as the host of the European Club Leaders Conference in September 2008 in Madrid. He was a professor at IESE Business School, working in close cooperation with Harvard Business School. He was a most gifted scholar and a gentleman with style and a great sense of humor. We will miss him at our conference this year in Berlin.

I just came back this morning from the Harvard Alumni Association spring meeting in Cambridge, Massachusetts. At the Clubs' Committee meeting Eduardo was remembered, the committee members send their condolences to the Harvard Club of Spain.

Sincerely,

Robert Skogstad

Robert Skogstad, SMP '89  
Regional Director Europe (West)  
Harvard Alumni Association  
Strategic Management Society

## A SORELY MISSED COLLEAGUE

I have just learned that Prof. Eduardo Ballarín, one of our shareholders and original founders of Competitiveness, has passed away. This is a terrible loss, since Eduardo leaves his wife Reyes, three children and a school of students that have followed his teachings on strategy.

Eduardo helped us at the very beginning in the creation of Competitiveness, and has helped me more recently in the development of the Barcelona Cluster Summer School, where he was a professor since the first edition. I am deeply sorry that he will not see this year's edition, under his Institute for Strategy and Competitiveness in IESE Business School, but I will work hard to make sure it is a success in his memory.

Let's have a moment of silence in memory of Eduardo.

Emiliano Duch  
Founder of the Institute for  
Competitiveness

It was always a pleasure to talk with Eduardo here in Boston and during my many trips to Europe. He was both a personal friend and an important friend of HBS. When we were developing our course and research activities in Europe, we could always call on Eduardo to provide good advice and help. This support continued even when he was not feeling well.

We will miss him and I know you and your colleagues will as well.

Best regards,

Dwight B. Crane  
George Fisher Baker, Jr. Professor of  
Business Administration, Emeritus  
Harvard Business School

I was very saddened by your email. Eduardo was a wonderful colleague and a great friend of HBS. We will miss him very much. Thank you for conveying our condolences to his family.

Best regards,

Srikant M. Datar  
Arthur Lowes Dickinson  
Professor of Accounting  
Senior Associate Dean,  
Harvard Business School

his best form: appreciative of a job well done, optimistic about the future and ready to make every effort necessary.

For all that, we will be left with an appreciative, fond and solid memory of Eduardo. His example as a consummate professor, inimitable but inspiring, protective of his work but with an open attitude always ready to share and help. And his qualities as a friend, which some of us were unable to reciprocate in the manner he deserved. We will miss him. We will miss his excitement, his example and his friendship. But this will help us, I hope, to try to do better and improve, even if only a little. Thank you Eduardo for ALL of this!

**IESE PROF. JOAN E. RICART**

### Eduardo the Teacher

Eduardo has surprised us once more, leaving so quickly and so quietly.

It's difficult to look back over so many years and not confuse dates and events but just like in the films that Eduardo so enjoyed, I'd like to "flash back" to the beginning of the 1980s when I was still a Ph.D. student at the **Kellogg School of Management** of Northwestern University in Chicago.

Eduardo and his family were on sabbatical at **HBS** in Boston. To Eduardo, Harvard was much more than his alma mater, it was something he always carried in his heart with pride. And that is where he lived that year, learning and writing his book on banking. We met in Boston and clearly he wrote my agenda for my first years at IESE.

When we both returned to Barcelona we launched a course for the MBA program at IESE, developed at **HBS**, which we called BGIE (Business, Government and International Economics).

The objective was to introduce case studies into an economics course through the analysis of individual countries. It was a huge job involving the translation and adaptation of existing case studies, as well as writing new cases and experimental teaching sessions using the case method.

Eduardo quickly imported another course from **HBS**, in this case from his great teacher Prof. Michael Porter. I'm referring to the Industry and Competitive Analysis course. Eduardo introduced industry analysis and business strategy, with a perspective that would change how we viewed strategic management at IESE.



The success of his book, *Commercial Banks Amid the Financial Revolution* (Ballinger, 1986), in which he applied these concepts to the world of banking, had a great impact on the sector and Eduardo went on sabbatical from IESE to work on large bank mergers. It is difficult to quantify Eduardo's role in the transformation of the Spanish banking sector. But in a discreet manner, without making a fuss, and with Eduardo's persistence, even stubbornness, I'm sure that his influence on "big banking" was significant and positive.

While he changed our world I was learning about strategy. I took over teaching his Industry and Competitive Analysis course, got to know the Department of Competition and Strategy at **HBS**, met Prof. Pankaj Ghemawat and finally spent a sabbatical year at **HBS** (1992-1993), all thanks to Eduardo, as I tried to follow in the master's footsteps. From that very important moment for me, I took on the responsibility of managing the department now known as the Department of Strategic Management, a position I still hold today.

In the early 1980s, Eduardo was one of the founding members of the Strategic Management Society (SMS), the professional association of academics, consultants and managers interested in the development of the then incipient field of strategic management. SMS now has 2,000 members around the world.

Encouraged by IESE's then Dean, Carlos Cavallé, Eduardo became chairman of the SMS international conference that took place in Barcelona in 1985. The conference was so successful that the society held the event at IESE in Barcelona again in 1997. Following in his



From left to right: Prof. Ballarín with Drew G. Faust, president of Harvard University, Jay O. Light, dean of HBS, and Prof. Michael Porter

footsteps, I was chairman of the 1997 edition and the city again triumphed as host.

Under his continued guidance, I immersed myself entirely in the world of strategy and SMS, a thrilling association that has contributed enormously to the discipline and the organization's development. At the end of 2008, I assumed the presidency of the SMS. Eduardo and Carlos Cavallé, past president of the society, had paved the way for me.

Meanwhile, Eduardo was engrossed in the subject of international competitiveness. He made an impact with his work for the *Generalitat de Catalunya*, the regional government of Catalonia, with his participation in the Global Competitive Report, his barometers, the creation of his ICC (International Center for Competitiveness) affiliated to the center of his **HBS** role model, Michael Porter.

Apart from driving these initiatives, Eduardo continued to do what he did best: tap into the ideas of tomorrow, packaging them in such a way that we could all understand them and communicating them with the skill that only great teachers have. Until the end, and despite his health problems, Eduardo was excellent in class: a level of excellence that others fail to achieve.

A few years ago when Prof. Ramón Casadesús of **HBS** spent two years at IESE, we started to work on a subject that still engages us today: the competition between business models. Eduardo saw potential in this subject and quickly incorporated it into his classes. He packaged it in his usual way and he badgered us to stay on top of new research. I recall with fondness him asking us

- more or less every two weeks - whether we had a new version of our latest paper, "Strategy vs. Business Models vs. Tactics." I never got to hand it to him.

And now that the film is nearly over, the only thing left for me to do is to say goodbye to Eduardo the teacher. He has left us silently but his legacy will remain with us. I would like to have learned more from him.

Thank you, Eduardo.

#### IESE PROF. PABLO FERNÁNDEZ

### Commitment to a Job Well Done

I met Eduardo Ballarín in 1980 when he was my strategy professor in IESE's MBA program. As his thousands of students would attest, he was an extraordinary instructor. He knew how to convey the essence of his knowledge and address his students at their level. And he did so while entertaining us with amusing characterizations and comparisons, mostly related to animals.

Later, in 1985, he seriously encouraged me to study for a doctorate degree in the United States. He had received his Ph.D. from **HBS** and kept ties with many professors there (especially with Michael Porter). Years after finishing his Ph.D., he spent another year at Harvard while he wrote a book on the competitive strategy of banks, *Commercial Banks Amid the Financial Revolution*.

The book was so good that Pedro de Toledo, CEO of the Spanish savings bank **Banco de Vizcaya**, did not rest

until he had Eduardo on his payroll. But Eduardo warned him that his work at the bank would be on a sabbatical basis because he wanted to return to IESE. Banco de Vizcaya went on to become **BBVA**, one of the country's largest financial institutions.

Later we collaborated on some consultancy projects at a number of top companies, focused mostly on finance. Eduardo taught me a lot about how to apply strategic and competitive analysis to assessing companies' competences. Eduardo was a master in the art of taking piles of information and pinpointing and prioritizing the relevant bits of data that affect companies' margin and risk.

Until recently, Eduardo had also been the President of the Harvard Club of Spain. With the help of his secretary, Begoña Ferrer, he had been heavily involved in organizing conferences and promoting alumni meetings.

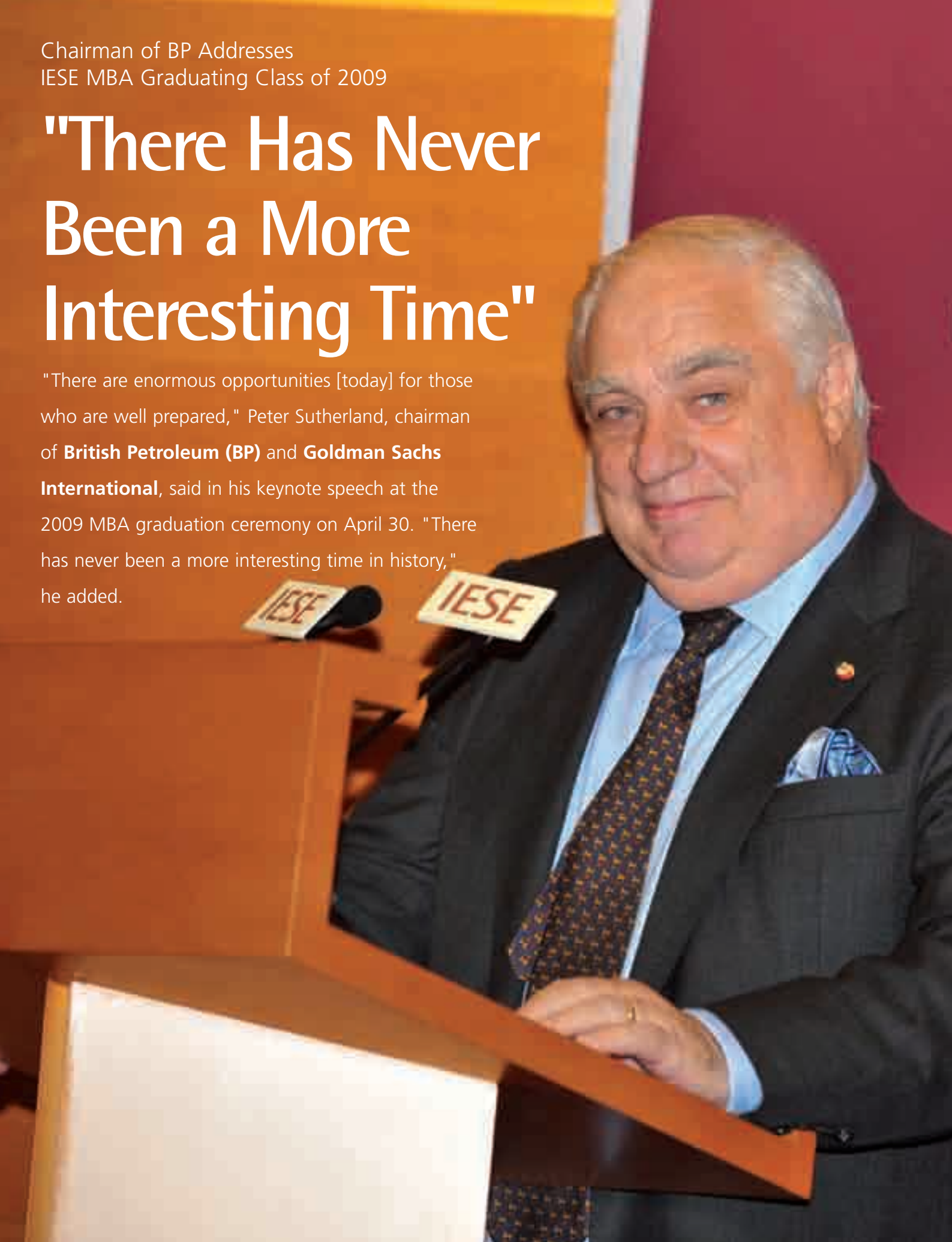
But there are at least two secrets behind Eduardo's success. The most important is Reyes, his wife, who was always at his side. And the other is his commitment to a job well done and a passion for the truth, not false or simplified versions of a reality.

By now he has already joined the late IESE Prof. Rafael Termes, his friend and fellow mountain hiker. No doubt they are happier than we can imagine. And they probably see the whole picture of the crisis we are going through: who the main culprits are and how we can get out of it as soon as possible with the least damage. Hopefully they'll share their insights with the powers that be.

Chairman of BP Addresses  
IESE MBA Graduating Class of 2009

# "There Has Never Been a More Interesting Time"

"There are enormous opportunities [today] for those who are well prepared," Peter Sutherland, chairman of **British Petroleum (BP)** and **Goldman Sachs International**, said in his keynote speech at the 2009 MBA graduation ceremony on April 30. "There has never been a more interesting time in history," he added.





# IEESE

Business School  
University of Navarra



IEESE  
Business School  
University of Navarra



BARCELONA  
APRIL 30  
2009

Class Representative María Sotomayor said her peers are among those well prepared to exploit the opportunities presented by a world where paradigms are in flux. "We are ready because IESE has shown us to work with professional excellence... listening, contributing and encouraging new ideas and ventures with optimism and a spirit of service."

Sutherland, the youngest ever commissioner to serve in the European Union (EU), cited the example of Jacques Delors as someone who saw opportunities in a bleak economic panorama. When the EU leader came to power in 1985, an atmosphere of "eurosclerosis" or economic stagnation pervaded the continent.

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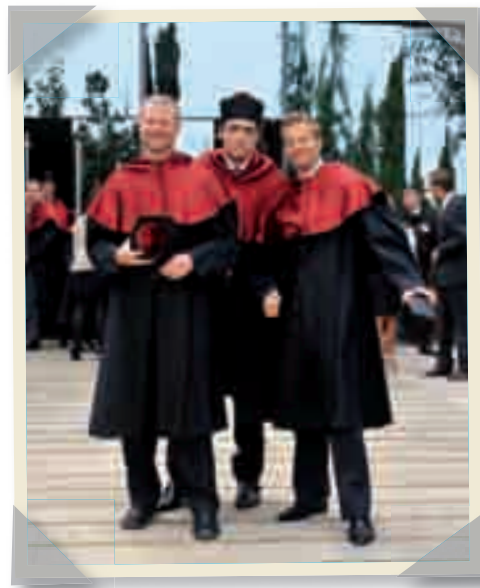


► Despite that, at the beginning of his mandate Delors told his commissioners that he was going to drive a push toward the free movement of goods, people, capital and services. As Commissioner for Competition, Social Affairs and Education, Sutherland played a key role in the implementation of Delors' vision of the "borderless" Europe that we enjoy today.

IESE Dean Jordi Canals concurred with Sutherland. "Despite this uncertainty, now is also the best of times... An ideal time for MBA graduates to bring their entrepreneurial spirit to fruition." Canals noted that the digital world emerged from the early 1990s' banking crisis. "We are going to see something similar in areas like clean energy, health care, life sciences and education."

For this to take place, Canals urged the MBAs to never lose hope in the transformational power of the human spirit, hard work and persever-

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■ Read interview with Peter Sutherland in *IESE Insight* No. 2.

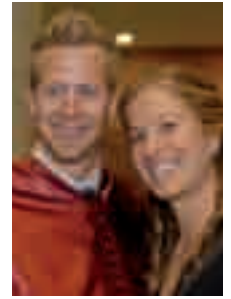
▶ ance, as well as the unique value and dignity of each person. "Attitude is key... Your attitude toward life can remind you to do what is right and good as opposed to what is easy and pleasant," he said.

Class Representatives Marco Carniello and Sotomayor agreed that the right aptitudes are not nearly as important as the right attitudes. They and their peers are also aware of their responsibilities. "We will become whom we ourselves decide to be - decision by decision by decision," Carniello said. "It is upon us to prove ourselves while improving the world we are about to venture out into."

Sutherland was also responsible for the implementation of the ERASMUS program that allows European university students to study at universities in other member states. A similar spirit pervaded the 44th MBA graduating class. Nations most represented included the United States, Brazil, Germany, India and Japan. Countries represented for the first time included Libya, Malaysia and Kazakhstan. ■







# IESE Hosts 1st Tourism Summit

## FRANCE, ITALY AND SPAIN JOIN FORCES TO ATTRACT LONG-HAUL TOURISTS

France, Italy, and Spain are to support tour operators that organize the group itineraries of long-haul tourists in order to increase overall travel within their borders. The proposal is based on the Mediterranean countries' common tourist assets of well-preserved cities, cultural heritage and gastronomy. The trio of nations is to launch a promotional campaign to support the scheme.

On top of the sharp contraction in the global economy, industry players and tourism authorities were keeping a keen eye on the spread of swine flu at the event in May. Spain's Deputy Minister for Tourism, Joan Mesquida, told participants that there were no signs of tourists canceling trips to the country because of the virus so far. Spain and the U.K. had the highest number of confirmed cases, outside the Americas.

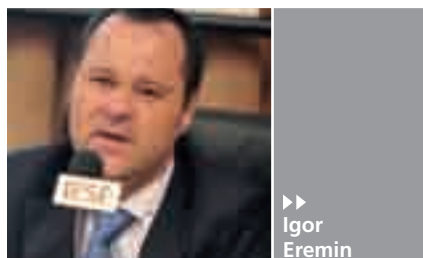
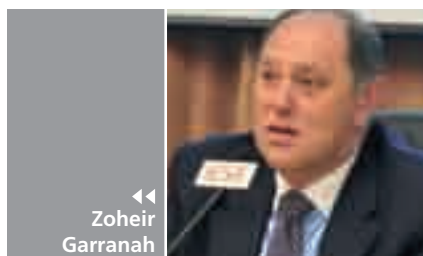
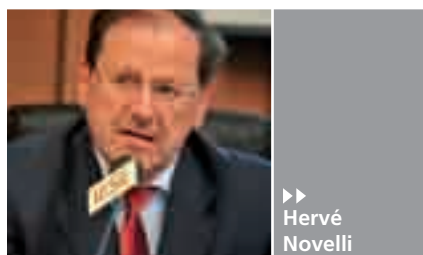
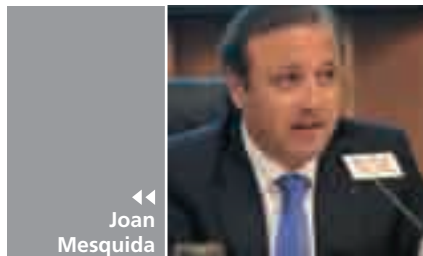
The disease impacted the tourism summit, though, in that Mexico's Minister of Tourism, Rodolfo Elio Zondo, was unable to attend in accordance with the five-day national shutdown announced by President Felipe Calderón a few days earlier. Elio Zondo was due to participate in the panel discussion on investment in tourism in times of crisis.

Other participants included Egypt's Minister of Tourism, Zoheir Garranah; France's Deputy Minister of Tourism, Hervé Novelli; Russia's Deputy-Head of Tourism, Igor Eremin and Javier Rodríguez-Mañas, general secretary of **Turespaña**, the government agency responsible for promoting Spain abroad.

### Innovation critical

The panel members all reported that tourism to their countries was bearing up despite the crisis. The panelists were also unanimous on the need for investment and innovation to support the industry. As the panel's moderator, Sergio Arzeni of the **OECD**, commented, "In times of crisis, it is fundamental that investment in innovation is not abandoned because it will provide a route out of the crisis."

Egypt's Zoheir Garranah described some of the innovative investments rolled out by his ministry in response to the crisis. For



example, tour operators report that vacationers are booking later than ever due to the economic uncertainty. In response, the Egyptian government is offering a form of insurance for charter flights to the country, to underwrite the risk of not filling the plane. Garranah stressed that Egypt, with some 13 million tourists per year, is a minnow compared to markets such as Spain. But the industry is crucial to its economy: it provides 11 percent of GDP and is growing at a burgeoning rate - tourist numbers rose by 25 percent in 2008 compared to the year-earlier period and is set to continue to grow in 2009.

### Currency concerns

In comparison, the more mature tourist market of Spain is likely to face stiff challenges this year. The U.K. is one of the

country's key markets, but sterling's slide against the euro could dissuade Britons looking for a low-cost beach holiday. **Turespaña's** Rodríguez-Mañas reported a 3 percent drop in British visitors in 2008 compared to 2007.

On the other hand, Rodríguez-Mañas reported that of those that did visit in 2008, average spending per British tourist rose by 7 percent. The hike is a positive indictment of the Spanish government's long-standing policy to target the high-end of the market by promoting the country's cultural and sports attractions, he said.

Another well-established tourist destination, France, has seen a slowdown in visitor numbers, Hervé Novelli indicated. But the country has been formulating a response for slightly longer because tourism was already showing signs of weakness prior to the global economic slowdown, he said.

### Upgrades on tap

Besides the joint scheme with Spain and Italy, France has introduced a number of initiatives such as creating one central tourism promotion agency, in order to boost visibility overseas. The country is also reclassifying all its hotel ratings to bring them into line with international standards, as well as providing funds for staff training, renovations to accommodation and restoration of historic buildings.

Over the last few years, an increasing number of Russians have vacationed overseas. But the collapse of the country's currency, the ruble, may convince more people to holiday closer to home this year. Igor Eremin told participants that the government has been working to make its tourist destinations more attractive for national and overseas visitors.

Eremin said the government has moved to stimulate investment in tourism by creating economic development areas in destinations such as the Black Sea, Lake Baikal and Stavropol's thermal springs. Besides providing tax breaks for those keen to invest in the destinations, the government has simplified the paperwork necessary and created a one-stop office for developers.



# Entrepreneurs Defy Crisis

## CEFIE HOSTS IESE'S 2ND GROWTH & INVESTMENT FORUM

Who would be crazy enough to launch a new business venture during one of the worst economic downturns the world has seen? Surely only a "superhero" would take the plunge? Not at all, said Pedro Nueno, professor of Entrepreneurship. According to Nueno, they are simply very determined people with a strong spirit of sacrifice and capacity for hard work that they can tap into at critical times.

Prof. Nueno was the keynote speaker at IESE's 2nd Growth and Investment Forum, held at the school's Barcelona campus on March 25. The event, organized by IESE's Center for Entrepreneurship and Family-Owned Business (CEFIE), provides an opportunity for MBA and alumni entrepreneurs to present their business initiatives to potential investors.

As Nietzsche said, "That which does not kill us makes us stronger." It is a sentiment that entrepreneurs operating in times of economic crisis share, according to Prof. Nueno. "They know that if a company can survive starting out during tough times like these, it will grow up to be stronger than firms that were launched in times of prosperity," he said.

Of the seven entrepreneurs pitching to the investors, five were MBA students seeking early stage funding and three IESE alumni (along with one MBA student) hoping to land growth stage funding. Joëlle Frijters (Global Executive MBA '08) belonged to the second group. Frijter's company, **Improve Digital**, provides advice and solutions to online publishers including **BBC Worldwide** and **Reuters**.

Other entrepreneurs seeking growth stage funding included Javier Lluch (MBA '99) whose firm **Impact Media** manages advertising campaigns. Madhur Srivastava (MBA '07) runs an online penny auction called **MadBid.com** and current MBA student Sergio Malagrida's firm, **Wash Solutions**, manufactures and sells vehicle-cleaning machines.

The five MBA students chasing early stage funding included Martín Méndez, Sebastián Miralles, Nicolas Danré, Daniel Callaghan and Claudia Ribas. The business initiatives spanned various sectors, from retailing to entertainment. Miralles presented his proposal for a Mexican-style low-cost supermarket, **Disconti**, and Ribas presented **Star Live**, a firm promoting musical events.

## CSBM ACTIVITIES

### IESE Studies

### Sports Cities

The 32nd America's Cup drew over six million visitors to the city of Valencia on Spain's east coast in the summer 2007, and millions more watched television footage of sailing's best-known regatta. Swiss team **Alinghi** defeated **Emirates Team New Zealand** to hoist the cup on July 3, 2007.

"When we set out to host the 32nd America's Cup we committed ourselves to hold the best ever America's Cup and we did just that," Rita Barbera, mayor of Valencia said shortly after the competition's conclusion. Proof of that came when the event's organizers chose the city to host the 33rd America's Cup in 2010.

"Valencia is the perfect example of how a city can develop strategically via the hosting and management of sports events," IESE Prof. Sandalio Gómez said at the school's Center for Sport Business Management (CSBM) 5th International Forum. The event took place in Túria, near Valencia, on May 2 and 3.

As a result, CSBM has chosen the Spanish city as the starting point for a series of case studies into cities revitalized by sporting events. Other cities in the series will be Singapore, Doha, London and Los Angeles. The cases will be later compiled in a book.

Besides the America's Cup, Valencia successfully hosted the 12th IAAAF World Indoor Athletics Championships in 2008. On top of that, the stars of Formula 1 will race round the city for the Telefonica Grand Prix of Europe in August. The racing also takes place on two wheels at the Cheste circuit outside the city, which hosts the annual Valencian Community motorcycle Grand Prix.

The city's success as a sports event host did not come overnight, though. In the 1990s, the local authorities launched a development strategy based on two pillars: culture and sport. On the cultural side, the city's bureaucrats commissioned landmark buildings such as the City of Arts and Science. On the sports side, the city took its lead from cities such as Barcelona, which hosted the 1992 Summer Olympic Games.



# IESE to Empower Women Entrepreneurs

IESE is one of a group of business schools and non-profit organizations committed to providing management education to women in developing countries under Goldman Sachs' 10,000 Women project. The scheme supports partnerships with universities and development organizations to provide 10,000 under-privileged women with a business education over the next five years.



Prof. Bernardo Villegas of UA&P and IESE's Prof. Lluís Renart

IESE Prof. Lluís Renart participated in the official launch of **Goldman Sachs'** 10,000 Women scheme in the Philippines on May 7, at the **University of Asia and the Pacific's (UA&P)** campus in Manila. Prof. Renart led a session on entrepreneurship at the event. Other attendees included Tim Leissner of **Goldman Sachs**; Prof. Ellen Soriano, director of the initiative in the Philippines; **UA&P's** President, Dr. Jose Maria Mariano, and Chairman of **UA&P's** Board of Trustees, Dr. Placido Mapa, along with committee members.

Under the scheme, IESE and **UA&P** have developed the 10,000 Women Business Training Program (BTP), a 150-hour certificate program targeting 150 Philippino women entrepreneurs who want to scale up their existing businesses. On top of the classroom time, BTP participants will benefit from some 50 additional hours of mentoring by local entrepreneurs.

The program kicks off in Manila in August with an initial intake of 50 women, climbing to 100 in the second edition. BTP opens the door to women whose circumstances might obstruct them from traditional business education and targets developing skills such as accounting, public speaking and marketing.

As well as providing under-privileged women with practical management skills, 10,000 Women aims to bolster the quality of business education in developing countries through the training of local professors and the development of locally relevant case studies.

IESE Prof. Lluís Renart spent two weeks at **UA&P's** campus in Manila in March



10,000 Women aims to unlock potential in women from disadvantaged backgrounds with limited formal education who have a capacity to succeed in business.

spearheading the push to develop local case studies. The marketing professor held case-study workshops and established mechanisms for the ongoing mentoring of case-study writing.

As a first step, Prof. Renart asked local faculty to identify local companies that would be suitable for a case study prior to his arrival. The IESE professor then held extensive interviews with the **UA&P** faculty, as well as visiting some of the potential case-study subjects. One example was **Ferex Agribusiness Corp**, a fertilizer distributor affected by the slump in commodity prices.

On top of that, Prof. Renart also met some potential candidates for BTP during his visit to the Philippines in March. Accompanied by **UA&P** faculty, the IESE professor visited various small companies founded by women, such as **OTON Handloom Weavers**, a women's cooperative that makes and sells handmade fabrics.

In terms of training local professors, five members of the Philippine business school's faculty were due to travel to Barcelona to participate in IESE's International Faculty Program (IFP) in June. The IFP is a four-week program to help international faculty members develop professionally and personally in areas such as communication skills, teaching methodologies and course design.

### Unlocking potential

10,000 Women is grounded in the belief that expanding the entrepreneurial and managerial pool in emerging economies – especially among women – is one of the most important spurs to economic growth. It aims to unlock the potential in

women from disadvantaged backgrounds with limited formal education who have a capacity to succeed in business.

"As we know from long and indisputable experience, investing in women and girls has a multiplier effect on productivity and sustained economic growth. No measure is more important in advancing education and health," UN Secretary General, Ban Ki-moon, said at the scheme's launch.

IESE's collaboration in 10,000 Women reflects its mission to develop leaders who can have a deep and lasting impact on firms and society through professionalism and spirit of service. The school has a long-established commitment to preparing managers, especially in developing countries.

For example, IESE assisted in the establishment of two business schools in Africa – **Lagos Business School (LBS)** of the **Pan-African University** in Nigeria and the **Strathmore Business School (SBS)** of **Strathmore University** in Kenya. And **UA&P** is one of the 15 associated business schools that IESE has helped set up throughout the world.

IESE maintains strong ties with **LBS** and **SBS** and each year, senior executives participating in the African schools' Advanced Management Programs (AMP) come to Barcelona for a one-week learning module. Prof. Renart is also involved in these initiatives. "Contrary to popular misconceptions, African women hold many leadership roles in business... There are usually a higher percentage of woman participants in AMP Kenya than in the Advanced Management Programs that IESE leads in Europe," Renart noted.



# Springboard to Scaling Up

IESE, WHARTON AND CEIBS OFFER GLOBAL CEO PROGRAM FOR LATIN AMERICA

**Grupo Bimbo** of Mexico became the largest bakery company in the United States with the acquisition of **Weston Foods** for \$2.4 billion in December 2008. The takeover formed part of the company's goal to become the world's largest baker and one of the largest global food manufacturers.

A member of **Bimbo's** senior management team was among the participants in The Global CEO Program for Latin America, an executive education program created by IESE Business School, **The Wharton School** and the **China Europe International Business School (CEIBS)**, as part of that objective. The program's primary goal is to help participants position their firms as world-class companies with sustainable advantages.

"The program is an excellent opportunity for Latin American executives to step back and think about the challenges facing their organizations in new, strategic ways and perhaps rethink their growth strategies in the face of increasing global competition," said IESE Prof. Julia Prats, co-academic director of the program.

The program, which features sessions on the three participating schools' campuses, kicked off at the end of March at IESE in Madrid. The weeklong residential module will focus on the macroeconomic environment, governance mechanisms and entrepreneurial mindset that business leaders must master to achieve globalization.

Top management from other multinationals such as the **Lego Group**, the Danish toy company, or the **Santander Group**, the Spain-based financial giant, will also be among the participants. The program will also include senior executives from companies such as **Argos**, the Colombian

cement producer that is the fourth largest in the Latin American market and sixth largest in the United States.

The Latin America-based business leaders next met at **The Wharton School** in Philadelphia at the end of April to discuss "Managing Value Creation." In this module, participants looked at the functional implications of doing business globally such as challenging mental models, developing the right operations strategy and financing their entrepreneurial endeavors.

The program then took on a fine-grained approach in the final module, hosted by **CEIBS** in Shanghai on June 1-5. In the China portion of the program, senior executives acquired tools on how to "Get Things Done" when doing business globally and more specifically in China and India. Themes such as cross-cultural management and management in closely held firms featured in the program.

**CEIBS** and IESE Prof. Rama Velamuri, co-academic director of the program, highlighted the advantage of the China module. "Chinese companies

have transformed the global business landscape in fundamental ways over the past 30 years. Business leaders, to be effective, must understand the opportunities and threats that China represents."

Carlos Hornstein, associate director of IESE's International Executive Education team, explained that participants started working on action plans well before they reached Shanghai. "Before starting the program, participants submit a strategic challenge, an objective they want to achieve; we want participants to leave the program with tangible results in the form of a detailed roadmap on how they will meet that challenge."

To this end, faculty mentor participants in the process of preparing, revising and fine-tuning their action plans. On top of that, participants received feedback from their peers to help them meet their individual business challenges, whether it be scaling up beyond borders, or becoming the world's largest baker.







# The Case for Sports Sponsorship

## SONY ERICSSON'S FORMER MARKETING CHIEF PRESENTS COMPELLING RATIONALE

How can top management justify spending on huge sport sponsorship deals in the middle of recession to their boards of directors and shareholders? Dee Dutta, former global head of marketing at **Sony Ericsson Mobile Communications**, explained how and why at IESE's 3rd Business Opportunities in Sports Conference at the Barcelona campus on April 20. The Center for Family-Owned Business and Entrepreneurship (CEFIE) organized the event.

Dutta committed over \$100 million of **Sony Ericsson's** marketing budget to supporting women's tennis between 2005 and 2007. But the former marketing chief did not just hand over the cash: he made sure he got that \$100 million working for **Sony Ericsson**.

"It's very easy to sign a check and then watch the match. But that is not sponsorship: that's patronage and business-people are not kings," he said.

For Dutta, corporate sport sponsorship deals must be supported by compelling financial rationale, not personal relationships or preferences. The former marketing boss also warned companies to calculate the total cost of sponsorship – the rights, as well as the marketing and exploitation costs. "If you can't do all of it, don't do any of it," he said.

Another no-go in Dutta's book is taking a scattershot approach. "Be single-minded. Don't sponsor five

sports, be big in one," he said. "If you can dominate, you can get a better return for your investment." This way, your message will reach the customer. And as the business leader noted, "When that message is coming from someone supporting your sport, you are more supportive of that brand," he said.

**Sony Ericsson** was attracted to women's tennis by its combination of passion, glamour and fashion and chose to sponsor the Women's Tennis Association's (WTA) tour.

Maria Sharapova, an athlete sponsored individually by the company, illustrates this combination. The former world number one has slumped to 64 in the rankings due to injury. But the Russian player's appearances on the red carpet get her on the front page of major newspapers. Dutta said research indicated that Sharapova was better known than Nicole Kidman, George Bush or Tony Blair.

### Worldwide appeal

On top of that, women's tennis has stars in the 65 mobile communications market that **Sony Ericsson** operates in. Dutta cited the example of Sania Mirza, an Indian tennis player. Although little-known internationally, Mirza is a star in her home country – a market of over a billion consumers that neither play soccer nor follow Formula One motor racing.

At the same time, **Sony Ericsson** assumed its responsibility toward its

"assets" and its sport. The company refused to sponsor tournaments that did not provide equal prize money to women and convinced the WTA to shorten the "roadmap" of events, keeping the players healthier. On top of that, **Sony Ericsson** used its technological know-how to enhance the viewer's experience.

### A level playing field

As a result, prize money for WTA tournaments had increased by 36 percent by 2007. More importantly for **Sony Ericsson**, global brand preference for the company's mobile phones rose from fourth in 2005 to second in the first quarter of 2008.

This was the return the firm sought for its \$100 million investment. "What **Sony Ericsson** got was quantified and had the support of the board and the shareholders," Dutta pointed out.

### Star quality

The conference concluded with the presentation of Prof. Santiago Alvarez de Mon's case study on the world's number one tennis player, "Rafael Nadal: the Champion and the Person." The IESE professor was accompanied by Carlos Costa, Nadal's manager and vice president of tennis at **IMG**, the sports, entertainment and media company.

# Spain: A Source of Talent in the U.S.

## IESE PARTICIPATES IN SPAIN-U.S. SUSTAINABILITY CONFERENCE IN BOSTON

IESE was among the world-class Spanish business schools represented at the "Spain-U.S. Sustainability Conference: Facing Global Challenges Together on Executive Education," in Boston, Massachusetts, on May 6. The event was organized by **Invest in Spain**, the Spanish investment promotion agency. The conference explored issues such as executive education, talent and entrepreneurship.

The initiative is aimed at promoting investment in Spain, a task made significantly easier by the country's highly-ranked business schools. Spanish Secretary of State for Trade, Silvia Iranzo, opened the event that included a roundtable discussion featuring IESE's Assistant Dean Eric Weber, and Alfons Sauquet and Santiago Iñiguez, the deans of **ESADE** and the **Instituto de Empresa**, respectively.

Among the event's other guest speakers were Fritz Folts (MBA '91), director and member of the investment board of **Windward Investment Management** Alejandra Kindelán, assistant director of communication, corporate marketing and research at the **Santander Group**; and Javier Sanz, chief executive of **Invest in Spain**.



International Advisory Board

# Leaders Look to the Future





Members of IESE’s International Advisory Board met on the Barcelona campus on April 17 to deliberate recent shifts in the business world, and more specifically, the future of management education. The board includes 29 members from diverse countries, all prominent business and civic leaders.



- 1 Rafael del Pino and Nicholas Schreiber
- 2 Dean Jordi Canals and Janne Haaland Matlary
- 3 Andrea Christenson and Mar Raventós
- 4 Ermenegildo Zegna
- 5 Mariano Puig and Toyoo Gyohten
- 6 Prof. Juan Roure, Oscar Fanjul and Michel Camdessus
- 7 Siegfried Russwurm, Hans-Jacob Bonnier and Gerhard Heiberg

IESE's International Advisory Board meets annually to discuss the school's development over the past year, as well as upcoming challenges and goals.

The most recent edition of the meeting, held on April 17, marked the addition of a new member: Siegfried Russwurm, head of Corporate Human Resources and Labor Director for Europe, Africa and CIS at **Siemens**. He is also a member of the managing board at **Siemens**.

### The role of individuals in the crisis

This year, IAB members analyzed possible causes of the crisis and ways of orienting the school in order to assist companies and contribute toward avoiding similar economic scenarios in the future.

A lack of leadership and good governance, according to members of the IAB, has been one of the essential causes of the crisis. Rather than a failure in the overall system, members said that the current situation was caused by the personal failures of individuals - mainly business leaders and

regulators – those who are responsible for implementing the system and making sure that it functions effectively.

In this panorama, the role of the manager is taking on greater importance, they said. The development of highly-prepared executives, therefore, has become vital for leading organizations out of the crisis.

IAB members agreed upon the need for academic institutions to provide rigorous management education and foment a strong social conscience. As such, schools should focus not only on tools and technical skills. They should also develop leaders who have effective decision making abilities.

Business schools like IESE should aspire to develop business leaders with a strong sense of ethics and integrity, who are able to lead courageously yet prudently. In this regard, members called for a renewed focus on good corporate governance and the global political economy.

### Growing role of the public sector

Given the growing role of government in providing financial backing in some

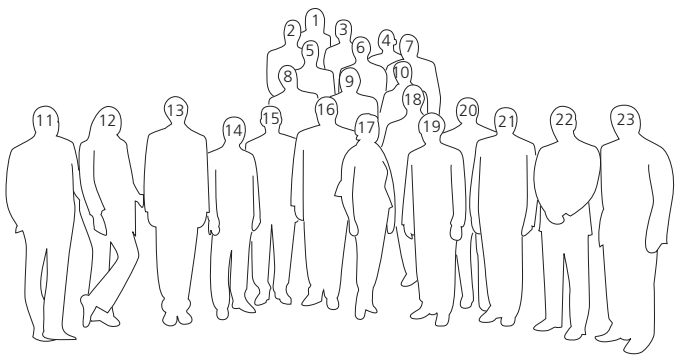
sectors, members of the IAB also noted that there is a need for new models for the public sector, to ensure that this task is carried out adequately. Moreover, as the public sector's role grows, the need for high-level managerial capabilities in the public sector will increase.

IESE is currently home to the Private-Public Sector Research Center, which focuses on fostering cooperation and synergies between these two domains. Models for private and public sector collaboration may vary in different geographic areas, and more research is needed in this area, it was stressed.

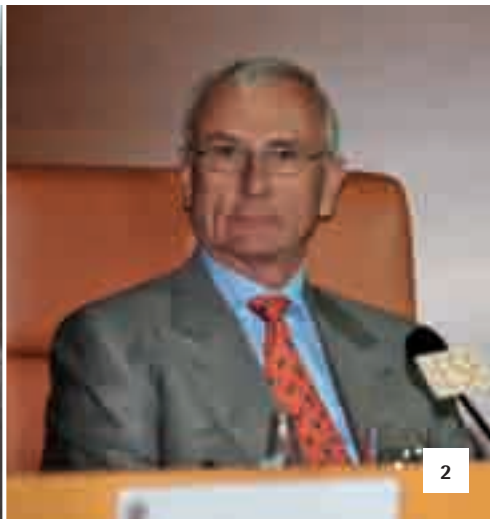
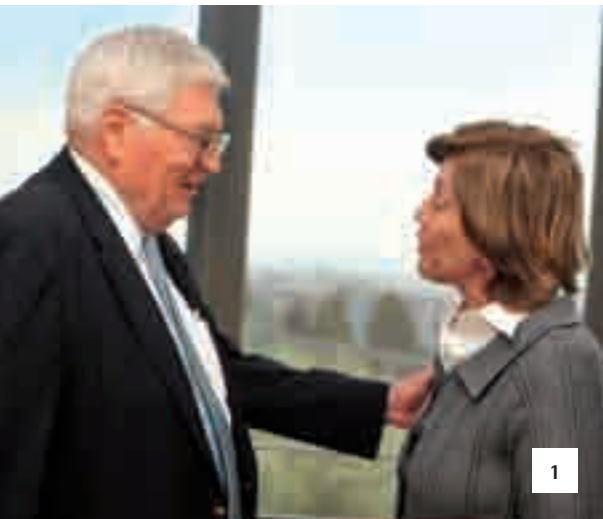
Members also called for greater emphasis on effective leadership and governance over the long-term, due to the heightened interest in short-term gains in recent years.

### Members of IESE's IAB are

<b>Andic, Isak</b> Mango Spain	<b>Fanjul, Oscar</b> Omega Capital Spain	<b>Johnson, Franklin P.</b> Asset Management Company USA	<b>Puig, Mariano</b> Fundación Puig Spain	<b>Shibata, Takumi</b> Nomura Japan
<b>Bonnier, Hans-Jacob</b> Bonnier Sweden	<b>Fung, Victor K.</b> Li & Fung Group China	<b>Maerki, Hans Ulrich</b> ABB Switzerland	<b>Raventós, Mar</b> Codorniu Spain	<b>Shreiber, Nicholas</b> Tetra Pak International Switzerland
<b>Breuer, Rolf-E.</b> Deutsche Bank Germany	<b>Gardner, Roy</b> Compass Group UK	<b>Mangold, Klaus</b> DaimlerChrysler Germany	<b>Riboud, Franck</b> Groupe Danone France	<b>Sorrell, Martin</b> WPP Group UK
<b>Camdessus, Michel</b> Banque de France France	<b>Gyohten, Toyoo</b> Institute for International Monetary Affairs Japan	<b>Mohn, Liz</b> Bertelsmann Germany	<b>Revoredo, Helena</b> Prosegur Spain	<b>Storm, Kees J.</b> Aegon The Netherlands
<b>Canals, Jordi</b> IESE Spain	<b>Haaland-Matlary, Janne</b> University of Oslo Norway	<b>Motta, Stanley</b> Motta Internacional Panama	<b>Roure, Juan</b> IESE Spain	<b>Sutherland, Peter</b> Goldman Sachs, BP UK
<b>Carter, John</b> Munich Re UK	<b>Haniel, Franz</b> Metro Germany	<b>Murthy, N. R. Narayana</b> Infosys Technologies India	<b>Russwurm, Siegfried</b> Siemens Germany	<b>Wenning, Werner</b> BAYER AG Germany
<b>Christenson, Andrea</b> Kathe Kruse Puppen Germany	<b>Heiberg, J. Gerhard</b> Norscan Partners Norway	<b>Pino, Rafael del</b> Ferrovial Spain	<b>Schrøder, Johan</b> Schrøder Foundation Denmark	<b>Zegna, Ermenegildo</b> Ermenegildo Zegna Italy



- |                       |                           |                        |
|-----------------------|---------------------------|------------------------|
| 1. Andrea Christenson | 9. Franklin P. Johnson    | 17. Helena Revredo     |
| 2. Hans Ulrich Maerki | 10. Mar Raventós          | 18. Nicholas Schreiber |
| 3. Stanley Motta      | 11. Michael Camdessus     | 19. Hans-Jacob Bonnier |
| 4. Oscar Fanjul       | 12. Janne Haaland-Matlary | 20. Ermenegildo Zegna  |
| 5. Gerhard Heiberg    | 13. Dean Jordi Canals     | 21. Mariano Puig       |
| 6. Johan Schrøder     | 14. Toyoo Gyohten         | 22. Rafael del Pino    |
| 7. Siegfried Russwurm | 15. John Carter           | 23. Prof. Juan Roure   |
| 8. Kees J. Storm      | 16. Rolf-E. Breuer        |                        |



- 1 Franklin P. Johnson and Helena Revredo
- 2 Johan Schrøder
- 3 Stanley Motta, John Carter and Rolf-E. Breuer
- 4 Hans Ulrich Maerki and Isak Andic



# Working Toward Shared Goals

IESE hosted its 22nd annual meeting of IESE sponsoring companies at the Barcelona campus on May 18. IESE's sponsoring companies provide invaluable support for the school's long-term research projects, faculty training, library improvements, scholarships and campus expansion projects.

IESE Dean Jordi Canals welcomed some 150 business leaders to the event in May. The meeting began with the presentation of diplomas to the 10 new IESE sponsoring companies, which encompass sectors as varied as finance and health to technical services. The companies are **Airbus Military, Bankinter, Élogos Conocimiento, Enagás, Eres Relocation, Negocenter, Ricoh, SPIE, Tandberg** and **IMS Health**.

In his talk, Canals discussed the current economic climate, emphasizing that the crisis has touched the bottom although many of its knock-on effects are yet to be felt. This bottoming-out will give the markets a little breathing

space that should provide a slightly more stable economic environment for countries to return to growth.

In future we are likely to see greater convergence between China, India, Brazil and other emerging countries, as well as a surge in global demand, according to Dean Canals. "It is wrong, however, to suggest that Europe cannot grow," said Canals. The dean also emphasized the need to foster innovation and entrepreneurship in order to stimulate growth. After all, both are essential to keeping a company afloat during a downturn.

IESE Profs. José L. Nuño and Alfredo Pastor also spoke at the event. Prof.

Nuño discussed the short and long-term strategies that entrepreneurs should adopt in order to overcome the crisis, while Prof. Pastor closed the event with a session titled "What Have We Done to Deserve This?"

The sponsoring companies' support is also vital to the school's academic chairs and research centers. IESE is particularly grateful to those companies that help fund and support the research work carried out by its professors.





Javier Pérez Farguell, Carles Cavallé, Antonio Esteve, Pere Prat, Jaime Grego, Alberto Parera, Lluís Carulla and Josep María Puig



Alberto Parera, Lluís Carulla and Josep María Puig



Marc Serer, Josep Rivera, Juan Carlos Ródenas and Joan Molins



Jospe María Puig and Pere Prat



Josep Herrera and Joan Molins



Francisco Belil and Jordi Canals



Ramón Casals, Xavier Brossa and Albert Carné

## People



### Yago de la Cierva

Has joined IESE as program director for Executive Education Madrid.

De la Cierva holds a degree in Law from the **Universidad de Santiago de Compostela** and a Ph.D. from the **University of Navarra**. He has worked in journalism and communications, in sales and marketing management and in conference management.



### Fabrizio Ferraro

Has been appointed Associate Professor of Strategic Management. He holds a Ph.D.

in Management from **Stanford University**. At IESE, he teaches classes for MBAs and executives on competitive strategy and strategic decision-making, focusing on strategy execution. He is author of many academic articles on the topics of self-fulfilling prophecies, governance regimes, open-source communities, and industry transition, that have been published in journals such as the *Academy of Management Review*.



### Steven Poelmans

Has been appointed associate professor in the Department of Managing People in

Organizations. Prof. Poelmans holds a master's degree in Organizational Psychology from the **University of Louvain**, in Belgium; a master's in Marketing Management from **Vlerick Management School**, and a doctorate in Management and Organizational Behavior from IESE. He gives classes on self-leadership and coaching at IESE. Prof. Poelmans is the co-founder of IESE's International Center of Work and Family. His research and teaching focuses on work / family balance, stress management and family-responsible policies.

# Sparkling Innovation in NY

## CREATIVE CULTURES: MAKING INNOVATION WORK



Prof. Paddy Miller, director of the "Creative Cultures: Making Innovation Work" program moderated a special session with Vijay Govindarajan at the World Innovation Forum at the Nokia Theater in New York on May 5. The forum, held on May 5 and 6, formed a substantial sandwich filler in IESE's "Creative Cultures" program held at IESE's New York campus on May 4-8.

Participants attended the forum as part of the "Creative Cultures" program, which is designed for business leaders seeking to foster innovation in their organizations, and who need specific tools and a straightforward action plan.

Govindarajan is recognized as one of today's leading business strategists. His articles have appeared in journals such as **Harvard Business Review**, *strategy+business*, and **MIT Sloan Management Review**. He is a professor at **Tuck School of Business** at Dartmouth.

"A culture of innovation is driven by the individual," says Prof. Miller. "Yet it's instilled in the organization by small teams working together on a daily basis. The 'Creative Cultures' program shows managers how to harness creativity, support it, and use it to drive competitive advantage."

### Six ways to fail at innovation

Miller and Thomas Wedell-Wedellsborg, fellow member of the "Creative Cultures" team, list six major mistakes managers make when trying to make their teams more creative in *The Innovation Architect*, their forthcoming book.

#### 1. Not knowing where you want to go.

Saying "we want innovation" is like saying "we want to be successful" – it is a good start, but it doesn't really help anyone in deciding what to do.

#### 2. Thinking communication is enough.

This is where the PowerPoint presentation saying "Innovate or die!" traditionally enters the picture.

**3. Chasing free lunches only.** Often, you can get better at innovation through making very simple, virtually costless changes to the way you do things. And this is where the problems start, because you start to think that everything should be attainable without paying for them.

**4. Jumping into action.** Following the false lights of cookie-cutter management books, a generation of managers has been trained to believe that they should focus on action and execution above all else. In the words of *In Search of Excellence*, managers must show "a propensity for action."

**5. Thinking "fear of change" is the problem.** A fallacy that deserves special mention is the obsession the innovation industry has with fear of change.

**6. Treating innovation as a one-man, one-idea show.** The cult of personality has never been more pervasive than it is in business today. When something great happens, we look for the genius who had the idea. And this appeals to innovators. Who doesn't want to be declared a genius and receive all the plaudits?





# Professor Advises Government

## JOSÉ M. CAMPA TAPPED FOR SENIOR ECONOMY POST

IESE Prof. José M. Campa has been appointed Secretary of State for the Economy in the Spanish government. Campa, 44, is Professor of Financial Management at IESE and holds the **Santander Group** Chair of Management of Financial Institutions and Corporate Governance from IESE. He obtained his Bachelor's degree in Economics and Law at the **University of Oviedo** and his Ph.D. in Economics from **Harvard University**. He has been a member of the IESE faculty since 2000.

Before joining IESE, he was a professor at the **Stern School of Business, New York University**. He has also been a visiting professor at **Columbia University** and a visiting scholar at the **International Monetary Fund**, the **Federal Reserve Bank of New York** and the **Bank for International Settlements**.

Prof. Campa has received numerous awards for his work, including the Germán Bernácer Prize to the best European economist under 40 in a Euro Zone country, the **Fundación Banco Herre-ro** Research Award and the IESE Fac-

ulty Research Award. He has worked as a consultant to important private institutions and has acted as an expert on issues of international valuation, risk management, and international finance.

Currently, he is a research consultant to the **Bank of Spain** and a research associate of the **National Bureau of Economic Research** and the **Center for Economic Policy Research**. He is the author of many published works in prestigious financial magazines and a frequent collaborator in media.

IESE's Dean Jordi Canals noted that Prof. Campa "is one of the best European economists of his generation with enormous professional prestige, globally. He is a person that can contribute solid and reliable criteria in the current economic situation."

Prof. Alfredo Pastor, who held the position from 1993 to 1995, said that "he is a man with more than enough potential to face a difficult situation" adding, "Minister Salgado is very lucky to have him on her team."



Prof. José M. Campa

## People



### Stefan Stremersch

Has joined IESE as a visiting professor in the Department of Marketing. Stremersch

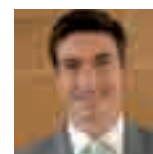
holds a degree and a master's degree in Applied Economics from **Ghent University** (1996), as well as a doctorate in Business Economics from **Tilburg University**. His research is focused on the pharmaceutical and hi-tech sectors. His work has been reported in national and international media.



### Eric Weber

Has been appointed professor in the Department of Accountancy and

Control. Prof. Weber joined IESE in 1987 as an instructor in the same department. He earned a Ph.D. in Management (Accounting and Information Systems) from the **Kellogg Graduate School of Management**. Since 2006, Prof. Weber has served as associate dean of IESE. Prior to that, he held the posts of associate dean of the MBA program and associate dean of Executive Education and the Executive MBA programs.



### Christoph Zott

Has been appointed professor in the Department of Entrepreneurship.

Prof. Zott graduated with honors from **Universität Karlsruhe**, in Germany, as well as from the **Institut National Polytechnique de Grenoble**, in France. He holds a doctorate in Commerce and Business Administration from the **University of British Columbia** (Canada).

Inspiration for business growth is  
often found in the smallest details



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address some (not so) modern problems.

Looking for new business ideas? Look no further than...

# IESE's New Management Review

A new magazine is born, one that delivers the vital knowledge executives need in a format that is attractive, accessible and translates directly into action.

"Every year, thousands of research papers are written on the subject of management, many of them containing important ideas but buried deep inside some library stacks or knowledge base," says Prof. Antonio Argandoña, editorial director of the new business publication launched by IESE. "The new *IESE Insight* review has been designed to address this problem, transferring essential knowledge directly to the inner workings of an organization."

The exclusive online publication is packed with stimulating ideas, based not only on the work of IESE professors but on that of respected management experts from prestigious institutions around the world. Each quarter promises to bring readers an engaging mix of articles posing innovative solutions to the business problems managers frequently face, in a format that facilitates fresh thinking and positive action.

The publication's editorial board is made up of IESE Profs. Antonio Dávila, Johanna Mair, Philip Moscoso, Javier Quintanilla and Julián Villanueva. They are responsible for selecting the content of each issue, based on their own particular disciplinary perspectives, and ensuring that the research articles remain rooted in business realities.

The new magazine, published in separate Spanish and English editions, is affiliated with the main IESE Insight knowledge portal ([www.ieseinsight.com](http://www.ieseinsight.com)), which delivers a wealth of complementary material, ranging from teaching resources, downloadable papers, opinion articles and blogs, key business indicators, podcasts and access to an extensive database of more than 7,000 searchable references.



## Designed with Alumni in Mind

The magazine is aimed at IESE's alumni of 30,000 professionals working in 100 countries. It was conceived, first and foremost, as a practical tool to help them in their professional development while keeping them abreast of the latest findings and trends in business management, all presented in an attractive and accessible format.

Professors and teaching staff from other educational institutions, and general subscribers with a keen interest in the business themes, will also find this new publication of interest to them.

Members of the Alumni Association will automatically receive a quarterly update via e-mail alerting them to the latest publication, featuring highlights from the current edition. Using their usual log-in name and password, alumni members will be able to view or print off the magazine as they wish.

Non-member alumni are able to take advantage of a special promotional offer, which entitles them to view the magazine free of charge until 2010. From then on, they will need to pay an annual subscription fee.

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[www.ieseinsight.com/review](http://www.ieseinsight.com/review)

## Providing Rigor and Relevance

We have paid particular attention to the magazine's design and presentation. Each edition contains a lively combination of in-depth articles and interviews with prominent personalities, all written with the practitioner in mind.



### ▲ My Insight

First-person columns to get you thinking.

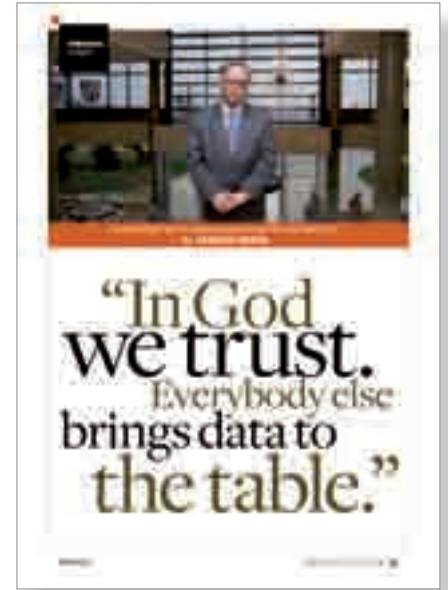
#### Plus: Early Insight

A roundup of quotes, quips, quick knowledge and business trends.



### ▲ Deep Insight

An executive dossier focusing on one overarching theme tackled from different angles, to help readers get to grips with a big issue of management from various vantage points of general management. A useful reference to keep on a given theme.



### ▲ Personal Insight

A face-to-face interview with a top leader, facilitated by a senior IESE professor knowledgeable in the same business area as the CEO, so as to extract the most relevant talking points for managers.



### ▲ Expert Insight

Articles on any subject (not related to the cover dossier), based on serious research but reinterpreted to highlight the practical implications and real-life application for managers.



### ▲ Business Insight

Executives suggest possible ways of tackling a real-life business dilemma, based on their own experiences, linked to an actual teaching case prepared by and available from IESE for group discussion.



### ▲ Wider Insight

An interview with an intriguing personality whose job is not "business as usual." Embedded in the discussion are lateral insights that managers can apply to their own workplace scenarios.

#### Plus: Last Insight

A final thought from a learned professor, usually recalling the wisdom of past thinkers to address some (not so) modern problems.

# IESE Pushes Boundaries on Research

NEW STUDIES ON TOPICS RANGING FROM HEALTH CARE TO THE ENVIROMENT

## DELIVERING ENDURING ENVIRONMENTAL CREDIBILITY

"The Impact of Symbolic and Substantive Actions on Environmental Legitimacy"  
IESE Prof. Pascual Berrone and Carlos III University's Liliana Gelabert and Andrea Fosfuri

**Environmental** issues, once the sole realm of tree huggers, dominate headlines today. Organizations such as **Greenpeace** and **Friends of the Earth** exert great influence on the media, governments and entire industries. This means that firms can no longer afford to ignore the impact that their environmental policy is having on their public image, let alone their long-term survival. The key to gaining an edge over competitors, in terms of environmental credibility, lies in choosing the most effective course of action.

In their working paper, "The Impact of Symbolic and Substantive Actions on Environmental Legitimacy," IESE's Pascual Berrone and **Carlos III University's** Liliana Gelabert and Andrea Fosfuri examine the impact of various actions taken by firms to manage their environmental credibility, when faced with an increasingly influential and knowledgeable group of interested parties. ●

## FINANCIAL PRESSURE THREATENING U.S. HOSPITAL CARE

"Responding to Financial Pressures: The Effect of Managed Care on Hospitals' Provision of Charity Care"  
IESE Prof. Núria Mas

**In comparison** with Europe, the United States does not have a state welfare system as such. Instead, uninsured people rely on charity for medical care. The bulk of this service is taken on by hospitals that act as providers of last resort, also known as the safety net.

These are usually government hospitals, teaching hospitals and those located in poor areas. Traditionally these hospitals part-fund their charity health care through a complex system of cross-subsidies.

In her working paper, "Responding to Financial Pressures: The Effect of Managed Care on Hospitals' Provision of Charity Care," IESE economics professor Núria Mas explores the implications of changes to the health care insurance market in the United States, and how the delicate equilibrium that exists there is increasingly under threat in the current competitive and changing environment. ●



## THE BIG PICTURE OF BUSINESS MODEL DESIGN

"Designing Your Future Business Model: An Activity System Perspective"  
IESE Prof. Christoph Zott and Prof. Raphael Amit of Wharton

### Purposeful design,

within and across a firm's boundaries, is the essence of a successful business model. In their working paper, "Designing Your Future Business Model: An Activity System Perspective," due to be published in the journal *Long Range Planning* as part of a special issue on business models, IESE's Christoph Zott and **Wharton's** Raphael Amit provide managers and entrepreneurs with a framework to show how this can be done.

To illustrate this wider perspective, the professors use the example of **FriCso**, a young technology company, which has achieved a huge technological breakthrough in friction reduction. Given the huge benefits for a number of industries from this technological leap, success looks certain. ●

## FAMILY BUSINESSES THAT GO WITH THE FLOW

"Subjective Well-Being and Families in Businesses: A Study Using the Experience Sampling Method"  
IESE Research Assistant Lucia Ceja

**The Hungarian** psychology professor Mihaly Csikszentmihályi, is best known for his seminal work, "Flow: The

Psychology of Optimal Experience." The psychologist's thesis is that people are most happy when they are in a state of "flow" — a state of concentration or complete absorption with the activity and situation at hand.

Lucia Ceja, a research assistant with IESE's Family-Owned Business Chair, applied Csikszentmihályi's framework to assess the level of "flow" in family-owned businesses in her paper, "Subjective Well-Being and Families in Businesses: A Study Using the Experience Sampling Method." The article won the Premi Cambra for best research paper on family business. Approaching the subject from the

perspective of positive psychology, the study defines subjective well-being as the high frequency of "flow" experiences in which the person becomes completely absorbed out of personal pleasure and enjoyment.

Ceja's research found that family-business owners attain higher levels of well-being at their jobs than other owners and employees. ●



Learn more at:

<http://insight.iese.edu>



# Social Entrepreneurship Research Goes Global

Robert Owen, a British cotton mill owner who died in the 17th century, could be described today as a social entrepreneur. Although he ran his cotton mill in New Lanark, Scotland, for profit, he invested in mechanisms to improve the lives of those who lived and worked there, especially children.

While social entrepreneurship (SE) has existed for some time, research in the area remains relatively scarce. IESE Prof. Johanna Mair, Jeffrey Robinson and Kai Hockerts first explored the topic in their book, *Social Entrepreneurship*, born of research presented at IESE's first International Entrepreneurship Research Conference in 2005.

Now the authors are back with *International Perspectives on Social Entrepreneurship*. This new volume draws from research presented at the second International Entrepreneurship Research Conference held at the Berkley Center for Entrepreneurial Studies at **NYU Stern School of Business**. Featuring 20 global scholars, this follow-up seeks to provide new directions to existing theories.

"Our goal is to move the conversation beyond the discussion of definitions toward a discussion of constructs, concepts, frameworks and theories of social entrepreneurship," explain the authors.

Shalei V.K. Simms and Jeffrey Robinson kick off by exploring the dual identity of individuals who embark on SE, suggesting that social entrepreneurs have both an inner activist and inner entrepreneur. The dominance of one of these identities over the other is often related to the kind of organization these SEs form.



*International Perspectives on Social Entrepreneurship*

Jeffrey A. Robinson,  
Johanna Mair,  
Kai Hockerts  
Palgrave MacMillan

# A Practical Guide to Having a Job and a Life

It's been a hard day. You started at 8 a.m., worked through lunch and hurdled one problem after another. Now it's 5 p.m. and you're rushing out to pick up your kids. "Working just a half day?" a colleague sneers at you. The question adds to that gnawing fear that you are choosing between your family and the fast track.

Scenarios such as this are not uncommon in a corporate world still coming to terms with the push for a better balance between professional and personal lives. IESE Prof. Steven Poelmans and Prof. Paula Caligiuri of **Rutgers University** offer a practical guide to how this can be achieved in *Harmonizing Work, Family and Personal Life*. The authors draw on a range of international case studies to provide a framework for policy design and implementation. The book states that the mere implementation

of work-life programs does not necessarily guarantee a family-friendly working environment, though. When **IBM** first introduced such policies, it had to first change the mindset of its managers and employees, for example.

"The attitude of the direct supervisor therefore plays an important role, because he/she decides if and how formal procedures are implemented on a daily basis," Poelmans says.



*Harmonizing Work, Family and Personal Life*

Steven Poelmans, Paula Caligiuri  
Cambridge University Press



Here we highlight the most popular features from the school's knowledge portal, IESE Insight.

## Held in Trust

Transformations and adaptations cannot take place within an organization unless the employees trust their leader. Studies have shown that transformational and charismatic leaders are able to build this trust in their followers, and that there is a correlation between leadership and effectiveness.

Conversely, if there is a lack of trust within an organization, employees are more likely to take a defensive stance, which can be detrimental to the organization and its performance. Given the current economic climate and prevalence of downsizing, creating trust is a challenge like never before.

Recognizing the seriousness of this issue, IESE Prof. Pablo Cardona and Wei He look at how trust is initiated, developed and maintained in organizations. Their paper, "Trust Me, I'm the Boss" examines the factors that influence trust levels in boss-subordinate relationships, and they suggest some ways of restoring the trust that is so essential for the successful running of any organization.

## CSR and the Crisis

Explaining a crisis – especially one as major as the housing crisis that has shaken global markets since 2007 – is a complex undertaking given the multiplicity of causes involved. While the economic reasons may be clear, one must also consider the psychological, social, political and ethical factors that, while far from being alternative explanations, offer complementary perspectives.

The ethical interpretation of the crisis adds another dimension to the economist's analysis. An economic explanation of the crisis is undoubtedly appropriate, although the ethical perspective paints a clearer picture of the human motivations and explanations, which may not be distinct but are certainly more complete, and thus provide a more precise identification of the consequences of the economic decisions, particularly with regard to the long term.



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# alumni\*

## 72 Interview with Elena Revoredo (AMP '00)

Helena Revoredo is president of Prosegur, a multinational security solutions group and a member of IESE's International Advisory Board.

## 86 IESE's Global Alumni Reunion Goes "Stateside"

New York, one of the world's leading business centers, makes a fitting host for IESE's Global Alumni Reunion 2009.

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Read the latest updates on alumni and their companies, as well as class gatherings with faculty.

## 92 Chapter News

Information on recent Regional Chapter meetings, which are held all over the world.



What companies and institutions value most now is human capital, and women have much to contribute in this regard.

# People: the Key to Business

Helena Revoreda (AMP '00) is president of Prosegur, a multinational security solutions group, and member of IESE's International Advisory Board (IAB). Revoreda sees people as a company's differentiating factor. We talked to her about gender equality in the corporate world and her vision of the organization of the future.

Helena Revoreda is frequently listed as one of the most talented women entrepreneurs by the Spanish media. Besides her leadership role at **Prosegur**, she is an independent director of the Spanish bank, **Banco Popular**, and a member of the board of directors of **Telecinco**, the Spanish unit of the Italian commercial television network **Mediaset**.

Originally from Argentina, she holds a degree in Business Administration from the **Catholic University of Buenos Aires** and graduated from IESE's Advanced Management Program (AMP) in 2000. Her interest in management education has led her to chair Euroforum, an institution that promotes executive development. She is a member of IESE's International Advisory Board (IAB), which advises IESE on current trends in economics and management.

Revoreda is also firmly committed to social causes. In the mid-1990s she drove the creation of **Fundación Prosegur**, present in the 12 countries across Europe and Latin America that the company operates in. It runs community and cultural initiatives.

On the community side, the foundation supports projects such as the reconstruction of schools in Argentina or the integration into the workplace of people with limited physical or mental abilities. In the cultural arena, the foundation provides scholarship for students at the **Reina Sofia School of Music**.

How would you describe your path to where you are now? Do you believe that being a woman is a factor in the business world?

Women have had to take on multiple roles in society, both for biological and social conditioning reasons, which makes things hard. Now women are slowly breaking through in the world of business, but many things have yet to change for women to be completely equal to men. From my point of view, this does not necessarily involve institutional or government intervention. I do not believe in affirmative action and believe that society has yet to change a lot culturally for women to be fully integrated in the workplace.

Women's mentality also has to change in many ways. Women continue to feel guiltier than men in certain family and childcare situations when they see that they're being stretched too thin. As long as this is the case, equality in the workplace will be beyond our reach.

As to whether the role of women in business is different from that of men, I think that yes, there are certain nuances of difference. Perhaps because it has taken them such an effort to get to their positions, women are often extremely professional, very exacting and scrupulous in fulfilling their obligations, something that in some situations may limit their flexibility to some degree. They also often contribute human and personal values, which at this time are particularly important. Companies and institutions now value human capital first and foremost, and women have a great deal to contribute in this regard.

From your experience, do you believe governments should be more proactive in the advancement of gender equality in the workplace? Or is it something

for organizations and academic institutions to tackle?

As I said, I think progress depends more on a transformation of how society thinks than on institutionalized actions. In this respect, education plays an important role, because schools really transform social attitudes. In fact, I believe that much of the success in gender equality has been achieved through academic institutions, especially universities, where women have demonstrated that they measure up on academic terms.

In today's climate of economic gloom, do you think Corporate Social Responsibility (CSR) will become more important or face budget cuts?

This has to be analyzed from two angles: economic and structural. This area may be slightly affected by the credit crunch, as are all areas of business. Perhaps the apprehension that organizations feel toward the financial situation may lead them to limit investment in CSR. But I think that in the long term, it is something that companies should not overlook and continue to invest in. The transformation of society depends greatly on support for such initiatives.

I am a committed advocate of liberal thought, of free and private enterprise, and I think that companies' dedication to CSR is a big step to validating this system. This also brings a change in society's attitudes, both in those who benefit from CSR and in those who implement it.

Many analysts say this is the first truly global crisis and look at the woeful lack of experience of most CEOs in such situations. Do you share this view? What role do experience and education

My experience at IESE was truly positive. It allowed me to learn from people who had challenges similar to mine.

play in this regard?

This is the first global crisis I have experienced, and I've been in business for quite a few years. I believe that in Spain, in particular, many CEOs and business leaders have never weathered a global crisis, because they have only ever "lived" through a period of economic growth. But this does not mean they have never experienced a crisis, because there have always been crises in industries or crises within the companies themselves. If you look at the archives of the Forbes 500 of the largest U.S. companies, 30 percent of them disappear every 12 or 15 years due to this type of crisis.

It is true that many people launched their careers in the sustained period of economic prosperity that recently ended. So it is important that business schools and universities respond by offering programs on managing in the downturn and work to transform the mindset of non-stop growth at all costs into more long-term thinking.

How did your experience at IESE influence you?

It was a very interesting experience, because I did the AMP at IESE after a long period away from academic life. It

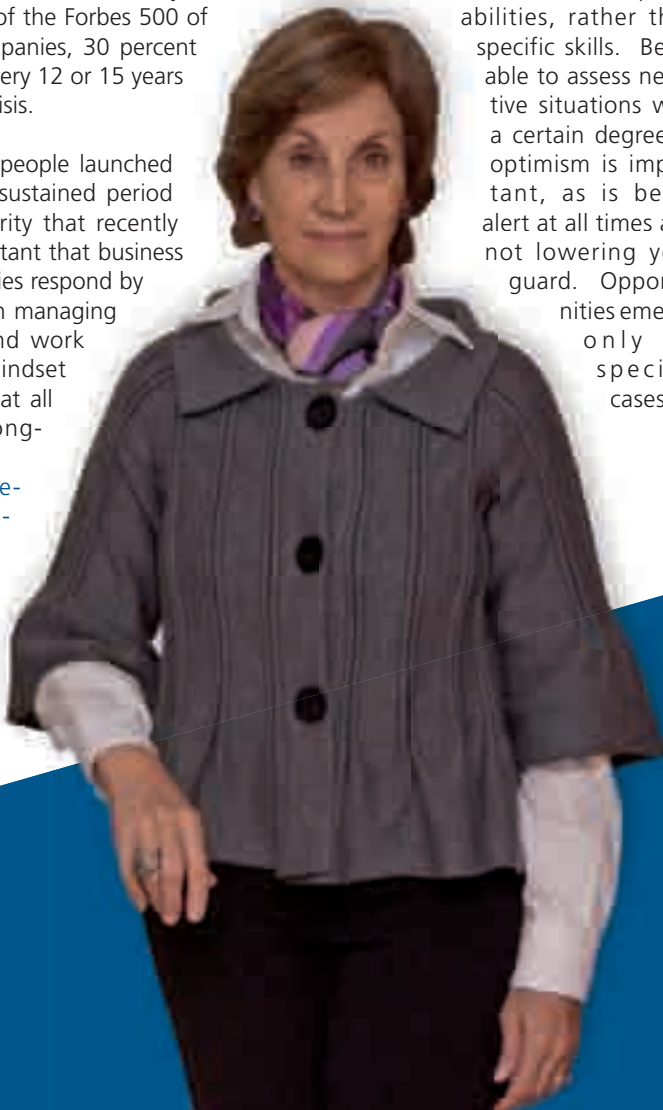
was a kind of shock to my thought patterns, my attitude and my relationship with colleagues. It was a truly positive experience that allowed me to learn from people who had challenges similar to mine. I miss it a lot.

They say that recessions provide great opportunities for those that can detect them. How can business leaders identify these opportunities?

I think it calls for special abilities, rather than specific skills. Being able to assess negative situations with a certain degree of optimism is important, as is being alert at all times and not lowering your guard. Opportunities emerge only in specific cases.

How do you imagine the corporate world in 2020?

I do not know what it will be like, but I can tell you how I would like it to be. I'd like to see companies where talent and human capital is truly valued and enhanced, because I think that is where the added value is. A company where a flexible work environment is accepted and understood as a benefit for both employers and employees, where mobility is readily available and the job market is accessible to many people. I would also like to see organizations with a growing interest in corporate social responsibility.



It is important that business schools and universities work to transform the mindset of non-stop growth at all costs into more long-term thinking.



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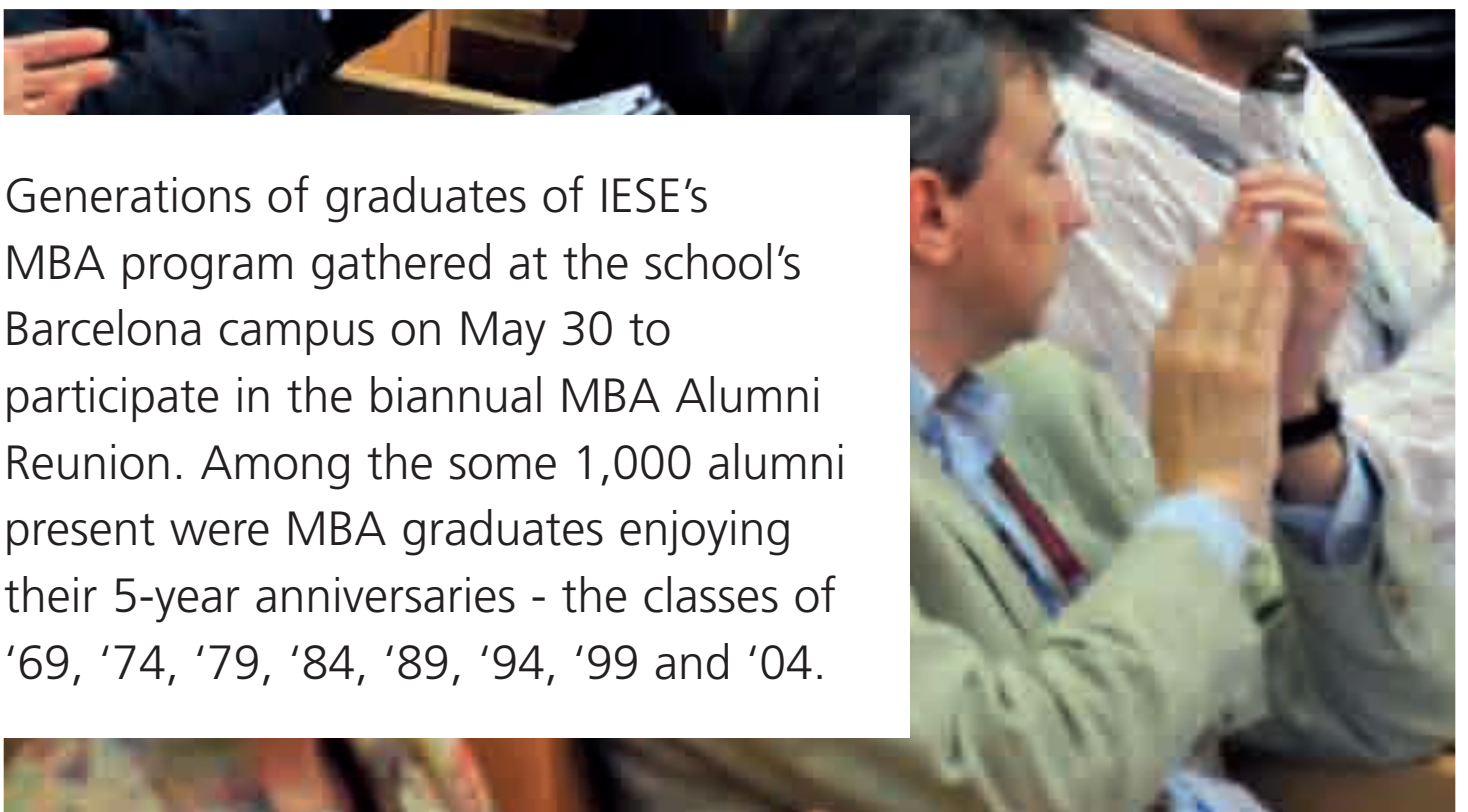
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# "You Are Our Greatest Ambassadors"

Generations of graduates of IESE's MBA program gathered at the school's Barcelona campus on May 30 to participate in the biannual MBA Alumni Reunion. Among the some 1,000 alumni present were MBA graduates enjoying their 5-year anniversaries - the classes of '69, '74, '79, '84, '89, '94, '99 and '04.





In his welcoming address, Dean Jordi Canals touched on the role that MBA programs play in regard to the current economic downturn. While some observers have challenged the value of an MBA today, he said that a rigorous and relevant program in a leading school still offers the best possible education for the corporate world that a young professional can find.

Overall, he said, "The value of an MBA education in many schools is still very high." By working with professional competence, integrity and a spirit of service, business leaders have great potential to contribute toward making the world a better place, he said.

"IESE is very lucky," Dean Canals said. "It has a very strong sense of mission and the MBA program is still attracting top students who have great ideals, want to instill the corporate world with professional excellence and are team players." The dean described IESE's mission as a desire to "change the world, a vocation to serve society and the personal development of everyone we work with, making companies more human."

These are the principles guiding the school's new IESE New York Center. IESE is currently renovating the six-floor building on West 57th Street. But the dean stressed that the structure is just the beginning of the school's aspirations for North America. "We are planning to build a community there, not just a building."

As a result, the school is to hold its Global Alumni Reunion '09, open to graduates of all IESE's MBA and Executive Education programs, in the Big Apple on October 10. It marks the first time the reunion takes place in the U.S (See page 86).

Alumni will have the opportunity to hear from global leaders in their field such as Kathryn Wylde, president and CEO of the **Partnership for New York City**, and Antonio M. Perez, chairman and CEO of the **Eastman Kodak Company**. Above all, alumni will have the opportunity to refresh connections and establish new ones in the global IESE family.

Following the welcome address, alumni joined break-out academic sessions on a variety of topics such as decision-making, communication skills and private equity, led by members of IESE's faculty.

For example, Miguel A. Ariño, professor in the Department of Managerial Decision Sciences, shared the "10 Most Common Errors in Decision-Making" with a capacity crowd of IESE alumni.





The number one pitfall in decision-making, according to Prof. Ariño, is an unjustified feeling of responsibility. "We tend to believe that if we do something well, everything will work out as we've planned," Ariño said. But this perspective does not factor in bad luck or things being beyond our control.

The second-biggest mistake we can make, the IESE professor said, is to adopt an "unconditional commitment to a pre-determined decision from the very beginning." One example is the Iraq War, while Ariño cited another example from his own experience.

"Ten years ago or so, I was traveling back to Spain from Philadelphia. The flight was overbooked and the airline offered us a significant amount of money, say \$500, to switch to a later flight. There were four or five of us and we all refused the money, we had our seat and we wanted on that flight," he said. "Later we thought, 'that was quite a bit of money we could have got.'"

Ariño explained that sometimes we get so bogged down looking for reasons to support our original decision that we refuse to take any reasons that contradict our decision into consideration. "This gets worse with group-think," he added.

The third most common mistake we make in decision-making, according to the professor, is to adopt a subjective view of reality that is systematically biased. One example is the notorious "above average" effect: in surveys, three quarters of us believe we have above-average driving skills – a statistical impossibility.



## MBA '99



## MBA '84







MBA '79

MBA '89





MBA '69

MBA '94





MBA '04



MBA '74



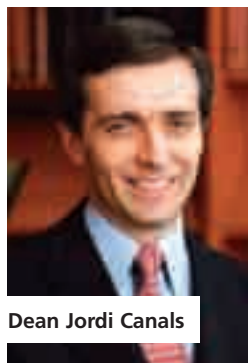


Prof. Sandra Sieber

## Innovation and NYC

Several representatives from The Levin Institute, New York, shared their views on the topic of "The Innovation Imperative and NYC" with IESE alumni and friends. Prof. Irving Wladawsky-Berger provided a context for innovation and the current economic environment; President Garrick Utley and Dr. Lynne Rosansky described what NYC has been doing to stimulate innovation in the city and how Levin

has been engaged with two new initiatives to develop and retain NYC talent. IESE Prof. Sandra Sieber moderated the event.



Dean Jordi Canals

## Financial Faultlines

Onno Ruding, former finance minister of the Dutch government, cited three main causes of the financial crisis at a special alumni event at the offices of McKinsey & Co. in Amsterdam. He pointed to inappropriate risk management by the banks themselves; shortcomings in supervision at banks and insurance companies and inappropriate government monetary policies resulting in over-leveraging.

Dean Jordi Canals also spoke at the event. Thanks go to **Philip Alberdingk Thijm** (MBA '89) and **Bouke Marsman** (MBA '04).

■ New York, June 10

■ Amsterdam, April 22

Members of IESE's IAB Share Perspectives on Crisis with Alumni

# Capitalizing on Change: Views from CEOs

Many of the business leaders that make up IESE's International Advisory Board (IAB) shared their perspectives on the global recession with alumni and MBA students at a special Continuous Education Program event at the school's Barcelona campus on April 17.

The IAB meets annually to discuss topics such as how best to respond to companies' needs. Before the annual meeting, the board's distinguished members discussed routes out of the crisis in three sessions focused on entrepreneurship and innovation, globalization, and the U.S. and European rescue plans (See page 10).

Prof. Joan Roure moderated a session titled "How to Foster Entrepreneurship and Innovation to Build the Firms of the Future." Roure asked the panelists how the crisis had impacted their companies and what opportunities it had brought. Alumni and MBA students learned that the recession presents a number of opportunities for firms that have strong balance sheets and an entrepreneurial mindset.

Isak Andic, CEO of **Mango**, said the global fashion retailer had gained some prime sites by approaching franchise holders in the most coveted commercial spaces to

ask if they wanted to swap brands with **Mango**. Another initiative was to identify the countries hit worst by the crisis (Russia, Ireland, the U.K. and Spain) and concentrate investment elsewhere.

Just as the economic crisis has hit harder in some countries than others, the downturn has provided a fillip in some sectors while pulling down sales elsewhere. For example, Hans-Jacob Bonnier of the family-owned media group, **Bonnier**, said that plummeting advertising revenues had reduced turnover at its Russian and Baltic country publications by 70 percent.

On the other hand, Bonnier said that the group's book publishing division was doing extremely well. "In crises, people tend to read more and go to the cinema more. Perhaps the films are better, or perhaps going to see a film about Thailand is cheaper than a trip to Thailand," he said. The group's interests span from newspapers to movie theaters.

Firms in sectors insensitive to the business cycle are not impervious to the crisis, though, as Andrea Christenson of toy and children's wear company **Käthe Kruse Puppen** noted. Consumers tend to scrimp in other areas before cutting back on chil-

dren's gifts. But when a company's customers delay payment and banks sit on cash rather than lend it, entrepreneurs can face financing challenges.

At the same time, the IESE MBA alumna said she saw opportunities among the threats brought by the crisis. "We are looking to build close relationships with our most profitable customers, shorten the cycle in innovation to bring products to market faster and perhaps buy competitors," she said.

For Stanelly Motta, of **Motta Internacional**, the crisis could spur innovation and entrepreneurship. Motta, whose company has interests in distribution, aviation and the duty free sector, said that pressure created by the downturn, along with passion, often brings out the best in people.

"We can improve processes all around the world... the wheel had been around for a long time before anyone thought to put them on suitcases, for example."

■ Barcelona, April 17



Prof. Pedro Videla

## Southeast Avoids Storm

IESE Prof. Pedro Videla said that the Philippines, Indonesia and Vietnam are among the emerging countries in Southeast Asia that are well-positioned to survive the current economic downturn, and that business leaders should focus on the long-term future of markets. Prof. Videla led sessions on the prospects for emerging markets in Manila and Jakarta.

In Manila, his session included the collaboration of faculty members of the University of Asia and the Pacific (UA&P) Profs. Bernie Villegas and Emilio Antonio.

■ Manila, May 13



Prof. Brian Leggett

## Make Your Pitch

Pierre Morgan-Davies of Templar Advisors gave a talk to IESE alumni on the communications and pitching skills that are critical in winning more business. Templar Advisors works with clients on informal pitches for new business, formal beauty parades, fundraising, investor roadshows, initial public offerings and conference speeches.

The firm works with international clients and mentors senior business leaders and financial analysts on their communication and pitching skills. IESE Prof. Brian Leggett moderated the session.

■ London, June 18

## HBS Professor Offers Advice at Continuous Education Session

# Understanding the Customer is Key

As the fallout from the financial crisis continues to reverberate around the world, companies are clamoring to formulate new marketing strategies to offset the impact of declining consumer confidence.

"First and foremost, a company's priority must be to understand its customers," said Harvard Business School Professor John A. Quelch, an expert on global marketing and branding, during a Continuous Education Program session, "Marketing in a Crisis." IESE Prof. Pedro Nueno moderated the event.

Marketing departments are navigating choppy waters, as consumers reduce or postpone spending, while others trade down brands. On top of this, price sensitivity is on the increase as consumers scrutinize their purchases more closely; search time prior to purchase continues to lengthen; consumers are less open to experimental buying, and impulse buying is on the wane.

"At times like the present, new consumer segments emerge. As a result, your old customer segmentation may no longer be relevant," Prof. Quelch said. Each product can expect a different reaction from consumers so it is essential that marketers

carry out thorough customer and market segmentation research.

On the subject of costing strategies, Prof. Quelch highlighted the importance of knowing and understanding the company's cost structure, particularly in relation to its direct competitors. Marketing professionals should also drive out unproductive costs but take care to avoid "overkill," that is, cutting costs too aggressively. After all, "if there is a sharp rebound following the downturn, your company may well lose important business and market share. Sensible managers will always use a scalpel rather than a hatchet."

According to Prof. Quelch, companies need to resist the temptation to cut back on marketing costs during the current crisis as it "could well result in long-term damage to the company's brand recognition." They should also avoid shaving on quality to save a few pennies and maintain investment in training and new product development. It would make more sense for companies to focus on reducing fixed costs, such as through outsourcing, as well as cutting overcapacity and working capital.

Prof. Quelch reminded participants that recessions could also be a time of great

opportunity. "Companies that are best-positioned in the recession are those that have nurtured and sustained strong collaborative relationships with suppliers and distributors. It also helps if your company has a healthy cash flow that enables it to pick up bargain acquisitions that can add to market share at very low costs."

For those businesses with less cash to hand, however, senior management "must focus on profitability over primary demand and market share." Meanwhile, companies, as a whole, should avoid competing on price. Instead, and much more effective, would be to focus on conveying value to customers.

High-potential markets, such as China, merit continued investment, he said. Prof. Quelch is Lincoln Filene Professor of Business Administration at HBS and is currently on sabbatical in Shanghai, where he is the "la Caixa" Visiting Professor of International Management and Chairman of the Academic Advisory Council at the **China Europe International Business School (CEIBS)**.

■ Barcelona, May 14

# AMP Munich Alumni Gather By Lake

Starnberg Lake near Munich in southern Germany was the stunning setting for the third Advanced Managed Program (AMP) Munich Alumni Reunion at the end of May. A strong turnout of alumni and friends traveled from Starnberg into the city to enjoy a presentation by Maria Teresa Alvarez, managing director of **Polo Ralph Lauren**, on Saturday, May 24.

After lunch at the SiemensForum, IESE Prof. Marc Sachon led an academic session based on the **Porsche** case study. **Gerd Günther Schneider** (AMP Munich '08) praised the program's academic component. "The reliably top-notch academic input we get at such reunions is really important for us alumni. After listening to one of the presentations at the Global Alumni Reunion in Madrid, I took a far-reaching professional decision that saved me a great amount of money!"

There was also an opportunity for participants of this year's edition of AMP Munich to network and compare notes with the alumni. In the evening, the group returned to Hotel Kaierin Elisabeth on Lake Starnberg for a traditional Bavarian dinner. **Thomas Steckenborn** (AMP Munich '07) commented on the networking aspect. "I am in several professional clubs and associations, but the personal and professional quality of the people that IESE brings together in its AMP Munich is without comparison in Germany".

Following a highly successful weekend, the AMP Munich Reunion is set to go from strength to strength. **Michael Rosenthal** (President of the AMP Munich class '06) said, "This is the beginning of a great tradition: we will from now on meet every May for a fantastic session."

## AMP Munich clocks up five editions

The first module of the fifth edition of AMP Munich kicked off on April 20. The German-speaking senior managers that participate in the program hail from countries such as Germany, Austria, Hungary, Switzerland, Montenegro and Spain.

The program's director, Rudolf Repgen, said that its reputation is growing in Germany and neighboring countries. Recent efforts to raise awareness of AMP Munich among the target audience had been successful, he added. Moreover, the fifth edition has attracted a record number of female participants.

The four-month program is split into six modules in which participants have the opportunity to develop both personally and professionally, as well as network. Delivered by a team of high-caliber faculty members, the program is designed specifically to meet the needs of business leaders in German-speaking regions.



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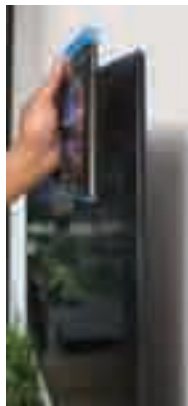
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# The Global Alumni Reunion Goes "Stateside"

New York: two words that evoke vivid images of a city bursting with life, culture and enterprise. Christopher Morley, an American journalist and novelist, once decribed the city as "the nation's thyroid gland." Being a vital organ for the U.S. and international business makes it a fitting host for the 2009 IESE Global Alumni Reunion.



<http://iese.edu/alumnireunion2009>



"Reframing the Future of Business" is the theme for this year's event, which will take place on Oct. 10-11. The academic program includes sessions by speakers such as Dr. Valentín Fuster, world-renowned cardiologist and director of cardiology at **Mount Sinai Hospital** in New York, Kathryn Wyld, president and CEO of **Partnership for New York City**, Magnus Böker, president of **NASDAQ** and Antonio Perez, CEO of **Kodak**. "We are very pleased to produce a top bill of speakers for another year running. The location of the event and IESE's reputation facilitate this," says Mireia Rius, director of the Alumni Association.

Academic Directors Paddy Miller and Pedro Videla have targeted a diverse range of speakers for the 2009 reunion: "Including speakers from sectors both inside and outside mainstream business, ranging from finance to the health and media sectors, stimulates discussion and offers participants a range of perspectives," says Prof. Videla. "Creativity and

lateral thinking are crucial skills in the current economic context," he adds.

Under the umbrella theme of "the Future of Business," the program is structured around four topics: technological developments; the current economic landscape and globalization; the health sector and work-life balance and the media.

"The media has been particularly influential on the public's confidence in financial institutions and consumer confidence over the past year. It will be interesting to have an insider's opinion from key players in the industry," says Prof. Videla. Alumni will gain insights from Matthew Bishop, *The Economist's* chief business writer for the U.S. and Alan Murray, deputy managing editor at *The Wall Street Journal*.

The venues for the 2009 Global Alumni Reunion could be temptation enough for alumni to book their trip, though. "We have chosen the Waldorf Astoria and Cipriani 42nd as the main venues







for the event because of their prestige, history and professionalism. It is the first time the reunion will be held on the other side of the Atlantic and we want to make it memorable," Rius says. "This is an opportunity to visit venues that you could not normally without the excuse of the Global Alumni Reunion!" the association's director adds.

In addition to the academic sessions, lunch in the Waldorf Astoria and the closing dinner at Cipriani 42nd, the Alumni Association has organized a range of post-reunion activities such as a cruise on the Hudson River at twilight and museum tours to the city's flagship art institutions.

"Given the distance that some people may have to travel to attend, we wanted to make this reunion a weekend experience that will be as enjoyable for alumni as for their spouses or families. Many people will come with the aim of visiting New York as well as attending the reunion and networking," says Rius. "New York has so much to offer that we want to help participants get the most out of the city in the time available."

Almost 3,000 alumni attended IESE's

2008 Global Alumni Reunion in Madrid and the Alumni Association is aiming for a similar turnout in New York. Rius is confident, especially given that by the end of June, 250 people had already signed up, whereas in 2008 registrations only began in mid-July.

"If the program is promising enough people will make the effort. The speakers we have are of a very high caliber, the academic sessions are very accessible and free of charge and the venues are exceptional. The quality of the reunion program speaks for itself," says Rius. The director added that IESE also has many alumni living and working in the Americas that will be able to attend with greater ease than if the reunion were in Europe or Asia.

The 2009 Global Alumni Reunion will reinforce IESE's presence in the United States, where renovation of the IESE New York Center is underway. "The building is stunning, but without our alumni it's just bricks and mortar. Equally, at the Global Alumni Reunion it's the alumni that make the atmosphere so special," says Rius.

IESE's alumni association has already held 12 Continuous Education sessions this

year in the U.S. and a number of short focused programs in conjunction with the **Institute for Media and Entertainment (IME)** in New York. "Inside New York," an IESE short focused program will be held prior to the Global Alumni Reunion from October 5-8. The program will offer a 20 percent discount to alumni who also attend the reunion, in addition to inviting them to the lunch and dinner.

To promote the event in "The Big Apple," the association distributed 6,100 apples between the Madrid and Barcelona campuses. Alumni received a small package containing an apple with the catchphrase "the freshest ideas on the market" at continuous education sessions and alumni reunions.

The campaign was supported by the distribution of a "virtual apple" to more than 32,000 alumni. James Browne (MBA '08), marketing director for **Philips** said: "It's a fun and quirky way to motivate people to attend. With inspiring marketing ideas like this, I'll definitely consider going."

*Emma Buckle*



# You're In the News

We are very interested in hearing from you. Send us your news at [revista@iese.edu](mailto:revista@iese.edu)

## AMP '04

**Isabel Linares**, managing director of the regional television channel for the Madrid region, Telemadrid, led her classmates in a tour of the television station in March. Following a short presentation, the alumni caught up over lunch.

## AMP '06

**Joan Tomás** and **Consuelo Castilla** got their classmates together for a reunion at the IESE campus in Barcelona on March 24. The alumni enjoyed a talk and question and answer session with Josep Piqué, a former minister for industry and foreign secretary in the government of Prime Minister José M. Aznar. The reunion concluded with a networking event.

## EMBA '97

**Darío Vicario** has been appointed managing director

of Goodyear Dunlop Iberia. As well as the Executive MBA, Dario holds a degree in industrial engineering.

## EMBA '01

**Javier Albares** successfully completed the Iron Man 2009 competition in Lanzarote on May 23 in 13 hours and 48 minutes. Javier's yearlong training program included running the Madrid and New York marathons and competing in various "middle-distance" or "half-ironman" triathalons. Javier told us he could not have done it without the support of his wife, **Ana Infante** (PDD '08). Participants in the Iron Man must swim 3.8 km, cycle 180 km and then run a marathon.

## EMBA '07

**Sergio Alejandro Rendón** informed us that his family has grown with the arrival of his son, Mateo Alejandro.

His sister, Sara Maria, and mother, Kelly Johanna, are delighted to welcome him to the family.

## Global Executive MBA

Russia-based alumni of the Global Executive MBA program met up with current participants at an informal dinner organized by Miguel Folque, associate director of the program, in Moscow on March 23. Candidates for the Global Executive MBA '10, **Mayva Vorontsova** and **Mikhail Ivanov**, compared notes with **Alexey Nikolaev**, **Mikhail Lubenets** and **Andrey Smirnov**, all Global Executive MBA '07 alumni, as well as **Timur Abdriaziakov** and **Andrey Lancovich** of the class of '08. "It was a pleasure to see so many Global Executive MBAs discuss their journey through the program with candidates. And the dinner was a great networking opportunity!" Folque said.

## Global Executive MBA '04

**Rajiv Sheth** is moving to Ahmadabad (Gujarat) India for the next few years. "It's a professional move," said Sheth, general manager of Cosmetiques Biornos. "We are consolidating all branch offices from Dubai, Paris and Mumbai into Ahmadabad. It is an upcoming commercial city in Gujarat at low cost and traditionally, the state of Gujarat has been at the forefront for industry. My move is for two or three years and then I will relocate back to Paris," he said.

## Global Executive MBA '08

**Ioannis Panagiotelis** has recently been promoted within Siemens to the post of general manager for Siemens Healthcare in Greece. He is responsible for 60 employees and has been putting in the hours since his promotion. "I work 8:00 AM to 22:00 PM with no break. In the last weeks, I have been using



IESE MBA alumni football team win Chilean tournament



knowledge from IESE far more than I ever imagined, particularly from Prof. Abascal's lectures," he said.

### Global Executive MBA '09

**Martin Harrison** has been hired as COO of Pluna Airlines, the Uruguayan flag-carrier. The Uruguayan government recently privatized the airline. Martin had been consulting for the new owners for the last year. "I enjoyed working with the management team and found Montevideo a wonderful place to live," said Martin. His responsibilities will include pilots, flight attendants, airports, maintenance, engineering and safety. Pluna aims to double its size.

### MBA

On May 16, the IESE MBA alumni football team in Chile won the fifth annual Inter-Business School Alumni Football Tournament. The

IESE team competed against MBA alumni teams from UCLA, Harvard Business School and MIT in the round-robin tournament.

**Juan Pablo Stefanelli** (MBA '01), **Héctor Rosales** (MBA '94), **Nicolás Bravo** (MBA '06), **Evan Werner**, **Juan José del Río** (MBA '05), **Antonio Larrain** (MBA '05), **Rodrigo Andueza** (MBA'00), **Rodrigo Corces** (MBA '97) and **Juan Pablo Barroilhet** (MBA '03) made up the victorious IESE team.

The event took place at the Ciudad Deportiva de Iván Zamorano in Santiago de Chile and was sponsored by Havas Sports. The tournament provides a forum to get together MBA alumni from four leading business schools in Chile.

### MBA '72

**Enrique Sáez** was the host and organizer of a reunion of the MBA class of '72 that took place in Santiago de Compostela in northwest

Spain at the end of May. **Baldomero Falcones** also helped to rally the troops.

### MBA '74

**Mario Franzini**, general manager of Seeliger and Conde Argentina, is the new president of the Argentina and Uruguay IESE Alumni Chapter, **Néstor Farias** (MBA '68), president of Sapin, passed on the baton to Mario following almost four years in the post.

### MBA '75

**Patricio Jottar** (MBA '88), general manager of Compañía Cervecerías Unidas, has handed over as president of the Chile IESE Alumni Chapter to **Lionel Olavarría**, manager of Banco de Crédito e Inversiones. Patricio held the post since late 2005.

### MBA '89

**Jesus Garre** has been appointed the managing

director of the consultancy firm Caggemini in Spain. Jesus has worked in Spain, the United States and Latin America with firms such as Coopers & Lybrand, IBM and Ernst & Young.

### MBA '91

Alumni of the MBA class of '91, along with their families, enjoyed a weekend at the Port Aventura theme park and resort near Tarragona in May. Class President, **Alberto Fernández Terricabras**, convened the group and his classmate, **Mercedes de Pablo**, managing director of Port Aventura, acted as host and took care of the logistics.

### MBA '92

**Jorge James**, coordinator of the International Finance Corporation's mission in Peru, is the new president of IESE's Alumni Chapter in Peru. He takes the reins from **Alberto Garro** (MBA '88),



Javier Albares



Rajiv Sheth



Ioannis Panagiotelis



Martin Harrison

senior consultant at Invertir. Alberto served as president from 2005.

### MBA '86

**Marçal Farreras** has been appointed the new director of Seat Spain. Marçal joined SEAT after a number of years at Consorcio. Prior to his new appointment, he served as director of global marketing for Skoda in the Czech Republic.

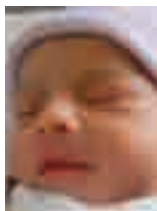
### MBA '05



**Musa Sönmez** and his wife Ana de Paz welcomed their first son on Feb. 18, 2009. Hugo

Orhan was born in London, where Musa is working for the hedge fund Strategic Value Partners in the area of distressed debt.

### MBA '05

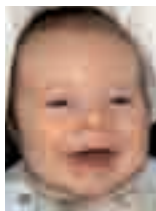


**Charles Vignoles** and his wife Prachee welcomed their first son Julian on April 7,

2009. Julian was born in San Francisco. He weighed 5 lbs 12 ounces at birth and measured 18.5 inches long.

The Vignoles moved back to the U.S. in Jan. 2009 following a spell living in Bangalore, India. Charles was doing marketing consulting and business development in Bangalore and Prachee was setting up IronPort System's engineering center in India. Prachee is now in a marketing role for IronPort / Cisco in the San Francisco Bay Area and Charles is currently looking for a job and enjoying fatherhood.

### MBA '05



**Nuno Saraiva de Ponte** and his wife Rita welcomed their first son, Nuno de Santa

Maria, on Feb. 27, 2009. Nuno Jr. is thriving and letting his parents get some sleep. Nuno Sr. is general manager for Portugal of in-Store Media, which manages advertising spaces at the point of sale. He joined in-Store Media after graduation in 2005 and has seen the company enjoy strong growth since then.

### PMD '77

**Francisco Javier Tobajas** has been appointed managing director of Unipresalud, a company that provides preventive services at more than 120 centers throughout Spain and employs 900 staff.

### PMD '96

**Ricardo de Ramón García** is the new managing director for the Saint-Gobain Group in Spain, Portugal and Morocco.

### PMD '08

Class Representatives, **Enric Rovira** and **Mercedes Valldosera** got their classmates together for a reunion in IESE on May 20. Prof. Antoni Subirá gave the academic session.



Russia-based Global Executive MBA alumni and current participants



# IESE Alumni and Friends Compete on the Green

## 4<sup>TH</sup> IESE GOLF MASTERS CHAMPIONSHIP

Over 50 alumni, professors and MBA students gathered at the Golf Platja de Pals course on Spain's Costa Brava on the weekend of May 14 and 15 to compete in the 4th Golf Masters Championship.

The MBA Golf Club, which organized the event, would like to thank the Alumni Association for its support and sponsors **Golf Platja de Pals**, **Golf Serres de Pals**, **La Costa Hotel-Golf & Beach Resort**, **Seelinger y Conde**,

**Stern Motor SMART**, **Club Ciudad Diagonal**, **Abadal**, **Danone**, **Vueling** and **Codorníu**.

In the women's competition, **Claudia Hermann** walked off with two honors: she won the group one section and also hit the longest drive. **Baltasar Parera** edged out **Pablo de Porcioles** to win the group one section of the men's competition. **De Porcioles** had the consolation of winning the longest drive of the championship, though.

In the group two section, **Ignacio Ochoa** narrowly beat **Ignacio Borrell** to take the top spot by one stroke. **Adelina Sanglas** once again got the ball closest to the pin in the women's competition while **Santiago Carolà** took the honors in the men's.

The MBA Golf Club would like to thank all those that participated and invite all keen golfers in the IESE community to compete in next year's event.



# IESE's MBA Team Prevails at Spring Fling 2009

## HOSTS TRIUMPH IN SPORTS TOURNAMENT

Dreadful weather failed to dampen the spirits of some 800 MBA students who gathered at the sports facilities on Montjuïc in Barcelona on the weekend of March 27-29 to compete in IESE's Spring Fling tournament. IESE emerged as champions, followed by **INSEAD** and **ESADE**. Other competing schools included **Bocconi**, **Saïd Business School** and **Instituto de Empresa**.

Spring Fling 2009's activities extended beyond sport and networking, though. On Saturday, the MBAs took a break from slogging it out on the sports fields to attend sessions by Emilio Sánchez-Vicario, former world no. 7 tennis pro, and Gabriel Masfurroll, former member of the Spanish national swimming team and founder of **USP Hospitales**, a Spanish private hospital chain.

During a discussion on what business leaders could learn from the world of sport, Masfurroll stressed the importance of finding a healthy work/life balance. "Happiness cannot be achieved on the basis of a successful career alone," he said.

Meanwhile, Sánchez-Vicario shared some anecdotes about his time as captain of Spain's Davis Cup team, where he learned that you have to believe in your own success, especially when others do not. The Spanish team won the final of the 2008 Davis Cup 3-1 against Argentina despite the absence of its star player, Rafa Nadal.

The students competed for dominance in football, rugby, tennis, volleyball, handball, cricket, athletics, chess and *petanque*.



**18**  
Meetings

**12**  
Cities



# Chapter News

Regional Alumni Chapters



Close to 90 alumni and guests gathered at the offices of McKinsey & Co. in Amsterdam on April 22, for a special IESE 50th Anniversary celebration. The event featured IESE's Dean Jordi Canals and distinguished guest speaker Onno Ruding, former finance minister of the Dutch government. Ruding is currently a member of the high level expert group on EU financial supervision, the "De Larosiere Group." Ruding shared his views on the current economic downturn, noting that "looking today at banks' balance sheets, on the left side few things seem to be right - and on the right side nothing seems to be left." Canals provided a look at IESE's current activities around the world and emphasized the school's objective of keeping its unique mission alive. The Alumni Association would like to thank the Dutch Alumni Chapter Board's efforts in organizing the event, led by

REYKJAVIK

AMSTERDAM

BRUSSELS  
MUNICH

PARIS

**Philip Alberdingk Thijm** (MBA '89),  
with support from **Bouke Marsman**  
(MBA '04). 🇳🇱



### New York

March 11  
April 22



Alumni met up at the Santander Group's head office in New York to attend a presentation given by Dean Jordi Canals on March 11. Canals provided an overview of IESE's progress in New York since establishing its offices there. The dean also highlighted the United States leadership role in overcoming the global economic crisis. Canals said it was important to remain optimistic, despite the challenging economic environment.

Francisco de Lera, general manager of the Santander Group in New York, also spoke, noting the strong relationship between IESE and the bank, and highlighting the custom program the school is designing for Santander. The session closed with a networking reception.

Alumni and friends gathered at the headquarters of the Spanish bank, BBVA, in New York on April 22 to attend IESE Prof. Paddy Miller's session "How Did Innovation Become a Priority in a Recession?" Miller questioned the cost-cutting and mass redundancy policies adopted by many large companies, arguing instead for a greater focus on fostering innovation to thrive during times of crisis. 🇳🇱

AMP Munich alumni and friends held their third Alumni Reunion on the weekend of May 16 and 17 at Lake Starnberg near Munich. Participants enjoyed a talk by María Teresa Álvarez, managing director of Polo Ralph Lauren, and an academic session led by Prof. Marc Sachon on Porsche. Moreover, this year's AMP Munich participants had the chance to meet up with the alumni (See page 84). 🇳🇱



### Munich

March 10  
May 16 | 17



Prof. Steven Poelmans delivered a session titled "Keeping Balance in Times of Turmoil: The Importance of Self-Leadership and Resilience" to alumni in Munich on March 10. The talk focused on the importance of finding and maintaining a healthy balance between one's personal and professional commitments, a central theme of Prof. Poelmans' recent book *Harmonizing Work, Family and Personal Life*



### Brussels

March 23



IESE Prof. Jan Simon was in Brussels to deliver the session "The Financial Crisis and the Long-Term Structural Issues" to alumni on March 23. Governments worldwide have implemented a raft of emergency measures to help ride out the crisis as quickly as possible. During the session, Prof. Simon discussed the need to develop long-term solutions that guarantee future stability for the world economy. 🇳🇱



## Mexico City

May 25



Ricardo González, vice-president of the Mexican Employers' Association, Coparmex Nacional, and vice-president of the Business & Industry Advisory Committee, presented a session at IPADE on May 25. González discussed Mexican employment law and its impact on companies and entrepreneurs. ■■

## São Paulo

March 25  
April 23  
May 20 | 28



The Brazil IESE Alumni Chapter organized a reunion in São Paulo, which drew alumni from all over the country at the end of March. ISE Prof. Odair Abate delivered a session titled "The Current State of the Brazilian Economy and the International Economic Context." In addition, Renato Ejnisman, director of Bradesco BBI, discussed how companies could source funding on the capital markets.

Alumni based in São Paulo met up the following month to attend the session, "Ethics and Values in People Management," led by Prof. Jorge Mitsuru Masuoka.

Alumni and friends then congregated in São Paulo on May 20 for a session led by **Fernando Bagnoli** (AMP '08) director of Executive Education in Brazil,

which analyzed Enron's collapse in 2002. Investigators discovered that the bulk of Enron's profits were fictional and the company had much more debt than originally declared. Following Bagnoli's talk, guest speaker Luiz Marcatti, managing partner of the Office of Corporate Governance, analyzed the issue of corporate governance, its challenges and opportunities.

On May 28, São Paulo-based alumni had an early start for IESE's MBA breakfast meeting. The guest speaker was Paulo Roberto Ferreira, dean of the Instituto Superior da Empresa (ISE) and professor of marketing, who discussed IESE's activities in Brazil. ISE is one of IESE's associate business schools. ■■

## Paris

March 27



IESE alumni gathered at SAP's headquarters in Paris to attend a session by IESE Prof. Javier Estrada at the end of March. The talk, titled "Good Riddance 2008! What Can We Expect Now?" aimed to provide a message of hope on the economic panorama, as well as explore alternatives for building stronger international markets in 2009. The Alumni Association would like to thank **Gloria Perrier-Châtelain** (EMBA '93) for her support in organizing the event. ■■

## Reykjavik

April 16



IESE alumni met in Reykjavik for a session led by IESE Prof. Pedro Videla titled "A Primer on the Financial Crisis: What Do We Know?" Prof. Videla provided an overview of some of the measures employed to counteract the economic and financial crises of the last 100 years. ■■

## Miami

March 31  
May 27



Alumni gathered in Miami on March 31 to attend a session by IESE Prof. Javier Estrada. During the presentation, titled "Good Riddance 2008! What Can We Expect Now?," Prof. Estrada analyzed the prospects of establishing new international markets this year.

IESE Prof. Paddy Millar was in Miami on May 27 to deliver an academic session titled "How did Innovation Become a Priority in a Recession?" to alumni. Thanks go to Shutts & Bowen for hosting the event in the law firm's Miami office. ■■





**Munich**  
May 16 | 17

IESE Alumni Association thanks out-going alumni chapter presidents for all their support and extends a warm welcome to a new generation of chapter leaders in Latin America.

## NEW CHAPTER HEADS IN LATIN AMERICA



**Colorado**  
March 26 | 30



IESE's U.S. Alumni Chapter, together with the IESE Alumni Association, organized a ski trip to Aspen, Colorado, for alumni based in Canada, the U.S and Mexico. 📍



**Lima**  
April 22



IESE Prof. Vicente Font presented a session to IESE alumni in Peru on April 22. His session, titled "Dubious Practices from an Ethical Standpoint," focused on the case of Rein Chemical, a company that distributed products of an inferior quality until the company's chief executive put an end to the practice. 📍



**San José**  
April 29



On April 29, IESE alumni converged on San José to enjoy a session titled, "Successful Marketing Strategies," led by IESE Prof. Vicente Font. 📍



Lionel Olavarría

### CHILE

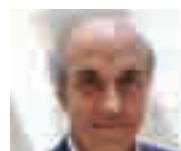
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Jorge James

### PERU

**Jorge James** (MBA '92), coordinator of the International Finance Corporation's mission in Peru, is the new president of IESE's Alumni Chapter in Peru. He takes the reins from **Alberto Garro** (MBA '88), senior consultant at Invertir. Alberto served as president from 2005.



Mario Franzini

### ARGENTINA AND URUGUAY

**Mario Franzini** (MBA '74), general manager of Seeliger and Conde Argentina is the new president of the Argentina and Uruguay IESE Alumni Chapter. **Néstor Fariás** (MBA '68), president of Sapin passed on the baton to Mario following almost four years in the post.

# agenda

## September

**15-18**

**Getting Things Done**

New York | Short Focused Programs



**15-18**

**Developing Leadership Competencies**

Barcelona | Short Focused Programs

**29** - 30 September, 1 - 2

October

**Creative Cultures: Making Innovation Work**

Barcelona | Short Focused Programs



## October



**05-09**

**Inside New York**

New York | Short Focused Programs

**20-23**

**Global Sourcing of Services**

Barcelona | Short Focused Programs

## November

**03-06**

**Achieving Operational Excellence**

Barcelona | Short Focused Programs

**24-25**

**Emerging Markets**

Barcelona | Short Focused Programs





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