

SEPTEMBER/OCTOBER 2007

BizEd



Network Appliance's
**Dan
Warmenhoven**

Setting an
Industry Standard

**In Praise of
Management Education**

**Building Synergy
Between B-Schools
and Business**

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SEPTEMBER/OCTOBER 2007

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From the Editors

Will Work for Experience


When I was in journalism school, I participated in an unpaid internship program called “Teaching Newspaper.” During my junior year, I was sent to the *Journal and Courier*, a small newspaper in Lafayette, Indiana, where I earned a quarter’s worth of credits toward my BSJ. I wrote features for the lifestyles section of the paper, interviewing everyone from local citizens to visiting rock stars. All of my articles appeared in the paper alongside the work of the paid staff. When I wrote a humorous column about Groundhog’s Day, it made the front page. (Slow news day, I guess.)

I participated in the Teaching Newspaper program during a period when I was having some doubts about whether journalism was something I wanted to pursue. But after I returned from Lafayette, I knew: This was the career for me.

Any time students get a chance to do meaningful work in the field for which they’re studying, they will be better equipped to enter that field—and to know in advance that it’s the right one for them. But experiential learning isn’t really possible without the collaboration of the corporations and organizations that will be hiring graduates. That’s why it’s so essential that business schools build relationships with corporate partners who will mentor students, provide them with internship experiences, and offer them jobs when they earn their degrees.

Deans know that, in today’s business climate, they have to work harder than ever to strengthen the bonds between academia and industry. In this issue’s article “Advise and Connect,” we look at how three schools are developing those ties through their innovative use of advisory boards. Such relationships between business schools and corporations are enriching education and better preparing students for the working world.

In fact, most educators believe that a deepening emphasis on experiential learning is one of the reasons today’s business schools are so good. How good? Don’t miss “Critical Mass” by Paul Danos and “The Best Business Education Ever” by R. Glenn Hubbard, two prominent deans who forcefully outline the merits of 21st-century business education.

Much has been written in recent years about whether or not management education is staying relevant. But business schools that work hard to develop corporate connections are ensuring that they’re providing the most relevant, up-to-date education possible. When students get a chance to work in real business environments, they sharpen their skills and develop their professional networks. When top executives participate in business education, they help prepare the next generation of business leaders to step confidently from the classroom to the boardroom. Even an intern at the *Journal and Courier* would recognize that as a powerful story. 

Sharon Shinn



ZEFA/JUPITER IMAGES



BILL BASCOM

Headlines

Education Leaders Meet with UN to Discuss CSR

The Principles for Responsible Management Education (PRME), the first global guiding framework for academic institutions to advance the broader cause of corporate social responsibility, were formalized at the 2007 Global Compact Leaders Summit held in Geneva last July. The principles were launched during a luncheon attended by UN Secretary-General Ban Ki-moon as well as hundreds of leaders representing business, civil society, government, and academia from around the world.

The Principles of Responsible Management Education, which call for incorporating universal values in curricula and research, have been developed by an international task force of 60 deans, university presidents, and official representatives of leading business schools. The initiative was co-convened by the United Nations Global Compact, the Association to Advance Collegiate Schools of Business, the European Foundation for Management Development, the Aspen Institute's Business and Society Program, the Globally Responsible Leadership Initiative, and Net Impact.

"For many years, businesses have either played a part in or turned a blind eye to many of the world's social and environmental problems," says Ángel Cabrera, chairman of the PRME task force and president of Thunderbird School of Global Management in Glendale, Arizona. "In order to effect meaningful change, corporations need talented and ethical managers who understand fully that business can be a leading force in eradicating poverty, protecting our

natural environment, and advancing peace. They need to understand this can be accomplished while at the same time providing economic value to customers and financial returns to shareholders."

The six Principles of Responsible Management Education call for business schools to: develop leaders who will generate sustainable value for business and society; incorporate social responsibility into academic activities and curricula; create educational frameworks and environments that encourage responsible leadership; engage in research that advances knowledge about sustainable and economic value; collaborate with business leaders on social and environmental challenges; and facilitate dialogue among educators, business, government, consumers, media, civil society organizations, and other stakeholders.

In addition to Cabrera, members

of the academic delegation to Geneva included Manuel Escudero, head of Networks and Academic Initiatives, UN Global Compact Office; John Fernandes, president and CEO of AACSB International; Gerard van Schaik, president of EFMD; Peter Lacy, executive director of the European Academy for Business in Society; Anders Aspling, secretary general of the Globally Responsible Leadership Initiative and dean of the Vlerick Leuven Gent Management School in Belgium; Labib Khadra, president of the German-Jordanian University in Jordan; Bernardo Barona Zaluga, dean of the Universidad Javeriana Sede Cali in Colombia; and David Saunders, dean of the Queen's School of Business in Kingston, Ontario. Also on hand were representatives of ESADE Business School in Barcelona, Spain; XLRI Jamshedpur, School of Management and Human

Honors for BizEd

BizEd and its co-editors have been honored in two recent competitions judging the work of association and business magazines. An editorial by Tricia Bisoux won a gold award in the SNAP EXCEL competition, which recognizes the exemplary work of association publishers. Sponsored annually by the Society of National Association Publishers, the competition judges approximately 1,000 publications and electronic media for editorial content, design, and general excellence.

Bisoux's editorial, "Speaking the Culture," appeared in the July/August 2006 issue. An editorial by Sharon Shinn, "Work and Peace," won a bronze award in the same competition. That piece appeared in the May/June 2006 issue.

BizEd also was recognized in the 2007 Tabbie awards held by the Trade Association of Business Publications International. *BizEd*'s May/June 2006 issue won an honorable mention in the "Best Single Issue" category. The designation signifies that the magazine placed among the top 25 publications of the 700 entries submitted to the competition.



Resources in India; and CEIBS—the China Europe International Business School in Shanghai.

“Business students and educators care deeply about social responsibility, as noted in AACSB International’s ‘Peace Through Commerce’ report. The principles will advance the impact of business schools and graduates on future corporate social responsibility,” says AACSB’s Fernandes.

The 2007 Global Compact Leaders Summit brought together hundreds of top executives from business, governments, civil society, and labor. Through peer-to-peer interactions with top decision makers from all segments of the international community, business leaders were able to analyze intelligence on socioeconomic and geopolitical megatrends while developing strategic frameworks to address a range of issues at the nexus of business and society—including climate change, human rights, anti-corruption, and access to finance and capital.

Job Picture Bright for MBAs

More MBAs have job offers in hand before they graduate than MBAs did four years ago, according to a survey conducted by the Graduate Management Admission Council. The 2007 GMAC Global MBA Graduate Survey says that 53 percent of b-school graduates who were seeking jobs had offers before they had finished their degrees, compared to 36 percent in 2003.

Even better, respondents were able to choose between 2.5 job offers, on average, before graduation. The numbers were similarly good for non-U.S. respondents. Forty-eight percent had job offers



Master in Management students from Audencia Nantes in France won the social responsibility prize in the French edition of the Students in Free Enterprise Competition. The prize, sponsored by HSBC, encouraged close to 400 participants to communicate the principles of business and entrepreneurship with a socially and environmentally responsible slant. The 23 Audencia students presented four projects at the Paris final, including two organized in rural communities in Senegal. As shown here, one project introduced vegetable growing to a village of 90 people to help the community become self-sufficient. The Audencia team will represent France in the European version of SIFE to be held in Poland in September.

before they graduated, compared to 32 percent in 2003.

According to the survey, the majority of b-school students consider their graduate business education to be an outstanding or excellent value, due mostly to the quality of the curriculum, the caliber of the faculty, and the way programs were run. This year’s survey was based on responses from 5,641 graduating MBAs from 158 schools worldwide.

Picture This: A New College Application

To enable prospective full-time MBA students to present a more complete picture of themselves, the University of Chicago Graduate School of Business is asking applicants to submit up to four slides that help define their personalities. The slides are meant to parallel the communications tools used for professional and social networking.

Students still will submit two

traditional essays and other information through a text-based application form. But the slides—which may contain pictures, graphs, text, or anything else the applicants choose—will allow them to show off a more creative side.

“There is no right or wrong way to satisfy the new requirement,” says Rosemaria Martinelli, associate dean for student recruitment and admissions for the school’s full-time MBA program. “The important thing is that applicants can express themselves in ways they could not before in essay form.”

In today’s business environment, communication is fast and concise, Martinelli says. “Whether they’re relying on e-mail, PowerPoint, or a two-minute elevator speech, businesspeople need to express their full ideas in very restrictive formats. But instead of using these tools to sell a product or request new business, applicants are using them to present themselves.”

SHORT TAKES

NEW APPOINTMENTS

■ **Thomas S. Robertson** has been named dean of the University of Pennsylvania's Wharton School in Philadelphia. Robertson was previously executive faculty director of the Institute for Developing Nations at Emory University and former dean of Emory's Goizueta Business School. He was also the Asa Griggs Candler Professor of Marketing at Emory.

■ **James G. Ellis** has been named dean of the Marshall School of Business at the University of Southern California in Los Angeles. He will also hold the Robert R. Dockson Dean's Chair in Business Administration. Ellis was previously vice provost for globalization at USC, where he helped develop the university's globalization initiative. He has also been a faculty member at USC since 1997.

■ **Kenneth B. Dunn** has been appointed to a second five-year term as dean of the Tepper School of Business at the Carnegie Mellon University in Pittsburgh, Pennsylvania. His new term began in July.

■ **Bruce R. Magid** has been appointed dean of Brandeis International Business School in Waltham, Massachusetts. Magid holds the Martin and Ahuva Gross Chair in Financial Markets and Institutions. He was previously dean of the College of Business and the founding dean of the Lucas Graduate School of Business at San José State University.

■ **Robert T. Sumichrast** has taken the reins as dean of the University of Georgia's Terry College of Business

in Athens. Sumichrast was formerly dean of Louisiana State University's E.J. Ourso College of Business.

■ Five faculty members at Vanderbilt University's Owen Graduate School of Management in Nashville, Tennessee, have been named to endowed chairs. Three are newly endowed as a result of a gift given to honor the memory of E. Bronson Ingram, former CEO of Ingram



Industries and former head of the Vanderbilt Board of Trust. Recipients of the E. Bronson Ingram chairs are **Dawn Iacobucci** for Marketing, **Nick Bolten** for Finance, and **Michael Lapré** for Operations Management. In addition, **Bruce Cooil** has been awarded the Samuel Richmond Chair in Management, and **Craig Lewis** has been awarded the Madison S. Wiggington Professor of Management Chair.

■ **Michael R. Baye** has been named director of the Federal Trade Commission's Bureau of Economics. Baye is the Bert Elwert professor of business economics in the Kelley School of Business at Indiana University in Bloomington. As director, he will supervise economic analysis at the FTC and advise on economic policy matters.

■ **Angela M. Wicks**, assistant professor of management at Bryant University in Smithfield, Rhode Island, has been appointed to the 2007 Board of Examiners for the Malcolm Baldrige National Quality Award. The award is the highest level of national recognition for performance excellence that a U.S. organization can receive.

■ **Michael Desiderio** has been appointed executive director of the Executive MBA Council following the retirement of Maury Kalnitz, the council's first managing director. Desiderio most recently served as director of strategic partnerships for the W.P. Carey School of Business at Arizona State University in Tempe. He has been in industry in various positions that range from engineering to executive management.

■ **Alice Argeros** was recently elected president of the Central Florida Higher Education Alliance (CFHEA). She is director of the Professional MBA program at Rollins College, Crummer Graduate School of Business, Winter Park, Florida.

■ **Marianne Hayek**, an economist at the Bryan School of Business and Economics at The University of North Carolina at Greensboro, has been named director of the school's BB&T Program on Markets and Morality.

■ **Mauro F. Guillén** has been appointed director of the Lauder Institute at the Wharton School of the University of Pennsylvania in Philadelphia. Guillén is the Dr. Felix Zandman Professor in International Management at the Wharton School.



■ Three professors from the University of Alabama in Tuscaloosa have taken key positions in outside organizations. **Eric S. Williams**, associate professor of healthcare management, has been elected to the leadership team of the Health Care Management Division of the Academy of

Management. **Rich Houston**, professor of accounting, has been elected chair of the Accounting, Behavior and Organizations section of the American Accounting Association. **Edward Schnee** has been appointed to the Tax Division's Tax Shelter Task Force, a group formed by the American Institute of Certified Public Accountants. Schnee is the Culverhouse Professor of Accounting and director of the Master of Tax Accounting Program at the school.

GIFTS AND DONATIONS

■ A \$1 million gift from the Figueroa family will help fund

the Leaders and Scholars undergraduate program at **Pace University's** Lubin School of Business in New York City. The money will enable students enrolled in the honors program to make their international travel experience requirement more meaningful and affordable. The gift was made in memory of Howard Figueroa, a former executive with IBM. The gift coincides with Pace University's launch of a \$100 million capital campaign set to run through 2010.



■ The Simon Graduate School of Business at the **University of Rochester** in New York has received two recent pledges of significant support. Michael and Diane Jones will give \$1.5 million to establish an endowed professorship in the school, and Arunas and Pamela Chesonis will give a like amount to establish Chesonis Entrepreneurial Scholarships for full-time MBA students interested in entrepreneurship.

■ The **North Carolina State University's** College of Management in Raleigh received a \$2 million contribution from BB&T to establish the BB&T



The Icfai Business School

India's largest network of business schools



The Icfai Business School (IBS), established in 1995, has consistently been ranked among the top 10 B-schools in India.

It has an innovative doctoral program and a strong focus on research and publication. The faculty at IBS bring out several professional magazines and research journals every year and also develop a number of relevant case studies. Many of the faculty members have also published books on contemporary issues in management theory and practice.

IBS has also emerged as the largest network of business schools in India. Spread over 19 campuses, it has over 8,000 full-time MBA students. In addition, it has over 900 faculty members and approximately 12,500 alumni.

Please contact Prof. S.K.Sharma, Director, IBS-HQ at sksharma@ibsendia.org for:

- Student Exchange • Visiting Scholars • Faculty Exchange • India internships • Summer Projects • Special Programs

www.ibsendia.org


SHORT TAKES

Center for the Study of Free Markets and Institutions. The funding will endow a BB&T Professorship of Free Markets and Institutions and a BB&T Graduate Fellowship in the college's Department of Economics. This will support research and the development of new undergraduate and graduate courses on the philosophical foundations of capitalism.

COLLABORATIONS

■ The Wharton School of the **University of Pennsylvania** in Philadelphia has renewed its association with the Indian School of Business (ISB) in Hyderabad, India, for five more years. Wharton is one of the organizations that participated in the founding of ISB six years ago. As part of the renewed commitment, the two schools are launching the ISB-Wharton Joint Research Initiative, which will encourage collaborative research between Wharton and ISB faculty, including curriculum development. Also as part of the renewed relationship, Wharton faculty will continue to teach in post-graduate and executive education ISB courses, assist with course materials, and contribute to faculty development. ISB will serve as an active platform for Wharton's presence in Asia and assist Wharton in developing course materials about the region.

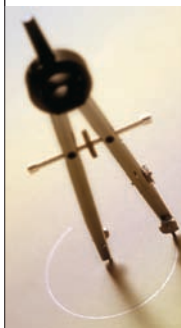
■ The Royal College of Art (RCA) and **Imperial College London** have partnered to create a £5.8 million multidisciplinary center called Design-London at RCA-Imperial. Its purpose will be to bring together the disciplines of design, engineering, technology, and business to



address the challenges of future innovation. The new center will create an “innovation triangle” that comprises design, represented by RCA; engineering and technology, represented by Imperial's College Faculty of Engineering; and the business of innovation, represented by Imperial's Tanaka Business School. Researchers will explore ways to integrate design with business and technology, and graduates will be able to use the incubator to develop new ideas. Business partners of both institutions will also be encouraged to use simulation exercises and digital tools in the center's simulator. About 65 percent of the total cost of the center has been provided as seed funding over a three-year period by the Higher Education Funding Council for England.

■ **INSEAD**, which has campuses in Fontainebleau, France, and Singapore, has partnered with **Tsinghua University's** School of Economics and Management in Beijing to launch a new dual-degree EMBA program.

■ **Audencia Nantes School of Management** and engineering school **Ecole Centrale de Nantes** in France have launched a “manager-engineer” double diploma. The initiative, scheduled to begin September 2008, will see the creation of a management hub to allow engineering students from Ecole Centrale to spend 18 to 24 months at



Audencia instead of taking their final year of general engineering classes at Centrale. In exchange, Audencia's Master in Management students will have the option of spending a semester at Centrale Nantes during their final year. Audencia has also signed a partnership with the French Petroleum Institute, which allows students from the institute to study at Audencia.

HONORS AND AWARDS

■ *Anatomy for Litigators* by **Sam Hodge** has been chosen as an outstanding book of 2007 by the Association for Continuing Legal Education. Hodge is a professor and chairman of the legal studies department at Temple University's Fox School of Business in Philadelphia, Pennsylvania.

■ Four professors have received the 2007 Viviana Zelizer Distinguished Scholarship Award, given out by the American Sociological Association, for their article “Dynamics and Field Evolution: The Growth of Interorganizational Collaboration in the Life Sciences.” The co-authors are **Ken Koput**, associate professor of management and organizations at the University of Arizona in Tucson; **Walter W. Powell**, professor of education at Stanford University in California; **Jason Owen-Smith**, assistant professor of sociology and organizational studies at the University of Michigan in Ann Arbor; and Douglas White, professor of anthropology at the University of California, Irvine. The paper examines how social influences play a significant role in the formation of alliances in the biotechnology industry.

OTHER NEWS

■ **Gilbert R. Whitaker Jr.**, a longtime figure in management education, died in June at the age of 75. During his career, he held a number of high academic posts. He served as provost at the University of Michigan and dean at the University of Michigan's business school before it was the Ross Business School. He also served as dean of Rice University's Jones Graduate School of Management. He had previously been a professor of economics, beginning his teaching career at Northwestern. He also served as president of the Association to Advance Collegiate

Schools of Business, as chairman of the Graduate Management Admissions Council, and as a board member of the Consortium of Graduate Study in Management and the Forum for the Future of Higher Education.

■ **Babson College** in Wellesley, Massachusetts, has been named an associate academic member of the Community of European Management Schools and International Companies (CEMS). It is the first U.S. college to receive this designation. CEMS is an exclusive network of academic institutions and multi-

national companies. Under the program, Babson will establish a dual degree arrangement between its own master's program and the pan-European CEMS Master in International Management. [Z](#)

Correction

In the article "Global Immersion," which appeared in the July/August issue of *BizEd*, Jorge Talavera was incorrectly identified. He is president of Universidad ESAN in Lima, Peru, and executive director of CLADEA, the Latin American Council of Management Schools.



AT THE CROSSROADS OF GLOBAL RESEARCH

CASE STUDY 4: AMSTERDAM, THE NETHERLANDS

Amsterdam is an international business hub for a rather eclectic group of industries. But then again, Amsterdam is a rather eclectic city. Nowhere else can you find the world's only floating flower market just blocks from its first public stock exchange.

For a city known for its finance, fashion and flowers, Amsterdam has a unique perspective on business. Just ask Lehigh's Martindale Scholars, who will publish their undergraduate research on the Benelux business climate in Lehigh's *Perspectives on Business and Economics*.

Read why Lehigh is a pioneer for undergraduate research at www.lehigh.edu/integration.



Achieving the **Net** Effect

To launch Network Appliance into the Fortune 500, its CEO, Dan Warmenhoven, says he'll need a focused strategy, innovative products, and the best talent his company can hire.

by **Tricia Bisoux**

Dan Warmenhoven knows that advances in data storage may not be as sexy as, say, the recent release of the iPhone. He knows he'll never see people queuing up overnight to buy an enterprise storage system. But he also knows that, as technology advances, the digital avalanche of data will continue to build momentum. Companies will need more and better storage technologies to manage, archive, and access their growing cache of data as efficiently as possible.

As the CEO of Network Appliance (NetApp), a data storage provider based in Sunnyvale, California, Warmenhoven wants his company to deliver to business the most robust storage solutions available. So far, that vision has helped him to transform a small company into a tech-sector powerhouse in a relatively short span of time. He came to NetApp in 1994, just before it became a public company in 1995. At the time, it had 100 employees and \$14.8 million in revenue. Fast forward 12 years: It now boasts more than 6,600 employees in 113 countries and annual revenue of \$2.8 billion.

Warmenhoven knew he wanted to be a CEO at just 17. "My father was an executive at General Foods, but he wasn't the CEO," he says. "Business seemed like a good career path, but I decided that being a middle manager isn't as good as being the boss!" Following his love of computer science, Warmenhoven earned an electrical engineering degree with a computer science specialty from Princeton University in New Jersey. He assumed senior management positions at HP and IBM, and he served as CEO of the telecommunications company Network Equipment Technologies from November 1989 to January 1994.

In 2001, *BusinessWeek* named Warmenhoven among its Top 25 Managers of the year. In 2004, he was presented with the National Ernst & Young Entrepreneur of the Year award; and in 2006, *Network World* named him one of the 50 Most Powerful People in Networking. Even so, he still maintains a low profile in the business world, inspiring *BusinessWeek* to call him "one of the most respected tech CEOs you've never heard of," in its December 27, 2005, issue.

Although he never earned his MBA, Warmenhoven has actively pursued his own business education, taking executive education courses at the University of North Carolina at Charlotte. He now shares what he has learned with the next generation of business leaders as a guest lecturer on entrepreneurship at Stanford University's Graduate School of Business in California. Warmenhoven also is an active advisory board member at Santa Clara University's Leavey School of Business in California, engaging in regular "fireside chats" with the school's new EMBA students and participating in the school's leadership lecture series.

As a teenager, Warmenhoven always thought he'd become the CEO of a Fortune 500 company. That hasn't happened yet, but it's still his goal. He may simply achieve it in a different way than he once envisioned. Instead of working his way up an existing ladder, he's building a new one: Over the last 12 years, Network Appliance has risen to No. 838 in the Fortune 1000. "If we build to \$4.5 billion in sales over the next couple years," he says, "we'll be in the Fortune 500."

His advice for future business leaders? Do what you love, and choose your people well and wisely. Great people, he emphasizes, will help any leader achieve great things.



The most challenging period I've ever faced was the **dot-com crash**. Our stock price went from \$150 to \$6 in about nine months. People felt an enormous loss of personal worth. It was a challenge to encourage them to **move forward**.

What strategies were most key to the kind of growth Network Appliance has achieved?

We've specialized in storage systems for the last 14 years. We don't do servers, we don't do anything else. We've also heavily emphasized product innovation and product leadership. If you read Michael Tracy's *Discipline of Market Leaders*, he talks about three different strategies: product leadership; operational efficiency, or cost leadership; and customer intimacy. We've embraced product leadership from day one, with a high degree of customer intimacy.

How was this strategy different from what the company was doing before?

The company was founded by three engineers. They were very smart people; but they had a "build-it-and-they-would-come" strategy. They believed that their product was so good that they could just put it on the Web, and people would call them. It was a terrifically innovative product, with great price performance, but there were no go-to-market strategies and no plan to put it front of customers.

If you were presenting NetApp's experience to a b-school marketing class, what would you want them to learn about developing an effective marketing strategy?

I'd tell them, stay focused on your product and enter one market at a time. In our case, we first went into engineering environments like software development and semiconductor design, and then we went into Internet infrastructure. In semiconductors, we became the standard for Texas Instruments, Intel, and other big chip designers. On the Internet, we became the primary infrastructure provider for dot-coms, service providers, and portals like Yahoo. By focusing on two or three applications at a time, we built strong reference bases and expertise. As a result, we became the *de facto* standard for software development infrastructure.

You've noted that you hope to increase revenues from \$2.8 billion to \$6 billion by 2011. What will it take to get there?

The market is constantly changing, but I think it's really about expansion. Our fundamental strategy is still to focus on storage and customer support, but we've expanded from two target markets—tech and the Internet—to eight. We added government, financial services, the energy sector, manufacturing, telecommunications, and the life sciences, which include pharmaceuticals, biotech companies, and patient care systems. Right now, we're focused on what we call the "Storage 5,000"—the 5,000 largest consumers of storage in the

world. We probably are now in about 1,000 of those 5,000 companies. That gives us plenty of opportunity to expand.

In addition, our product line has grown from a single product to six different models, with different capacities, price points, and performance. There are more styles in terms of primary storage and secondary storage for data protection, and more storage and management solutions for data security. That kind of expansion will continue to take us to \$6 billion.

You knew early on that you wanted to be a CEO. Why did you choose to study electrical engineering, rather than business?

I wanted to study computer science, but this was in the ancient days when there was no separate department for computer science. At Princeton, it was taught by the electrical engineering department. My degree is in electrical engineering because that's where the computer science specialty was. But I think my degree has helped me to understand the content of what we do, and I've complemented that knowledge with leadership and management training.

Because my goal was to achieve a management career track in the technical disciplines, I always assumed I'd earn an MBA. I thought I'd have an undergraduate technical degree and a graduate business degree. But then I got out of school, got a job, and got married. I went to night school, but I never got back to the MBA program.

Would earning an MBA have made a difference in your career?

There have been several times that I wished I'd completed an MBA program, but I feel as if I've kind of earned one along the way. I feel as if I've established my business credentials, even if I didn't get the formal degree. I've probably taken more business school courses than most MBAs!

You've taken several exec ed courses at the University of North Carolina. What business course did you find most useful?

Marketing. As an engineer by background, I found it really helpful to understand the go-to-market processes.

What has been one of the most difficult lessons you've learned on the job?

The most challenging period I've ever faced was the dot-com crash. Our stock price went from \$150 to \$6 in about nine months. People felt an enormous loss of personal worth. It was a challenge to encourage them to move forward.

The real test of leadership isn't how you lead in the good times, but how you lead in the **bad times**. It's about how you keep the organization together, focused, and **motivated**.

How did you do it?

I had to paint a new picture. Even though people felt a sense of loss, I had to get them to the point where they were ready to say, "OK, here's what we have to do going forward." We had to lay off about 8 percent of our employees. At an employees' meeting, someone asked me, "Will there be more layoffs?" I said, "I don't know what the future holds, but I can guarantee that this company will never lose money. My advice to you is to go out and do anything you can to drive revenues and get the products to market. That's the best thing you can do to make sure that you have a job tomorrow." They took it to heart. They understood immediately what the ground rules were. And, incidentally, we never lost money.

Life comes in waves: good times followed by bad times. The dot-com bubble was an unusual wave; it was like a tsunami. We couldn't fix history and undo the crash, but we could go forward and get the company back on track. The real test of leadership isn't how you lead in the good times, but how you lead in the bad times. It's about how you keep the organization together, focused, and motivated.



What do you think is most important for students to know before they assume leadership roles?

It's trite, but it's true: A business is only as good as the people who lead it. And note that I don't mean the *person*, I mean the *people*. You can never have enough leadership in an organization, at all levels, especially one that's growing. But when you want to succeed, you can never have room for a B player on an A team. It's all about the people and the chemistry between them. You have to build a team that's committed and focused on the same objectives, with no divisiveness or politics. It's hard for people to internalize that. It's much easier for them to talk about market and financial strategies, even though the people side of it is really where success is determined.

How do you define an "A player"?

It's a very difficult combination to describe. We look for intellect and personality, but we also look for internal quali-

ties like motivation, creativity, and drive. We want people with a desire to win, who can leverage their own talents as part of a team, not someone who's focused on pursuing individual achievements. It's difficult to list the right combination of adjectives. You can see it in athletes. The best football players aren't necessarily the fastest.

So, you're looking for someone like Jerry Rice, only in business.

That's right! In his early years, Jerry Rice didn't appear to be a world-class football player, and yet he became one of the premier wide receivers of all time. It's difficult to determine

objectively what the characteristics of a great leader are, but it doesn't take much interaction or time to differentiate the strong players from the mediocre ones.

What does it take to get hired at NetApp?

We typically interview a prospective employee ten or 12 times before we extend an offer. It takes that many meetings before we get a sense of who the person is,

from a cultural and personality perspective. We need to know how well candidates will fit in our team before they even start, and we give them the opportunity to get a sense of the place and meet the people they might be working with.

What type of candidate wouldn't make it past the interview?

To be hired, candidates have to demonstrate creative and collaborative thinking styles. When they talk about their careers, they'll talk about working on teams, not just list individual accomplishments. People who are self-centered and talk only about themselves probably won't make it.

We're also a very verbal culture—we pride ourselves on the fact that we don't write a lot down. I don't even have minutes taken at my staff meetings. People who don't communicate effectively also probably aren't going to make it.

This year, NetApp ranked No. 6 on Fortune magazine's "Best Places to Work for" list. You've made that list for the last five years. What choices have you made to create a positive work environment?

Innovation is not something you can legislate or mandate.

You have to build an environment on fertile soil and hope that good ideas take root.

In 1995, we wrote down what we wanted to do: build a model company. As part of that, we wanted to make this a great place to work for employees and provide an environment where they feel challenged and supported. We give employees sizable objectives and then ask them to outperform them, but we also give them the freedom to pursue those objectives in the ways they think are best. Employees feel they have the opportunity to make a difference, work with high-quality people, and demonstrate that they are special. They feel that the management team and the company are behind them.

When we ask new hires why they come here, they most frequently mention the culture. So that's what we try to nourish and sustain. Being a great place to work isn't about buildings and perks—this company definitely isn't a country club, and there are no executive parking spots. Everyone works in a cube, including me. It's an egalitarian culture here, not hierarchical. Everyone has a role to play, and all roles are viewed as important.

The high ranking aside, are there areas in NetApp's culture that you'd like to improve?

There's always room for improvement. For example, this year we started NTAP radio—NTAP is our stock symbol—which is a pre-recorded program delivered quarterly by Webcast and podcast. In each program, I interview three or four people in the company in a radio talk show format. We talk about topical issues. Employees also have the opportunity to submit questions to me, and I'll answer them. We average about 2,000 downloads, so it's quite popular.

Every year, we try out new methods of communicating with our employees to make them feel fully informed and show that we care for them. The nature of things is entropy, and the same is true with corporate cultures. They'll decay unless you keep injecting the energy to keep them in repair.

How do you drive innovation at Network Appliance?

We believe innovation is the hallmark of who we are, and it's been at the core of our success. Our heroes are our innovators, the ones we put on stage at employee meetings and say, "Here's your role model." We give awards for patents, and we now have a fairly substantial patent portfolio, especially for a company of our size. We've also set money aside for engineers, so if they have good ideas, they can petition the company's technology leadership to get a project funded. These projects aren't part of a committed product program; there's no schedule. But it's a way for our engineers to refine their ideas. It fosters the notion

that engineering isn't about building. It's about conceiving new things.

Innovation is not something you can legislate or mandate. You have to build an environment on fertile soil and hope that good ideas take root.

With public companies under so much scrutiny—from the SEC and their own stockholders—how difficult is it to keep your business innovative and entrepreneurial?

When Sarbanes-Oxley came out, my first reaction was, "Oh, no. This is going to change our corporate culture." And it has made things more challenging, taxing a company in terms of time and money. But it doesn't necessarily stifle creativity and innovation.

In the long term, I do think that the attitudes of the SEC and government in general are going to drive entrepreneurship out of North America and into Asia. If you look at the talent pool in Silicon Valley, half the people here who are the bright innovators weren't born in California, or even in North America. They're from China, India, and Europe. They came here because the U.S. is the center of entrepreneurship. But current policies are making it too hard for entrepreneurs. We're essentially encouraging them to go elsewhere.

On the other hand, some would argue that companies in regions like China and India will be in trouble if they don't improve their corporate governance.

I'd agree with that. I've got a friend there who's the vice chairman of a bank in China, and we've had this discussion several times. Business in China is growing so quickly that it's hard to put governance systems in place. It's like the gold rush in California when there was no law—things were happening too fast.

What challenges has NetApp faced in Asia?

I don't view them as challenges—more as differences. We have extensive sales and marketing operations in Dalian, China, and we do have concerns. For instance, people in China don't view intellectual property rights in the same way as we do, so we have to do more to protect our intellectual property. We don't let people take home PCs. We don't let them plug in USB jump drives. Everything is very controlled—the work stations are basically diskless. It's not that they're bad people; they just have a different value system.

Business schools want to thoroughly understand the needs of their corporate customers. What does your company need most from business schools in terms of

talent and resources?


Keep the core curriculum current and germane—that's key. Beyond that, develop leadership skills, not only as an intellectual conceptualization, but as applied skills.

Also, help students build an ethical framework. Have them ask the important questions: What is the point of business? Is it just to make money, or is there a grander objective? How do you balance profits and concern for employees? Students need to build ethical frameworks to be successful in business, especially as leaders.

You're especially active with the Leavey School of Business at Santa Clara University, sitting on its advisory board, giving guest lectures, and providing an endowment to support its undergraduate Senior Leadership Academy. What do you think are the best incentives a business school can offer other business leaders to become similarly involved in its programs?

Our relationship with Santa Clara has included a number of student internships. We've had many of our full-time employees attend its MBA program, and we've developed several consulting relationships with members of the faculty. Those kinds of opportunities provide an excellent win-win for the company and the school.

What's next on your agenda, in the CEO's role and beyond?

I don't have a plan. I don't know how long I'm going to do this. I don't do it now for any other reason except that it's fun. If the fun turned to burden, I'd stop. I've found that it's not necessary to pursue money and reputation, if you love the job and people you work with. You know those three engineers who started the company? Two of them still work here, and they are two of the most intelligent, creative, and supportive people I've ever met. They've been incredible in allowing me to lead them. 

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Advisory boards strengthen the connection between academia and the corporate world, as executives engage in the lives of schools through counsel, funding, and hands-on involvement.

Business schools today want more from their advisory boards than ever before—more input, more direct service, and sometimes even more members. It's becoming commonplace for today's schools to set up multiple boards to focus on specific areas of education or community outreach. That means more business leaders are being called upon to advise more schools—which enhances the strong connections between academia and industry.

But expanding the roster of advisory boards is only useful if schools make sure members stay engaged and get directly involved in campus projects. “Otherwise, there’s a danger of having an advisory board that exists only on a piece of paper as some kind of marketing list,” warns William Kooser, associate dean at the University of Chicago Graduate School of Business.

Expanding the board membership also means finding a greater number of executives who are willing to serve. While prominent local businesspeople are often asked to participate, schools also rely heavily on successful graduates who have a keen interest in seeing their alma maters continue to prosper. “The support of distinguished graduates might be what ultimately separates great business schools from those that are merely good,” says Michael Knetter, dean of the University of Wisconsin-Madison School of Business. “This is particularly true for public schools, which increasingly must rely on higher tuition and greater alumni support to remain competitive in the global market for business education.”

Of course, asking for someone’s advice sometimes means receiving too much input. It’s best to establish firm guidelines for board participation and share these with executives in advance, according to Ali Malekzadeh, dean of the Williams College of Business at Xavier University in Cincinnati, Ohio. “I think the key to making boards work is to be clear from the outset what we want from members,” he says. “We want their strategic thoughts—they do not have time to micromanage the college.”

Malekzadeh, Knetter, and Kooser know the power of a committed, engaged advisory board—or two or three or ten. All of them oversee multiple boards that have helped their schools define their trajectories for the near future and plot their courses for the long term.



We felt that, by assembling a talented group of alumni who had an interest in running young companies, we could **promote** the school, bolster the state economy, and create a new and deeper pool of angel capital.

Alumni On Board

by Michael Knetter

At the University of Wisconsin-Madison School of Business, we engage 1 percent of our 36,000 alumni—almost 360 business leaders—on more than two dozen working boards. This not only helps us keep alumni involved with the school, but also strengthens our connection to corporate leaders, both regionally and around the world.

The most traditional of these groups is our Dean's Advisory Board, which comes to campus twice a year, provides invaluable input on our strategic plan, and helps keep our efforts relevant to the real world of business. While we believe this service is as rewarding for board members as it is valuable for us, we often find that they have an even more fulfilling experience when they join one of our other boards. What's just as important, from our perspective, is that their involvement helps us keep our curriculum relevant, enhances employment opportunities for our students, and leads to funding of critical projects.

Special Interest Boards

We have created three distinct types of boards to aid our school. *Advisory boards* offer the school advice on broad issues. *Program boards* focus on the tangible ways alumni and friends can support particular degree programs. *Project boards* work on specific issues of importance not tied to a single degree program, such as diversity or leadership.

Some of our strongest program boards are those that work with the specialized tracks making up our MBA, including brand management, applied securities, corporate finance, supply chain management, and real estate. For example, the Executive Advisory Board for our Center for Brand and Product Management is made up of representatives of a wide range of national and international companies, including General Mills, Intuit, Kimberly-Clark, Kraft Foods, Procter & Gamble, Abbott Vascular (Guidant), ConAgra, Grainger, Johnson & Johnson, and S.C. Johnson.

Board members commit to helping the Center's students begin successful careers in brand management. They come to campus to share their experience with students through applied learning sessions. They open doors for students seeking summer internships and full-time positions in brand and product management. They arrange site visits to leading companies, help recruit prospective students, mentor students while they are in the program, and enhance students' educational experience by getting involved in on-campus activities.

One of the inaugural members of the center's board was Jeffrey Rotsch, senior vice president of General Mills Inc. and president of its Consumer Foods Sales Division. According to Rotsch, "I agreed to serve on the Center's advisory board, as did executives from other companies, because we think the Center will play a major role in training the next generation of product managers."

A key result of this intense board involvement has been in the area of placement. Since the program in brand and product management began, its students have had a 100 percent placement in positions at leading firms. Sixty-eight percent of those graduates accepted full-time job offers from companies represented on the center's board.

Program boards for the Center for Brand and Product Management and for other career specializations have been particularly valuable in allowing us to develop international study trips, an increasingly important part of our MBA curriculum. This year, for example, three of our MBA career specializations planned separate trips to explore business in China. On these trips, they met with executives of leading firms with China operations, including Procter & Gamble, Citigroup Real Estate, Morgan Stanley, Best Buy, Johnson & Johnson, and Grainger.

Investing Time—and Money

In addition to our formal program boards, we have more loosely connected alumni groups that work on critical topics as members of project boards for the school and the university. A great example of this is the Badger Alumni Capital Network—or BACN, which we inevitably pronounce as "bacon." BACN was created to enable our alumni and other supporters, acting largely on their own, to help the university convert intellectual property into startup companies.

Historically, the university has produced a relatively low number of startups based on intellectual property, research activity, and patents generated by its faculty. We felt that, by assembling a talented group of alumni from around the world who had an interest in running young companies, we could promote the school, bolster the state economy, and create a new and deeper pool of angel capital.

Phil Mathews, a graduate of our MBA program and a retired partner of BlackRock Financial, has taken the lead on the BACN initiative. He has helped assemble a group of alumni and friends who will act as advisors, connectors, investors, and possibly even full-fledged partners in some exciting new ventures being launched by faculty inventors. BACN brings together people who have a natural affinity for the university and a long-term interest in success. That



Students from the Center for Brand and Product Management at the University of Wisconsin-Madison hold up samples of the brand-name products they've worked with through their interactions with advisory board members dedicated to the center.

increases the level of trust between inventors and investors, which is critical to value creation.

In recent months, BACN has investigated ten areas of intellectual property, and it has aided two new companies in their patented work with computer network security and drug testing. According to Mathews, "BACN is an opportunity for alumni to work together and share their expertise for the benefit of the university and themselves."

An Exchange of Ideas

Board members don't just help us launch initiatives we think are important. Often, they bring outstanding ideas to us. An example of this is the Accenture Leadership Center.

Among our alumni, we have several retired Accenture partners who felt strongly that leadership should be a critical component of our undergraduate business program. They funded the creation of our Accenture Leadership Center, which provides opportunities for undergraduate students to develop leadership skills outside the classroom, but their support went far beyond financial involvement. For months, these alumni worked with our staff to develop hands-on learning activities for the students. They acted as mentors to students tackling semesterlong leadership projects, and they provided a level of involvement to undergraduates that the school never would have been able to offer on its own.

Board members even assist with our executive education offerings. For example, each year we offer a two-day corporate governance program for senior management. Known as the Directors' Summit, the program attracts corporate board members and institutional investors from around the coun-

try. The board members with expertise in this area help us assemble a program featuring speakers with national credentials and high visibility.

In the future, we expect our board members to make significant contributions to another key area: creating a business school that reflects the diversity our graduates will experience in the workplace. Based on what has and hasn't worked to promote diversity in their own companies, board members are helping us further diversify our students, faculty, and staff. A new recruitment plan focused on underrepresented minorities has been developed with the input and support of board members.

I'm an economist by training, so return on investment is ever top of my mind. For that reason, finding new ways to involve alumni in our programs and projects remains a top priority for me. Active, involved boards can provide an extraordinary return to a business school—a return that can be measured in terms of industry knowledge and networking opportunities. The time I spend managing board relations is significant, but the payoff to the business school is enormous.

Michael Knetter is dean of the University of Wisconsin-Madison School of Business.

Creating a Corporate Community

by Ali Malekzadeh

When I became dean of the Williams College of Business at Xavier University four years ago, I had a mandate from the university president to "open the doors and the walls of the university to the business community." One of the primary ways I have accomplished this is by inviting hundreds of executives to serve on ten different advisory boards for the business school. Each of our school's six departments and three research centers now has its own committee, and so does the b-school as a whole. In total, nearly 250 businesspeople serve the business school on our boards.

To fill my advisory board positions, I begin with alumni and local business leaders who have expressed an interest in supporting the school. I draw many of them from the ranks

I believe any business school can profit from a committed, involved advisory board, particularly if it draws on the talents of alumni who want to support the school.

of undergraduate student mentors, who have already demonstrated a commitment to business education. At other times, existing board members nominate someone else they believe would be a good addition to the board.

My goal is to have 35 people assigned to every board so that at least 20 will attend each quarterly meeting, although some boards still aren't up to full strength. Among the areas where advisory board members offer advice and expertise are curriculum trends, assurance of learning, student mentoring, career development programs, student recruitment, strategic planning, executive education, student sponsorships, and the development of a balanced scorecard.

Hands-On Involvement

Advisory board members who are top-level executives have also participated in our "executive professor" program, in which they help faculty teach a particular class. We had a class on mutual funds that was co-taught by one of our star professors and the president of Fidelity Investments in this city. The executive's Fidelity manual and the professor's textbook were both required texts. The feedback from the class was phenomenal.

These executive professors sometimes take students and faculty to their corporate headquarters to show them corporate governance in action—and that's not the only time advisory board members invite people from the university community into their offices. Board meetings are rotated among facilities; about half of them are hosted by one of the board members, who jump at the chance to showcase their companies. Because I encourage faculty and students to participate in board meetings, these off-site meetings strengthen the bond between the university and the community even more.

I don't just want time and expertise from our advisory members—I ask them for a \$1,000 donation as well, though I waive that if the board member is from a nonprofit organization or already supporting the university financially. What I have found, however, is that many board members will give more than the minimum, particularly if their work from the school has exposed them to some project or initiative that sparks their enthusiasm.

The synergy between the school and the business community has benefited everyone. For instance, some board members are working with our faculty on category marketing and data visualization. An even more striking example is the relationship we've developed with a local investment firm. Executives there had said they wouldn't hire our graduates if they didn't already have several years of experience

with fixed income and bonds. When we asked how they could help the students acquire such experience, the executives joined our finance department's advisory board and worked with faculty to design a bonds class.

Those executives also worked with university trustees to set up a student-managed investment fund. I now have 12 students who manage an investment fund and 14 people who advise them! The students are getting a fantastic education from that one relationship we built with three or four business executives.

Building the Best Boards

According to Michael Knetter of the University of Wisconsin-Madison and Ali Malekzadeh of Xavier University, advisory boards are most likely to be successful if deans follow these ten steps:

1. Have a clear mission for the board. Make sure it is central to the school's strategy, and make sure it is served well by the board's size, diversity, and interests.
2. Clearly spell out board governance and decision rights. Be clear about expectations and the role board members will play.
3. Let everyone know that the executive committee will set the agenda, which will focus on strategic issues relevant to accreditation and performance.
4. Give concrete assignments.
5. Keep in mind that meetings are a place for board members to ask questions and sometimes challenge the administration.
6. Develop communication methods to keep members engaged, and let them know the results of their efforts. As dean, keep in touch regularly with individual board members.
7. Use current board members to locate outstanding new members.
8. Find ways to expose board members to the school's best and brightest students, as well as the faculty and staff.
9. Remember there is a social component to board service. Encourage executives to host meetings at their places of business, and allow time during meetings for board members to socialize.
10. Express gratitude to board members—loudly, sincerely, and often.

Above all, we want to keep all the cabinet members engaged. Members want to have an impact.

Making It Work

I believe any business school can profit from a committed, involved advisory board, particularly if it draws on the talents of alumni who want to support the school. I recommend keeping appointments to a renewable one-year term so that the relationship can be ended gracefully if it isn't working out.

I also strongly recommend creating an upbeat atmosphere at the meetings. I promise board members that if they'll bring a positive attitude, we won't come to the meetings to complain. If we tell them about our successes, they will help us succeed even more. If we start complaining about lack of resources and other administrative problems, they won't show up any more.

My strategy is very simple. For every corporation in our market, I want layers and layers of people to be involved with our faculty and students in ongoing programs and relationships. When we create those relationships, all kinds of magic happen.

Ali Malekzadeh is dean and professor of management at Xavier University's Williams College of Business in Cincinnati, Ohio.

International Advice

by William Kooser

When it is forming an advisory board, a business school should look particularly to its mission. In some cases, forming just the right board for a particular strategy can help a school at a crucial time. For instance, at the University of Chicago Graduate School of Business, our focus on growing the school internationally has led to the formation of an international group of advisors. The Global Advisory Board comprises three distinct "cabinets" of businesspeople who can help our school enhance its activities in the Americas, Asia, and Europe/Africa/the Middle East.

Each cabinet has between 22 and 30 members and meets once a year with our dean and other administrators from the Chicago GSB. While the Global Advisory Board cabinets

are separate from our longstanding GSB Council, a more traditional advisory board, there is some crossover. The chair and vice chair of each international cabinet sit on the GSB Council, and the Council also considers what we can do to strengthen our international image. But improving international impact is the sole purpose of the global cabinets.



Targeted Advice

With the Global Advisory Board, the GSB receives intensive, practical advice from local business leaders who live and work in the areas where we are trying to make an impact. The idea is to let the cabinets know what we are planning to do in each region, get their advice on strategies and directions to take, and try to involve them as much as possible in the ongoing operation and outreach of the school.

While receiving general input on positioning the school, we also ask our cabinets for advice on specific challenges. For instance, board members from the Asia cabinet are helping us explore options for our Asia campus once the lease on our

current Singapore facility expires. The European group has suggested that we reach out to governmental bodies and has helped us identify which organizations to target within European governments.

The Global Advisory Board is new enough that we have only had one meeting with each group, so we are still fine-tuning the best way to make use of members and keep them interconnected. Specifically, we are developing a Web site that will allow cabinet members to find contact information for each other, review agendas and meeting minutes, and read news items about the school. We also are considering the creation of a discussion board where we can post a topic, receive feedback, and generate ideas between meetings.

Above all, we want to keep all the cabinet members engaged. Members want to have an impact. The challenge for Chicago GSB is to make sure board members are involved in real work that makes a difference for the school. [Z](#)

William Kooser is associate dean at the University of Chicago Graduate School of Business.

One Size Does Not Fit All

As AACSB focuses on its priorities for the future, the association's new board chair considers the challenges and changes that face management education.

by Judy D. Olian

At first blush, the school I call home has a lot in common with the school where I recently was dean. The UCLA Anderson School of Management and Penn State's Smeal College of Business Administration are both research-focused, and they operate within large and complex public universities. They are both chasing after top business research faculty and are increasingly reliant on private sources of funding.

Yet, they are also different on many dimensions. UCLA Anderson focuses exclusively on graduate programs, while Smeal has one of the largest undergraduate enrollments in the world. Their student bodies, alumni, and boards of overseers represent different regional and industry mixes, and their graduates head for different parts of the country to work. While the two schools share many similar attributes, their strategic goals and programmatic niches create distinctions that are unmistakable.

As the scope of management education expands across the globe, we see increasing diversity and fragmentation in the mission, size, geographic reach, programmatic mix, pedagogy, and resource base of business schools. It's become very hard to talk about management education in general without recognizing the many forms it takes and the many roads schools follow to deliver a high-quality educational product.

Consider these facts. Institutions accredited by AACSB International are now located in 31 countries. They have full-time faculties ranging from nine to 250 and operating budgets that are as low as \$1 million and as high as \$150 million. Some serve only undergraduates, others offer only graduate programs. Many schools have created narrow niches, while others offer a lengthy menu of program choices. Some have multiple campuses all over the world, others choose to globalize through alliances, and still others bring the world to them. Some offer only on-site degrees, while others are partially or even entirely delivered online.

Acknowledging Diversity

With AACSB's growth in the U.S. and internationally, we've become a much more heterogeneous organization. It's time we acknowledged the diversity of AACSB members and leveraged these differences as advantages within the business school community. Diversity means that students, faculty, and the companies that hire our graduates have options that enable them to address their goals and special needs. It means that even the smallest schools can compete if they deliver their programs with excellence. It means that educators have the latitude to be inventive and bold in designing learning models, programs, and unique content without having to fit into a single mold.



At AACSB, a number of important initiatives are under way to address head-on how management education providers will differentiate their programs in the future.

Since 1991, AACSB has linked accreditation standards to schools' distinct missions. AACSB's thought leadership and advocacy initiatives are designed to address major questions that affect the membership at large, while acknowledging the varying needs of the different types of schools that comprise AACSB.

One of AACSB's most effective strategies for recognizing differences among members is the Affinity Group program, which enables school administrators with similar interests to band together to share ideas and best practices. The 14 current Affinity Groups address a range of interests, such as the Small Schools Network, Women Administrators in Management Education, the European Affinity Group, the Technology Leaders Affinity Group, and the Metropolitan Business Schools group.

Our challenge is to determine how best to harness the power of the differences among AACSB members, while retaining a common voice that speaks to the value of quality management education worldwide. That challenge will be our preoccupation over the next year.

The Year Ahead

At AACSB, a number of important initiatives are under way to address head-on how management education providers will differentiate their programs in the future:

We're examining how accreditation, our core product, has evolved during a period in which AACSB has grown dramatically in the number and type of institutions that are members. We've formed the Strategic Directions Committee, headed by David Saunders of Queen's University, to determine how AACSB accreditation processes will adapt to the plurality of school missions around the world. The committee will identify the idiosyncratic challenges schools face when they seek accreditation, and whether AACSB should expand its accreditation labels to address this diversity in missions and outcome measures.

The Impact of Research Task Force, chaired by Joe Alutto of The Ohio State University, just issued its report whose significant recommendations may redefine the way we think about research. Based on a comprehensive analysis of the research output of business schools, the report recommends changes to the way research is defined and measured across different types of schools. While the common goal for member schools is quality research, the form it takes differs across schools with dissimilar missions. The report also suggests improvements in the channels for disseminating research and new ways to enhance collaboration between academic researchers and practicing managers. There's no doubt that,

if the recommendations take hold, there will be modifications in several key accreditation standards that more carefully and directly connect the mission of a business school to the type of quality research that advances its mission.

Another task force has been charged with studying the overall impact of business schools. Management education has positive effects on individuals' salaries and career mobility—we know that. However, what about the broader effects of management education? As the voice for management education worldwide, AACSB is concerned that the collective impact of business schools has been undervalued.

We see a need to document the impact of business education in its many forms. It might be reflected in the aggregate demand to hire business graduates, or the quality of leadership among business graduates across profit and not-for-profit sectors. It might be visible in the way market practices have changed as a function of business research, or in the correlation between management education and the economic development of nations. But as long as the return on the investment in management education is unclear or unappreciated, business schools will suffer in stature and receive reduced support—from universities, government funding agencies, individual donors, and even the business community.

The task force will draw on available information and gather primary research data to determine the impact of business schools over the last few decades in various parts of the world. These data will provide a starting point for discussion with thought leaders in government and in the business community regarding the societal value of schools of management.

As we plan for our schools' futures, the question of faculty shortages looms large. AACSB is continuing the Professional Qualifications (PQ) Bridge Program to prepare seasoned executives for faculty roles in business schools. Programs have been offered at the University of Southern California and the University of California, Irvine, and two more are planned for Georgia State University and Babson College. Another new program—the Academic Qualifications (AQ) Bridge Program—will attract Ph.D.s from adjacent fields into a compressed post-doctoral “boot camp” that will transition them from their fields into business. These development programs will add to the supply and diversity of business faculty. These strategies won't suit every school, but for some they will offer an important solution to their faculty needs.

The Global Outlook

The diversity of management education is also reflected in the fact that most of AACSB's growth is now coming from schools outside the U.S. We just hosted an AACSB confer-

Meet Judy Olian

Judy D. Olian is acutely aware of the synergies between business schools and the practicing world of business, and she is constantly testing new ways in which management education can prepare global business leaders for the 21st century. Soon after assuming the role of dean of UCLA Anderson School of Management in January 2006, she worked with many groups in and around the school to shape the school's strategic plan.

She is engaged in an aggressive growth campaign, hiring a record number of faculty and leading an ambitious fund-raising initiative. She is also expanding the school's global footprint and growing its Board of Visitors, attracting executives who bring diverse functional and global perspectives. During her tenure, UCLA Anderson celebrated the launch of the Center for Finance and Investments, the newest of the school's six research centers.

Olian brought a similar energy to Pennsylvania State University's Smeal College of Business Administration, where she served as dean for more than five years. There she guided the school through an ambitious fund-raising campaign, as well as a comprehensive redesign of the undergraduate and graduate business programs. She also oversaw the implementation of several new initiatives: the Smeal Trading Room, the eBusiness Research Center, the



Auctions Market Lab, a student-run investment fund, and an EMBA program located in Philadelphia outside of Smeal's University Park campus.

As a member of the board of AACSB International, Olian has been actively engaged in the thought leadership role of the association. She chaired two important industry commissions—one on the future of management education, and the other on the looming crisis surrounding the shortage of doctorally trained business faculty.

The Australian-born Olian received her bachelor of science degree in psychology from Hebrew University in Jerusalem, and her master's and Ph.D. in industrial relations from the University of Wisconsin in Madison. In addition to publishing extensively on human resource management and business alignment of management systems, Olian has written a weekly syndicated newspaper column and hosted a monthly television show on current

business topics. Among her honors are the American Council on Education Fellowship and the Maryland Association for Higher Education Award for Innovation.

"I feel very privileged to be in a career that transforms lives and has an impact on individuals and organizations—a career that 'does good' in the world," says Olian. "The collective responsibility of schools of management is to enhance the quality of leadership all over the world. It's a stimulating field with constantly changing issues and opportunities that demand our attention, one where we can really make a difference."

ence at Tsinghua University in Beijing, the first university on the Chinese mainland to earn business school accreditation by AACSB. I'm sure many will follow.

Globalization is broadening the agenda of the association. It's clear that AACSB members are engaged in global research, curricula, immersions, student communities, and exchanges among faculty and students. Two initiatives that address globalization will be important for AACSB in the months ahead.

The first initiative, to be launched later this year, will study the meaning of global education in practice. To find out what really works, the new Global Task Force will explore best practices in research and teaching. How can we best train graduates for a role in increasingly integrated economies and prepare them for careers that will span multiple countries and cultures? How can we prompt them to think as global citizens? How can we create faculty research collaborations that span the globe and deal with inherently global topics? Answers to these questions will help us design and implement effective programs for global business education, research, and collaboration.

AACSB also will continue to work with the European

Foundation for Management Development (EFMD) on the Global Foundation for Management Education (GFME). GFME is creating an inventory of management education challenges and capabilities in various regions of the world. The group has reported on major economic and demographic trends that affect demand for management education worldwide, as well as the role for associations such as AACSB and EFMD in addressing these needs.

The Balancing Act

Acknowledging diversity among business schools while retaining the power of a single voice for management education is not without its challenges. Powerful forces—governments, media rankings, and inertia—create intense pressures for schools to converge around similar missions and metrics.

For instance, some governments are imposing common outcome measures on their universities, regardless of the particular mission of the institution. On the surface, this kind of accountability seems reasonable. Yet, institutions serve different purposes and constituencies, and their measures of success should vary accordingly. At AACSB, we

It is incumbent upon AACSB to differentiate between schools that advance quality management education in its many diverse forms and those that do not deliver on their promises.

expect missions—and, therefore, outcome measures—to differ considerably across schools.

Similarly, media rankings that purport to hold programs accountable, and reduce quality to a single number, challenge the courage of deans to be different. In contrast, AACSB continues to emphasize to its accreditation teams that standards are not absolute requirements and that numerical guidelines are not mandatory thresholds.

But there is a balancing act between diversity that satisfies a range of student and business needs, and diversity that confuses and undermines perceptions of quality in the marketplace. Diversity does not mean “anything goes.” It is incumbent upon AACSB to differentiate between schools that advance quality management education in its many diverse forms and those that do not deliver on their promises. AACSB has embarked on a global effort to promote the value of AACSB accreditation. In addition, the Strategic Directions Committee has been charged to find ways to

more clearly differentiate schools that have achieved accreditation from those that have not.

This is an important period for AACSB. Our task forces are addressing vital issues—some that will shape AACSB as a global, pluralistic organization, and others that will address the role of business schools in economies and societies. The findings of these task forces, while they might have no impact on a dean’s day-to-day activities, will certainly affect the way schools hire faculty, value research, play roles in their communities, and approach globalization. These task forces will prompt each school to discuss its essential mission—a mission that represents a school’s distinct brand of quality management education for its particular markets and its special circumstances. One size does not fit all. **Z**

Judy D. Olian is dean and John E. Anderson Chair in Management at the UCLA Anderson School of Management at the University of California in Los Angeles.

All About UCLA Anderson

UCLA Anderson School of Management was founded in 1935 and received national accreditation three years later. It authorized its MBA program in 1939, its Ph.D. program in 1953, and its executive education program in 1954. Originally known as UCLA’s College of Business Administration, the school was renamed in 1987 after receiving John E. Anderson’s \$15 million gift—at the time the largest donation from an individual to a business school.

Each year, UCLA Anderson provides management education to more than 1,600 students enrolled in MBA, Executive MBA, Fully-Employed MBA, and doctoral programs, and to more than 2,000 professional managers through executive education programs. It also offers a two-year dual-degree Executive MBA program in partnership with the National University of Singapore Business School. Designed to train executives for the global marketplace, this 15-month program includes six two-week residential segments in Los Angeles, Shanghai, Bangalore, and Singapore.

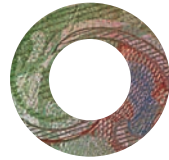
Open enrollment nondegree programs, including a suite of programs that target minority leaders, provide continuing education to a wide range of individuals. Specialized nondegree programs focus on the fields of health care and entrepreneurship. The school also hosts the Human Resources Round Table to foster interaction between academics and senior HR professionals.

UCLA Anderson is located in the most ethnically diverse region of the country. Its Riordan Programs reach out to underrepresented minorities and individuals from disadvantaged backgrounds to prepare them for careers as business and community leaders. The school also participates in the Leadership Education and Development Program (LEAD), a national partnership of corporations and graduate schools that encourages minority students to enroll in business school.

As UCLA Anderson approaches its 75th anniversary, the school has developed a new strategic plan to strengthen its thought leadership, MBA distinctions, and global presence. This far-reaching plan includes hiring nearly 30 new faculty members, re-evaluating the MBA and Ph.D. programs, raising funds to support research and endow chairs, expanding business course content in fields such as business sustainability and entertainment, enhancing e-delivery options, and upgrading physical facilities. The \$100 million dollar strategic plan will be funded through a combination of the school’s entrepreneurial revenue streams as well as a \$75 million fund-raising campaign.

The school is also expanding its global footprint, forming deep partnerships in Asia and Latin America, expanding international immersion experiences for students, and adding global dimensions to its research centers. The goal is for students to emerge from UCLA Anderson’s programs with “global brains,” consistent with the school’s mission to “lead management thinking and prepare global leaders.”

The True Colors of Management Education



Over the past five years, anyone with a stake in management education has probably encountered more than one article that disparages business schools. The articles range from the mildly disenchanted to the bitterly critical. They accuse management education of every ill, from turning out poorly prepared students to sparking scandals that have humbled top CEOs and tumbled proud corporations.

While some look at management education and see irrelevance and incompetence, others see business schools as high-performing academic institutions that have a huge and measurable impact on the world. Partly due to increasing competition among themselves and partly due to the demands of today's business climate, business schools around the globe have remade themselves into models of modern education. They lead in academic innovation; they engage their students in community service; they embrace corporate social responsibility; they establish thoughtful missions and strategies for achieving their goals; and they aspire to excellence through AACSB accreditation—indeed, through every means at their disposal.

A number of voices are now speaking out to present the true colors of management education. AACSB International is taking a leadership role by forming a task force to explore all the ways business education has dramatically affected the world of business—and the world at large.

“The real impact of business schools is a best-kept secret,” says Robert Sullivan, chair of the task force and dean of the Rady School of Management at the University of California in San Diego. “Today, media and government agencies are correct to highlight the urgent impact of science, technology, and medicine on economic competitiveness. However, they should not overlook that management and leadership are the keys to taking discoveries to market and creating the next great industry. They are the keys to defining economic success. A community's growth and quality of life often are determined by great business leaders.”

Sullivan emphasizes that while the task force will prepare a report based on original and existing research, it will develop a comprehensive analysis of the facts before drawing any conclusions. Once a report is prepared, he expects it to be widely disseminated to business school administrators, university leaders, industry leaders, governmental policymakers, and the general community.

“We expect the report to be very important for business schools as they consider their curricula,” he says. “The report should also be significant for the companies, industries, and regions that look to business schools for management and leadership.”

His last words have a great deal of resonance, for it's hard to imagine a company, industry, or region that *doesn't* look to business schools for at least some of its management and leadership. That's the basic message of two prominent business school deans whose articles in the following pages take on the critics and celebrate the contributions of management education.

Paul Danos of the Tuck School of Business refutes the recent attacks one by one, while Glenn Hubbard of Columbia Business School praises the re-imagining of the management curriculum in the 21st century. Nobody is arguing that business education is perfect—but these two are among the most thoughtful and eloquent of the individuals in the field asserting that it is an intense, multifaceted, sometimes transformational experience led by passionate, committed, and knowledgeable faculty. In short, it's remarkably good. It's time to shut out the voices of the critics and listen to the voices of the defenders. **Z**

The critics have been loud in their claims that business schools are failing at their job. But impassioned voices celebrating the successes of management education are creating a rising tide of enthusiasm that may drown out the critics.



Critical Mass

Critics of the MBA
abound, even within
our own ranks.
An analysis suggests,
however, that while
there is a kernel of
truth in some criticisms,
often the claims are
incomplete, unfounded,
and off-base.

by Paul Danos



It has become fashionable for journalists and business faculty to proclaim the devaluation of the MBA and predict the demise of modern business education. Two or three years ago, business schools seemed vulnerable. Applications were down at many schools, salary growth for graduates had moderated, and many industry observers linked those trends to fundamental problems with business education.

Now that applications are up for two out of three business schools and the demand for MBAs is through the roof, we might be tempted to use these positive trends to shrug off any criticisms. Instead, I believe we must study and evaluate the charges, which largely focus on faculty.

Critics have claimed that faculty are studying irrelevant issues, using outdated materials, failing to integrate topics across the curriculum, focusing too much on theory, wasting time on esoteric research, and failing to obtain enough practical experience before they teach a class. In short, the criticisms boil down to four main groups, each in turn suggesting that faculty are:

- Not managerial enough.
- Not student-centered enough.
- Not scientific enough.
- Distracted from important scholarly work because of a focus on rankings.

None of us would argue that there is not room for improvement in management education; but, in my view, these well-publicized claims are often incomplete or invalid. In fact, each of them can be refuted.

Managerial Focus

The first group of critics—represented by Henry Mintzberg, Warren Bennis, and James O'Toole—claim that today's faculty are not teaching actual management skills, that they are over-emphasizing analytics, and that as a result the MBA degree has lost its value.

For instance, in his 2004 book *Managers Not MBAs*, Mintzberg criticizes full-time MBA programs for relying too much on theory, while offering students too few experiential learning opportunities. He points out that business schools enroll students who are not experienced enough to absorb management concepts; don't provide authentic management experiences; and don't offer the appropriate experiential laboratory in which to learn business leadership.

This line of argument overlooks the fact that at many full-time programs the average age for full-time students is not 23 or 24, but 28. Even more important, it ignores the fact that students generally graduate onto a ladder toward leadership, not into top leadership itself. This criticism also fails to take into account the fact that many MBA students are enrolled in part-time programs, where the average age is higher, and students are often already well up the ladder toward leadership. These students *do* have the experience to absorb man-



In my view, some of the critics are making rhetorical points and pandering to the headlines.

agement concepts, and they don't need an "experiential laboratory" in which to learn.

Two other critics in this group, Bennis and O'Toole, wrote a 2005 *Harvard Business Review* article, "How Business Schools Lost their Way." It postulates that management researchers increasingly are focused on theoretical scientific research that has no practical relevance.

It's true that, ever since the Carnegie and Ford Foundations issued their reports in 1959, business schools have been moving from practical, nontheoretical research to a conventional academic mode of research. It's also true that the vast majority of top business scholars publish in peer-reviewed disciplinary journals. But it is not true that this work is irrelevant to practice.

I see the work in several top journals, and virtually all topics are important and practical. For the most part, researchers look at real data from real businesses, often concerning whole classes of companies. Since most nonresearchers do not have access to such a wide spectrum of data, the resulting analyses are very valuable and relevant indeed. Without a doubt, laymen would have difficulty understanding some of the methods used in modern business school research, but that doesn't mean that the researchers can't translate their findings into accessible terms for students.

Scientific Focus

Almost in direct opposition to the first group of critics, a second group contends that business school faculty are not scientific enough and that this leads to a devaluation of the MBA degree. The primary voices in this contingent are Sumantra Ghoshal, Jeffrey Pfeffer, Christina Fong, and Matthew Stewart.

In a paper published in the *Academy of Management Learning and Education* in 2005, Ghoshal argued that the "pretense of knowledge" and "ideologically inspired theories" have had negative consequences for students by, in essence, freeing them from moral obligations. His perspective seems to be primarily a lament about the influence of economic theories on management research.

It is important to point out that this and some of the other criticisms of management theories often come from strategy and organizational behavior professors. They seem to view the potential "takeover" of their disciplines by economists or economics-trained professors with concern because they do not believe that research methods of economics fit the managerial questions to which they are now being applied.

The team of Pfeffer and Fong has taken a somewhat different tack. These authors say that an MBA does little to

advance a graduate's career and that business research is unlikely to improve management practice. The problem is that they engage in a casual meta-analysis of the research that others have done, and they themselves point to how spotty those studies really are.

They do admit a "modest and limited linkage" between research and business practice; but they conclude that there is "scant evidence" that an MBA is related to success in business, unless perhaps it is earned from an elite school. However, this exception allows them to completely ignore the fabulous ROIs achieved by graduates of the leading schools. At the Tuck School of Business at Dartmouth, for instance, the average U.S. student nearly triples his or her salary, and the average non-U.S. student experiences more than a fivefold increase.

Pfeffer and Fong present solutions they say will fix the deficiencies at business schools, such as admitting more experienced students, designing multidisciplinary programs, offering students more real-life management situations, and devoting more time to clinical projects. The fact is, those solutions are already in place at the leading schools.

Stewart is the final member in the group of critics who claim that management theory does not have a truly scientific basis. In "The Management Myth," an article published in *Atlantic Monthly* last summer, he attacks the alleged pseudo-science of management theories.

Stewart's major complaint seems to be with management theories that started in the early 1900s with Frederick Taylor's *The Principles of Scientific Management*. Since then, he says, the theories have evolved in unscientific ways, resulting in one catchy best seller after another. He sees the procession of nostrums—quality, customer satisfaction, supplier satisfaction, flat organizations, re-engineered processes, core competencies—as the recycling of old ideas and an attempt to pass rhetoric off as management research. Stewart also worries that values and ethics are seen as issues that can be given a quick fix, that communication skills are largely ignored, and that teamwork is not stressed.

The major problem with this criticism is not that he incorrectly assesses the books in question. It is that those "managerial" books are just a small sliver of the business writings available, and they don't reflect the peer-refereed articles that take up a huge percentage of faculty interest and effort.

I argue that the best faculty research in business schools is sound, that it informs teaching in very healthy ways, and that top faculty members are rigorous about the generalities they profess to their students. Of course, the popular press publishes some unfounded works that are fashioned to

No matter what the critics say, graduate business education will continue to flourish, because what we provide for our students is so beneficial.

maximize sales, but condemning all management research for that reason would be analogous to saying that all of science is bogus because works of astrology are published.

Arcane and mushy jargon is not the *lingua franca* among faculty. Instead, faculty commonly exchange straightforward communications about best practices and explore theories that help explain business activities of interest. Most faculty do the bulk of their publishing in the top academic journals devoted to economics, finance, operations, marketing, accounting, strategy, and other disciplines. Those journals publish serious, evidence-based work. Most of what is taught in good MBA programs is shaped by that careful research.

Student Focus

The third group of critics, led by Harry Lewis, claims that faculty are not student-centered enough. In his book *Excellence Without a Soul: How a Great University Forgot Education*, Lewis makes the strong point that universities often do not articulate ideals for future American leaders. He argues that schools need, and often lack, three essential components of a good education: an agreement on common values, a core curriculum, and an engaged and caring faculty.

I agree with his concerns. All schools should strive to achieve the noble goals he outlines. But I don't believe it is fair to study one or two schools and project those findings onto all schools or all colleges within those schools. On the contrary, I believe that leading business schools are addressing all of those concerns—and in very creative and effective ways. I know that, at Tuck, we deeply value and protect our school's core values, and we care for every student and all of our alumni.

Rankings

The final group of critics includes Harry DeAngelo, Linda DeAngelo, and Jerold Zimmerman. In a recent working paper, these authors point to business school rankings as a

distraction that diverts faculty from pursuing quality and instead compels them to focus their efforts on managing public relations. They believe that although rankings at first sparked a period of growing prestige for management education, they are now fostering bad decisions and wasting faculty time.

Like most deans, I have experienced moments of frustration over an individual ranking or two, but I disagree with a blanket condemnation of business school rankings. I see no evidence that researchers are being diverted from their

work—in fact, considering that rewards for professors are heavily weighted in favor of those with stellar research records, faculty have every incentive not to be distracted.

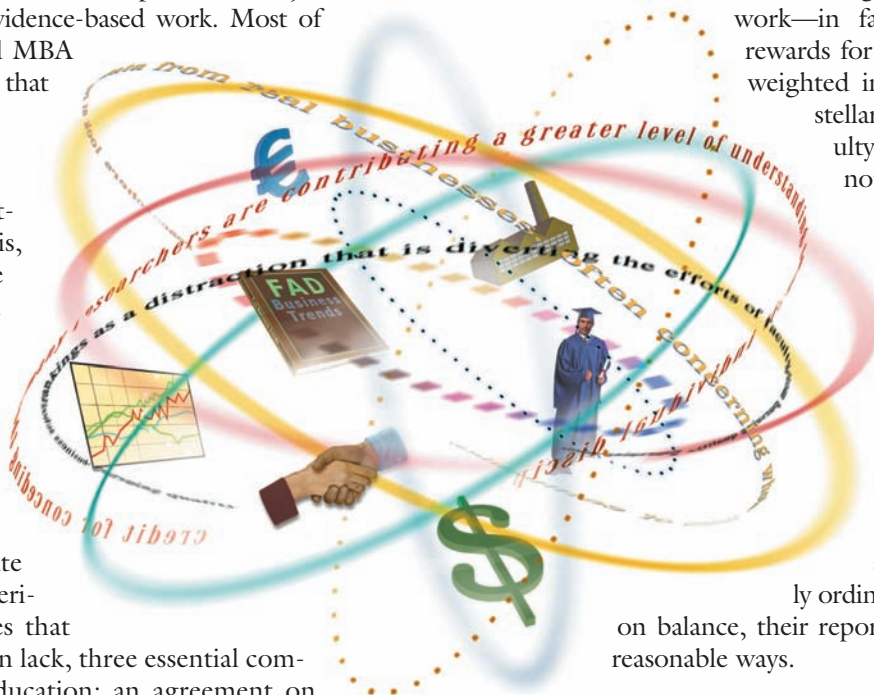
I also believe that the rankings have an important positive side effect: They keep us on our toes when it comes to being reasonably student-focused. Although I believe the media are misguided in their quest to create granular and strict-

ly ordinal ranks, I believe that, on balance, their reports describe schools in reasonable ways.

A Kernel of Truth

It's clear that I see problems with aspects of all four of these common arguments. In my view, some of the critics are making rhetorical points and pandering to the headlines. I do not believe that the severest criticisms reflect the realities of the top business schools, which serve as counter-examples to most of the negative stereotypes portrayed. In fact, when I read the disparagement of faculty research, I conclude that some critics are either ignorant of the work of the best researchers, or they have chosen to ignore it in order to win debating points.

That being said, we must acknowledge that there are elements of truth in some of these critiques. It is true that some of what we must teach is not covered by classic research; indeed, many management professors believe that managerial skills can only be imparted through experience and hands-on learning. Intuition and experience are essen-



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tial parts of human interaction and can be critical in certain professional situations. That may be why so many business best sellers are full of personal opinions and why on-the-job anecdotes sometimes equate to management theory. In any case, the critics are right that experiential learning has its place in the business school classroom.

I also give some of these critics credit for conceding that many researchers are contributing a greater level of understanding to their individual disciplines. The core of their arguments, however, seems to be that they don't think these topics add up to management. But "management" is difficult to define rigorously. Frankly, it sometimes seems to me that our critics define "management" as whatever we don't cover in our programs.

Flourishing in the Future


After reviewing these criticisms, I have come to two conclusions. First, I believe that, over time, "good" research on a topic tends to drive out mere opinion or bad research. There are not many casual books on asset pricing because there is a solid body of serious and practical work on the topic. It will take time for science to make similar progress in all areas of management, but in the meantime our students still need guidance in those areas. Therefore, the call for experiential and nontraditional learning is not unfounded—it is just incomplete.

Second, I believe that business schools will converge on the

classic research model to guide their faculty development—when they can. Worldwide, the more well-heeled schools will focus on researcher-led faculty, and the desire to have the prestige of renowned professors will not dissipate soon.

At the same time, most new schools cannot afford renowned professors, and many schools will follow some model other than the research-oriented faculty. Most of the new business schools I have seen outside the U.S. and western Europe are being taught primarily by adjuncts—practitioners who do not engage in research.

I believe this means that, in the future, our industry will take a mixed approach to teaching. There will continue to be a strong tendency toward research-based learning for schools that can afford it; but other models will prosper, and many students will learn management in other ways.

As business schools around the world experiment with innovations in teaching and vie for their place in the market, perhaps all management education critics will get a chance to see some of their ideas in action. But no matter what the critics say, graduate business education will continue to flourish, because what we provide for our students is so beneficial to them and because what they do in their careers is so important to human progress. 

Paul Danos is dean of the Tuck School of Business at Dartmouth in Hanover, New Hampshire. This article is drawn from a speech he recently presented to the Association of MBAs at a dinner in London.

The **Best** Business Education Ever

Today's business schools are under fire, but what critics do not seem to realize is just how good 21st-century management education has become.

by R. Glenn Hubbard

Today's business schools are better than they have ever been. So when I became dean of the Columbia Business School, I was surprised to learn that many people were questioning the value of the university-based business school and even of business education itself. I had thought—naïvely—that it was fairly obvious.

The fact that it is not obvious to everyone is made clear in an interview by *The Financial Times* with Anita Roddick, entrepreneur *par excellence* and founder of The Body Shop. In the article, Roddick is quoted as saying that she often gets asked to talk about entrepreneurship, but she is not convinced it is a subject that can be taught: “How do you teach obsession—because often it is obsession that drives an entrepreneur’s vision?” She goes on to say, “The problem with business schools is that they are controlled by, and obsessed with, the status quo. They encourage you deeper into the world as it is. They transform you into a better example of the corporate man.”

There is a ring of truth to her criticisms. The post-war MBA degree was designed to mint managers for large organizations. Business schools prepared mostly men to snap into well-defined positions with well-defined sets of expectations in Fortune 500 corporations. Since that time, our goal has been to balance theory and practice while we reduced the science of management to a set of identifiable principles. But as sweeping changes in the corporate world have ripped away the comfort and security of management jobs, so too have they demolished any sense of complacency that once might have existed in the business school.

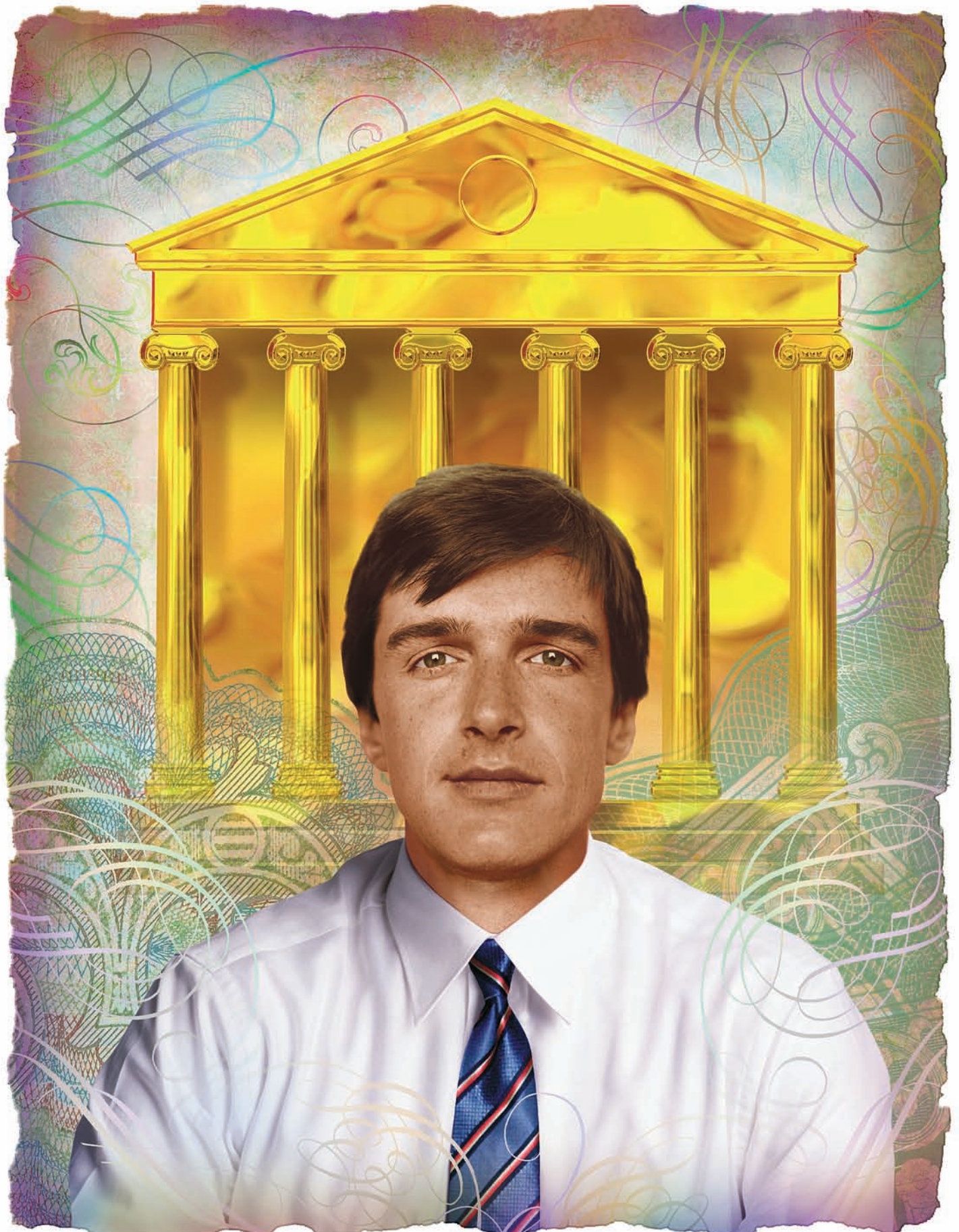
Business education has evolved dramatically to meet the needs of the rapidly changing business climate, and today's business schools are better than they have ever been. We are preparing students for the modern business world—by teaching them how to understand the global market, how to bring an entrepreneurial spirit to every enterprise, and even how to think. We should be celebrating our success, not fending off critics.

Roddick's comments expose what might be the real shortcoming of business schools today: our failure to communicate how well our programs have adapted and advanced over the past 20 years, and particularly over the past five years. I believe management educators should drown out the critics by raising their voices to share all the ways in which management education has become so vital and energized in the past two decades.

The New Face of Business

Business today is widely decentralized, fiercely entrepreneurial, and relentlessly global. So is today's business education.

It is decentralized: Today's business school trains graduates to work in a decentralized organization where responsibilities come with the need to solve a problem, not with the need to protect turf and title. Business leaders cannot just set an unchanging goal and then labor to achieve it. Rather, leaders will have to be agile seekers looking for many different ways to identify and capture opportunity. Great business schools *focus* these seekers of opportunity by teaching them to think strategically and



Today's business school classroom provides another valuable component that was not widely offered 30 years ago: **experiential education**. I believe this innovation has transformed management education at every level.

to value opportunity. Business schools' connection between research and industry offers precisely the right classroom.

It is entrepreneurial: MBA education prepares students for the possibilities of a wide range of careers by training them to be entrepreneurially minded. Twenty-first-century business curricula do not merely include entrepreneurship; they *require* it. Our students learn entrepreneurial creation in new ventures, in large organizations, in private equity financing, and in social entrepreneurship. They work in labs, consulting with faculty members, venture capitalists, and successful entrepreneurs. They develop business plans, build financial models, and structure deals in entrepreneurial finance. The entrepreneurship skills they learn will aid them whether they take jobs with new ventures or with Fortune 500 companies.

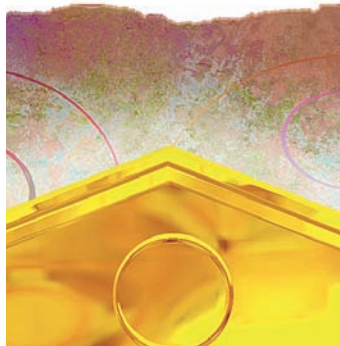
It is global: Of necessity, 21st century business education is rooted in international realities, with mental geography that spans from New York to São Paulo, from London to Mumbai, from Johannesburg to Shanghai. That emphasis is unmistakable, as business education from the undergraduate to the executive level increasingly incorporates international travel into its degrees. Once they are armed with a management degree, business school graduates should be able to join a startup in Silicon Valley, found their own companies in New Delhi, or take jobs with AT&T in San Antonio because their education has prepared them to do business anywhere on the planet.

Learning Through Experience

Today's business school classroom provides another valuable component that was not widely offered 30 years ago: experiential education. I believe this innovation has transformed management education at every level.

Julius Caesar—a man who had his own failings as a manager—had one of the best educations a classical world could provide. And yet, he said, “It is better to create than to learn. Creating is the essence of life.” I believe these words tell us a great deal about what we are trying to do with the 21st-century MBA. For all its ardor and certitude, his statement contains within it many rich questions. Is it not necessary to learn before one can create? Is not creating the ultimate form of knowing? And above all, is not learning itself best done in the act of creation?

Increasingly, a business degree can only be earned once students have spent some time *creating*—helping real businesses launch initiatives, advising business owners as they



make consequential decisions, and even working to start their own small companies. Today's business school no longer relies on merely teaching students a set of functional silo skills in marketing, finance, and management. Today's school strives to immerse students in the complex world of real business.

Anita Roddick is right—you cannot impart obsession in the classroom. But you *can* sharpen skills and encourage people to think entrepreneurially, provided that part of the instruction process revolves around creating.

Leaders and Geniuses

Like obsession, leadership is a characteristic that might be difficult to impart in a classroom—but students can be taught to think like leaders. Take intuition, which is a key attribute of leadership. Professors sometimes illustrate intuition by telling the story of Archimedes and how he discovered the way to determine the volume of irregularly shaped objects. When the great scientist eased himself into a full bath and the water overflowed, he had the “Aha!” insight that led to the method of measuring an item's volume by water displacement.

Many believe that this sort of genius must be inborn, but I disagree. Two important factors helped prepare Archimedes for his momentous bath. Like Julius Caesar, Archimedes had benefited from an excellent education at an institution that provided a balance of mental discipline, critical thinking, and openness to opportunity. Moreover, he thought obsessively about his problem; no doubt it was kicking around his subconscious as he lowered himself into an overfull tub. When water splashed out on the floor, he was mentally prepared to connect an innocuous spill with what became his breakthrough discovery.

This story offers an implicit lesson for business education. Management educators do not expect students to graduate from business school and walk into a job that immediately asks them to draw upon every skill they acquired or refined in our programs. What we can anticipate, however, is that all of our students will someday face a complicated and challenging decision. If we have done our jobs right, we will have taught them how to deliberate and how to ponder. We will have taught them to be open to fresh insights that are more than the sum of their business courses and experiences. We will have taught them how to *think*, and the sum total of their education and experience will lead them to a decision that would have been otherwise unattainable.

Proving the Point

As management educators, we know we are helping students meet the challenges of doing business in the 21st century. What we must communicate to the outside world is proof of the substance behind our claims.

One form of proof comes from the Graduate Management Admission Council, whose researchers recently surveyed thousands of graduates. They found that ten-year annualized average return on investment for MBA students ranged from 12 percent to 20 percent.

But ROI isn't the whole story. Other concrete, measurable benefits of business education have been studied by academic researchers. As far back as the early 1960s, a small group of economic historians, including Alfred D. Chandler Jr. and David Landes of Harvard University, pointed to professional management as a key factor in the rise of U.S. industry relative to that in France or the United Kingdom in the early 20th century. Also during the last half of the 20th century, business schools worked to identify the sources and examples of high-quality management practices, while consulting firms conducted *de facto* "on-the-ground" experiments implementing particular management innovations.

More recently, academic researchers have gathered evidence that a grounding in management education can contribute to a company's productivity. Economists Nick Bloom of Stanford University and John Van Reenen of the London School of Economics found that in a knowledge-intensive economy, firms with better practices for process techniques, goal setting, performance evaluation, and human resource management exhibit generally better performance. Their research further suggests that variation in *management quality* explains many of the differences in productivity at the firm level. Such a striking correlation between management qual-

ity and productivity emphasizes how important it is to develop management practices, choose which practices to implement, and groom managerial talent to execute them. All these concepts are taught in our business education programs.

More evidence of the value of an MBA is provided by individuals who have used their degrees to effect real change in the business world. These individuals have recognized and seized opportunity—which is a core component of entrepreneurship and business training.

Tom Stemberg, who received an MBA from Harvard in 1973, opened the first Staples store in Brighton, Massachusetts, in 1986; today the company is the world's leading seller of office products. Jack Creighton, who earned an MBA from the University of Miami in 1966, led three Fortune 500 companies during his career. At the age of 73, he decided to lend his expertise to Intrepid Learning Solutions, described by *The Seattle Times* as being "on the frontlines of a silent revolution in the way companies train employees."

And then there is the incomparable Warren Buffett, who earned his degree from Columbia Business School in 1951. He learned value investing techniques from then-faculty members Benjamin Graham and David Dodd, and he has since taken his place among the greatest business thinkers—and philanthropists—of our time.

It is also important to remember that three-quarters of the top 25 venture capitalists on the *Forbes* Midas list have MBAs. The degree has had a huge impact on these leaders who direct R&D in high-tech, biotech, and other "breeder" industries that give birth to whole new sectors of business and commerce.

Finally, remember that, worldwide, more than half a million MBA degrees were awarded in the last five years alone. It is not too much to expect that those young graduates will rely on their business educations to help them change the world.

A Social Conscience

One of the issues that today's graduate will be thinking about is the role of business in society. What might differentiate 21st-century management education most from its 20th-century past is the conviction that business not only has an obligation to promote social development, but that business itself *is* social development. The 21st-century business school graduate is interested in eradicating poverty through the most powerful foreign aid programs ever devised: investment and entrepreneurship.

At Columbia, many of our students have taken the lead in finding equity capital to support small businesses in the developing world. One recent graduate, Ben Powell, has started the Agora Fund, a new kind of NGO that serves as

an incubator by investing in small and medium-sized socially responsible businesses in Latin America. Organizations like the Agora Fund seed developing economies with powerful little engines of growth; they represent the best and truest form of economic aid for the 21st century. This is just one example among many of how business schools have succeeded in teaching graduates to apply entrepreneurial business principles to social ventures.

Today's management educators believe business is a social good, without which nothing else would be possible. We know that the business school graduates of this century are going to be a powerful force in driving investment, knowledge, and rising standards of living in the developing world. As the dean of a school whose graduates do exception-

We have not told our story. We have not undertaken the comparatively easy task of letting the business world, the business press, and even our own alumni see how we have embraced a new curriculum for a new century.

ally well by material standards, I can say without sounding defensive that what matters most to us after our students graduate is not the change jingling in their pockets, but the change they make in the world.

Speaking Up

As these few examples clearly show, business education has moved gradually but steadily away from the dry case studies and war-story pedagogy with which our critics find fault. To keep up with the needs of the business world, we have undertaken the hard and ongoing work of change.

We weave active, project-based learning throughout our programs—preparing people by having them *do*, *decide*, and *create*. We teach creativity and intuition alongside quantitative and analytical skills, and we give students real-world experience that will guide them throughout their careers. We also show them how business can be a force for good

in the world. While we still might not be able to teach “obsession” in the classroom, we can teach the right mix of skills and experiences so that when opportunity arises, our graduates are prepared. I believe that now, more than ever, a business education is the best tool for any and all young business leaders.

Despite the things that business schools have done right, we are faced with one glaring omission. We have not told our story. We have not undertaken the comparatively easy task of letting the business world, the business press, and even our own alumni see how we have embraced a new curriculum for a new century. It is time to silence the critics by offering them a better understanding of just how good today’s business education really is. **Z**

R. Glenn Hubbard is dean and Russell L. Carson Professor of Finance and Economics at Columbia Business School in New York, New York.

Developing the Analytical Mind

Most business school faculty are dedicated to the idea of teaching students how to think through any problem that might arise in their careers. While any other business school could provide its own examples, I want to share the stories of three Columbia Business School professors and how they help students learn to analyze business situations.

■ Amar Bhidé designs his class, Introduction to Venturing, in such a way that he is not just teaching theory; he is emphasizing the moral challenges that people face as they develop their own worldviews. He says, “I think what is distinctive about the course is that the unit of analysis is the individual rather than some abstract right answer. I teach students to ask, ‘When I confront a new situation, how do I draw from my library of previous observations to find a rule that I can apply to the current situation?’”

■ William Duggan combines military history, psychology, and neuroscience to teach strategic intuition. He refers to Napoleon’s *coup d’oeil*, the quick glance with which the general would instantly assess a challenge on the battlefield. Such an ability may seem inherently unteachable—again, an inborn trait of a genius. In fact, Duggan believes that people can be *taught* to use all their learning and intuition to instantly size up all sorts of problems.

■ Michael Morris runs Columbia’s Program in Social

Intelligence, which trains students not only in quantitative skills such as value analysis, operations management, and managerial statistics, but also in the softer skills of management and interpersonal interaction. The concept of “social intelligence” was actually born on the Columbia campus. Psychologist Edward Thorndike first coined the term in 1920 when he noted that “the best mechanic in a factory may fail as a foreman for lack of social intelligence.” Since then, much research has validated the theory. Management studies show that a team’s success or a product’s appeal to consumers can rest on whether people believe they have received fair treatment, a concept that varies greatly across cultures.

The fast, decentralized nature of modern firms means that social intelligence is required in a manager’s career from the outset. The importance of social intelligence is especially evident in relationship-based professions like investment banking and in business communities made diverse by waves of immigration. Like Thorndike’s factory foreman, young managers will succeed or fail to the degree that they are able to motivate, empower, and lead colleagues around the globe.

Like intuition, social intelligence is an ability that some people believe cannot be taught. At Columbia, we do not—and could not—teach it out of a book, but teach it we do. Our Program on Social Intelligence fully embraces the “learn by doing” approach, combining empirical assessment, experiential learning, and executive coaching to help students sharpen their self-awareness, judgment, and decision making to create thoughtful leaders of tomorrow’s business.

Microfinance: Not as Advertised?

Microfinance, which provides small loans to people living in the world's most impoverished regions, has been described as an antidote to poverty. But in his paper that recently appeared in the *Stanford Social Innovation Review*, Aneel Karnani, an associate professor of strategy at the University of Michigan's Ross School of Business in Ann Arbor, argues that microfinancing practices may actually make life worse for the poor.

In "Microfinance Misses Its Mark," Karnani analyzes macro-economic data and cites current research to measure the true impact of microfinancing. For example, Karnani concurs that research shows that small loans empower women—they improve their mobility, bargaining power, status in their communities, and self-esteem. However, he argues that microfinancing funds only limited entrepreneurial efforts, diverting energy and funding away from larger entrepreneurial enterprises that could impact a country's economy more positively through job creation and tax revenue. "Most microcredit clients are not microentrepreneurs by choice," he writes. "They would gladly take a factory job at reasonable wages if it were available."

To make his point, Karnani compares a micro-lender who loans \$200 each to 500 women to set up individual sewing enterprises to a bank lending \$100,000 to a single entrepreneur to



Aneel Karnani

open a garment factory that employs 500 people. He reasons that the large factory can do more to "enrich not only its owners, but also its workers."

No doubt, many proponents of microfinance may disagree with Karnani's assessment. Still, he concludes that resources would be better diverted

away from microfinance efforts and toward "larger enterprises in labor-intensive industries."

The full paper is available at www.ssireview.org/site/printer/microfinance_misses_its_mark/.

In Mutual Funds, Connections Matter

When it comes to social connections, portfolio managers bet on what—and whom—they know. A recent study finds that mutual fund managers often invest in companies where they know someone from their undergraduate or graduate programs. Not only that, those investments will often perform better than other investments where no such connections are present.

The study, "The Small World of

Investing: Board Connections and Mutual Fund Returns," was conducted by three assistant professors of finance, including Lauren Cohen of the Yale School of Management in New Haven, Connecticut; Andrea Frazzini of the University of Chi-



Lauren Cohen

cago's Graduate School of Business in Illinois; and Christopher Malloy of the London Business School in the U.K. The research focused on 85 percent of mutual fund assets under active management between 1990 and 2006.

Cohen, Frazzini, and Malloy found that a stock's performance improved directly with the fund manager's level of connection to the company. Managers earned an average 11.7 percent annual return in companies where they had no connection. That return increased as managers' level of connections increased, up to 20.1 percent in companies where the manager had gone to school with a senior executive.

The researchers are quick to point out that their study is not evidence of wrongdoing. They speculate that, when managers have school connections with a company's executives, they may simply know more about the merit of a company and its leaders.

The study already has sparked the interest of the U.S. Security and Exchange Commission and the National Bureau of Economic Research. It currently is under review by the *Journal of Political Economy*.

U.K. Companies Fail To Capitalize on Talent

British businesses are failing to make the most of their most talented employees, according to recently released research from the U.K.'s Cranfield School of Management. The survey, done in conjunction with recruitment outsourcing company Capital Consulting, found that 51 percent of U.K. businesses have not implemented a talent development program to

identify, develop, attract, and retain the best employees.

Led by Cranfield research fellow Emma Parry, the study consisted of an online survey of human resources directors and five in-depth case study interviews of organizations that illustrated best practice in talent management. Of the 608 HR directors who responded, 60 percent noted that talent management is essential to business success, even though only 49 percent had talent management programs in place. HR

directors at companies without talent management programs cited lack of financial investment (51 percent) and insufficient senior management support (40 percent) as their biggest obstacles.

Even those with such programs don't use them as well as they could: Only 47 percent publish their talent management strategy internally, and only 15 percent measure its return on investment. Twenty percent do not link their talent management strategy to their business plans.

Parry says that the report should serve as a wake-up call to employers at a time when mounting global competition and changing demographics highlight the need for more strategic management of human capital.

Even so, she says some companies are getting the message. "Our research highlighted a number of case studies of organizations that are bucking the negative trends," says Parry. "They offer insight into what successful talent management looks like in practice."



Emma Parry

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FOCUS ON FACULTY

Considering Employee Morale—on the Moon

According to Rutgers professor Chester Spell, lunar settlements may wear on employee health.

Attending to employee well-being and mental health is important to any workplace—but what about on the moon? If workers on future lunar settlements and space stations aren't chosen carefully, their productivity and their mental health may suffer, says Chester Spell, an associate professor of management at Rutgers University-Camden in New Jersey.

Spell, whose scholarship focuses on employee health and well-being, spoke on the subject at the recent Rutgers Symposium on Lunar Settlements. He cited his recent research that suggests that emotions experienced by one worker tend to spread among the rest of the staff, like a "social contagion." When people are generally upbeat, this contagion can be positive. When just one person isn't, it can drag the whole group down.

Spell recently conducted a study with Todd Arnold of Oklahoma State University in Stillwater. For the study, which is forthcoming in the *Journal of Management*, Spell and Arnold gave questionnaires to more than 670 employees at New Jersey companies in a variety of industries. All employees surveyed were working on teams of seven to ten people. In one set of questions, employees were asked to rate their working conditions; in another set, they were asked to rate their levels of anxiety and depression over the

last few weeks. "We found that some groups were significantly more depressed than others," says Spell. That finding indicates that over time, teams may develop a shared emotional outlook.

Building compatible teams isn't always about choosing similar individuals, Spell explains. Surprisingly, "some demographic differences in a group—call them 'factions' or

'fault lines'—can actually be good," he explains. For instance, if there are three men and three women, or three older people and three younger people, the team benefits in two ways. It brings different perspectives to the table and gives each member someone with a similar



Chester Spell

background to lean on if problems arise.

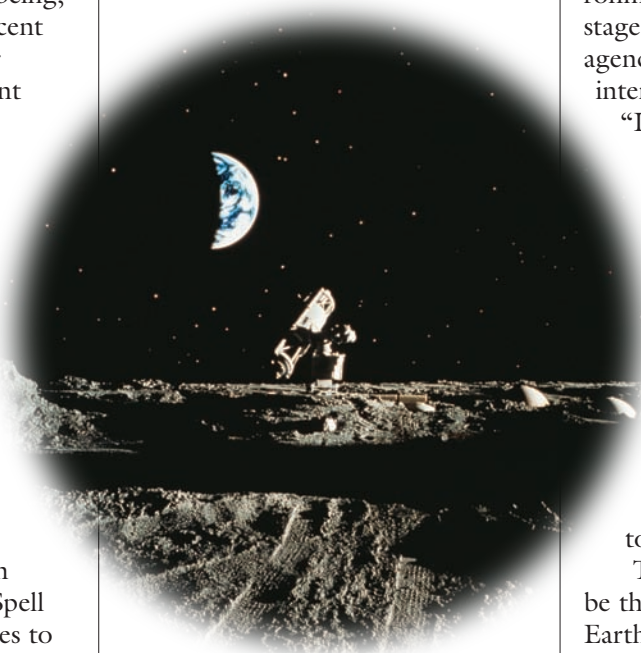
Spell's current research on employee well-being centers on the effects of team diversity. "We've found that some diverse teams will actually

have lower incidents of anxiety and depression than teams where everyone has a similar background," Spell explains.

With extraterrestrial work environments now in the planning stages, NASA and other space agencies have taken an increased interest in this issue, says Spell.

"I've read that the Russian space program requires their teams to drive across Russia in a small car to simulate how they'll get along in a cramped environment," he says. "The link between isolation and worker mental health also may be a critical one for a lunar base. NASA wants to make sure the groups of people there will work well together."

The lesson, says Spell, may be the same in space as it is on Earth: Teams work better when their members are chosen for compatibility, not just skill sets. "The lunar settlement issue reminds us that we need to put some thought into assembling teams," says Spell. "You can't just choose five people with the best skill sets. You have to choose people who also complement each other well."



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STUDY BRIEFS

■ WHO ARE THE WHISTLEBLOWERS?

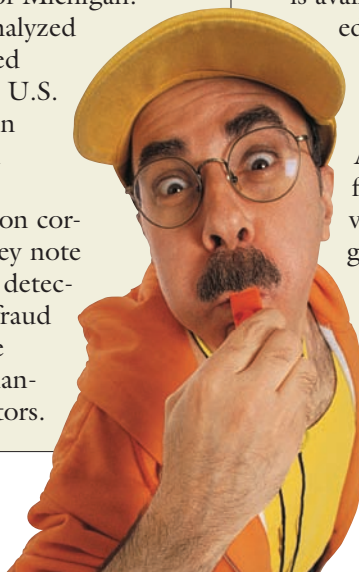
The process of fraud detection is the result, not of a single actor, but of a series of complex interactions among a group of individuals, according to Luigi Zingales, professor of entrepreneurship and finance at the University of Chicago; Alexander Dyck, associate professor at the University of Toronto; and Adair Morse, a doctoral candidate at the University of Michigan. The researchers analyzed 230 cases of alleged corporate fraud in U.S. companies between 1996 and 2004 in their study, "Who blows the whistle on corporate fraud?" They note that the top three detectors of corporate fraud are employees, the media, and nonfinancial market regulators.

The authors also discuss what they call "a paradox of whistleblowing," in which those with the weakest incentives to reveal corporate fraud are those who are most likely to do so. The majority of reforms introduced in the wake of large corporate scandals, the authors conclude, have not had a considerable impact on fraud detection. Instead, effective corporate governance relies on a complex web of complementary market actors. The complete study is available at faculty.chicagosb.edu/luigi.zingales/research/PSpapers/whistle.pdf.

■ JUST SAY "THANKS"

According to research from Louisiana State University, saying "thank you" goes a long way toward shaping public opinion—and can even impact a state's economy. Randle D. Raggio, assistant professor of marketing,

and Judith Anne Garretson Folse, associate professor of marketing, studied two "thank you" campaigns that ran nationwide in the wake of Hurricanes Katrina and Rita. One campaign, sponsored by the Louisiana Office of Tourism, comprised a series of television spots; the other, a grassroots effort, included a "Louisiana Thanks You!" message on 90 billboards and in radio spots. In two online surveys, conducted in April 2006 and November 2006, respondents who had seen or heard a thank-you ad had more positive attitudes toward Louisiana than those who hadn't. In fact, every ten exposures to a thank-you ad equated to a 1.5 percent increase in a respondent's willingness to travel to Louisiana over other states. "Most ads lose their impact after eight to 12 exposures, but not these," says Raggio. The full study is available online at www.lsu.edu/pa/media_center/pdf/thankyouwhite.



UPCOMING & ONGOING

■ THE DYNAMICS OF ENTREPRENEURSHIP

Edmund S. Phelps, who received the Nobel Prize in Economic Science in 2006, was recently awarded a grant from the Ewing Marion Kauffman Foundation. An economics professor at New York's Columbia University, Phelps will use the grant to conduct a three-year study of entrepreneurship and innovation in capitalist systems. His "Entrepreneurship and Innovation in Capitalist Systems" project will examine how different economic systems, institutions, and cultures motivate, support, and develop entrepreneurs. In addition, Phelps will test his theory of "dynamism," which he defines as "entrepreneurship plus financiership," to explain differences in economic growth between countries.

■ PERFORMANCE UNDER PRESSURE

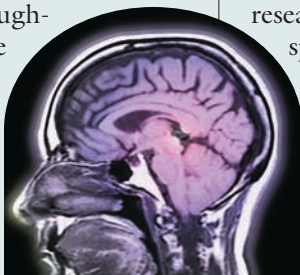
An upcoming study may shed some light on why some people sail through the toughest situations, while others choke under pressure. The U.S. National Institute of Health has awarded a five-



year, \$1.3 million grant to Arthur Markman and Todd Maddox, psychologists at the University of Texas at Austin. Using brain imaging, Markman and Maddox will examine how situational factors affect a person's brain activity while he or she is performing a task. The researchers hope to pinpoint the learning strategies people use to complete a task, learn whether rewards and punishments help or hinder progress, and discover why and under what circumstances some people crumble under pressure, while others thrive. Organizations may give employees year-end bonuses as incentives or use demerit systems as deterrents, "but it's not clear when or if those incentives are truly effective," says Markman. He believes the research will have implications for many industries, including business.

■ PROFESSOR IS "MOST INFLUENTIAL"

Erik Lie, a finance professor at the University of Iowa in Iowa City, has been named one of *Time* magazine's "100 Most Influential People," in the category of "Builders & Titans." Lie was named to the list for his research that examined the practice of backdating stock options among U.S. companies. Lie's research, first published in 2004, sparked an SEC investigation of dozens of companies. Lie shares the list with business leaders such as Steve Jobs of Apple, Richard Branson of Virgin Inc., and Katsuaki Watanabe of Toyota.



Globalization and the Real Estate Market

Globalization has changed every business industry, and real estate is no exception. Major players in U.S. real estate—from builders and brokerage firms, to consultants and investors—are beginning to find more opportunities in the global real estate market, according to new research available from the Fisher Center of Real Estate and Urban Economics at the University of California-Berkeley's Haas School of Business.

In the report, Ashok Bardhan, senior research associate, and Cynthia Kroll, senior regional economist, find that emerging real estate markets are quickly gaining ground. For example, in 2000, three U.S. markets—San Jose, California; San Francisco, California; and New York, New York—made the ten most expensive markets in the world for office space. But in 2006, after the dot-com crash and real-estate slowdown, India's Mumbai and New Dehli moved onto the top-ten list. Not a single U.S. market appeared on the 2006 list.

"A change in the leading office markets between 2000 and 2006 demonstrates how quickly urban commercial real estate markets in emerging economies can become a part of the global bidding process," Bardhan and Kroll write in their study.

The researchers also found that real estate firms are now beginning to take advantage of offshoring. Firms in fields such as design, architecture, real estate finance, and property management have transferred some back-office activities,

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Ashok Bardhan and Cynthia Kroll

such as research, to firm divisions or outsourcers in India.

However, real estate firms with global operations are still a relative rarity in the U.S., according to Bardhan and Kroll. Of the 300 largest U.S. firms in industries related to real estate, only 13 percent have operations outside the U.S. Real estate investment firms conducted the most international business; real estate brokerage and management firms, the least.

Still, the report outlines the effects that changing household structure and size will have on global housing demand. In research currently in progress, Bardhan and Dwight Jaffee, a professor of banking, finance, and real estate at Haas, are exploring the effect of foreign financing on U.S. interest rates. The authors see many global opportunities for U.S. real estate firms, as emerging economies grow and demographics change around the world, sparking a need for more professional real estate products and services.

The complete study, titled "Globalization and Real Estate: Issues, Implications, Opportunities," can be found online at repositories.cdlib.org/iber/fcreue/reports/0407/. 

Technology

Tapping Mobile Phones As Tools for Learning

Business schools have delivered content by laptop and PDA; but few, if any, have designed a distance learning program to be delivered completely by mobile phone. Even so, business educators may want to take note of a pilot program currently in progress at Stanford University in California. In April, Stanford's International Outreach Program (IOP), a part of its Freeman Spogli Institute of International Studies, launched the Dunia Moja Project to test the use of mobile phones to deliver educational content.

The Dunia Moja Project—"dunia moja" means "one world" in Swahili—focuses on the environmental sciences. It is being conducted in partnership with three universities: Makerere University in Uganda, Mweka College of African Wildlife Management in Tanzania, and the University of the Western Cape in South Africa.

Distance learning has a long history, done first by mail and then over the Internet. But those models do not take into account the fact that Africa lags behind the rest of the world in traditional, computer-based Internet access, says Reinhold Steinbeck, the IOP's director. On the other hand, many citizens in Africa and other developing regions have better access to cell phones than to computers. That led the IOP to propose sending course materials via cell phones.

"Mobile phones have great potential to support educational interactions, especially now that they allow not only text messaging, but also media-rich conversations," says Steinbeck. Ericsson and Sony

Ericsson collaborated with Stanford to provide mobile smart phones equipped with video cameras, audio recorders, and Internet capability, as well as technical support for the pilot version of the course.

Students at all four participating universities can use the phones to access the course Web site, send text messages, and post media to mobile blogs. In addition, students receive a memory card loaded with pre-recorded lectures—which include video and PowerPoint slides—created by all four universities.

Content was created carefully, says Steinbeck, to account for the smaller screen size of the mobile phone. "We really had to think about how we were going to distribute pre-recorded content over the network," he says. "We knew a 60-minute lecture wouldn't be feasible in this medium. Instead, we used shorter segments, or 'courselets.'"

In one project, for example, students in different countries listened to pre-recorded lectures about soil

erosion, and then shared their findings on soil erosion in their own regions. Such projects, says Steinbeck, "sparked some higher level discussions about global climate change." The IOP chose to focus the Dunia Moja Project on the environmental sciences for two reasons. First, the topic is well-suited to a globally distributed project. Second, Stanford University recently launched a universitywide, interdisciplinary initiative targeting the environment and sustainable practices.

The mobile phone's potential to reach globally distributed groups of students—especially those in remote areas—has implications for all academic disciplines, including business, says Steinbeck. "Eventually, most mobile phones will support downloadable podcasts and even simulations," he says. "Mobile phones will allow a school to engage with learners, wherever they are."

For information about the Dunia Moja Project, visit www.duniamoja.stanford.edu.



Participants in the Dunia Moja pilot project at Mweka College, Tanzania.

SARUNI OLODI, 2007

EACH OF EDGE'S SESSIONS HIGHLIGHTS MAJOR TRENDS
THAT ARE BEING DRIVEN BY GLOBALIZATION AND QUICK TECHNOLOGICAL CHANGE.

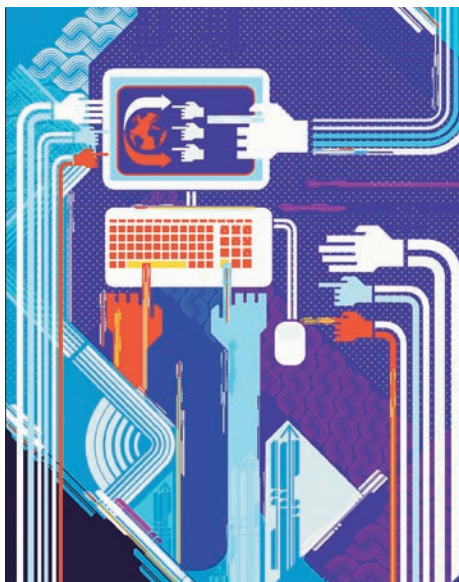
A Course on the 'Edge' Of Business Trends

In the spring, the Merage School of Business at the University of California, Irvine, enrolled 65 students in "edge," a new course that explores how technology and globalization are transforming business. The objective of edge, say its designers, is to prepare students to succeed as technology drives new forms of entrepreneurship, international competition, overlapping markets, social networking, and collaboration.

Chaired by Vijay Gurbaxani, senior associate dean, the school's Curriculum Innovation Committee developed the preliminary concept of the course. Its content was designed by David Obstfeld, assistant professor for strategy, and technology guru John Seely Brown, now a visiting scholar at the University of Southern California.

Each of edge's sessions highlights major trends that are being driven by globalization and quick technological change. In the spring course, many sessions highlighted expert speakers who discussed topics such as Web-based social networks, virtual worlds, new forms of marketing communication, and new forms of leadership. The session on virtual worlds, for example, featured Cory Ondrejka, a creator of the popular online virtual world SecondLife. Obstfeld, Brown, and Gurbaxani presented students with the larger frameworks affecting these issues, such as globalization and the use of IT for strategic advantage.

For their final projects, students have four options. They can: identify business opportunities for a Web 2.0 startup; conduct a marketing campaign using video and other rich



media; provide strategic analysis for a Web-based social network startup backed by secured venture capital; or consult for a local apparel firm to determine when and how it could best outsource its manufacturing operations to Hong Kong.

To bring the spirit of the course online, the Merage School also unveiled a new Web site for edge at edge.merage.uci.edu. The site acts as a venue for faculty and students to share information. Students can hold online exchanges on class topics, create online surveys, post links to articles and videos, and write personal blogs.

"Different student groups are responsible for managing an online digital class conversation for that week's topic. The remaining students are required to post a weekly comment," says Obstfeld. Students' posts are accompanied by their photos. In ten years of teaching, says Obstfeld, "I've never experienced anything resembling this form of engagement."

Although all course assignments

are accessed through Web-based links, edge does incorporate two old-fashioned textbooks: *The Long Tail* by Chris Anderson and *The Only Sustainable Edge* by Brown and John Hagel.

The course will be held again in spring 2008. Obstfeld, Brown, and Gurbaxani plan to place more emphasis on helping students develop a baseline set of skills, including establishing a wiki-based project, posting video to YouTube, and social networking. They also plan to hold at least one class in a Second Life virtual environment.

"As a course, edge reflects the belief that the world is on the verge of a dynamic transformation of business and society. Business schools need to do more to anticipate where such change is taking us," Obstfeld says. "This new economy is unfolding very fast and in unpredictable ways. We're trying to cultivate the intense curiosity that allows individuals to figure out and respond to this new environment."

Wharton and Gartner Prep CIOs to Lead

The Wharton School at the University of Pennsylvania in Philadelphia has partnered with research company Gartner Inc. to launch an executive education program that specifically addresses the challenges facing chief information officers.

Gartner, whose U.S. operations are headquartered in Stamford, Connecticut, has conducted its CIO Academy since 2003. However, this is the first time Gartner has partnered with a business school to offer a program to help CIOs develop their business skills. The new program, "CIO as Full Business Partner," will

NEWSBYTES

■ ECO-FRIENDLY DATA CENTER

Bryant University of Smithfield, Rhode Island, has completed a \$1 million initiative to install an energy-efficient data center. One of the first data centers to be completed under IBM's new Project Big Green, Bryant's center houses 40 IBM servers in 500 square feet. It replaces Bryant's old system of 75 servers, which were housed at four separate sites in 1,100 square feet. Using a system of targeted fans and cooling units, the center uses less energy during non-peak times. Even though Bryant's enrollment and number of facilities has grown, the new center has reduced Bryant's energy use for data storage by 35 percent, saving the school up to \$20,000 a year in energy costs.

■ NEW ONLINE CAREER CENTER FOR CHINA

The University of Maryland's Smith School of Business in College Park has partnered with CareerBeam, a virtual career services company, to offer online professional development services to students in the school's China Executive MBA program. The site will offer counseling, personal assessment, resume writing, and career planning tools, as well as job postings inside and outside China. The site also will offer information on more than 17 million companies worldwide. Career management is still "a relatively new concept in China," says Colleen Sabatino, CEO of CareerBeam. "As economic development spurs changes in China, ideas regarding career management must evolve to keep pace."

■ U.S., JAPAN BEST FOR TECH

A study conducted by The Economist Intelligence Unit recently ranked 64 nations on their technological competitiveness, including 25 weighted factors such as



computer ownership, broadband access, college enrollment, IT employment, protection of intellectual



property, research spending, and cybersecurity. The U.S. and Japan came in first

and second, respectively. India came in at 46th; China, 49th. The last three on the list were Iran, Nigeria, and Azerbaijan.

■ TECH TRAINING IN QATAR

Carnegie Mellon University's Qatar campus and Qatar Science & Technology Park (QTSP) recently unveiled a new Executive Entrepreneurship Certificate Program designed to boost opportunities for tech entrepreneurs in Doha, Qatar. The program, which begins in September, will teach aspiring managers and executives how to use entrepreneurial skills to build technology-based businesses in Middle Eastern business environments, whether by innovating within their existing companies or starting new enterprises. The nine-month, part-time program is run by Carnegie Mellon's Tepper School of Business and its Donald H. Jones Center for Entrepreneurship in Pittsburgh.

be held at the Wharton School from October 28 to November 2.

"The core content of the Gartner CIO Academy has focused on IT issues, such as governance, communication, and decision making," says Dawn Gudelis, director of the CIO Academy in the Gartner Executive Program. "Wharton's program will focus on how CIOs will use technology to address core business issues and contribute to a company's competitive advantage."

In its annual survey of CIOs, Gartner found that the CIO's role is changing dramatically. For example, 50 percent of CIOs now have duties outside of technology, including helping to design business strategy. That's up 20 percent from 2003. In addition, the survey indicates that 74 percent of CIOs are reporting directly to the CEO, CFO, or COO, up from 69 percent in 2003.

"For years, CIOs have been told that they wouldn't have a job unless they transformed from 'chief technology mechanics' to business executives," says Thomas P. Gerrity, a professor of management at Wharton. "But many focus on cost containment at the expense of making important contributions to the CEO's vision."

The new program at Wharton will take a multidisciplinary approach to help CIOs understand the strategy and language of CEOs, CFOs, and COOs, as well as their peers in finance, marketing, sales, and operations. By the end of the

DATABIT

In its survey of 161 marketing executives in Europe and the U.S., IT consultant company SDL International found that fewer than 25 percent of U.S. companies translate their Web sites into multiple languages to better reach users worldwide.

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session, participants will develop a 100-day action plan to help them implement on the job what they learn in the program.

“CIOs are in the same position as their C-level peers to drive competitive advantage,” says Gerrity. “Their ability to frame projects in business and strategic terms is the key factor in securing a position as full partner with the rest of the senior management team.”

Print Media in Trouble?

Most faculty are well aware that incoming business students rely heavily on the Internet for their entertainment and information. Their observations are confirmed by a recent report from Edison Media Research, a firm in Somerville, New Jersey. “Internet and Multimedia 2007” quantifies just how quickly the Internet is overtaking print as the public’s medium of choice.

When 1,855 consumers aged 12 and older were asked to choose the “most essential” medium in their lives, 33 percent chose the Internet, placing its popularity just below television (36 percent), but above radio (17 percent) and newspapers (10 percent). The Internet has gained definite ground since Edison’s 2002 report, when consumers’ preference for television and the Internet stood at 39 percent and 20 percent, respectively.

“It is not a stretch to say that the Internet has become just as important as television as a source of information and entertainment in the lives of Americans,” said Larry Rosin, President, Edison Media Research. He added that the Internet would likely be consumers’ No. 1 medium of choice in five years. 

I Relevance and Reality

Whenever I meet with alumni and business leaders, I am repeatedly asked about two important topics: the relevance of graduate management education and the teaching of business ethics, morality, and corporate social responsibility. From my perspective, they are not two separate questions, but rather two closely linked aspects of the same question: How do we as educators best arm young professionals with the mindset, knowledge, and skills to face the realities of the global business world?

In recent years, business educators have increasingly heard that the b-school model is outdated for today's global and fast-moving economy. The false implication is that graduate business educators are a collection of disinterested academics researching and writing about issues of little practical application. Faculty are certainly rewarded for their activities in research, but critics claim they have no incentives to solve tangible business problems, particularly those that revolve around moral, ethical, and corporate social responsibility issues.

Obviously, business schools take a range of approaches to teaching management education, and some are more successful than others. But if we look at b-schools as a whole, there is no question that their basic mission is critical to business and becoming more so as the business world grows more complex.

To be successful in producing graduates who are ready for this environment, business schools need to do more than expose students to the basics of management. They must provide hands-on, real-world

global experiences and a grounding in ethical leadership. Only then will business schools be doing their jobs. I believe that to turn out fully prepared graduates, business schools must offer a focused pedagogy with three fundamental layers: foundational theory, experiential learning, and moral leadership.

Building the Foundation

The first layer, providing students a strong foundation in business skills, is where most business schools excel. Schools draw on their faculty research and the knowledge of great leaders to impart business theory to their students, who will use these basic building blocks in their future decision making.

For most schools, these building blocks are the essence of the core curriculum, rooted in a vast and continuously evolving framework of ideas, knowledge, research, and experience. The more business students understand this framework, the better equipped they'll be to analyze challenges. Providing the tools to support critical, imaginative thinking is the bedrock of b-school education, and it has application across virtually every industry.

I've heard people in some sectors claim this fundamental schooling does not apply to them. It is common to hear a businessperson say, "My industry is so complicated, no one could understand it unless he grew up in this business." It's true that there are some highly regulated or extremely complicated business sectors, such as healthcare; but a



great business school can build a curriculum and experiences that make these "complicated" industries understandable. In fact, it's our job as management educators to do so. At the Owen Graduate School of Management, our students and faculty are engaged in virtually every business sector, and we have yet

to find one that could not benefit greatly from having leaders steeped in the fundamental knowledge of business practices.

Offering Experiential Learning

For this foundation in theory to be truly effective, I believe it must be reinforced with experiential learning. D.A. Kolb has called experiential learning "the process whereby knowledge is created through the transformation of experience." Cognitive studies have long concluded that while some people learn best through visual means and others through aural means, everyone learns by *doing*. We learn by informed trial and error—by failing as well as succeeding—and that kind of learning stays with us.

Many business schools today have added a component of experiential learning to their curricula. The United States Military Academy calls this model: "Know, Be, Do." Gain the knowledge, forge the character, and take action.

At Owen, students learn by doing in real-world "labs" that go beyond the traditional internship. For instance, students in our Health Care MBA program are exposed to the clinical medical setting by going

I BELIEVE THAT TO TURN OUT FULLY PREPARED GRADUATES, BUSINESS SCHOOLS MUST OFFER A FOCUSED PEDAGOGY WITH THREE FUNDAMENTAL LAYERS: FOUNDATIONAL THEORY, EXPERIENTIAL LEARNING, AND MORAL LEADERSHIP.

on rounds with doctors and other healthcare providers at the Vanderbilt University Medical Center. They also are exposed to the business side of the industry as they become immersed in the day-to-day operations at one of the more than 300 healthcare companies in Nashville.

Because we believe experiential learning is equally important for undergraduates, we offer them a chance to participate in Accelerator, a four-week summer intensive business institute. There they conduct a series of hands-on projects with real companies, including Whirlpool, American Airlines, and FedEx. Experiences like these offer skill development opportunities that no classroom time can replicate.

Management educators need to ensure that all their processes go toward supporting the idea of experiential learning from the moment a student enters a school. Taking a bit of our own medicine, we must establish obtainable strategic objectives and build budgets and staff around achieving them. Constant communication with students about these goals and objectives and solicitation of feedback is essential for continuous improvement.

The bottom line is that b-schools must lead by example—just like industry. Students won't learn to be creative and show initiative if they're spoon-fed. They must be challenged.

Leading Through Ethics

The third layer of relevant business pedagogy revolves around moral leadership, ethics, and corporate social responsibility. I believe moral leadership boils down to knowing how to lead, motivate, and elicit performance in an ethical way from any group. It's critical for schools

to teach this by finding real-world examples of ethical business leaders.

At Owen, we recently studied the actions of a prestigious bulge bracket investment banking firm that rejected a lucrative business opportunity because it gave the appearance of impropriety. There was no self-righteous chest beating. The firm quietly said "no." By sharing this case with students, we helped them see that Wall Street is not composed solely of "steely-eyed killers" who value only money.

Schools can also share the lessons of ethical leadership as it is practiced by employees, clients, vendors, and shareholders. It can be particularly effective to use business simulations in which students are required to interpret decisions from different ethical perspectives. They test themselves by experimenting, succeeding, and failing. This approach to learning helps to transform them into independent thinkers with the analytical ability and confidence to face the tough, sometimes ambiguous, and often compromising situations ahead.

At Vanderbilt, we reinforce our formal ethical training by encouraging our administration and faculty to set examples for students. Every person is expected to live by our honor code. Even in our school's student-run café, there is no service staff, but rather an "honor box" into which students deposit the value of what they've purchased. They have an obligation to do the right thing, and they do.

It would be easy to blame business education for the scandals and missteps of the business world, but these breakdowns are not the result of what is taught or not taught in business schools. Instead, they are

the result of the wrong incentives and bad individual judgment, of human avarice and greed paired with opportunity. As management educators, our first job should be not to admit into our schools individuals whose ethical and moral standards are below an acceptable societal level. Once we have selected our students, our next priority is to guide them to a true understanding of ethical leadership.

Three Steps

These three layers of pedagogy—action learning combined with experiential learning and ethical leadership—produce graduates who are effective, constructive leaders. Like Vanderbilt, many business schools are building all three layers into their programs, and students and recruiters alike are responding positively to this enhanced business education.

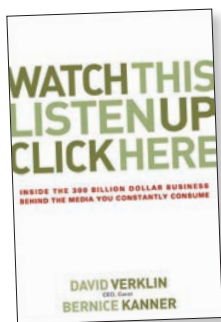
I might even argue that a business school that *doesn't* address all three of these areas does a disservice to both its students and the business world. When one or more of these key elements are ignored, students graduate from school unprepared for what they will really face. Businesses that hire them begin to lose confidence in management talent armed with an MBA—and they begin to look elsewhere for their next generation of leaders. Only if business schools are committed to turning out informed, experienced, and ethical leaders will we be able to ensure our essential role in the business world of today and tomorrow. **Z**

James W. Bradford is dean of the Vanderbilt Owen Graduate School of Management in Nashville, Tennessee. He also serves as the Ralph Owen Professor for the Practice of Management.

Bookshelf

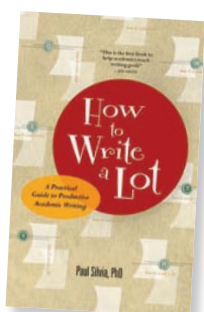
Just the opening chapter of *Watch This*

Listen Up Click Here is enough to make a reader's head spin with the giddy possibilities of the future of marketing. In that chapter, authors David Verklin and Bernice Kanner predict the future of advertising as it will irrevocably be changed by new media and new methods of consuming them. As consumers flock to on-demand TV, watch videos over their cell phones, and drive past billboards whose LED displays are customized to suit the radio station that's on in the car, marketers will need a whole new strategy to reach them. "Empowered by technology, people will be even more agnostic about, and promiscuous with, their use of and control over media," write Verklin and Kanner. "'Eyeballs'—audience size and raw impressions—used to matter. By 2008, engagement (involvement) will be the metric that matters to marketers." In successive chapters, the authors analyze what's happening today in various media, from television to newspaper to Wikipedia, with a wealth of detail and insider knowledge. The book is simultaneously fun and mind-boggling, written with zest and bursting with ideas. (Wiley, \$24.95)



Publishing research is a key part of most professors' job descriptions, but some of them find it much easier to collect data than to write about it. Paul J. Silvia's breezy little book, *How to Write a Lot*, helps academics turn themselves into authors

by offering practical, useful advice about setting schedules, meeting goals, and avoiding common mistakes of bad writing. Silvia is a psychologist who assumes many of his readers will be psychologists, too, but his lessons are perfectly apt for



any faculty member struggling to produce a book, a paper, or a grant proposal. As an added bonus, the book is a delightful read. "Revising while you generate text is like drinking decaffeinated coffee in the early morning: noble idea, wrong time," Silvia writes. "Your first drafts should sound like they were hastily translated from Icelandic by a nonnative speaker." Any would-be writer can benefit from such advice. (American Psychological Association, \$14.95)

They say that history is written by the winners, but history might be even more interesting when it's written by the economists. *Government and the American Economy* is just such an exercise, a selection of 17 essays offered by Price Fishback and 15 other authors, most of them economics professors. Between them, they break down and examine the major periods of American history, from Colonial times to the Civil War to the post-World War II era, always looking at how governmental policies shaped the economy and vice versa. It's a



fascinating journey. In his contribution on "The Civil War and Reconstruction," Jeffrey Rogers Hummel shows how paying for the war led to all sorts of shifts in government, many of them permanent and not all of them related to finance. For

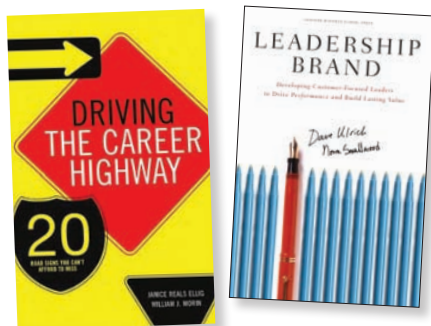


instance, the printing of paper money during the 1860s led to a surge in counterfeiters, and the Secret Service was first organized to hunt them down. "This illustrates that more often than not, if one traces the origin of some government agency seemingly unrelated to national defense, one discovers that it arose in the fertile soil of war," Hummel writes. It's an eye-opening view. (The University of Chicago Press, \$85 clothbound, \$35 paperback)

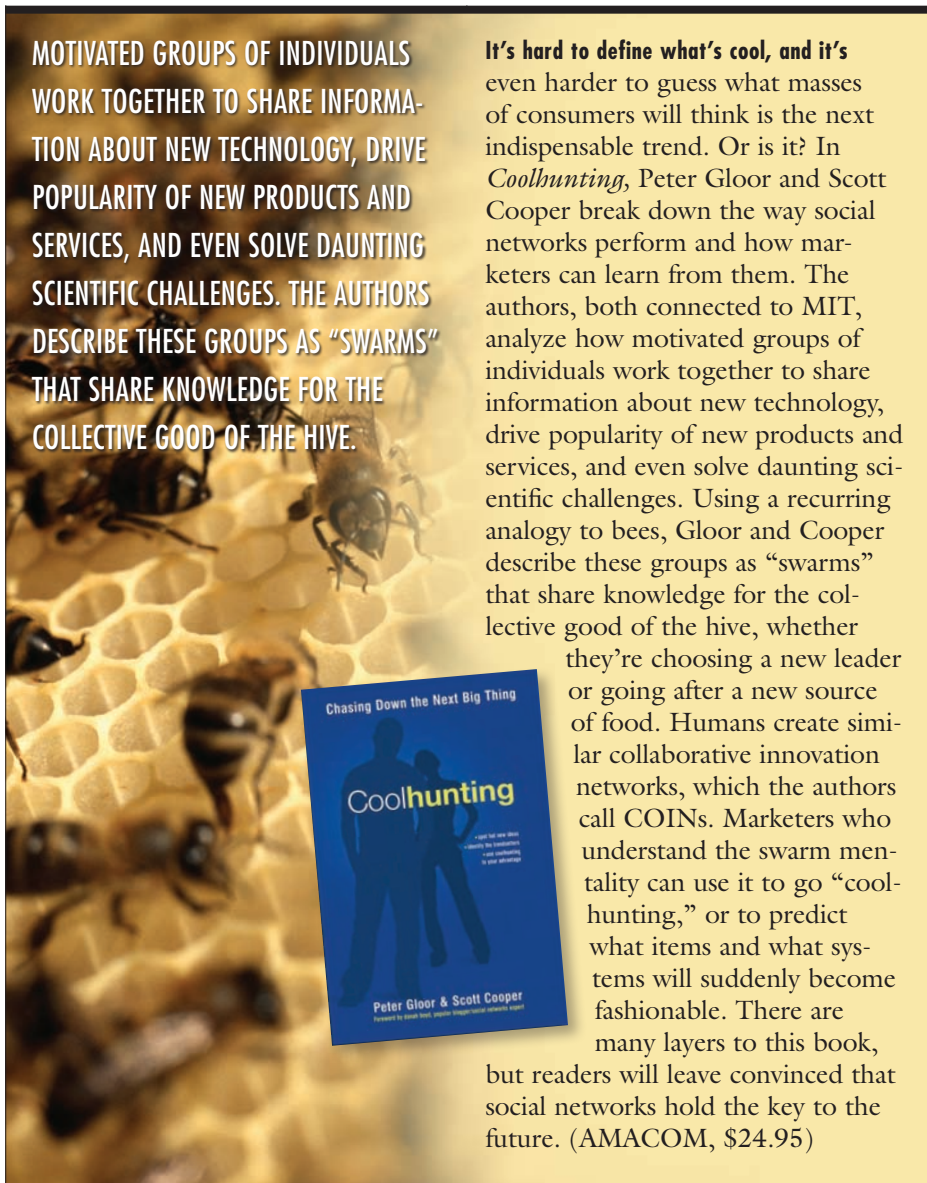
The teen years are tumultuous times for humans, and that goes double for corporations. In *No Man's Land*, Doug Tatum describes the rough adolescence of rapidly growing companies that are "too big to be small, too small to be big." To navigate this harsh terrain, he says, business owners must master the four M's: They must understand the transition occurring in their *market*; address the *management* changes required by their growth; test their *model* for profitability; and understand how to attract the needed *money*. Tatum also offers four possible outcomes that follow hard on the heels of any rapid expansion. The entrepreneur might decide to stay small. He might continue to grow, though that requires

evolving. He might be acquired by a larger company. Or he might go out of business. The companies that survive will emerge stronger, he says: "Growth should spark self-discovery, acquired discipline, and positive but difficult transition." In other words, a hard-won maturity will see companies through the challenges ahead. (Portfolio, \$24.95)

"The average lifespan of the CEO job today is three-plus years," according to Janice Reals Ellig and William J. Morin in *Driving the Career Highway*. Top executives aren't the only ones hunting for jobs every few years. Any working individual is liable to fall victim to company downsizing or encounter the more personal demons of boredom and burnout. Since job change is inevitable, these authors argue, all workers need to develop their own career roadmaps—and learn to recognize signs along the way. A stop sign means drivers should pause or take time out to think about their careers. A notation of "dead end" means this particular job isn't working any more and the professional must find another route out. The analogy works surprisingly well throughout the book, which offers exercises to help readers figure out where they are on their journeys and how to get to better destinations. There's a whiff of motivational



MOTIVATED GROUPS OF INDIVIDUALS WORK TOGETHER TO SHARE INFORMATION ABOUT NEW TECHNOLOGY, DRIVE POPULARITY OF NEW PRODUCTS AND SERVICES, AND EVEN SOLVE DAUNTING SCIENTIFIC CHALLENGES. THE AUTHORS DESCRIBE THESE GROUPS AS "SWARMS" THAT SHARE KNOWLEDGE FOR THE COLLECTIVE GOOD OF THE HIVE.



It's hard to define what's cool, and it's even harder to guess what masses of consumers will think is the next indispensable trend. Or is it? In *Coolhunting*, Peter Gloor and Scott Cooper break down the way social networks perform and how marketers can learn from them. The authors, both connected to MIT, analyze how motivated groups of individuals work together to share information about new technology, drive popularity of new products and services, and even solve daunting scientific challenges. Using a recurring analogy to bees, Gloor and Cooper describe these groups as "swarms" that share knowledge for the collective good of the hive, whether they're choosing a new leader or going after a new source of food. Humans create similar collaborative innovation networks, which the authors call COINs. Marketers who understand the swarm mentality can use it to go "cool-hunting," or to predict what items and what systems will suddenly become fashionable. There are many layers to this book, but readers will leave convinced that social networks hold the key to the future. (AMACOM, \$24.95)

speaking to the exhortations, but it's far more appealing than the fumes from a broken-down vehicle stranded on the wrong highway. (Thomas Nelson, \$24.99)


Leadership is more than the behavior of a charismatic individual, and it's more than a succession plan at a well-run company. Leadership is a promise

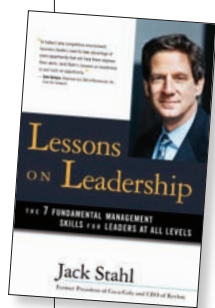
to stakeholders and customers that what they want will be delivered well into the future by a company they have come to trust. If you think that sounds more like building a brand than grooming a leader, you're right on target with the basic premise of *Leadership Brand* by Dave Ulrich and Norm Smallwood. In dissecting the fruitful concept of leadership,

the authors want to shift the focus from the individual to the company and its culture of sustaining the next generation of leaders. One way those leaders will be able to succeed is by continually aligning the company with the desires of customers. "Simply stated, leadership brand is the identity of the leaders throughout the organization that bridges customer expectations and employee and organizational behavior," they write. Perhaps not so simple after all, but certainly a sharp new lens through which to view an old topic. (Harvard Business Press, \$29.95)

■ **Wouldn't you like to get advice about** branding from the head of one of the most visible brands in the world? In *Lessons on Leadership*, former

Coca-Cola president Jack Stahl offers just that—and a wealth of other ideas about how to effectively run a company. While he also offers on-target and no-nonsense advice on employee development, customer relationship

management, financial strategy, and other business areas, the chapter on branding is particularly appealing. Says Stahl, "A 'brand' represents a promise to consumers of what to expect from a product or service." Not only that, a successful brand can be summarized in a simple statement that both the outside customer and the internal marketers understand. "Unclear brand positioning," Stahl writes, "results in a *scattered and very expensive* approach to the development of your marketing programs." The rest of Stahl's chapters are equally as forthright and to the point. (Kaplan Publishing, \$22) 



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Spotlight



Giant beach balls and team-building games help business groups brainstorm in the Silberman School's iSpace.



Creative Space, Innovative Ideas

iSpace, newly opened at Fairleigh Dickinson's Silberman School of Business, offers unconventional tools to encourage out-of-the-box thinking.

Inflatable chairs, karaoke, and a game of

Twister may not be the usual props to inspire the best business ideas. But they may do more for brainstorming and team-building than a business meeting over bagels in the conference room.

In May, that belief inspired the Rothman Institute of Entrepreneurial Studies at Fairleigh Dickinson University's Silberman School of Business in Teaneck, New Jersey, to add iSpace to its innovation program. The new room is equipped with colorful inflatable chairs, beach balls, games, and a giant orange flower suspended from the ceiling. Upon entering iSpace, people immediately know—this won't be business brainstorming as usual.

While iSpace may appear to be more romper room than conference room, it represents a serious commitment to innovation, says James Barood, director of the Rothman Institute. "It's a toolbox for brain-

storming," says Barood. "Once people are comfortable and relaxed, you can draw ideas out, however crazy they may be."

Led by facilitators, groups use a number of tools and props to spur creative thought—they can sing karaoke, throw a ball, or go outside to participate in challenge exercises. The walls are lined with whiteboards to encourage people to generate and capture ideas. Furnishings are lightweight and movable by design, for easy rearrangement and small group discussion. So far, organizations from healthcare company Novartis to a local chapter of the New Jersey Association of Women Business Owners have reserved the space.

John Crawford, a Fairleigh Dickinson alum and owner of The Time-ly Ideas Corporation of Caldwell, New Jersey, recently came to iSpace with other alumni to generate ideas for the business school. A facilitator walked them through icebreaking

activities, small group discussions, and "what if?" scenarios.

Some participants found the space "disorienting" at first, says Crawford, but relaxed as ideas started to flow. "As a brainstorming warm-up, we were asked to think about a problem at Toyota, to think about what it could have done better to compete, to be more nimble. That helped us build chemistry and get to deeper ideas," he says. "The space activates your brain in a different way. To think clearly, sometimes you have to get rid of the noise."

Crawford already has booked the space for a meeting with one of his own clients. "We've done similar exercises," he says, "but we've never done them in a space like that."

Barood plans to add cooking activities to the program. Small-scale team-building projects, such as building pizzas or sundaes, will take place in iSpace. Large-scale cooking modules will be held elsewhere.

So far, reaction to iSpace has ranged from delight to surprise, says Barood, who adds that the room will now also be opened to faculty for classes. "We preach a lot about innovation," he says. "We thought it was time to help people with that very important brainstorming stage. We wanted to help them get out of the office, out of that boring conference room. In iSpace, they can relax and think outside the box." **Z**