

## POST-CRISIS WORLD A CHANGE FOR THE BETTER?



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# NEWS FROM RSM

## DOING GOOD DONE BETTER

RSM, the Erasmus School of Economics (ESE), and the Adessium Foundation have signed a partnership agreement to establish the Erasmus Centre for Strategic Philanthropy. The new centre aims to enhance the quality, effectiveness and impact of philanthropic efforts at large and will focus on areas such as high-level academic research, and executive teaching. Further, it will liaise and collaborate with other major national and international initiatives aimed at enhancing philanthropic efforts, through an open network approach. The substantive focus of the centre will be on 'Impact and Transparency' and 'Strategic Grant Making'. The Erasmus Centre for Strategic Philanthropy will initially affiliate with a broad range of academics from both RSM and ESE. Furthermore, PhD student projects will be dedicated to support the overall motto of the centre, which is "Doing Good Done Better". Both schools will allocate substantial financial resources that will be complemented by external funding provided by the Adessium Foundation. These resources, totalling 5.3 million euros, guarantee start-up funding for a period of five years. This will enable the launch of the centre and fund the building of a team of academic staff along with the hiring of an executive director who will lead the institute. The Erasmus Centre for Strategic Philanthropy will officially launch in September 2009 with a conference on 'Strategic Philanthropy'. The Adessium Foundation ([www.adessium.org](http://www.adessium.org)), established in 2005 and based in Reeuwijk, is a public benefit organisation that cooperates with a broad range of partner organisations and supports initiatives in the Netherlands and beyond. Its remit is to "contribute to a world in which people live in harmony with each other and their environment."

## PRESTIGIOUS CHINESE AWARD FOR RSM PHD CANDIDATE



The Chinese Government has bestowed the National Award for Outstanding Overseas Student to RSM PhD researcher Yeming (Yale) Gong.

With a prize of US\$5,000, the award honours outstanding academic achievement. Mr. Gong, a PhD candidate in Management Science, modestly states that he is not sure of the exact reason he has received the accolade: "It is probably because I am the most prolific PhD candidate at RSM this year; 30 of my papers have been published or accepted by journals such as *IIE Transactions* and *Production and Operations Management*." Mr. Gong, whose PhD promoters are Prof. Dr. M.B.M. de Koster and Prof. Dr. S. van de Velde, holds a master's degree from INSEAD, and has been a visiting PhD student at the University of Chicago.

## "WE SELL TOMATOES FOR A LIVING" - KIMBERLY ROSS, CFO AHOLD



In a fascinating presentation to over 100 OneMBA students, Kimberly Ross, CFO of the Dutch retailer Ahold nv, presented the Ahold case study "Corporate Governance, lessons learned". Ms Ross, appointed CFO in 2007, was treasurer at Ahold at the time of the fraud crisis in 2003. She talked openly to the audience about what caused the crisis and described the process of how Ahold recovered and became profitable again.

A crucial lesson from Ms Ross's presentation was that no one should ever assume that a company is too big to fail: "Don't assume bigger is better - keep a clear and focused strategy. We're in the business of selling tomatoes for a living so let's keep it simple". Her advice to maintain a robust and clear governance structure, establish and monitor strong centralised policies and controls and to have a prudent and manageable mix of maturities of debt - were just some of the valuable insights she gave the audience. Watch out for an interview with Kimberly Ross in the next edition of *RSM Outlook*.

## TEAM ERASMUS WINS SHIP RACE

The Race of the Classics is the largest student sailing event of the Benelux, with 525 students from a mix of Dutch universities and study associations crewing 21 classic ships. Team Erasmus won the race by outperforming their rivals in a competition that is determined by time over a number of legs and incorporates other factors such as type of rating, handicap of the ship, its weight, length and number of sails.

## QUADRENNIAL PRIZE FOR RSM'S MARTIJN DE JONG

Awarded just once every four years, the prestigious Johannes Cornelis Ruijgrok Prize – bestowed by the Royal Holland Society of Sciences and Humanities to the most talented young researcher in the field of Economic Sciences – has been conferred upon Dr Martijn de Jong of the Marketing Management department.

De Jong's work on the cross-national analysis of consumer research, which applies methods from psychometrics to large databases, taking into account worldwide cultural differences that might influence measuring preferences of consumers, was described as innovative by the award panel.

Further, the awarding panel states that De Jong introduces new statistical methods relevant not just for marketing purposes, but also for use by politicalologists, psychologists and other scientists doing international research on attitude and preference.

## ICCL LAUNCHES NEW WEBSITE

The Innovation and Co-Creation Lab recently celebrated the launch of the lab's newly developed website - [www.icclab.com](http://www.icclab.com). The launch is just one of a series of important achievements by the lab, which now employs 17 people, since its creation 18 months ago.

## A.T. KEARNEY GLOBAL PRIZE FOR MBA STUDENTS

Designed to present students with real-life business challenges, the A.T. Kearney Global Prize pits business school against business school in a competition that offers participants the opportunity use all their skills and experience and taste what it's like to be a management consultant.



Having taken on all comers in the European Round, the RSM team – comprised of MBA10 students Gagandeep Sethi and Sri-Hari Krishnan from India, Team Captain Lothar Vormittag from Germany, and Romanian Daniel Simion – went head-to-head against

the objective of the competition was to give the best possible insights into the work of an A.T. Kearney consultant and how they solve strategic management issues, as well as to help supplementing important skills.

"We won one of the most prestigious consulting competitions in the world - a fantastic job by an extraordinary team," said Daniel Simion.

Commenting on the level of team interaction Gagandeep said, "This was a perfect example of unity in diversity." Lothar agreed that the value of their diversity strengthened their force as a team. "We all brought different experiences and backgrounds to the team with the unifying factor that we are all from RSM. Our diverse perspectives culminated

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**"We won one of the most prestigious consulting competitions in the world - a fantastic job by an extraordinary team"**

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the winners of the American Round, the Ross School of Business (University of Michigan).

In the competition, MBA students were challenged to tackle business cases based on actual A.T. Kearney client engagement. The RSM team were presented with the challenge of developing a growth strategy for a global supplier to the wind power industry.

Students had the opportunity to interact with A.T. Kearney consultants who took on the roles of clients in simulations and, as well as providing feedback, shared their insights on the consulting process.

Matthias Rucker, RSM MBA graduate and associate at A.T. Kearney is the RSM school coordinator for the competition and was very impressed by the RSM team. He added that

in a well thought-out team approach," he said. Gagandeep concluded: "Our win confirms that RSM is right up there with the best of them."

Arkadiusz Mironko, MBA Full-time Programme Director, commented on the team's achievement by saying that, "the result in this competition is a showcase for RSM talent. These students exemplify the RSM commitment to diversity, team work and excellence."

George Yip, Dean of RSM, adds: "This is a really fantastic achievement. Our students have done this against some of the best competition in the world. The contest is a great experience for those who have strong motivation for strategic consulting, and our team has shown to be a very good match. RSM is extremely proud of them."



## RSM CONFIRMS POSITION AS TOP 10 EUROPEAN BUSINESS SCHOOL

The 2008 *Financial Times* Metaranking of European Business Schools shows RSM in 8th place. All of the criteria from each of the FT rankings conducted in 2008 were used in the compilation of this European survey: 20 criteria from the MBA ranking, 17 from the custom programmes Executive Education ranking, 16 from the European Masters in Management ranking and 16 from the EMBA ranking.

George Yip, Dean of RSM, said: "This result shows that we have once again consolidated our position in the top 10 of European business schools. We have distinguished ourselves by taking full advantage of the Bologna accord, recognising and fostering student mobility.

"Our unique approach to leadership, our broad portfolio and our international focus helped us maintain our place amongst Europe's top schools. In view of the changing market, it will be a challenge to keep this ranking in the future, and even more to improve our position. But I'm confident that we have all the assets to do so."

## CORPORATE REPUTATIONS UNDER RSM SCRUTINY

The reputation of Dutch financial institutions has sustained tremendous damage over the past year; that's according to research from the Reputation Institute carried out in cooperation with RSM. The only exception is Rabobank, ranked 2nd in the overall survey, which managed to build upon the great public confidence it has developed.

Of all Dutch financial services providers, the reputation of Fortis has suffered the most, and the company sits at the bottom of the new ranking. Fellow banks ABN AMRO and ING are not doing significantly better. It's not just financial organisations that come under scrutiny. Philips heads the top of the table and wins the award for the company with the best reputation. The survey is part of global reputation research carried out by the Reputation Institute in 32 countries. The rankings are drawn up using the RepTrak model, developed by Reputation Institute, and which measures reputations by examining people's feelings towards companies, as well as the rational basis for their opinion in regard to seven 'reputation drivers'.

In the Netherlands, the Reputation Institute collaborates with RSM under the supervision of Cees van Riel, Professor of Corporate Communication. He can see three striking results in the 2009 ranking, of which the first is the dramatic loss in standing suffered by financial institutions. Van Riel says, "Over many years, the Reputation Institute has been using this method for measuring reputations. As a result, we have at our disposal data spread out over a long period of time and can discern clear trends. Last year, well before the banking crisis, we concluded that the reputations of financial institutions in the Netherlands were suffering. The financial crisis has been the final blow for them."

**Website:** [www.reputationinstitute.com](http://www.reputationinstitute.com)

## RSM OUTLOOK GOES GREEN

As part of the overall initiative to green the campus, we are pleased to announce that RSM Outlook magazine is now printed on paper certified by the Forest Stewardship Council (FSC) and mailed out to readers in eco-friendly biofilm wrapping that is entirely compostable and certified to EN 13423. The FSC is an independent, non-governmental, not for profit organisation established to promote the responsible management of the world's forests. Products carrying the FSC label are independently certified to assure consumers that they come from forests that are managed to meet the social, economic and ecological needs of present and future generations.

## EU FUNDS RSM RESEARCH PROJECT

In the context of its 7th Framework Programme for Research & Development (FP7) the European Union has granted nearly 350,000 euros to RSM for its planned contribution to xDelia. xDelia, which stands for "Excellence in Decision-making through Enhanced Learning in Immersive Applications", investigates the role of behavioural biases and emotions in professional financial trading, private

investment, and personal finance. The project also develops sensor and serious game technologies to support non-formal learning in building financial competence and expertise. RSM contributes to this project with its knowledge about neuroscience, available at the Erasmus Center for Neuroeconomics and at the Erasmus Behavioural Lab.

**Website:** [www.xdelia.org](http://www.xdelia.org)

# RSM EXECUTIVE COURSES: A UNIQUE EXPERIENCE

## PLANNED FOR 2009:

Essentials of Marketing	16-17 June
Business Valuation (in Dutch)	24 September
Customer Centric Marketing	24-26 September
Strategic Account Management	6-8 October
Essentials of Leadership (in Dutch)	15-16 October
Essentials of Finance (in Dutch)	12-13 November
Essentials of Marketing (in Dutch)	16-17 November
Consultancy Skills for HR Professionals	9-11 November
Essentials of Strategy (in Dutch)	19-20 November
International Standardisation	30 November-1 December
Essentials of Operations (in Dutch)	23-24 November
The Coaching Leader	3-4 December

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[www.openprogrammes.com](http://www.openprogrammes.com)

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CRITICAL THOUGHT. PRACTICAL ACTION.

When it comes to executive education, learning for its own sake is not enough. Applying what you have learned and making a positive impact are the true measures of success.

Our RSM Executive Courses help you achieve your personal and professional goals. Designed to inspire and energise you, they offer you the opportunity to keep up to date with the latest thinking. At the same time you will share ideas with participants from a diverse range of companies and backgrounds.

RSM Executive Courses expose you to:

- » State-of-the-art knowledge from a top business school
- » Interactive sessions where your individual needs and business issues are in the lead
- » Expert coaching by world renowned faculty
- » Professional networking opportunities





# LEADING THE WAY

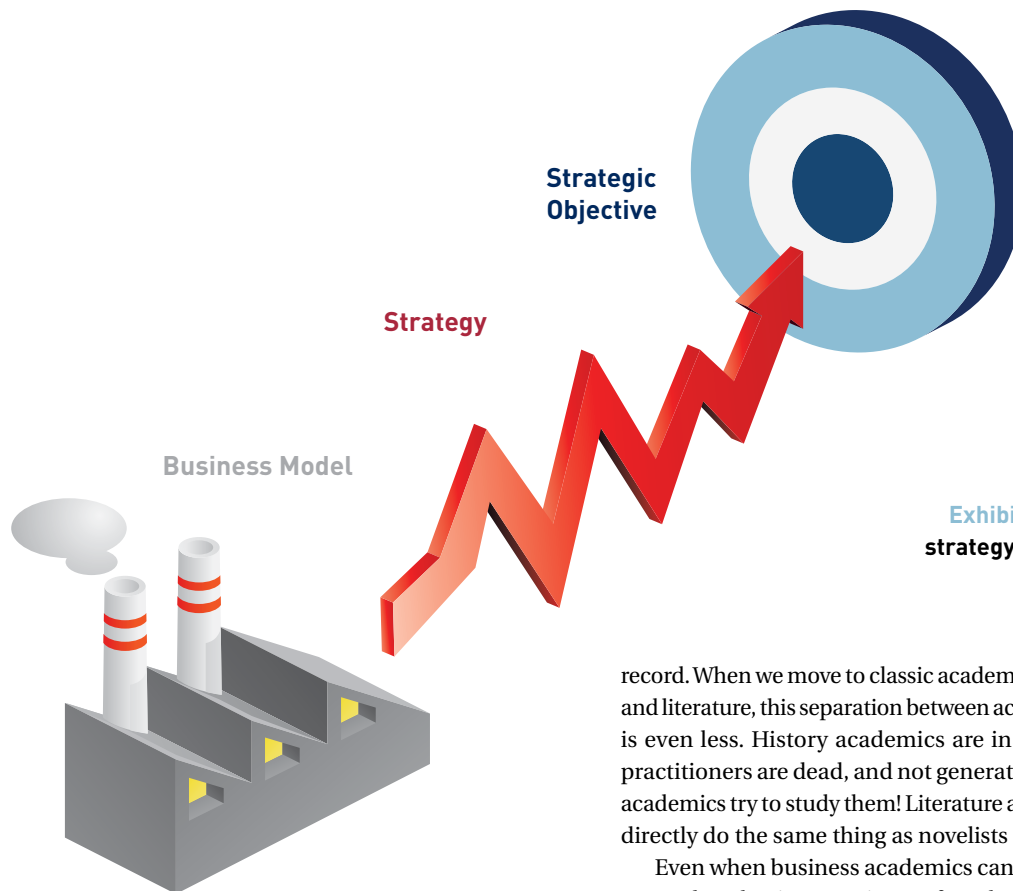
Dean George Yip sets out the strategy for RSM that has been developed by the RSM Management Team, agreed by the Supervisory Board of Erasmus University, the RSM Management Committee and Faculty Council, and reviewed with the RSM Advisory Board.

Our strategic objective for Rotterdam School of Management, Erasmus University, is to become a top global business school by 2012. Two things stand out from this opening statement. First, I referred to a strategic objective rather than a strategy because the former is a target and the latter is a way of getting there. This difference is illustrated in *Exhibit 1*. Not making a distinction between the two often leads organisations to set out a strategic objective as the strategy without actually developing the strategy or strategies to achieve the objective. Second, I said our objective is to become a top global business

school. Some may say that we already are. But in reality RSM is only a top 10 European business school. (Certainly, in the most important business country, the USA, we are virtually unknown to business executives and potential students.)

We do have evidence for our top 10 European ranking from the *Financial Times* overall ranking of European schools, which combines the rankings of the full time MBA, the executive MBA, MSc, custom-made executive education, and open enrolment programmes. We usually rank around 8th or 9th in this combined ranking.





**Exhibit 1. Difference between strategy and strategic objective**

The methodology of the overall FT ranking also highlights the very important point that there are many components to what makes a top business school. We also need to add the positions in research, corporate connections and reputation, media recognition, alumni relations, and funding. Lastly, all of these different elements reinforce each other although we need a good understanding of the linkages.

### What is different about business schools?

The last point highlights a unique challenge of business schools compared with other subjects. Business schools have two audiences: academics and business practitioners. Furthermore, because the academics are outside business organisations, we cannot directly participate in or easily observe what is happening inside them. In contrast, just comparing ourselves to other professional subjects, a medical academic does research on the same human bodies on which doctors practice, a legal academic uses the same legal materials as does a practising lawyer, and an engineering academic researches the same bridge structure as may be built by a practising engineer. Other social sciences, such as politics or government, have similar but lesser challenges, as the practitioners of these topics tend to generate a large public

record. When we move to classic academic subjects such as history and literature, this separation between academics and practitioners is even less. History academics are in a position where all the practitioners are dead, and not generating new history while the academics try to study them! Literature academics can themselves directly do the same thing as novelists and playwrights.

Even when business academics can gather data and conduct research on business topics, we face the additional challenge that the great majority of our output - tested hypotheses with probabilistic predictions - is generally not what managers can use. Managers are far more interested in pattern recognition. Does this configuration of external circumstances mesh with my particular configuration of strategies and actions to produce a successful outcome for my company?

That is why managers much prefer to read articles in managerial journals, such as *Harvard Business Review*, that are based on in-depth case studies where there are more variables than observations, rather than large sample statistical studies with many more observations than variables. This preference of the managerial audience for case-based evidence raises the very challenging requirement for top business schools to conduct research with two different types of methodologies, because it is not just a case of translating academic research for a managerial audience.

Therefore, success in academic research does not lead directly to success in other elements unless further work is done. For example, a publication in an eminent academic journal does not help our corporate reputation unless the author can publish a related article in a managerial journal such as *Harvard Business Review*, or communicate that research to practitioners in some other way. ▶

## Elements of our ambition

We are a very large and complex school: over 20 different degree programmes, 450 faculty and staff, over 7,000 students in degree programmes and over 1,000 in non-degree programmes, a public part and a private part, and multiple research centres and initiatives. It is clear that one central challenge is that the whole is less than the sum of the parts - we punch below our weight. The other central challenge is that our reputation with the business community, especially outside The Netherlands, is far weaker than that with academics and potential students. So our overall strategic objective is to enhance our overall standing, particularly with the international business community, by improving individual elements of the school, but even more, by getting the different elements to work together better. For example, only a minority of our highly talented faculty teach in our MBA and executive education programmes. Better integration would improve both the faculty and the programmes.

Five major elements support our ambition to become a top global business school by 2012 (Exhibit 2). Their current positions vary as to where they are relative to where they need to be to support our global ambition.

*Pre-experience programmes* are already in a very strong position, which arises mainly from the narrower scope of geographic competition - no serious competition outside Europe. For the BScBA (Dutch) programme, we are consistently the first choice in The Netherlands. Our challenge is to find some way to legally select for quality and to manage the volume. For the International BScBA (English) programme, we already rank among

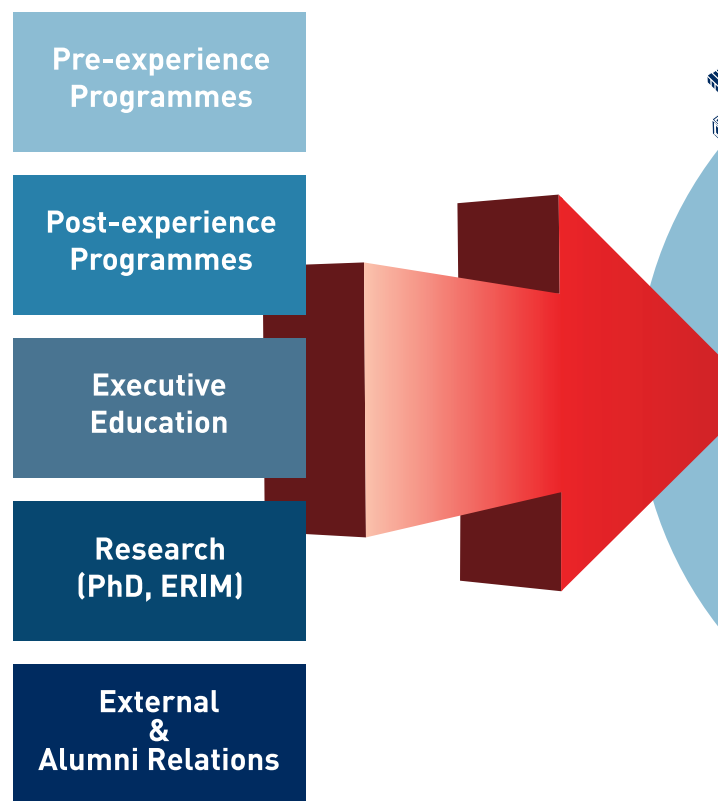


Exhibit 2. Major elements of our ambition

“Our overall objective is to enhance our standing by improving individual elements of the school, but even more, by getting those elements to work better together.”

the top 10 in Europe. The overall MSc is usually ranked 8th or 9th by the FT. Indeed, probably the biggest challenge is to deal with external competition while avoiding internal competition between our MSc and MBA programmes.

*MBA programmes*, especially the full-time, are the reputational flagship of any business school. We need to move from rankings

in the lower end of the European top 10 to the top five and in the global rankings from the lower 20s into the top 20. The main challenge is to increase the quality of the students and of the recruiters, which form a virtuous circle between them. Our strategies include reducing the age and increasing the GMAT scores of the students and to bring in more recruiters. Our special



relationship with McKinsey & Company in The Netherlands, in which McKinsey offers a special short experience for six of our students, constitutes a 'bootstrap strategy' that costs nothing, but will get better jobs for current students and attract better students in the future. We also seek to expand our geographic reach through dual degrees for full-time MBA and overseas offerings of the executive MBA.

*Executive education* is very small for the size of our school, only 10 per cent of total revenues. But in all schools it is easily the major source of profit to reinvest in research, faculty and teaching. Our strategies here are to launch a portfolio of open enrolment programmes and to increase and upgrade our custom programmes. To do so we need to engage many more of our regular RSM faculty to teach in executive education. The new policy on off-load payments is a strategy for achieving that objective. We have also

doubled the number of market-facing business directors, including a new Executive Director.

*Research* is an essential component of a top business school. But as already discussed, there are two different types of research that we need to do. In the last 10 years, our faculty have worked very hard to greatly upgrade their academic research to world-class standards. We now need to do the same with our managerial research. Strategies to do this include new incentives and recognition as well as special training, plus the new Case Development Centre to serve research as well as teaching. At the same time, we seek to increase the amount of money available for all kinds of research. The new Erasmus Centre for Strategic Philanthropy is a first for RSM, in bringing in 2.5 million euros of external money shared with Erasmus School of Economics.

*External and alumni relations* are central to top business schools. Our strategies here include the appointment of a full-time director of corporate and alumni relations, engaging the Advisory Board, outreach programmes such as the *Journeys with Erasmus* seminars for executives and alumni in different locations, frequent talks to alumni groups around the world, and much greater outreach to media that has already resulted in much more publicity than we have ever had. In addition, we are for the first time investing in brand-building marketing communications - executed in a highly creative way in a new campaign that will be launched later this year. Lastly, we are launching a fund-raising campaign targeted at both alumni and other potential donors.

University relations usually help a business school. But we face special challenges at RSM. First, the Erasmus School of Economics has many offerings that overlap with RSM's. We have to find ways to cooperate rather than compete, such as through the joint research centre ERIM, and the new entrepreneurship (HOPE) and philanthropy (ECSP) centres. Second, for practitioners and potential MBA students, RSM as a name is far better known than the university's name. We have already addressed this problem by renaming the school as *Rotterdam School of Management, Erasmus University*. Third, we are just starting to explore collaboration with other schools such as iBMG (Health Policy and Management), Law, and Social Sciences.

### The overall challenge

We have a lot to do to realise our ambition, particularly in the current economic conditions. We can do so if we understand how the different parts work together and we all play our part in our strategies. ■

# BUSINESS AND ACADEMIA: The Mutual Benefits of Collaboration

Business is at the heart – and in the DNA – of RSM. And through collaborative activities at every level, RSM researchers, alumni and students are impacting business.

**Text** Lesa Sawahata



**R**otterdam School of Management is quite literally ‘rooted in business’: back in 1966 a group of Dutch multinationals, recognising the need for excellent management education, put their guilders together to help launch the School’s earliest incarnation, the Interfaculteit Bedrijfskunde (IB)/Graduate School of Management.

As the School’s identity has evolved over the past 40 years, so has its relationship with business. Today, RSM offers business a prime recruiting ground for young talent, through employment, internships and short-term

research/consultancy projects; a place to reinforce corporate identity and branding through company presentations and workshops; and the opportunity to sponsor industry-specific research chairs with well-known faculty experts, among other possibilities. RSM students, faculty and management benefit from this hand-in-glove relationship with business in a multiplicity of ways. Of course scholarships and career opportunities are foremost on the minds of many students, but meeting big business in your own classroom has undeniable impact, bringing the practices – and not just the theories – of management to life.

## Eggs Taped to the Ceiling: Hay Group

Human resources and organisational behaviour multinational Hay Group has been collaborating with RSM for around five years. While not specifically focused on recruiting new talent, many of Hay Group’s activities are more of a ‘soft sell’, in which the company’s generous giving of time and energy to students results in an overall high profile, positive perception. “By giving lectures to students, we increase our market awareness for future recruits and potential clients,” says Jeroen van Duijvenbode, Senior Consultant Leadership Development and Talent Management at Hay Group.

Van Duijvenbode, who also sits on the professional Advisory Board for RSM’s MBA programmes, had the opportunity to work with pre-experience students in the General Management Masters programme recently. The GM is a programme designed to give those with non-business bachelor degrees a thorough grounding in business and management skills

and knowledge; Van Duijvenbode lectured on his area of specialty, leadership. “At Hay Group our work is based on decades of global research in which we see that business performance can be influenced directly by organisational climate; the better ‘climate’ a leader is able to establish, the better performance he or she will get from the team. And the main influencer of climate is the leader him- or herself,” he says. “That was one of the major messages we delivered to the GM students – that by changing your management style and thereby influencing your organisational climate, you influence business overall.”

Dr. Irma Bogenrieder, the Academic Director of the GM programme, notes that “what is really important is that students experience ‘real world’ issues in leadership; the Hay Group uses the same exercises with our students as in their own executive courses.” Sometimes these ‘real world executive exercises’ are a bit off the wall

of how we teach our clients, and that there are crucial learning points attached to the ‘game.’” Hay Group also engages with students in building their coaching skills, offering them the same tools provided to clients; and on Bogenrieder’s request, provided the GM students with a real life business case at KLM, one of Hay Group’s clients.

### Sponsoring ‘Thought-Leadership’ in Real Estate: PricewaterhouseCoopers

Like many major multinationals, PricewaterhouseCoopers interacts with RSM in a variety of activities, and through its many different divisions. One in particular – the PwC Real Estate Group – has aligned itself with research by sponsoring the Property Chair of Professor Dr. Dirk Brounen, RSM faculty member and head of the Erasmus Real Estate Centre (EREC).

he continues, “and we began to discuss the opportunity to sponsor his chair.” As a young and prominent researcher in a relatively new field, Brounen was a stand-out choice. “At PwC we concluded this was a great opportunity – to combine both the practice we as professionals can offer, with the scientific background of the market, and all the knowledge and experience offered by Dirk and his group.” How does the collaboration work? “Dirk will present his research plans for the next year, and asks our opinion – for example, do we see in practice a need for this kind of research? – and we can address certain issues to Dirk and his group that we think should be investigated and researched, and see if it’s of interest to him.”

While the relationship is still relatively young, Hartkamp sees more than leading research emerging from it already. “It’s working out perfectly. Dirk is one of the key professors in real estate, he gets very



“Develop a close partnership with the joint aim of creating and acquiring new talents and enhanced knowledge within the fields of research and education.”

– literally. “We taped raw eggs onto the ceiling; the facilities manager wasn’t happy, but the students were surprised and happy to know this is an example of what we do with our clients,” say Van Duijvenbode. How do eggs on the ceiling mirror a real world leadership situation? The goal of this game is, of course, to get the egg off the ceiling without it breaking; pretty much a metaphor for the sensitive, potentially messy issues business leaders face every day. “There’s time pressure, there’s a group without a formal leader, and you get to see how everyone is involved and how they are communicating,” he says. “This learning is fun; students see that gaming can be part

“With more than 150 professionals and 15 partners, we form the Real Estate Group, which consists of lines of service related to assurance, tax and advisory activities,” says Eric Hartkamp, a Partner and Chair of the PricewaterhouseCoopers Real Estate Group. “We as a group have a goal regarding thought-leadership; wanting to be thought-leaders in service to our real estate clients,” he says. “I’m being frank here – we’re all professionals concerned with serving our clients, and we spend a lot of time on that; in practice we recognised the need to find new ways to expand our thought-leadership. Then Dirk came along – he had contact with some colleagues within PwC,”

good feedback on his performance – he’s high profile, and that’s very beneficial to us,” he says. “Further, he is a great speaker with an original vision on relevant developments in the real estate market – luckily he most often accepts our invitation to be a speaker at the internal and external events the Group organises.” In terms of real estate, RSM is the only university with which PwC collaborates. “I’m happy Dirk’s research is going forward – there are some studies going on now that will have beneficial outcome for both PwC and Erasmus University, and we’ve made arrangements on how we’ll leverage those outcomes,” says Hartkamp. ▶



*Combining strengths:  
Dean George Yip of RSM and  
Godefroy Motte of Eastman  
Chemicals.*

### **Gentleman's Handshake: DSM and Eastman Chemicals**

While there are many ways for a company to partner with RSM, the School has formalised certain 'corporate partnerships' with its close business relationships. Royal DSM BV was the first official Corporate Partnership of this type. Feike Sijbesma, CEO DSM, member of the RSM Advisory Board, and RSM Alumnus ('84) saw the advantages of signing a declaration of intent with his alma mater; recruitment and scholarships, marketing and branding, executive training and

knowledge sharing, and research were some of the mutual 'intentions' of DSM and RSM back in 2006. Evolution on these fronts has led to the sponsoring of Professor Dr. Harry Barkema's Innovation Management Chair last year; and further, Sijbesma's place on the Board of Directors in the open source 'ecology' of the Innovation Co-Creation Lab (ICCL), in which Barkema is both a member of the Management Team and a key researcher. The ICCL draws on expert advice from both business and academic sources (including partner institutions Stanford University and London School of Economics). "For DSM, innovation is of the utmost importance. By sponsoring this Innovation Management Chair and the Innovation-Co-Creation Lab, we aim to accelerate our own innovation efforts as well as to raise the level of knowledge and expertise in the field of Innovation Management," Sijbesma has said.

The most recent corporate partnership was marked last March with a gentleman's handshake between Dean George Yip and Godefroy Motte, President, EMEA Region of Eastman Chemical and active member of the RSM Advisory Board. The premise is that Eastman and RSM will "develop a close partnership with the joint aim of creating and acquiring new talents and enhanced knowledge within the fields of research and education. Both parties wish to benefit from each other's strengths in order to reduce the distance between the academic world and the business world."

Reducing this distance is high on the agenda of RSM leadership. Quite simply, it makes sense – it benefits all stakeholders, internal and external, from bachelor students to senior executives. ■

### **The General Management programme,**

which leads to an MSc in Business Administration, offers international students with a bachelor degree in a non-business subject the opportunity to combine their chosen discipline with Master-level management knowledge and skills. This broadens their career prospects, as well as their approach within their field. For full information on this two-

year programme, which begins each September, see [www.rsm.nl/home/master](http://www.rsm.nl/home/master).

*More information on the Erasmus Real Estate Centre and Professor Dirk Brounen see: [www.irim.eur.nl/realestate](http://www.irim.eur.nl/realestate)*

*More information on the Innovation Co-Creation Lab, Professor Harry Barkema and partner organisations: [www.icclab.com](http://www.icclab.com)*



# RSM OUTLOOK

... is the corporate and alumni journal of the Rotterdam School of Management, Erasmus University. Published twice a year, each edition is sent to 15,000 alumni and corporate partners in 80 countries. The publication's readership comprises board members and senior executives in world class companies; entrepreneurs in business ventures with the potential to be the industry giants of tomorrow, and young, high-potentials with aspirations to fulfil their career and life ambitions.

As a valued supporter of RSM, we would like to extend to you an invitation to participate in the publication. We have now made a limited number of pages of each issue available for corporate advertising and sponsorship opportunities. These opportunities will allow selected participants to target specific messages at a very exclusive audience.



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**The readership of RSM OUTLOOK represents a unique opportunity for organisations wishing to communicate with current and future business leaders and executives across the world.**

#### RSM ALUMNI PROFILE

##### Average Annual Salary\*

MBA Alumni	US\$ 104,439
Executive MBA Alumni	US\$ 120,304

\* Source: FT Global MBA / EMBA Rankings 2008

##### Geographical Breakdown

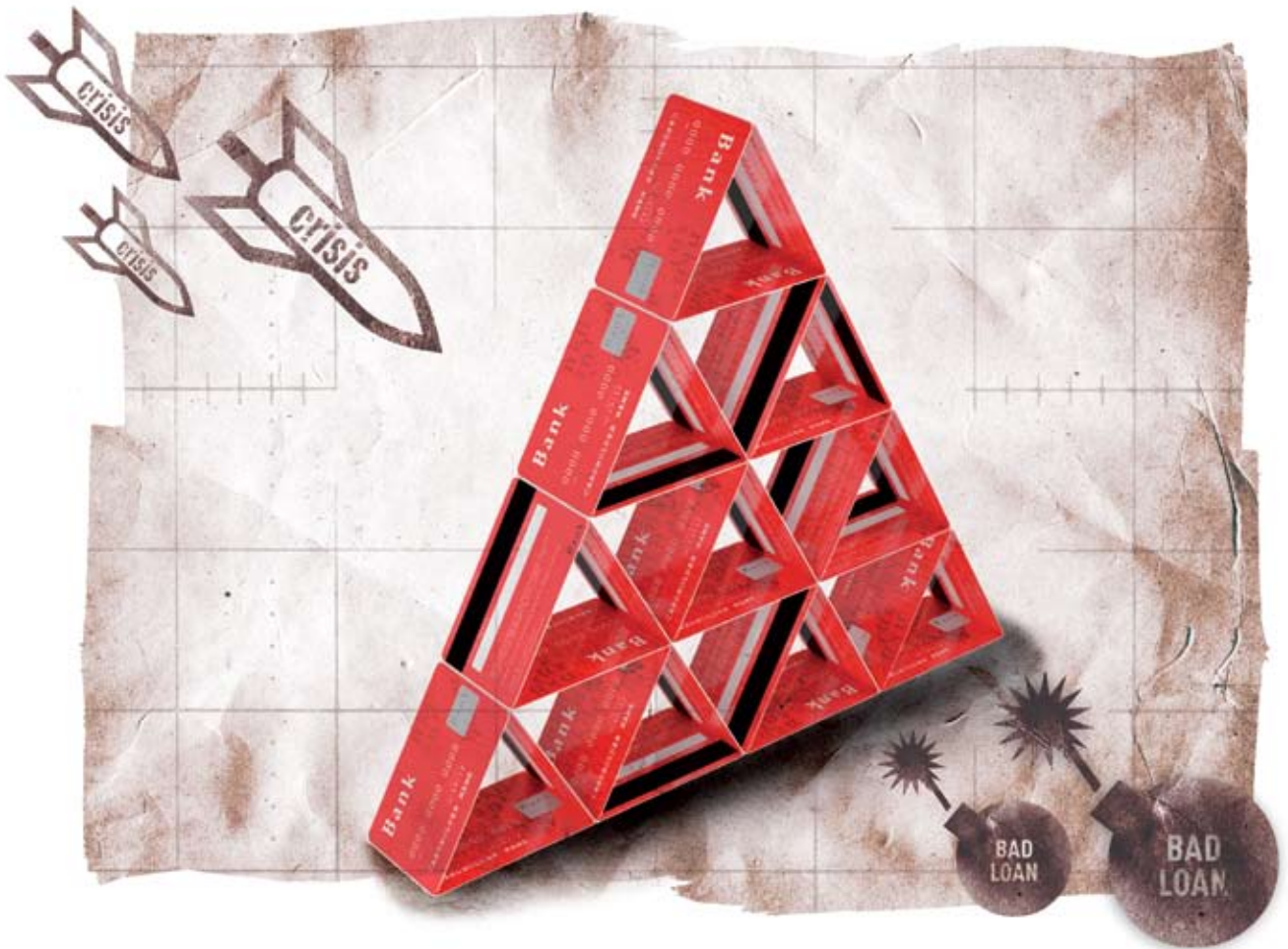
Asia	11%
Africa	1%
Europe	76%
Americas	11%
Middle East	1%

#### NEXT EDITION

The next edition of RSM OUTLOOK will be published in November 2009 (deadline 9<sup>th</sup> October).

Contact us now to find out more about reaching our exclusive audience. We look forward to discussing these opportunities with you.

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# THE NEW FACE OF CAPITALISM

As we enter a phase of post-crisis uncertainty, what hope now for business and society at large in a world where the almost universally accepted tenets of capitalism lie shattered in the rubble of collapsed institutions and fractured economic foundations? Noreena Hertz, author of such best-selling books as *The Silent Takeover* and *IOU: The Debt Threat*, believes that the time could be right for an ideological shift and a new age of collaborative capitalism.



I have named the past era of capitalism, Gucci Capitalism. It was an ideology born in the mid 1980s – the love child of Ronald Reagan and Margaret Thatcher, with Milton Friedman its fairy godfather and Bernard Madoff its poster boy.

An era whose fundamental assumptions were that markets can self-regulate, governments should *laissez-faire*, and human beings are nothing more than rational utility maximisers; a time when it was less shameful to be in debt, than to not have the latest pair of Nike training shoes or Gucci handbag.

No wonder, with this its underlying ethos, regulators were too weak, bankers too powerful,

initially this anger was directed towards bankers, It will soon be directed at big business more generally: at companies who pay their executives millions while laying workers off; at companies who record significant profits but don't share any of that bounty with their customers who are finding life tough. We are already seeing a rise in protest in the form of demonstrations virtual and real. Anticipate more of this in coming months unless political and business leaders make explicit that it is the public's side they are on.

Second, there is now a mandate for government to intervene that simply was absent over the past three decades. This is a seismic shift. Again, banks are the first to see the impact

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“I believe that the conditions are in place for a new form of capitalism to arise from the debris of the past – Co-op Capitalism.”

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and checks and balances were not in place. No wonder, with this the driving force in society, it wasn't a matter of if, but when, the whole pack of cards would come tumbling down. Gucci Capitalism was as lacking in real values as its name suggests. Unsurprisingly, it is now under attack from left and right. Even one of its most prominent cheerleaders, Alan Greenspan, claims to have been blinded by it.

But attacks of self-awareness can be short lived. Five years hence will capitalism simply look like it did six months ago? Or is there enough evidence to point to the emergence of a new economic model? I believe that the conditions are in place for a new form of capitalism to arise from the debris of the past – Co-op Capitalism, with values of co-operation, collaboration, and collective interest at its core.

There are five reasons for this. First, the public are angry and the media is on their side. While

of this with interventions ranging from nationalisation to the capping of executive salaries. Although I neither predict nor condone such micro-management by government of the private sector as a whole, I would warn any company that could be perceived to be acting against the public good, that it now risks standing in the line of fire.

Obvious industries to be targeted first are the fast food industry and big pharmaceuticals. With health costs soaring, and governments needing to rein in expenditure, predict more pressure on fast food companies to take responsibility for the obesity crisis, and on pharmaceutical companies to deliver affordable medicines. Under Gucci Capitalism, mandating corporations to do things for society's good was rare. Under Co-op Capitalism, mandates rather than voluntary measures will increasingly be the norm. ▶



The third reason why the time is now ripe for a new form of capitalism is that the downside of globalisation has finally been exposed. Just how quickly the financial crisis infected country after country shows all too clearly how in an interconnected world we stand or fall together. Under Gucci Capitalism the rights of global business were incredibly well protected. Under the aegis of the World Trade Organisation (WTO) companies could feel secure in selling their goods all over the globe. But no comparable mechanisms were set up to address the global problems that businesses were culpable for: climate change, labour and human rights abuses, or the negative consequences of

relocating business in terms of job losses and ghost towns.

Discussions are already underway about the creation of a global financial regulatory system. But this is just the beginning. Expect the establishment of new WTO-type global institutions or the integration of new toothsome global rules into existing bodies - this time with a mission to address the myriad of problems that are generated by business. Without minimising the difficulties of bringing nations together, such accords are not unprecedented. Both Bretton Woods and the Montreal Protocol on CFCs are recent examples of nations successfully coming together in common cause.

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“My hope is that our leaders have sufficient vision, and we the public have sufficient ambition, to turn the wreckage before us into an opportunity.”

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The fourth reason why a new era of capitalism is looming is because a new configuration of geopolitical forces is emerging. China, Brazil, India and the G20 - countries with limited allegiance, if any to Gucci Capitalism - are gaining power just at the dawn of a new US administration that appears committed to a multilateral ideal. Add this to a Continental Europe that, having been hit particularly hard by the global recession, has a strong incentive to distance itself from an ideology it never spawned and we have all the ingredients in place for a significant ideological shift.

Fifth and finally, it is not just at an intergovernmental level that we see the signs of more co-operation. Anthropological studies show that societies that have less, share more, while recent work in behavioural economics has shattered the mainstream view of humans as super-individualistic, uncaring beings. So while under Gucci Capitalism there was a tendency to bowl alone, this already seems to be changing. The hurtling ascent of the “free cycle” movement whose members give stuff away for free rather than sell them on eBay is just one manifestation of a new age of collaboration similar to what occurred during the Great Depression. But history is not an army on a forward march. We are now at a critical juncture when leaders in business, in government, in society have a choice to make. To either embrace the Co-op agenda, with its calls for multilateralism, and global institutions to protect our environment and our citizens. An agenda that has a renewed idea of government as an institution whose

primary allegiance is to humanity as a whole, however rich or able. And a renewed idea of business as a force for innovation and improving the state of the world – a force that needs reining in where the pursuit of profits conflict with society’s interests and helping out when the short-term finance for innovating our future is not there.

Or, to choose a very different path: one of naked self-interest and dog eat dog attitudes. This is a path that those leaders calling for economic protectionism should be clear about the consequences of. If China sees its imports banned, it will be less likely to agree to concerted CO<sub>2</sub> emissions reductions. If the UK attempts to only give jobs to British workers, it may find itself with nowhere to export. This is a path that treads a thin line, as history should remind us, between economic nationalism and xenophobia. This is a critical juncture, a dangerous one even, because the stakes are so high and there’s all to fight for.

My hope is that our leaders have sufficient vision, and we the public have sufficient ambition, to turn the wreckage before us into an opportunity. An opportunity to join forces to push for a more supervised, more equitable, economic system. One that tends to fair rules, social justice and sustainability and reconnects the economy with what is right and just. I hope that we choose the open-source version of Capitalism, the multiplayer version, in which one only wins when all parties work together in pursuit of a common good; that we choose to shop, not at Gucci, but at the Co-op instead. ■



**Dr. Noreena Hertz** was appointed Visiting Professor of Business-Society Management at RSM in October 2008. Dr. Hertz has a BA in Philosophy and Economics from UCL, an MBA in Finance from Wharton, and a PhD from the University of Cambridge. She is the author of a number of internationally acclaimed books on economic globalisation; and is a fellow and Associate Director of the Centre for International Business & Management at Cambridge’s Judge Business School.

# POST-CRISIS MANAGEMENT: WHAT CAN WE DO DIFFERENTLY?

Recently a group of senior executives gathered with RSM leaders to discuss the pre-eminent topic in the world of business and management: the economic crisis. This informal meeting turned on three questions: how we got here, what has to change, and how RSM can create a positive impact on the future business leaders that fill its classrooms. This is what we heard from the participants. **Text** Lesa Sawahata

## Question One: What got us here?

**THE ENTREPRENEUR:** We're too late to do something for this crisis, which I think will last about one and a half years. Should we not focus more on anticipating the outcome of this crisis, instead of bothering ourselves about what happens this year?

**THE LAWYER:** It's always a problem when you ask, how did we get here? I'm sure after every recession people ask that question; the problem is that they come up with solutions for what happened, instead of solutions for what will happen next time around. Spending a lot of time working out 'what went wrong' won't equip us for the future.

**THE NON-EXECUTIVE DIRECTOR:** I'm thinking about the word 'values'. What we've seen is a real misalignment of values. Management at some companies are voluntarily taking a 5 per cent pay cut. However, banks won't do that. And I think that will cause a social revolt. When is the penny going to drop? When will people realise they are paying the price for something they had no responsibility for?

**THE BANKER:** I think one of the basic issues was a complete underestimation of risk in the broadest sense of the word. There has been a fundamental disregard of risk in the last 10 years. This is increasingly hitting home. Risk pricing has changed dramatically. If I look at my own experience as a banker, we have felt that 'liquidity is free'. Now liquidity is very expensive. And there's volatility risk - every single company in the world is confronted

with volatility risk. That is one of the most important sources of the crisis and one of the most important areas of concentration for business education.

**THE CEO:** This has been aggravated by the fact that there was not enough willingness to control, because there was a vague ideological idea that greed was good.

**THE ACADEMIC:** From the media, I'm getting two opposite messages. One party says it's a moral crisis; the other says it's just the limits of capitalism.

**THE CEO:** I think the moral crisis caused the other crisis.

**THE FINANCE THEORIST:** It was a technocratic view of risk; people had a very fundamental misunderstanding of risk.

**THE CEO:** The investor got so far away from the debtor. The distance between the creditors and the debtors created the risk.

**THE ACADEMIC:** Another side is the effort of governments to contain risk through regulations - this may stifle further economic development, that's the backlash.

**THE EXECUTIVE RECRUITER:** Government reacts to public opinion. The conversation about risk has left the boardrooms... because the people are mad now and they appear to have the media on their side.



**THE BANKER:** If you look at companies that have gone through bad times, they have experienced that risk is a reality; think of the dot.coms of the early 90s. One of our biggest problems is that we have been confronted with a continuous increase in wealth with a low perception of risk. And that is killing us now, setting us back.

## Question Two: What do we need to change?

**THE BANKER:** In my opinion, we have to re-create risk perspectives in society in general and in business in particular.

**THE ENGINEER:** What was missing before was that people were only thinking about business and profit; in my organisation, I intend to focus on how we can instil moral leadership in business

– how we can drive a company and do it ethically.

**THE CEO:** This will require new management attitudes instead of models. No more profits just to please the shareholders. Or putting something new into play because a few shareholders feel it is good for their profits.

**THE ENGINEER:** I think the non-executive Board will have more importance in watching that a company doesn't go too far into short-term profits. They'll have a much more important corporate governance role.

**THE NON-EXECUTIVE DIRECTOR:** Back in the 1970's in business, it was all about control: the idea was that if you're running a business, you have to understand every little thing about it. The 1980's changed that. But I think we need to go back to that model a bit. ▶

**THE ACADEMIC:** For the last two decades, financial control was the dominant logic; I think this will disappear in the future. What do you think?

**THE FINANCIAL THEORIST:** A dominant logic is one-dimensional and you cannot have that now. It must be viewed as multidimensional logic.

**THE ENTREPRENEUR:** I feel the outcome of the crisis could include a new focus on India and China; we could have 2 billion new capitalists. We must come up with new ways of doing business – already you see there are extreme elements possible, like extreme competition. So let's focus on new elements of doing business. What can we expect of technology next year, for example? New technology can help us implement new methods of supply chains.

### Question Three: What can RSM do?

**THE BANKER:** We need a different approach to governance, and from that perspective RSM can contribute immensely by creating a new group of leaders who have a much more proactive view on how to manage risk, including reputation risk.

**THE MANAGING DIRECTOR:** We are looking to the past to illustrate the future. Has anyone read *The Black Swan* [by Nassim Nicholas Taleb, Random House, 2007, the book is subtitled "The impact of the highly improbable."]? What Taleb really says is that explanations don't make sense. What does that mean for RSM? If you venture into the average class, you're doing analysis of the past to see what happens in the next 12 months. Good quality scenario analysis is worth a lot. So is thinking about alternatives; Plan B is something RSM could concentrate a lot of time on in its programmes in future.

**THE NON-EXECUTIVE DIRECTOR:** This is a great opportunity to create a generation of people who are really responsible. If students at RSM can be totally responsible on the one hand, but know that they cannot know everything - that would be great.

**THE BANKER:** Schools must look at softer management skills and the increased importance of the roles of business in society. It's a 'we will do' not an 'I will do' attitude. New management skills are very much in looking at the company's place in society, not only working for the bottom line but working in a wider societal perspective.

**THE CONSULTANT:** Looking at history, we can see there is always an imploding element in every model. Every 100 years there has been a major crisis. The ecosystem is not stable. There has always been discontinuity; in management you have to understand how to operate in a stable area, but also with the unexpected. This is a critical period in an organisation's life – and this should be part of the RSM curriculum, the bigger crises in management; the issues companies have dealt with.

**THE EDUCATOR:** I think our students are asking different questions now. They are questioning their values all the time and questioning companies' values too. It's not 'what does

the company do with the money?' it's 'how does the company make the money?'

Our students definitely want to work for companies who share their values. They are not proud to be working for companies that don't reflect their values. If they're not proud to be working for banks and other financial companies, there could be a disconnect between young talent and the companies that need them.

**THE CONSULTANT:** The nature of humans doesn't change. Profits are not fairly priced. If there's a new business model where you price profits fairly, great – it's nice to dream about people being good people. ■

*Do you have anything to say in response to the points and opinions raised in this discussion? Do you feel that RSM has new responsibilities in educating business leaders? Do you think RSM should take a certain tack in the way it responds to the uncertain economic seas in which we currently sail? We invite you to share your opinions; please feel free to contact the editors at [rgilbert@rsm.nl](mailto:rgilbert@rsm.nl), with 'RSM Opinion' in the subject line.*



Much theoretical discussion and weighty opinion has been offered in the media by many commentators on the current economic and business climate. Whilst expert opinion is always welcome, more important are the insights of business owners and managers themselves. How are these uncertain times impacting upon smaller businesses, for example, and how will they cope in the months ahead? Here's what three of RSM's entrepreneurial alumni had to say. **Text** Russell Gilbert



## DEBORAH POST FOUNDER ROOTZ PURE FRUITS

(MSC - BUSINESS ADMINISTRATION/ BEDRIJFSKUNDE - 2002)

### Tell us about your business

We produce healthy, sun-ripened organic fruit drinks enriched with wheat grass. These are sold in organic health food shops and supermarkets. More than this though, our entire company is environmentally friendly and sustainable. For example, our production processes are powered by Dutch solar and wind energy.

The idea for the business came when I was studying; I noticed that my fellow students would pay little regard to what they were eating and drinking. Also, when I looked around the supermarkets, I could see lots of fruit drinks that came in bright and colourful packaging, but were made from concentrated juice that came from different parts of the world and had travelled great distances before reaching the shops and being sold.

This didn't seem very healthy to me, nor beneficial environmentally, so I thought I would try making my own. There are many apple trees where I live and so I had an instant supply of local fruit. My first drinks were a blend of apples and blackberries. To make these even healthier I added a little wheat grass. We now have a second flavour – mango, apple and banana – and this too is mixed with a little wheat grass.

### Is the current economic and financial climate impacting on your business?

It is affecting us, but not in an adverse way. We're finding that the crisis has created a sense of change in people. Increasingly, I get the feeling

that more and more people want to turn away from the complexities of crisis and the burdens of our money-orientated society. Instead, they want cleaner, healthier lives – to be more in tune with the environment around them. More people want their food products to be pure and honest and this shift in attitudes is helping our business grow. So much so that we've set up a second company – Rootz Organics.

### How will you steer your business through these tough times?

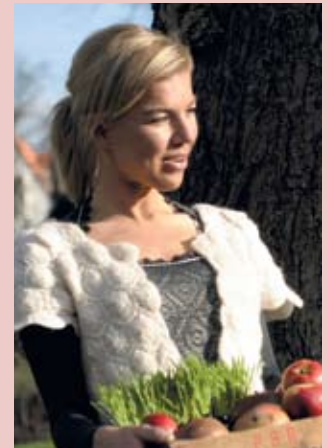
Our bank is happy to finance our expansion plans; we've just taken on two more partners, and an investor seeking to get involved in the organic food and drink sector has approached us. Beyond Rootz, I'm also providing an advisory service to companies that want to become more sustainable. Because of the practical experience I have in this area what I'm able to give them is hands-on help, not theoretical.

### Will your business survive the year?

Yes - we have recently taken on a director who is looking after sales and marketing. This allows me to look at new product development and to spend more time on the consultancy work I've been involved with. As I mentioned earlier, current conditions have presented us with lots of opportunities and the outlook is very good.

### Website

[www.rootzpurefruits.com](http://www.rootzpurefruits.com)





## GUIDO MANGERT DIRECTOR PEAK VALUE

(MSCBA – STRATEGIC MANAGEMENT - 1994)



### Tell us about your business

Peak Value is the new name of what used to be called Afterflex. That company was originally set up as a consultancy to advise small and medium-sized enterprises on how to achieve business growth. Afterflex itself has grown and we feel it's time to give it a new image so as to better reflect what we do.

Our mission statement is "To realise growth objectives for ambitious companies". We do this in a number of ways – through consultancy services, by investing in organisations with lots of potential, and by creating and incubating our own start-ups.

### Is the current economic and financial climate impacting on your business?

There are two answers to that. Firstly, we've found that because of the crisis our own company has grown. In fact, that growth has accelerated: our services are in greater demand and this means we're now in a unique position to pick and choose the projects we get involved with.

themselves. The difficult times faced by others are the opportunities by which we grow, and we believe we have the skills to make the most of those opportunities.

Our job is to work with companies: make them smarter – improve their efficiency; put them one step ahead of their competitors. In this climate we can help our participants do just that. Their success is our success, so obviously we have a vested interest.

There are many similarities between the strategies for growth and survival. One of the first things you do in both cases is to streamline costs. However, it's essential that you don't prune so much that you cannot grow when the economy starts to expand once again.

### Will your business survive the year?

Yes, Peak Value will survive. Much more than that, we see real opportunities to benefit from the current business climate. So much so that we're actually looking to recruit two additional consultants. Even in these current conditions a

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“Whereas our primary focus was on innovation, now it's more about improving operational efficiency.”

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The second answer relates to what we do for companies now. Whereas our primary focus was on innovation, now it's more about improving operational efficiency. In some instances - and this is directly because of the crisis - it's about ensuring that a business doesn't drown in the sea of uncertainty.

### How will you steer your business through these tough times?

We're in a very fortunate position where opportunities are continually presenting

good number of our clients are realising their growth objectives.

The ultimate proof of our value in business is whether or not we can help our customers through the crisis. We're working shoulder to shoulder with them to a) make sure they don't go under, b) ensure that any opportunities for innovation are not missed, and c) get them prepared for when the storm has passed.

### Website

[www.peakvalue.nl](http://www.peakvalue.nl)





## ALEX GASCHARD CEO EUROPEAN DIRECTORY ASSISTANCE

(MBA AND MBI - 1997)

### Tell us about your business

Ours is a telephone directory assistance service. Although we operate only in Belgium at the moment, short code numbers are in place for us to provide services in the Netherlands and the Republic of Ireland. We're also planning to set up in Bulgaria soon.

In Belgium, people can ring us on 12-12 (Flemish) or 13-13 (French). Our revenues come from the amount paid by the caller when they use our services. The second line of business we're in is internet yellow pages. This has a low profile at the moment and is used to attract customers to our voice services.

### Is the current economic and financial climate impacting on your business?

Yes and no is the answer. We raised venture capital funds about a year ago, so in that respect we're safe. However, on the economic side, the crisis has had an impact; the number of telephone enquiries we receive is going down.

There are two reasons for this: the increased usage of the internet to find telephone numbers is one reason, although this is nothing new. It is the rate at which they now do this that causes some concern.

The second reason is that in the current climate customers are more concerned about costs. Normally, people don't mind that much about the cost of directory assistance calls, as long as they think it is reasonable.

As part of cost-cutting measures companies are restricting or stopping access to telephone services such as ours via the office and through mobile phones.

### How will you steer your business through these tough times?

We outsource just about everything and will look to make cost savings here. Call centres handle

our enquiries; basically, we pay them by the minute. By improving the time it takes agents to handle enquiries we can improve margins.

If we can also get the same call volume over the next 12 months then this will make a difference to our revenue stream.

Even the directory databases we use are outsourced, but our plan is to look at bringing them in-house. Whilst this will incur high development costs, the return on investment will be through cost savings. It will also give us control of the data we depend on.

The amount of money we spend on external consultants is another area in which cost reductions can be made.

It's not just about reducing costs though. It is crucial that those answering enquiries know how to handle them efficiently; ongoing training is essential. Call processing efficiency is only part of the experience for customers though - courtesy and politeness is just as important.

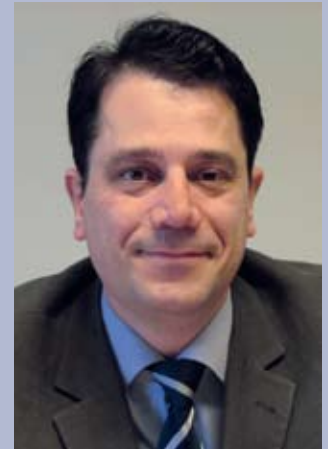
The business rule about it being more expensive to find new customers than it is to keep existing ones very much applies. We've put a hold on investments until after the summer and won't undertake any significant marketing activity until we're confident that markets have settled. We're a very flexible company and can adapt very quickly.

### Will your business survive the year?

If too many companies prevent their staff from calling us it could get very tough. It's very difficult at this stage to say that won't happen; it's very difficult to know what is going to happen in the next 12 months. We are optimistic, but have to be realists at the same time.

### Website

[www.european-da.com](http://www.european-da.com) or  
[www.loocle.eu](http://www.loocle.eu) ■



# DAMAGE LIMITATION

## HOW COMPANIES CAN MANAGE THE IMPACT OF FINANCIAL RESTATEMENTS ON CORPORATE REPUTATION

If your company is forced to issue a financial restatement, how can the right managerial behaviour help to minimise the damage to corporate reputation? Research from RSM provides some pointers.

**Text** Catherine Walker

**D**o we trust our public companies to always behave honourably and above board, when it comes to presenting their figures? The answer is debateable. First Enron, then Worldcom, and thereafter a succession of other high-profile accounting scandals have generated negative headlines in the international press and taken their toll on investor confidence and public trust.

In most countries, corporate governance and accounting requirements have become more stringent post-Enron. Demands for greater transparency mean that companies are legally obliged to issue financial restatements if their accounts differ from those previously presented, for example in annual reports.

Market and press reactions to such revisions are, predictably, negative, and most who have issued financial restatements have faced serious problems – substantial financial losses and

falls in share price, replacement of their full Board of Directors, and, in the worst cases, even bankruptcy.

Yet not all restatements need have such devastating effects, argue researchers from RSM. Findings from their major study of financial restatement cases, involving leading US and European companies, suggest that companies can manage such crises judiciously so as to minimise or limit the damage to reputation and future financial performance.

The research team – Fred Gertsen of PriceWaterhouseCoopers, and Professors Cees van Riel and Guido Berens of RSM's Centre for Corporate Communication – saw opportunities for generating better understanding not only of what triggers the need for financial restatements and determines their severity but, more critically, how to handle them most effectively, should the need arise.



“The goal of our research was to define such guidelines, by providing insight into the managerial behaviours that can influence the damage done by a restatement,” says Van Riel. Part of the initial problem, he explains, was that onlookers making judgements often did not discriminate sufficiently between different levels of financial restatement and their implications. “The first thing we did was to look at what categories of financial restatements actually exist, and what distinctions could be made between them.

“We came up with four types, based on two important criteria. Firstly the degrees to which people perceive distortion, ie, what is the potential impact of the financial restatement on the organisation’s future performance. Secondly, the perceived degree of malicious intent. Are the management knowingly and purposely supplying distorted financial figures for their own gain?”

Many financial restatements fall into the category the team dubbed ‘white lies’: little distortion and little or no malicious intent, perhaps stemming from human accounting errors. “At worst, we had what we called ‘black magic fraud’: grave cases, like Enron, with enormous financial implications and a clear and corrupt intent. In between we had two other categories: ‘grey accounting hocus-pocus’ (low on malicious intent but high on distortion) and ‘purple delusion’ (low on distortion but high on malicious intent).”

To cover all four categories, they examined financial restatements in 14 companies, both US and European. The restatements occurred in different industries, countries and periods, but all had featured prominently in the international financial press. Well-known North American names included Goodyear, Nortel, Cablevision and the Federal Home Loan Mortgage Corporate (the US’s largest mortgage provider, ▶

#### The research team

identified four distinctions between categories of financial restatement and labelled them:

- ‘White Lies’
- ‘Black Magic Fraud’
- ‘Grey Accounting Hocus-pocus’
- ‘Purple Delusion’

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“Company executives rounding on one another or shifting the blame leaves analysts questioning whether corporate governance is still in control.”

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known as Freddie Mac, which hit the headlines again in the summer of 2008). The four European firms included were Shell, Ahold, Adecco and the Italian food company Parmalat.

By studying a wealth of company annual reports, corporate websites, official press releases as well as external press coverage and transcripts of all the analyst question sessions, Van Riel and colleagues were able to track just how the companies both communicated with the outside world – and responded to the surrounding speculation and enquiries – through the whole period of each financial restatement crisis.

### The managerial challenges

This detailed analysis revealed some key managerial issues arising from financial restatement. None are necessarily disastrous in themselves but they are difficult to manage as they often occur in combination, intensifying the pressure.

The very fact of being investigated, whether by the Justice Department or other regulatory bodies, casts suspicion on, and potentially discredits, senior management who are often already implicated. As companies take remedial action, heads start to roll. When new management arrives, actions and decisions from the past are subject to minute scrutiny and hindsight also comes into play – further discrediting the judgement of past managers.

In what the team called the ‘tip-of-the-iceberg effect’, a complete loss of confidence can be triggered by a detail of negligible financial import. The spotlight then turns on the company’s other accounting and disclosure practices, perhaps revealing further irregularities and errors – and hitting market value once again.

“What the organisation tends to do first is to ask for new external accountants,” says Van Riel. “They look not only at the specific elements where the financial restatement is focused, but do the whole thing again. And they come in with a totally different mindset from the original ‘house’ external accountants. They really dig deep and want to find dirt.”

The need for financial restatement can also lead to paralysis in corporate communications. Perhaps through fear or lack of experience, some companies instinctively adopt a defensive communication strategy, or worse still, fail to communicate altogether.

Comprehension gaps are also evident, particularly a failure to appreciate internally how the market and analysts will interpret and respond to company statements. Clear distinctions were necessary between restatements required because of accounting ‘irregularities’ – implying intent – and those resulting from simpler human accounting ‘errors’, yet observers without professional accounting training (as is generally true within the market) cannot distinguish sufficiently between the two. From the company’s standpoint, differentiating between ‘good’ and ‘bad’ restatement situations in a nuanced way that will allow outsiders to assess accurately the severity of the situation requires considerable force of argument and the right accounting rhetoric – and management’s capacity to do this well and at the appropriate time is critical.

Communication can also be hampered by mixed messages going out when the management, auditors and other gatekeepers are not ‘aligned’ – that is, where they have not reached a common view on how to handle the situation and especially how/what to communicate to the outside world. ▶



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## Top tips for managing financial restatements most effectively

So how can companies limit the damage? Addressing five key things can help, says Van Riel. These were areas where differences can really show – where they are handled well (as in the case of Freddie Mac), the benefits are very clearly apparent.



### • Confirm the nature of the problem

Giving statements that confirm the nature of the problem and volunteering explanations to analysts or the media noticeably improves the understanding of these stakeholders. That is critical in limiting distortion, because where there is insufficient understanding negative speculation can circulate. “This fits with what we know from research about consumer inference-making,” says Van Riel, “namely that people tend to lower their evaluation of a product when they have insufficient information about it.”

But, he adds, the research also showed that executives tend to answer questions in a relatively straightforward way. “Few saw questions as an opportunity to explain issues raised in greater detail or used a question as an opening to persuade the markets that correct strategic decisions have been taken.”

### • Take the blame

Company executives rounding on one another or shifting the blame from the company to third parties leaves analysts questioning whether corporate governance is still in control. This can make the situation seem worse, and can also be damaging to executives’ perceived

trustworthiness. Rarely did companies assume the blame directly for the underlying problems – understandable, as this might leave them more open to litigation.

But, as other research has suggested, blame-taking is essential in restoring trust: “When managers avoid blame for something that is clearly their responsibility, this is likely to erode public trust even further. If accepting the blame helps to restore trust where ‘honest’ mistakes are concerned, does this necessarily hold good where lapses of ethics are concerned, where malicious intent is clearly involved?” This is a difficult area, concedes Van Riel, as the research evidence from elsewhere suggests not.

### • Communicate openly

Open communication is important, right from the outset. The scope of disclosure, ie, how much the company does or does not say, is critical because investors and others in the market will regard it as a proxy for the seriousness of the accounting issues. Providing more details leads them to assume the problems are less widespread, and so again decreases the perceived level of distortion.

Being upfront about how the restatement may affect business operations or financing is seen as a ‘constructive factor’ in the dialogue between companies and analysts. Most of the companies studied, however, gave general statements, intended to reassure, rather than precise details.

“The cases we analysed provide evidence that precise command of accounting language as a quality of financial leadership has been dismissed in favour of ‘governance credos’ and sound business performance litany.”

Another key mismatch is that while markets expect chief executives to explain technical details and demonstrate their grasp of technical accounting issues, CEOs fight shy of this, leaving such discussions to their chief financial officers. “It was one of the most striking findings,” says Van Riel, and “also one of the most difficult to address. It’s very hard to say to people at the top of the organisation, your knowledge of finance is just too limited. How do you handle that? How

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“Demonstrating not only your commitment to corporate governance but also your ability to take appropriate measures is vital.”

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do you tell a CEO that he doesn't understand enough of the financial elements?”

Yet, the researchers argue, with systems now requiring greater scrutiny of procedures and wider public access to information, the need for a detailed awareness of financial procedures has intensified. Both CFO and CEO must bear responsibility for financial sign-off to regulators. Insufficient technical knowledge of accounting will no longer be acceptable in mitigation of any reporting irregularities.



- **Take corporate governance measures**

Demonstrating not only your commitment to corporate governance but also your ability to take appropriate measures is vital. Where companies do this, stock and bond prices improve accordingly, because those measures lessen fears that the company will act with malicious intent in future.

Wherever fraud or intent was suspected, boards and CEOs took great pains to assure analysts and the media that appropriate action had been taken. “In some cases we saw how

remedial actions – often those which were regulatory – had been taken under time pressure. Members of senior management were sacrificed for the cause, but without any public justification of what that cause actually was,” says Van Riel.

As a result, some companies scored relatively highly on governance actions but far less well on communicating openly about the problem.

- **Act in compliance with the rules**

The cases showed that adhering closely to policies and regulations after the need for a restatement helps to rebuild trust, presumably because the market again becomes more confident that there will not be further instances of malicious intent.

Van Riel is adamant that while financial restatements will still be tough to weather, taking the right attitude from the start can make an enormous difference. “Stubborn behaviour is really not helpful,” he says. “What we have seen is that the way to solve a problem like this is first and foremost to be open from the beginning. Taking the blame because you were responsible, and that’s your role. You have to show that you really are being responsible; that you care about the corporate governance measures, and that you are truly acting in compliance with these regulations. Those who did this – as Freddie Mac did – really benefited.” ■

‘Avoiding Reputation Damage in Financial Restatements’ by Fred H. M. Gertsen, Cees B. M. van Riel and Guido Berens was published in *Long Range Planning*, Vol. 39, No. 4, August 2006.

The full article is available online at [www.sciencedirect.com](http://www.sciencedirect.com) and on the website of the Reputation Institute: [www.reputationinstitute.com/knowledge-center/articles](http://www.reputationinstitute.com/knowledge-center/articles)

# EXECUTIVE PAY

## HOW IS IT JUSTIFIED?

Not for the first time executive pay has been exercising minds and exciting public outrage. Many are questioning how top executives can apparently walk away from financial calamity with performance-related bonuses intact. And governments around the world are looking at how best to curb the soaring levels of boardroom pay.

**Text** Catherine Walker

**E**d Carberry and Jordan Otten of RSM's Department of Business-Society Management have been studying the structure and levels of executive compensation not only through the present crisis, but also through previous boom-and-bust cycles. So what has been driving executive pay, in their view? And are there ways of linking pay more tangibly and visibly to performance?

In the US, explains Carberry, the main elements of executive compensation are salary and stock-based mechanisms. Executive can also receive additional bonuses, based on hitting specified performance targets at individual or corporate level. The total package will also include a range of other benefits. From the late 1980s, stock options became increasingly popular – giving executives the right to buy a designated number of shares at a fixed price for a fixed time period. “Stock options really drove the increase in executive compensation in the States during the 1990s,” says Carberry. “Companies started rewarding with bigger

and bigger packages, and as stock values shot up during the high-tech bubble, options became an extremely lucrative form of compensation.” Stock options became so popular partly because they were not included in the US government's cap on salary, introduced in 1992, he adds. “The cap was intended to constrain compensation but actually had the opposite effect. Options were also supposed to link the long-term interests of executives to those of shareholders.”

Calls for reform post-Enron brought a shift to ‘restricted stock’ (granting stock directly but placing limitations on when executives can sell), together with new pay disclosure rules and tighter corporate governance. But, says Carberry, those reforms didn't fundamentally change how US executive compensation is structured, nor how decisions are made at board level. Shareholders can actively vote on the proposed remuneration, but that vote is still largely symbolic.

“There are some constraints, but basically CEOs in the States have a great

deal of power to influence their compensation packages. That's the biggest thing we have to look at. That involves changing fundamentally how corporate governance is done – and that's going to be a very difficult road to go down, especially given the strength of the corporate lobby,” says Carberry.

Otten's research has also included Europe, where a slightly different picture emerges. Cross-national comparisons reveal large variations across and within countries, and even within industries, in both pay levels and forms of pay – the so-called ‘pay-mix’. Pay for European executives seldom matches those of their US counterparts, and pay differentials are also lower. Whereas a US CEO earns about 400 times the salary of the average American worker, in Germany it's around a 100 times, and in the Netherlands around 50 times. And there are currently no caps on salary, though such measures are currently being debated in various countries.

In Europe boards of directors also have considerable power in determining



**Edward Carberry:** “There are some constraints, but basically CEOs in the States have a great deal of power to influence their compensation packages.”





**Jordan Otten:** “What’s needed is some responsibility on the part of boards of directors, and a real hard look at what measures are used to determine pay levels and pay mix.”

compensation, Otten explains: “They benchmark their remuneration, typically by using consultants to determine what their competitors are paying, but essentially they have the power to set their own norms and tailor their package to suit the executive they want to hire or retain.” Eager not to appear less generous than their competitors, companies pay slightly above the benchmark, which perhaps explains why compensation levels have been ratcheted up. Measures such as salary caps will only have a limited impact, argue Carberry and Otten. Whichever part of the compensation comes under attack, companies will simply shift to other forms of remuneration, exploiting any loopholes in legislation. The total compensation will remain broadly the same, or at least not decrease.

Would greater transparency help? Only up to a point, say both. Interpreting the disclosure of individual companies is highly complex, and wide variations in rules between different countries are likely to persist. But the key point, argues Otten, is that, “even with disclosure, it just shows

the outcome of a complex process, but says little about the process itself. The way a firm is governed really determines how, and how much, an executive is paid. Reforms should be aimed at changing the processes themselves. What’s needed is some responsibility on the part of boards of directors, and a real hard look at what measures are used to determine pay levels and pay mix.”

Getting the right combination of performance measures is, Otten admits, a tricky business, given the plethora of potential instruments. “What really matters is finding out what drives overall corporate performance. You need a carefully balanced mix of different types of compensation and different means of linking pay to performance. Part of the pay might be linked to stock price, part to profits, part to some type of productivity measure, and part to employee safety, or whatever else may be important. It will depend, too, on what industry you are in, and on the firm’s strategy. “Settling the debate on paying for ‘bad’ performance

can only be done by disclosing what performance measures the firm is using for its executives,” he adds. “That would give everyone a clear view of how they measure performance and to what extent parts of the pay mix relate to a given type of performance measure.”

The incentives to date, like stock options, have favoured short-term perspectives over longer-term vision, argues Carberry. And the research to date on executive pay and corporate performance has proved somewhat ambiguous: “Even if you find research which shows there is a strong link between executive pay and corporate performance,” points out Carberry, “then the question is, is that type of performance measure really the long-term goal and does that provide maximum benefit for different stakeholders of the corporation?”

“If we really want to take executive compensation seriously in terms of how we can structure these plans to have long-term benefits for the stakeholders – whether that be just shareholders or a broader group of stakeholders within the corporation – that needs to be fundamentally debated and examined.” Reforming executive compensation, Carberry concludes, will certainly be difficult but not impossible. What is needed are better ways of linking compensation practices to robust measures of corporate performance, and for governments to develop more serious regulation – however unpopular this may be with the world’s corporate and financial leaders. ■

*More information on the Department of Business-Society Management can be found at [www.rsm.nl/bsm](http://www.rsm.nl/bsm)*





# SPORTSWEAR GIANT SEEKS 'SPARK'

Last November saw a visit to RSM by Robin J. Stalker, CFO of adidas Group. He spoke with students, alumni and staff as part of adidas' Key University Strategy, a new initiative designed to build mutually beneficial connections with top international business schools.

**Text** Lesa Sawahata

**R**obin Stalker joined adidas Group in 1996 and became CFO in early 2000. During his tenure Stalker has seen the company through a period of vigorous growth. The acquisition of Salomon Group/TaylorMade Golf in 1997 and Reebok/Rockport in 2006 solidified the group's global supremacy in the region where professional sports, consumer goods and fashion intersect.

The high visibility of adidas in outfitting professional footballers (including David Beckham, Robin van Persie and Xavi Hernandez, to name just a few); in creating footwear that appeals to fashionistas (such as the co-operation with designer Stella McCartney); and in launching such flashy innovations as the microchipped adidas\_1 'intelligent shoe' has led to a level of success that demands the company

remains on a competitive upward spiral. The organisation has upped its game, and market share – and this has created an ever-more-urgent need to recruit the best talent. It is hard to believe that a company as attractive as this is in the grip of the much-discussed ‘talent shortage,’ particularly considering the more than 60,000 applications that pour into their headquarters in Herzogenaurach, Germany each year.

But it takes more than a great CV to play for a winning team, says Stalker: adidas HR development group is looking for something he calls ‘spark’. “It’s that indefinable element in people that means they can really add value in a team,” he says. “People who bring a mixture of risk-taking, innovation and creativity to bear within the confines of a highly-regulated

Stalker’s speaking engagement at RSM is an indication of how the strategy can work. While it’s difficult to quantify how many prized recruits the company will ultimately gain from his engaging, provocative guest lectures, three groups of students were targeted last November. MScIM-CEMS, MSc in Financial Management, and MBA programme participants had the privilege of hearing Stalker speak about such issues as global finance strategy, corporate governance and restructuring, and the evolving role of the CFO in global business. In all, about 300 students benefited from the lectures – and importantly, got a brief presentation about career options within the organisation.

Besides talent recruitment, how will the Key University Strategy work for both adidas and RSM? Sharing of experience and

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“For adidas Group it is clear that the talent pipeline is crucial for the future success of our company...”

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corporate environment – not everyone can work in that environment and still be creative. The question is - how do you attract these people?”

Hence the Key University Strategy, which the group hopes will enable them to source the best business talent - without sifting through thousands of spark-less applicants. “adidas is very international, as are RSM’s programmes, so that’s a good fit. It’s very important for us to find people with the right disposition: they are flexible, interested in working in a variety of locations and in an international environment; people who respond to the excitement of our business,” he says. “A business school such as RSM therefore represents a very attractive opportunity for us to meet and recruit talent.”

knowledge are part of the future developments, says Stalker. “I’m interested in building up a dialogue about what is happening in current management knowledge and theory, how that is relevant for us; and how we can add practical input to the learning process at RSM. We’re in a highly volatile market,” he continues. “It’s a consumer space, a market that everybody can identify with, and that brings interesting case studies.” An example? “Rather than learning about issues faced by a widget manufacturer, students can see what adidas faced in a high profile event that they know very well – for example, the challenges we faced in marketing the World Cup 2006.”

Based on that, you can be sure the spark between RSM and adidas will grow into something more. ■

## adidas Group-Key University Strategy

RSM is among the first of a select group of business schools targeted as ‘key’ to adidas Group. What is the Key University Strategy – and why RSM? We asked Andreas Laemlein, Senior Manager HR EE for adidas, about the new initiative.

“For adidas Group it is clear that the talent pipeline is crucial for the future success of our company, and we want to promote adidas as an employer of choice; those are the main reasons we decided to set up several events with our executive management visiting key universities and business schools around the globe,” he says.

**How was RSM chosen?** “We selected some top global universities based on criteria such as educational performance, rankings, experience of students and graduates, and locations of the institutions.” He emphasises that the Key University Strategy is not a recruitment ‘hard sell’: “We checked with our selected educational partners to assess their interest and created a meaningful agenda. Based on their input we decided these events should focus on the content side, and raise recruiting only as a side topic.”

**While the still-fledgling strategy will be refined over time, the adidas Group wants to:**

- Support management education of future talent with content input from adidas Group;
- Brand adidas Group as an employer of choice;
- Recruit for specific positions, which include internships, direct entry, and trainee programmes for pre-experience graduates and MBAs.



# ACHIEVING NEW HEIGHTS AND TAKING LESS TIME

When George Yip, the Dean of the RSM, was inaugurated in 2008, one of his aims for the School's MBA programmes was to raise their profile and ranking. "In football terms, we are now a good Premier League club, but we are keen to play in the Champions League," he said. "I want us to rank among the global top 20 within four years."

**Text** Lesa Sawahata

**T**hat was a scant year ago, but it looks as though Dean Yip's ambitions for the RSM MBA are well on their way to being realised: in the 2009 *Financial Times* Global MBA ranking, RSM's MBA ranked 26th in the world, up from 34th place in 2008. Even more gratifying was the flagship MBA programme's ascent to 9th place in Europe, up from 15th in 2008.

"It is pleasing to see this programme taking its place in the top 10 of Europe," says Ken Robertson, Director MBA Marketing and Admissions at RSM. "This indicates that our consistent efforts

at enhancing the MBA and demonstrating that our graduates are being prepared for constantly changing business conditions have been recognised. It also means that our MBA alumni – who provide the confidential information used by the FT to create the ranking – are maintaining their level of satisfaction with the programme, and see ongoing benefit from their management education, having been prepared for what they now face in these challenging times."

More than just achieving a substantial rise in both the global

and European overall rankings, the MBA did particularly well in certain areas of the FT ranking. RSM has long been recognised as attracting an internationally diverse cohort of participants; the MBA programme notably had 97 per cent international students, and ranked 7th in International Experience.

Further, 97 per cent of graduates were employed within three months of graduation. This results from the School's close relationship with business, including MBA alumni and recruiters who work for multinational companies. Recruitment events, the RSM MBA Corporate Scholarship Programme, and a Campus Ambassador programme all help to put MBA students in touch with potential full-time positions, meanwhile satisfying the seemingly endless 'war for talent' at such companies as Shell, ING, Cordys and others.

### Relevant, responsive programme innovations

Beyond satisfying programme participants' need and desire for career progression, the RSM MBA – led by Associate Dean Dianne Bevelander and Academic Dean Jaap Spronk – has an ongoing legacy of programme innovation, including the very practical leveraging of its highly-diverse students. Long before other business schools began to talk about the advantages of working and studying within a diverse multicultural cohort of students, for example, RSM was doing it, prefiguring the current emphasis

### A faster, greener, and more focused MBA

The latest innovation at RSM is a 12-month format for its MBA. A one-year format is not a wholly new idea in a post-experience market that has tweaked, spun and tailored the pre-eminent management degree into such wild variations as 'the football MBA,' 'the wine MBA,' and even a recent seminar entitled 'the one-day MBA'.

But RSM is adopting the one-year format because it makes sense in the current economic, social and business climate, says Dianne Bevelander. "The people who join our 12-month International Full-Time MBA are unique," she says. "They often come to RSM wanting to change careers, and in fact they want to embark on an accelerated educational and career trajectory." Moreover, she says, they have the drive to "engage in a programme that is very challenging on a personal and professional level."

While RSM is historically known for a focus on 'green' and sustainability issues, and is highly ranked in the 'Beyond Grey Pinstripes' survey that assesses integration of these issues into the curriculum of MBA programmes, the 12-month International Full-Time MBA will emphasise 'ESG' – environmental, social and governance issues – even more deeply.

It is clear that old ways of doing business have died a swift, sudden and unlovely death, and that managers of the near future will have to come up with innovative products and processes that

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"The 12-month International Full-Time MBA will emphasise environmental, societal and governance issues more deeply."

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in MBA programmes on 'learning to manage in a global team.' RSM has also been the forerunner in recognising that the elusive and oh-so-desirable cocktail of qualities termed 'leadership ability' could be effectively incubated in MBA students who were already in an extremely challenging programme, likely in a new country, and pushed well beyond their comfort zone. Personal Leadership Development (PLD) remains an embedded part of the programme; it encourages MBA students to look deeply into their own characters, challenge their assumptions, understand their strengths and confront the less-constructive parts of their personalities.

contribute to the overall good. "Our MBA programme is about empowering participants to have greater choice – and to recognise the significance of the choices that they make," says Bevelander. "Given our programme's advanced integration of the big issues facing business today in terms of the environment, social good and governance – we hope that these will be choices that can make a far-reaching positive impact on the world in which we live." ■

*The RSM International Full-Time MBA is currently recruiting candidates, and will begin in January 2010. Full information can be found at [www.rsm.nl/mba](http://www.rsm.nl/mba)*



# GOODYEAR SENIOR LEADER PROGRAMME

Last summer saw the launch of the Goodyear Senior Leader Programme – an 18-month course designed for 20 managers within the company who have been identified as future leaders. The programme is designed to encourage and prepare participants to lead - as general managers or heads of functions within strategic business units - by broadening their business knowledge and skills, with special focus on personal and leadership development. **Text** Catherine Tong

“Leadership and business acumen are critical to our business success, and we will achieve this by broadening people’s skills and developing their capabilities...” *Bob Carlton, Goodyear*

**B**ob Carlton, Manager of Training and Organisational Effectiveness in Europe, Middle East and Africa for Goodyear, had very specific requirements for the programme investment, and it was the willingness of RSM to align with Goodyear’s strategy, in terms of the relevance to the participants and the business, which sealed the decision for the company to make the partnership.

The core theme of the development programme is about leading at the next level. To be selected, participants need to be outstanding business people, typically very successful, multicultural, motivated, and with the potential to grow within their roles. Carlton describes them as: “Our future executive leaders, whom we are preparing for higher level assignments with increased responsibilities and broader scopes.” “Leadership and business acumen are critical to our business success,” he continues, “and we will achieve this by broadening people’s skills and developing their capabilities in multiple functional disciplines, so they are prepared for the next level”.

According to Carlton, working with RSM was an opportunity to bring participants together and enable them to work with top class academics and ‘thought leaders’ in business.

“The programme presents a unique opportunity to build relationships and networks that create a very formidable business dynamic. By bringing this group of people together we are able to develop a network of sharing and understanding - the potential in this is very powerful,” he believes.

Comprising of six modules, the course covers disciplines including Sales, Marketing, Finance, Supply Chain, and Human Resources. Mark Thys, Director of Strategy and Business Transformation

for Goodyear, was one of the programme participants. “My first observation about the content is that it allowed me to apply what I’ve learnt in real-life situations,” he says, “and I continue to find myself using what I have learnt. It is one of the first courses I’ve attended where I feel my capabilities have been positively impacted upon. The learning curve was excellent, and if each participant uses what they’ve learnt to the maximum when putting it into practice, Goodyear’s goals will be reached.”

This is the first time that the company has hosted such a programme and the expectations were high. When evaluating the success Thys comments: “It has made me more efficient. The programme has also made me think much more profoundly about the impact of a decision on the business as a whole.”

Fellow participant Frank Titz found the programme, “very challenging, very academic, but very practical.”

He speaks clearly of seeing the benefit to Goodyear lying in, “developing the links among future senior managers by creating a strong network between them.”

He says that the programme has helped him to grow and learn more whilst, “furthering my experience and improving my management and leadership skills, specifically with regard to my behaviour and in functional areas I had been less familiar with. It has helped me to learn and put into practice new ways of working.”

For Goodyear, it is critically important that the senior leader programme is a success: the company’s continuing investment in it shows their commitment to the development of their leaders and the importance of the role these individuals will play in transforming the business and leading it into the next decade. ■

**With** operations in most regions globally, Goodyear employs 75,000 people world-wide, operates more than 60 plants in 26 countries and reached net sales of more than US\$19 billion in 2008. The Europe, Middle East and Africa region has a six point strategy with one of them being ‘First With People’.

To find out more about RSM’s Open Enrolment and Custom-Made Executive Education programmes, visit [www.rsm.nl/home/execed](http://www.rsm.nl/home/execed)



# BOOSTING THE BACHELORS

RSM has long been rated highly for its degree courses, both in the Netherlands and internationally. But there is still a need to refresh and improve programmes in order to deliver the quality to which the school aspires. As a result, the school has been looking at new ways of increasing the relevancy of its pre-experience courses to industry, in an ongoing project titled 'Boost the Bachelor'. **Text** Tim Skelton

**T**he aim of Boost the Bachelor has been to review the two Bachelor programmes on offer at RSM and to increase their value to both student and employer alike, creating courses that match even better the requirements of business administration. Since the quality of the existing programmes was already high, the idea is to 'make improvements' rather than introduce revolution.

The two key people involved are Eric Waarts, Dean of the BSc and MSc programmes, and Ad Scheepers, the Project

Manager, who has had a hands-on role in identifying and realising the goals. Why did they think a re-launch was necessary? "The former BA and IBA programmes had been in place since 2002," says Eric Waarts. "There had been minor adjustments over the years, but no elemental changes. Nevertheless, by running the programmes we acquired insights into possibilities to boost them to the next level. The Executive Board's decision to introduce a major-minor system [minors are short courses that students can selectively add to their

study programme in order to 'customise' their major course] across all the Bachelor programmes at Erasmus University gave us the motivation we needed." Employers often complain that whilst graduates have academic training, their understanding of business is not always sharp. The re-launched Bachelor addresses this by including additional challenging business-related field projects and assignments; emphasise students' academic and business skills in a stronger fashion; by growing the international



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“The new curriculum improves the chances for students to finish the Bachelor programme sooner, and better prepares them for Masters programmes...” *Ad Scheepers*

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dimension (in particular regarding the IBA programme); and by introducing flexible space for courses related to students' own interests, including internship and exchange options.

“In addition,” adds Scheepers, “we wanted to formulate explicitly the learning outcomes and goals of both programmes, so the curriculum could be optimally tuned to the desired knowledge, skills and attitudes of graduates. We also wanted to create stronger synergies between the BA and the IBA programmes.” These changes will boost graduates' employability, and in so doing will give the qualification greater appeal to employers and prospective students alike.

In order to identify areas for improvement, a project group (consisting of teaching staff, students, programme management, programme committees, and the Examination Board), looked at the key issues and determined the outline of the new curricula. At the same time, various

faculty groups worked on making other issues operational (eg, skills and methodology, international aspects, and business projects). The Programme Committee, Examination Board and Faculty Council then advised on which proposals to adopt.

As a result, business links are now stressed in greater detail in both existing and new courses, through practical assignments. Analytical and methodological skills are addressed explicitly; and the qualifications have been made tougher, by redefining existing courses, creating new ones and emphasising new and alternative methods in teaching and assessment.

At the same time, full adoption of the minor system and increased options for international exchanges and internships has improved flexibility. Also, the BA and IBA programmes are now geared to one another to a far greater extent than before, with identical courses wherever possible, although internationalisation is stressed

to a greater extent in the latter.

Eric Waarts explains how all this should benefit graduates. “Emphasising logical, interrelated and consistent course structure, skills and approaches will prepare students even better than before to become independent employees,” he says. “Added to this is their increased practical experience through the focus on business links and internationalisation.”

The methods taught will also help those going on to study for an MSc. “The new curriculum improves the chances for students to finish the Bachelor programme sooner, and better prepares them for Masters programmes,” explains Ad Scheepers

RSM Bachelor qualifications were already one of the best ways to prepare for a top Masters programme or for a career in business, but the re-launch of the qualification has now taken it step further. That's good news for employers, and better news for students. ■

### Boost the Bachelor in practice

Two newly redesigned courses, *Gedrag in Organisaties* (taught by Michaela Schippers) and *Organisational Behaviour* (taught by Gabriele Jacobs and Steffen Giessner), demonstrate how the national and international programmes have been aligned. Taught in the first trimester of the BA and IBA programme respectively, they take slightly different approaches. BA students write personality self-assessments, and teamwork diversity reports in pairs. Video case studies are used, and the course is based on day-to-day business situations. The international course mixes lectures and workshops, covering various topics from 'stereotypes' to 'diversity'. Field exercises are done in groups of four, with each group containing at least two nationalities.

The students' enthusiastic reaction is proof that the new courses are a success. One BA student said: “The self assessments were useful for understanding the course, and for my personal development.” Another added: “The psychological aspects, taught in an interactive way, made the lectures fascinating.”

IBA students were equally approving: “The combination of workshops, assignments and field exercises is a good way to understand the course,” said one. “The interactive lectures contained some attention-grabbing aspects, such as movies and even a few jokes,” said another.

This appreciation is confirmed by the results. In their first year, both courses had pass rates over 80 per cent, proving that offering an interesting and challenging course pays off!



# INTERNS IN AFRICA

In 2003, against a backdrop of social and racial inequality, and with the wounds caused by the former Apartheid Regime still healing, the government of South Africa introduced an ambitious new strategy that is having a profound and far-reaching effect on the Rainbow Nation. That strategy was laid out in the charter known as the Black Economic Empowerment Act (BEE). **Text** Russell Gilbert **Photo** Stefan Verstraeten

**I**ts purpose - to help empower the overwhelming number of people classified as 'Previously Disadvantaged Individuals' in a variety of ways, such as through ownership and control of enterprises and assets. Within the agricultural sector specifically, the legislation seeks to achieve 30 per cent land ownership for the previously disadvantaged by the year 2014.

In 2007, to aid in the empowerment of workers in the agricultural sectors under the tenets of the BEE, the United Farmers Fund (UFF) was created. Endorsed by the United Nations Development Programme, the fund was set up by the Netherlands Development Finance Company (FMO), Edward Nathan Sonnenbergs - South Africa's largest law firm - and two financial organisations, one of which, Futuregrowth Asset Managers, is the largest socially responsible investor in the country. Based in Cape Town, the UFF is headed by CEO Duncan Vink.

"South Africa has huge tracts of land still owned by a relatively small group of white farmers - a leftover from Apartheid - and it is something that the government is trying to redress in a positive

way. This is taking place," says Vink, "but at a fairly slow pace. This situation can't be changed by the government alone, it's something the country as a whole needs to address."

Interesting, and certainly encouraging - but what is the connection between the UFF and RSM? Duncan explains, "When I was still working in the Netherlands, a friend introduced me to RSM's Career Services. I had my own corporate finance business and wanted to provide internships to students. I've been working with RSM in this way ever since."

A number of MScBA Finance & Investments students from RSM - among them Stefan Verstraeten and Bart de Jong - have already been out to work with UFF, each spending as long as six months in Cape Town working with Vink. "Going to South Africa was one of the best experiences I have had in life," says Stefan. Bart agrees, "I had a really great time working over there and I've really benefited from it."

So how does the UFF work? "We're a trust," explains Duncan, "and we have 1,200 land workers as beneficiaries. We fund and



“Working here gives you a different world-view: you have to realise that the models you learn in your home country do not apply to the rest of the world.” *Duncan Vink, CEO, UFF*

arrange finance for the Trust to acquire interests in companies within the agricultural industry. We help raise finance for large groups of farm workers and enable them to become part of the economic mainstream.”

From the farmer’s perspective, the UFF acquires a stake in their business. For example, the landowner sells off 30 per cent of their business to the Trust. Farmers receive the market-related price for the share interest in their business, and the UFF manages this stake on behalf of the beneficiaries.

The UFF also invests in non-agricultural companies. One such investment has been in one of South Africa’s key private healthcare providers, CareCross Health. “They have a large network of general practitioners throughout the country,” says Vink. “As well as pharmaceutical operations that provide generic medicines at low costs. The public health service here is very much overburdened, so it means we are now able to offer basic private healthcare at the lowest possible price.”

Another focus area is education; recently the UFF acquired a stake in a distance learning company, Open Learning Group. “They can assist with basic education; things like literacy and arithmetic, life skills, and health education - HIV and AIDS awareness, for example.”

But what of our former interns; what was their involvement in all of this? Duncan takes up the story: “The two students - Stefan and Bart - both needed to write a thesis; both based theirs around subjects that are of interest to us. They’ve done a lot of stuff for us and helped in the day-to-day corporate finance work.”

Says Bart, “I was mainly involved in the modelling of company valuations and the creation of the investment proposal for the company’s fund. The research I did for my thesis was also used in the proposal.” Stefan worked

on several projects and says that, “although the work was diverse, I mainly focused on business plans and spread sheets - exploring markets and finding out how profitable a project could be.” Outside of the working environment, what was it like being in South Africa? “The people there really enjoy life,” observes Bart, “and it makes Cape Town a great place to live. It really felt like a second home.”

Stefan shares Bart’s enthusiasm: “The environment and the scenery are perfect; all the activities I did were great and the people I met were fantastic - I made some really good friends. The lifestyle itself, the culture, and the people impressed me. I’ve learned some valuable lessons.”

Duncan agrees that with the right attitude and approach there is much to be gained from an internship experience such as this. “Professional and personal experiences overlap in this type of environment. Working here gives you a different world-view: you have to realise that the models you learn in your home country do not apply to the rest of the world. After six months here you become much more worldly-wise. It really helps you to think outside of the box and to understand that sometimes there are different paths you can take in order to get things done.”

At the time of writing, another eager student from RSM has just touched down in South Africa, and another will arrive in July. “It’s an arrangement that works really well for everyone involved,” concludes Duncan. Last words though, go to Bart and Stefan: “It’s been an unforgettable experience,” says Bart, “and it’s really helped me in so many ways, both personally and professionally.”

Stefan concurs: “I’ve learned from my time in South Africa the importance of being open, flexible and entrepreneurial in business. The UFF, and especially Duncan Vink have inspired and helped me enormously. It’s been a wonderful and invaluable experience.” ■

**For more** on the United Farmers Fund and their activities, visit: [www.uff.co.za](http://www.uff.co.za)

For more on RSM’s career services and internship opportunities, visit: [www.rsm.nl/careerservices](http://www.rsm.nl/careerservices) or contact: [careerservices@rsm.nl](mailto:careerservices@rsm.nl)



## INTERVIEW MAARTEN VAN HASSELT

# SAILING INTO THE WIND

How does a business leader and RSM alumnus present an uplifting, inspirational graduation speech to newly-minted MBAs in what is perhaps the least-positive economic environment since the 1930s?

**Text** Lesa Sawahata

**T**hat's exactly what stellar alumnus Maarten van Hasselt (MScBA '79) did for RSM's International Full-Time MBA09 and Executive MBA08 classes in March; he delivered an engaging, encouraging speech in which he shared not only anecdotes and personal advice, but seven key learnings that are crisis-proof.

Currently dividing his time between Houston, Texas (where his family resides) and Den Haag (Shell headquarters), Van Hasselt, who is Global Implementation and Change Manager for Shell Global Solutions, could be the prototype for the sort of 'global business leader' RSM's MBA programmes are aimed at developing.

He's lived around the world, is fluent in five languages, understands his strengths and passions, is equally aware of his weaker points and has made a concerted effort to improve them. "Remember your career can go in some unexpected directions," he's been known to tell young managers. "To be honest, in my own career serendipity has been the strategy."

His educational strategy was a bit serendipitous as well. He earned a Bachelor degree in the very practical discipline of mechanical engineering at Delft Technical University in 1978. Delft

TU was also the home of the then-relatively-new Interuniversitair Instituut Bedrijfskunde (IIB) – a graduate school of business begun with the initiative and investment of several major Dutch businesses, including Royal Dutch Shell, and which would ultimately become the Rotterdam School of Management. Although he found mechanical drafting 'calming', he was happily persuaded to enter the IIB programme, and never looked back.

"When I did my Master's I did every elective and exchange, everything I could, to get work experience in business; I worked as a consultant, basically," he says. His exchange took him to Wharton in the USA, which opened his eyes to differences in attitude in business education. "When I went to Wharton, it struck me that European education is more theoretical – you learn to think," he says. "In America, it is more about learning to do. When you hire a North American MBA, they arrive and are immediately very productive." Van Hasselt's advice to all MBAs is to recognise that they are generalists. "You can do anything; the problem is that you can do anything. You have to find one thing you're passionate about." His own passion is for turnaround

management. "That's the 'red thread' for me; taking a bad situation and turning it around. In hindsight, this is apparently what I love to do; I am passionate about it." He currently leads a group of 45 global consultants who focus on the 'non-technical' side of implementation: "especially on the 'people' side," he says, "we implement change management."

An avid sailor from a ship-building family, Van Hasselt peppers his language with nautical allusions. With his career trajectory, he's well qualified to talk in terms of stormy seas, smooth sailing, and trawling for new jobs – all things the graduating MBAs and EMBA's were anxious to hear about. He even found a positive spin to the current economic climate: "MBA graduates from 10 years ago are the ones to really feel sorry for," he said. "Anyone can sail with the wind at their back. Now there's a leak in the boat, the crew is seasick and the maps are no good. Current graduates have to learn to manage in a no-growth environment. They'll be better managers due to the rough circumstances. If you're training in a headwind, you get stronger."

Encouraging words. And what about the 'seven learnings' he offered to the MBA09 and EMBA08 graduating class?

**1)** What got you here won't get you there. Van Hasselt took this truth from the title of one of management guru Marshall Goldsmith's books. "Looking at the road you travelled may not be the best way to decide on where to go next. This is valid at any point in your career. You will have

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“Anyone can sail with the wind at their back. Current graduates have to learn to manage in a no-growth environment. If you’re training in a headwind, you get stronger.”

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to renew and change continuously as your career progresses. One actually learns how little one knows as time goes on.”

**2)** It is not what you know, or whom you know, but rather - which people care whether they know you or not? “Looking back on my own career and listening to colleagues, I can confirm that relationships, the skill to connect, the internal and external network are far more important than anything else. My message is to network. Hang on to this group you’ve studied with.”

**3)** Understanding the context and focusing on the key issue will enhance your reputation for delivery. “Develop what is called ‘helicopter vision’: being able to see the whole, and then recognising the key issues and zooming in on those details – that is crucial.”

**4)** Actively look for coaches. Ask questions. Obtain feedback. Listen, and act on what you hear. “I didn’t just want to give you my perspectives today. I asked some 30 colleagues what they would consider the key learning point of their careers – and

do you know what the most surprising part of this exercise was? These are extremely busy people, and they all reacted with an extensive list of things they would have done differently, or paid more attention to. People like to be asked for advice. Use the opportunity – it is natural for people to share their experience as time goes on.”

**5)** Brilliant performance will not cover up behavioural shortcomings. “Companies hire you because of your intellectual strengths, your analytical skills, and the latest management tools and techniques you bring. Initially these strengths will propel you ahead. But as one of my bosses wrote to me, ‘Personal style can erode unquestioned professional excellence.’”

**6)** Behaviour is not fixed and can be changed. “My own derailer was that I would lose my temper quite easily. I got to work with a coach, understood the deeper roots of the issue, worked on it very hard and changed my behaviour. The only thing I wish is that I would have picked up the feedback, and organised coaching, earlier. It is never too late to learn.”

**7)** Be yourself and not what you think others want you to be. “Be authentic. Have an opinion, stand behind it and be challenged. Defend it with rigour and professionalism, and with elegance. Remember you can only grow when you are willing to make mistakes. And remember there’s a place for all kinds of different people in major companies; consider applying to places you might not ordinarily consider.” ■



The future of personal transport is closer than we think, thanks to a new generation of driverless electric taxis. It sounds like the stuff of science fiction, perhaps something from a Hollywood blockbuster film. But thanks to the efforts of the project team at Utrecht-based 2getthere, driverless taxis will soon become a reality, when a network of new fully automated 'CyberCabs' goes into service in Abu Dhabi. **Text** Tim Skelton

## INTERVIEW REIN KIELSTRA

# NAVIGATING THE FUTURE

**T**he project director responsible for guiding this audacious new scheme from blueprint to tarmac is RSM alumnus Rein Kielstra. Kielstra received his MBA from RSM in 1974, as part of a cooperation programme with TU Delft. He is grateful for the way the school helped him develop. "I've never worked as hard in my life as I did during those two years," he says. "The course involved lots of work groups and case studies. It was very disciplined and the teaching levels very high. All in all it was a rewarding experience."

After graduation, Kielstra joined McKinsey as a management consultant, and then went on to start up Scantech (developers of the first supermarket barcode scanners) using venture capital. For the next 20 years he worked for a series of family businesses as a problem-solving interim director. "I didn't want to work in a large multinational," he says. "And because the companies I worked with operated in wide-ranging areas, I became a Jack of all trades. In every assignment there was always something new I could take to the next job."

This wide experience made Kielstra a natural choice for the 2getthere team. "2getthere was started by a friend of mine who developed the concept of free-ranging automatic vehicles: driverless self-guided transport that doesn't run on fixed routes guided by rails," he explains. He joined one year ago as project director, when the company won a tender to design and build CyberCabs for the Sheikh of Abu Dhabi. These will run on a dedicated road network in the carbon-neutral city of Masdar, now under construction. Phase One, which begins operating later this year, will be the new MIST University.

"Driverless vehicles are nothing new," explains Kielstra. "They started in industrial plants 20 years ago. But those followed copper wires on the ground. People were still scared of free-ranging vehicles."

Indeed, more than the technology, the biggest challenge to driverless taxis has been public acceptance. People are not often happy about the prospect of being driven by a computer, and it takes time for them to learn to trust the technology.

This is the main reason the concept has been so long in development. 2getthere first applied free-ranging technology in the Rotterdam Container Terminal, using driverless lorries to move containers. "Some of that software could be applied to

public passenger transport," says Kielstra. "We did a test at Schiphol in the long-term parking lot for four years, but you still have to get passengers used to the idea." Two further pilot schemes were also introduced: a vehicle at the Floriade in Amsterdam in 2002, and a fleet of shuttle buses in Capelle aan de IJssel.

But the Abu Dhabi contract represents a major step forward. The idea was developed in consultation with the client, which called for the 'podcars' to transport freight as well as people. "We won the tender because our design was the most flexible," says Kielstra. "All we needed was a road; you didn't need to build any additional infrastructure. We also had proven technology." The CyberCabs, designed by Italian style experts Zagato, operate as personal taxis, transferring up to six passengers non-stop on point-to-point routes.

The idea is that no one need walk more than 150 metres. The vehicles can run for three to four hours between charges (this would be longer, but the air conditioning needed in Abu Dhabi places extra strain on the battery).

Since the CyberCab will run beneath buildings, normal GPS navigation systems would not work. Instead, the vehicles navigate using sensors that count wheel angle and rotations, while magnets in the road allow for regular recalibration.

Yet one big question remains? Is the world ready for podcars? Kielstra believes it is. "This project is a sort of test for the world, to show you can do this with a city of 50,000 people." The first vehicle was unveiled at the World Future Energy Summit in Abu Dhabi in January of this year, and it received a positive reception. "People were amazed. They'd heard and read about it, but now they could actually sit in it. Finally the idea had become real." But we shouldn't get carried away too quickly, he stresses. "The whole world is looking at us. Now we have to prove our system works."

Assuming all goes well, the network will be expanded into an integrated citywide transport system. "It's really exciting," says Kielstra. "The nicest thing about this is you get to grow along with the city." And if that too is a success, who knows where the next 2getthere CyberCab might be dropping you off? ■

*For more information visit: [www.2getthere.eu](http://www.2getthere.eu)*

# ALUMNI NEWS



## PTO ALUMNA MEINY PRINS DUTCH BUSINESSWOMAN OF THE YEAR 2009

On 23 March, Meiny Prins, General Manager of Priva, was awarded the Prix Veuve Clicquot 2009 by Ms. Neelie Kroes, European Commissioner for Competition. The prize, which is awarded in seventeen countries annually, is better known as the Businesswoman of the Year award, and aims to provide a stimulus to women in the areas of entrepreneurship and management.

In her acceptance speech Ms. Prins, who graduated from the PTO (MSc Part-Time Opleiding) in 2002, mentioned several themes she currently embraces – entrepreneurship, sustainability, innovation, technology and family-run businesses. The new Businesswoman of the Year has a clear vision concerning each of these themes, and how she applies them within her own company, Priva, a family business specialised in the manufacture of greenhouse environmental controls and equipment technology.

For more information see [www.priva.nl](http://www.priva.nl)

## ALUMNUS DIMITRI OGG WINS C2C PRIZE FOR GREENER CAMPUS CONCEPT

On 7 April, Dimitri Ogg (MScBA 2000) was the recipient of the Cradle to Cradle (C2C) prize. The prize was awarded for a competition originally announced at last year's EUR Alumni Day, entitled, "How Do We Realise a More Sustainable Campus?" The competition asked alumni to submit practical and applicable concepts for creating a greener, more sustainability-oriented campus. Ogg's submission was lauded by the competition jury for its commitment to both sustainability and diversity, which are core to RSM's 'school DNA'. Dimitri's initiative is to plant trees on the Erasmus University campus with species that originate from the same countries as EUR's international students.



His sustainability-appropriate prize was a "C2C" lamp, artist-crafted out of light bulbs and the frame of a bicycle wheel. "C2C" refers to the "Cradle to Cradle" concept, devised by EUR's visiting Professor Michael Braungart and the title of his book *Cradle to Cradle: Remaking the Way We Make Things*.

## ALUMNI STUDY TOUR IN MUMBAI



Recently a group of 23 alumni from RSM travelled to Mumbai, India for the third RSM Alumni Study Tour. The tours provide an opportunity for RSM alumni to enjoy travelling together to exciting international destinations, simultaneously offering the chance for ongoing learning and relaxed networking. Visits to Accenture, CITI and Tata Consultancy Services TSC provided a look at outsourcing, business processes, banking, and HR practices in India. The group visited lunch-delivery company,

Dabbawalla, which delivers 200,000 home-made lunches each day, and boasts an almost 100 per cent performance rating, along with a staff that has an average age of 52 and is about 85 per cent illiterate. Delving further into cultural differences and expectations, the alumni met with Jeanne Devos, founder of NGO National Domestic Workers Movement, which was created to raise public awareness of child labour concerns. Fun was also on the agenda, and included a visit to the institute for Film, Television, Animation & Media Arts where the alumni got a glimpse into the roots of Bollywood and its role as a cultural and social mirror for India. The alumni study trip included the optional extension of a "Golden Triangle Trip" to Jaipur, Agra and Dehli, with a final destination of the beaches of Goa.





## A GALA GRADUATION FOR RSM'S MBA 09/EMBA 08

On 13 March, the International Full-Time MBA (2009) and Executive MBA (2008) classes of RSM celebrated their official graduation in a gala ceremony held at the World Trade Center in the heart of Rotterdam. The 176 graduates in attendance, who came from 48 countries of origin, were welcomed by Professor Jaap Spronk, Academic Dean of MBA programmes for RSM, who acted as Master of Ceremonies for the afternoon. Dean George Yip offered a welcoming speech that took the current economic scenario as context. "What do MBAs have to offer? You have the breadth of understanding to succeed in this post-crisis environment," he said, noting that those who had chosen RSM, a premier European business school, were already 'ahead of the curve' in terms of post-crisis strengths.

After the presentation of diplomas, and the acknowledgement of those on the Dean's Honours List, the World Trade Center Leadership Awards were bestowed by Jolande Huijers, Director of the WTC, to recipients Mark Biermans (EMBA 08) and Stefan Booy (MBA 09). In the spirit of giving, the MBA/EMBA Class Gift was presented to the Peduli Anak Foundation, which was begun by RSM alumnus Bjorn Dudok van Heel (MBA 07).

Further presentations included an address by the head of the RSM alumni association, Philip Leijten (EMBA '99), who encouraged the graduates to "be generous to the School" in terms of both time and money.

The assembled group, including the graduates, their friends and families, and RSM staff and faculty, then made a very public parade down the Coolingsingel to the Rotterdam Stadhuis (City Hall) for a celebratory cocktail hosted by Mayor Aboutaleb. The early-spring day offered unseasonably warm and sunny weather, fitting indeed for the optimism of this festive graduation.



## MBA10 STUDENTS VISIT EUROPEAN COMMISSION

The Finance Club of the MBA study association of the Rotterdam School of Management, Erasmus University organised its first event for the year with fifty MBA10 students paying a group visit to the European Commission in Brussels, Belgium on February 27th. The goal was to get acquainted with the most important institution in European Economy, and to learn about the trade and competition policies of the EU. Among the benefits for the student group was a much better insight into the functioning of the European Commission and its role and influence on member countries.

## RSM STUDENT TURNS DREAM OF A BETTER WORLD INTO UNDERWATER REALITY

RSM MScBA student Vincent Kneefel, an underwater photographer, recently took part in a competition called Create Your World - part of the Rotterdam European Youth Capital 2009 initiative, which called for young people to submit their ultimate dream of how they would take action to change the world. Vincent's dream was to create awareness of the beauty and diversity – and fragility - of our oceans. "Commercial fishing, pollution, habitat destruction, development and global warming all are threatening to irreversibly deplete our valuable ocean resources," he says. Vincent and four other winning 'dreamers' were selected from over 4,000 ideas submitted. He receives a budget of 10,000 Euros, plus expert coaching, to realise his winning dream: the launch of an educational programme for children in cooperation with the Marine Dream Organisation (Stichting Marine Dream), to be followed by an expedition to the Azores to photograph whales and dolphins. Additionally, Vincent is organising World Ocean Day on 8 June at the Erasmus University Rotterdam campus, which includes speakers Fabien Cousteau (grandson of Jacques); Greenpeace and Sea Shepherd founder Paul Watson; and other experts. "Our generation



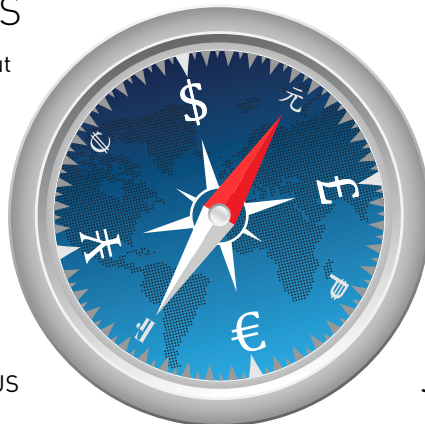
can do something about the mistakes that have been made over the past 50 years," Vincent says. "If we don't deal with it now, life in the oceans will be lost forever."

*For more information on World Ocean Day:*  
[www.worldoceanday.nl](http://www.worldoceanday.nl)

*For Vincent Kneefel's photography:*  
[www.vincentkneefel.nl](http://www.vincentkneefel.nl)

## JOURNEYS WITH ERASMUS

RSM's EU-based alumni have been turning out in unprecedented numbers for Journeys With Erasmus (JWE), a series of business-focused events in which prominent thinkers present their opinions on today's hottest business topics. JWE events are not just conferences – they provide the alumni present an opportunity to debate with the experts. These have included Ivo H. Daalder, foreign policy adviser to the Obama presidential campaign and currently nominated as US



Ambassador to NATO; Dr. Noreena Hertz; and Peter Paul de Vries, former director of the Vereniging van Effectenbezitters (VEB), former head of Euroshareholders, and currently CEO of Value 8 NV.

*Videos of past events, related research articles, and information on future events can be found on the Alumni section of [www.rsm.nl](http://www.rsm.nl), under Impacting Business: Journeys with Erasmus.*

# MAKE THE MOST OF YOUR CONNECTION TO ROTTERDAM SCHOOL OF MANAGEMENT, ERASMUS UNIVERSITY



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