

# RSMOutlook

SPRING 2007

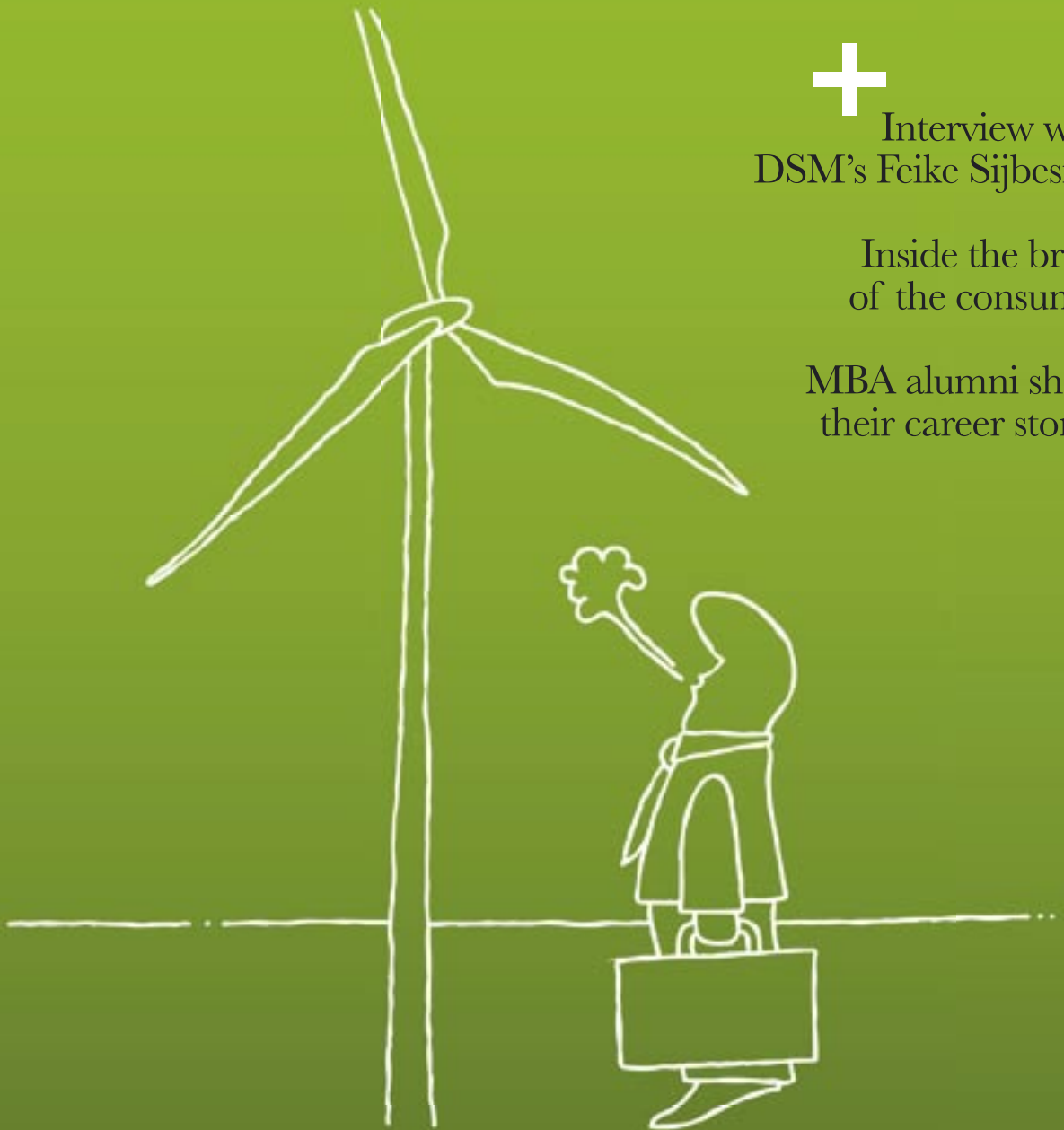
Rotterdam School of Management Erasmus University



Interview with  
DSM's Feike Sijbesma

Inside the brain  
of the consumer

MBA alumni share  
their career stories



## Green Technology The New IT

# MUST HAVE GLOBAL EXPERIENCE? OUR STUDENTS ALREADY HAVE IT.



RSM Erasmus University students have acquired a wealth of international business experience well before they graduate. Some have years of experience working for global companies; others have participated in international exchanges and internships. All have attended one of the most diverse business schools in the world.

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# From the Dean

Some thirty years ago, the MBA was a highly-vocational qualification designed to prepare managers for a large corner office in an even larger corporation. Times change. In the same way that sustainability has become a strategic imperative for all organisations, the MBA has become much broader in its focus than operational management, as our alumni in this issue attest. Executives today pursue this degree for reasons as diverse as their nationalities: to work for NGOs, the public sector, and indeed, to advance the causes of sustainable business practice. The MBA is not the only programme to have broadened in scope. The development of managers with a holistic vision of business and society is becoming part and parcel of executive education, resulting in innovative programmes like Bacardi's Sustainable Leadership expedition to Gambia. Initiatives like network monitoring – extended from our post- to our pre-experience (MSc) programmes this year – show that business education is increasingly about developing personal communication skills and leadership abilities. Research is also progressively interdisciplinary in nature, a result of scientists recognising the immense insights that other fields can shed on business and management theory. A great




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**'In the same way that multiple disciplines are enhancing scientific research, multiple nationalities and academic backgrounds in the student body are enriching all our programmes.'**

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example of this is Ale Smidt's neuromarketing research, which not only draws on economic, psychology, and neuroscience theory, but utilises brain-scanning techniques to understand more about the brain mechanisms of the consumer.

In the same way that multiple disciplines are enhancing scientific research, multiple nationalities and academic backgrounds in the student body are enriching all our programmes. "The Changing Face of Business Education" shows how standardisation of the higher education system in Europe is bringing together students from the furthest corners of the world to create one new, global classroom.

Current business education is about recognising that the world is one, and that every sphere influences the other. Perhaps the most important consequence of this is that our students may also adopt this vision in their roles as future leaders. And this can only be a very good thing.

**Han G. van Dissel**  
Dean RSM Erasmus University



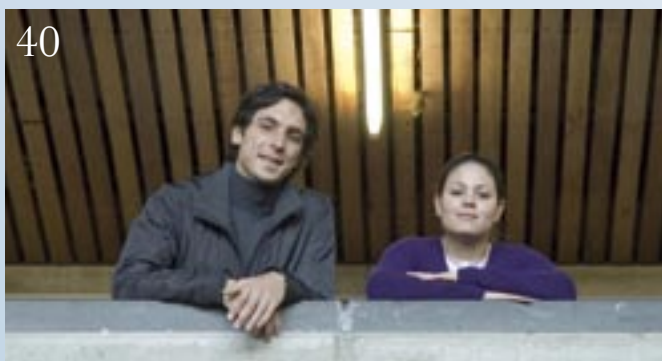
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# features

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## 34 TAP INTO SOCIAL CAPITAL

To be a successful manager, know who your company's "cultural carriers" are, says social network theorist Dr Karen Stephenson. According to Dr Stephenson, a pioneer in the rapidly-growing field of social network analysis, the 'social' networks within an organisation have more sway over the success of an enterprise than any formal hierarchy.

## 40 THE CHANGING FACE OF BUSINESS EDUCATION

We have all heard and read about the Bologna Accord, but with D-day for standardisation less than two years away and the arrival of the first master rankings increasing competition between schools, a new demographic of students in Europe is already emerging. Welcome to the global classroom.

## LATEST RANKINGS

### FT Europe's Top 35 Masters in Management

- Overall ranking of the school – 13th in Europe
- Top 5 in Europe for international experience
- RSM's joint CEMS master's 2nd in Europe.

### FT European Business Schools ranking 2006

- RSM moves into the top 10 business schools in Europe

### FT Executive MBA ranking

- RSM in the top 30 world-wide, 19 places up from 2004
- Top 15 in the world for support of individual goals and aspirations

### Elsevier Thema Studeren (Theme Study) 2006

- RSM's pre-experience programmes best business administration programmes in the Netherlands.

**WEB** For more information on RSM's rankings visit our website: [www.rsm.nl](http://www.rsm.nl)

## ALUMNI

### TomTom Marketeer declared Dutch Advertising Man of the Year

Alexander Ribbink, an alumnus of RSM's MBA programme, has been declared Dutch Advertising Man of the Year for 2006. Mr Ribbink is responsible for global marketing and communications at TomTom, a leading provider of personal navigation products and services.

Mr Ribbink received the award because, "he has created a world brand heavily relying on advertising. Ribbink proves that in the market of 'consumer electronics', generally seen as a low profit market, it is possible to create added value", said the jury. RSM congratulates Mr Ribbink.



### RSM MBA Alumna Awarded European Black Business Woman of the Year

An RSM MBA alumna has been named European Black Business Woman 2006 by the European Federation of Black Women Business Owners (EFBWO). Dr Elizabeth van Geerestein is the founder and director of coaching and consulting company Papillon & Partners and was awarded on the basis of the results she has produced in guiding individuals and organisations to higher levels of excellence. It is the first time in seven years that the award has gone to a Dutch-based candidate.



## EXECUTIVE EDUCATION

## HR Business Networking Event – ‘Strategic Paradox Management’

**H**R professionals from companies across the Netherlands came together for RSM’s HR Business Networking event. Hosted by RSM’s Executive Education in conjunction with the Dutch Networking Organisation for HR Professionals NVP, the event focused on the issue of ‘Strategic Paradox Management’.

During the conference, IKEA’s Carel Maasland, Global Manager Competence and Leadership at IKEA Headquarters in Sweden, and RSM Strategy Faculty Leonard Zijlstra, facilitated discussions.

Carel Maasland presented one of his current strategic paradoxes – a short-term performance management approach versus a longer-term learning and development view in terms of boosting the performance of IKEA employees.

Professor Zijlstra suggested that strategic decisions often lie on or between two opposing polarities. The challenge of paradox management is to appreciate the forces that drive these polarities and work towards a synthesis so as to make optimal decisions.



## ICEDR Forum on Managing Enterprise Strategy- Integrating Unit and Group Considerations ABN AMRO

**T**ogether with RSM’s Executive Education recently hosted a successful three-day international ICEDR Forum: ‘Managing Enterprise Strategy—Integrating Unit and Group Considerations’. The urgent need for companies to develop leaders who are capable of seeing an enterprise as a whole, and can therefore act for its greater good, was the focus of the event. This perspective has gained importance in recent years as most global companies’ strategies have shifted in favour of providing not just products but broad-based customer solutions.

## GUEST SPEAKER



“Globalisation is the ICT word of today; ICT enabled NGOs to start naming and shaming, and this led to companies starting to see the advantages of going for values-based best practice themselves.”

Mr Ruud Lubbers, Former Dutch Prime Minister, STAR Management week for RSM

## ACADEMIC AWARDS

### Finn Wynstra's paper downloaded more than any other on IMM



Professor Finn Wynstra has won the coveted Award for Outstanding Article 2005 together with colleague Adam Lindgreen of Eindhoven University of Technology for their article "Value in Business Markets: What do we know? Where are we going?" (34(7), 732-748). The paper received more downloads than any other published on Industrial Marketing Management (IMM) during 2005.

### Baquero and Verbeek win MAN Investments Best Paper Award



The MAN Investments Best Paper Award was presented to Dr. Guillermo Baquero and Professor Marno Verbeek at the European Finance Association annual meeting, for their paper entitled, "A Portrait of Hedge Fund Investors: Flows, Performance and Smart Money".

### RSM Professors attributed Best Paper Award by International Business Review



Professor Rob van Tulder of RSM's Department of Business-Society Management was presented with the 2005 Best Paper Award from the International Business Review Journal – EIBA's official journal – for the article "Antecedents and performance consequences of international outsourcing". The paper was

produced together with Dr. Michael Mol as first author and Dr. Paul Beijer.

### Wendy van der Valk receives Deutsche Post WorldNet (ProLog) Award



RSM PhD candidate Wendy van der Valk has been awarded the Deutsche Post WorldNet (ProLog) Award for best paper in the category Procurement Talent, for her paper entitled "Explaining Buyer-Seller Interaction Patterns in Ongoing Service Exchange".

### Professor Jan Dul receives IEA Fellow Award



Professor Jan Dul of the Management of Technology and Innovation Department has won the International Ergonomics Association (IEA) Fellow Award 2006 for his research in the area of human factors /business ergonomics.

## BOOK RELEASES

### "Research Methods For Business"

Co-authored by Professor Mike Page



In "Research Methods for Business", a book co-authored by Professor Mike Page, a European perspective is added to the use of qualitative and quantitative business research methods, including an analysis of the role of ethics. The book draws on business cases from across Europe and Asia and attempts to provide students with a lively and easy-to-read guide on different business research methods.

### "The Internationalization of Banks"

Dr. Alfred Slager

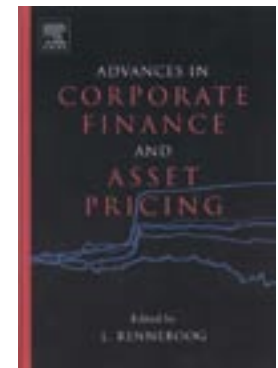


What do we know about the effects of internationalization on the world's banks, and what is a successful business model for the future? "The

Internationalization of Banks" contributes to the internationalization debate. Relevant for bank management, analysts, regulators and shareholders, the book explores the formulation, implementation and evaluation of internationalization strategies. Dr. Alfred Slager is an assistant-professor of Financial Management at RSM.

### "Advances In Corporate Finance And Asset Pricing"

By Abe de Jong, Peter Roosenboom and Gerard Mertens



From a financial perspective the past decade has seen an unprecedented number of corporate restructurings such as mergers and acquisitions. The first part of this book focuses on reorganizations from different perspectives such as restructurings in Europe versus the US. Part 2 covers these issues on the international and domestic levels. Part 3 focuses on the changes in, and the determinants of, capital structure. The authors also discuss convertible debt issues, give a historical perspective of the evolution of capital structure, and an explanation of the importance of the interbank loan market.



## FIVE MINUTES WITH:

# Professor Finn Wynstra

**What is the difference between supply management, and supply chain management? Assistant Director Post-experience programmes Hetty Brand-Boswijk asked Purchasing and Supply Management Professor Finn Wynstra to share his thoughts on his field of expertise.** text Hetty Brand-Boswijk

In current business education, numerous 'buzz words' fly around, but take care to understand what they all mean. Should you hear something about supply management, for instance, be sure not to confuse it with supply chain management: they are two different business disciplines, as Finn Wynstra is quick to tell you.

Finn was originally born in Alkmaar but grew up in Friesland. Although originally more interested in design and architecture, he made the choice to study general economics at Erasmus University Rotterdam. After graduation, many of his fellow students opted for a career in business, but Finn's enjoyment of reading and writing and his penchant for communicating inspired him to pursue a career in academia. His choice of purchasing and supply management was partially influenced by stimulating tutors, and partially by his interest in inter-organisational relationships. It was particularly the mixture of contractual and relational aspects of these relationships, specifically those between buyers and suppliers, which drew him in. "There are those that confuse supply management with supply chain management, which is understandable," says Finn. "However, like many others, I fundamentally believe that the world does not consist of chains but of networks. Moreover, purchasing and supply management is interdisciplinary in its approach, whereas supply chain management is based primarily in the operations management discipline, which is a far more "engineering-like" approach. The roots of purchasing and supply management date back to the 1960's, when marketing scholars became interested in organisational buying behaviour, in order to develop (business) marketing strategies."

As a management practice, purchasing and supply management has been around for centuries. Nowadays, however, there is more concentration on sourcing strategies as a way to increase growth and profit, as opposed to just cutting costs (or rather, purchase price), says Finn. However, there is no 'one best way to buy'. "Best purchasing practice will differ considerably from organisation to organisation depending on their different customer needs," he says. "Therefore purchasing and



supply management can only be successful when linked to the corporate strategy".

What are new developments for research in this field which Finn is looking forward to? "There's a lot of interesting development, for instance, in public procurement. In areas such as infrastructure and services, authorities are shifting the emphasis away from process compliance, meaning that they are not just looking at the price but also at the value of their purchases through the eyes of their citizens. Further developments include the CSR (corporate social responsibility) theme. Sustainable supply networks are nowadays primarily an issue for consumer product firms, but I expect that also B2B firms will increasingly focus on the issue."

Finn's general research interest is collaborative innovation with suppliers. Offshoring of research and development, for instance, causes huge challenges in communications. While this type of outsourcing occurs primarily in manufacturing, the joint development of new 'customer offerings' is also growing in the service industries, for instance in the insurance industry where compensations in kind are becoming common.

Given these trends and challenges, it is clear that for some time to come, research and the sharing of knowledge on this subject will continue to be important to educational, as well as corporate, institutions. This is certainly something to consider when determining the next five-year strategy for your organisation. Of course, RSM professors such as Finn Wynstra are always happy to share their ideas. ■

# “One day I will be World Champion”

**When master’s student Martijn Luijten is not writing his thesis on information management, he is practicing moves for the next Wushu World Championship.**

Text Rebecca Morris Photography Nard Buijs

“In information management literature they say there are a certain number of critical success factors for successful implementation of an Enterprise Resource Planning System (ERP). Change management is one of those. In my thesis I propose that change management is a container holding, among other factors, user involvement, because without support in the lower levels, change will never be institutionalised.

I am writing my thesis in information management. My other main interest is martial arts. I study Wing Chun which is a Chinese martial art, a type of kung fu. Kung fu simply means ‘to be skilled at something’. Wing Chun is a war-style sport as opposed to a ring sport, so I also do tae boxing and Sanda which is full-contact fighting – Chinese kick boxing.

I try to fight a match or tournament every month. I win around 80 – 90 percent of matches and have fought in Italy, Hanoi, Belgium – all over the place. Currently I am Dutch champion in my weight category. Last December I went to the world championships for Wushu in Hanoi, and became 8th in the world, and last November I went to the European championship but but I was knocked out by the winner of the championship in the first round. Next time I will win his titles!

I only started learning martial arts when I was twenty. In this time I have achieved quite a lot. My coaches have said I have talent, but most people who compete have talent. It is just a matter of how strongly you want to succeed.

Tae boxing and Sanda are incredibly physical; you need to be in perfect condition. To prepare for a fight you need to dedicate at least twenty hours a week to training. You need to practice the techniques, and do intensive fitness training and weight-lift-



**Name Martijn Luijten**

**Age 25**

**From the Netherlands**

**Enrolled in MSc International Business Administration**

ing. I run for 45 minutes with a heart rate of 180 once a week. These are the things you need to do to be in the right physical condition to last.

You also need to prepare mentally. I have a strong urge to compete, and a big part of that is about competing with myself. When I go running, I never wear ear phones, I give myself pep-talks. When you really push yourself to the limits, you need to be mentally ready for it.

One of the things I have learnt from martial arts is self-discipline. You need to develop self-discipline in order to succeed and it automatically translates itself into other areas of your life. As a kid I was very unfocussed when it came to school work. Now I look back and see that what I needed was a channel for my energies, and martial arts is perfect for that.

Once I have finished my master’s I will either do my PhD, or work for a consultancy company. My other goal is to become world champion. In 2008 I plan to go to the Olympic Games for Sanda – my coaches think I am in with a good chance. ■

## STUDENT ACHIEVEMENTS

## Businessweek.com: Europe's Young Entrepreneurs Places Lars Duursma 3rd in Europe

**B**usinessWeek.com readers have nominated RSM student Lars Duursma, 24, as the 3rd most outstanding entrepreneur aged 25 or younger. Using debating skills in a business environment is the novel business concept behind Debatrix, a company he started in 2005, based in Rotterdam. Duursma, who is a student of the BSc International Business Administration programme, has leveraged his skills into a thriving consultancy that teaches politicians and corporate leaders how to improve their communication skills.



## RSM's Krista Bruine de Bruin wins DSM B2B Thesis Award

**K**rista Bruine de Bruin from RSM's MScBA Strategic Management programme has won the DSM B2B Thesis Award. Her thesis was sent in on the initiative of her supervisor Prof.dr. Henk Volberda. In her thesis Bruine de Bruin researches and analyses the properties of companies that are able to continuously improve (exploitation) and innovate (exploration).

The DSM B2B Thesis Award is targeted at students whose master thesis contains innovative scientific insights on a subject of relevance to (international) B2B marketing or related commercial disciplines. A 'senior jury', consisting of DSM marketing executives and marketing professors chose the winner.

## STAFF &amp; FACULTY

A special chair in Business Administration has been appointed to **Prof.dr. Mike J. Page**. The chair is for the development and management of post-experience management education at RSM and is on behalf of the Trustfund Association EUR.

**Prof.dr. C.G. (Kees) Koedijk** has been appointed as chairman of The Dutch Council of Economic Advisors (REA) as from March 2007. Professor Koedijk replaces Prof.dr. W.H. (Willem) Buiter as chairman.

**Eric van Heck** has been appointed as the new ERIM Director of Doctoral Education as of January 15th 2007. Professor van Heck will succeed Marno Verbeek. The ERIM management team thanks Marno for his huge contribution to the development of the ERIM Doctoral programme over the last four years.

The Minister of Foreign Affairs had appointed **Prof.dr. Sylvester Eijffinger**, Professor of Finance at RSM and Tilburg University, and member of REA (Raad van Economisch Adviseurs), member of the Dutch-French Cooperation Council.





## Changing Quality Controls: The effects of increasing product variety and shortening product life cycles

**Jos van Iwaarden**  
(Defense 28 Sept. 2006)



This research is a study of how the two trends of increasing product variety and shortening product life

cycles in manufacturing affect quality management systems. The empirical research consists of case studies of car and truck manufacturers, and a questionnaire survey among a sample of Western European automotive suppliers.

A novel approach is taken to quality management research by applying a model from the field of management control to explain how contextual factors influence the management of quality in organisations. In situations of shortening product life cycles, the empirical data clearly support the increased use of participative and cooperative quality control systems.

**Jos van Iwaarden** is an assistant professor in the Management of Technology and Innovation department of RSM.

## The Use of Distributed Information in Decision Making Groups: The Role of Shared Task Representations

**Wendy van Ginkel**  
(Defense CUM LAUDE 25 January 2007)

Research has shown that groups tend to be quite poor users of their informational resources. That is, information that one group member possesses gets exchanged less than information that all members possess, leading to lower-quality decisions than when groups capitalize upon individual members' unique information. In this research I argue that a fundamental reason for this seems to be that members' understanding of the decision-making task often seems to centre more on the need to find common ground than on the discussion of information. Through a series of experiments I show that when groups hold task representations that stress



the value of exchanging and integrating distributed information before coming to a decision,

they discuss more distributed information and make higher-quality decisions. I also identify several factors, like group reflexivity and leadership, that are able to influence the development of shared task representations.

**Wendy van Ginkel** is an assistant professor at the department of Personnel Management and Organizational Behaviour at RSM.

## On Hedge Fund Performance, Capital Flows and Investor Psychology

**Guillermo Baquero**  
(Defense 7 Dec. 2006)

In a relatively short period of time, hedge funds have become major players in the financial markets. However, the increasing and widespread acceptance of hedge funds as an alternative investment vehicle is disconcerting if we consider their limited transparency and the restricted liquidity conditions imposed to investors.



On these grounds, serious questions arise about investors' ability to make the right investment

choices in hedge funds. This book speaks to these concerns.

The four essays examine the investment process of investors, the underlying factors determining their choices and the implications for investors' wealth and for hedge funds' performance. Overall, this study confirms a potentially suboptimal allocation of capital flows across hedge funds, calling for higher levels of transparency in the demand side for capital, and more cautious due diligence and increased prudence in the supply side.

**Guillermo Baquero** is an assistant professor of Finance and Investments at RSM.

## Analogical Reasoning as a Decision Support Principle for Weakly-Structured Marketing Problems

**Niek Althuisen**  
(Defense 15 Dec. 2006)

Many marketing problems are weakly-structured. From psychological literature, we know that analogical reasoning is an effective problem-solving method in weakly-structured decision situations. When confronted with a problem, managers will search their memory for previous, similar experiences (or cases) that could help solve the problem at hand. Case-Based Reasoning (CBR) is a state-of-the-art artificial intelligence technique that mimics this kind of human reasoning and can be used to put experience-based marketing knowl-



edge into action for decision-making in situations for which model-based decision support is

not available. In a series of experiments, we investigate the effectiveness and efficiency of CBR system availability under different conditions. We use the design of sales promotion campaigns as our weakly-structured application domain in marketing.

**Niek Althuisen** is an assistant professor in the department of Marketing Management at RSM.

# Saving managers from themselves

**It is up to a firm's supervisory board to guide the strategic decisions made by management, says Professor Abe de Jong.**

text Anton van Renssen, Nijkerk illustration Unit20

**T**he past fifteen years of big enterprise acquisitions should be enough to convince us that rationality in managers may indeed have its bounds. According to a recent US study, US\$216 billion of shareholder value has been destroyed as a result of poorly-managed acquisitions since 1990 – the bulk of which happened during the period 1998 to 2001 and across only 87 acquisitions.

***But what causes managers to make irrational decisions? And how can they be mitigated?*** Examining how corporate governance can counter irrational decision-making by managers is the focus of research by RSM's Professor Abe de Jong. The recently appointed professor of corporate finance and corporate governance draws on the tenets of an emerging field in management research called behavioural corporate finance. Unlike traditional economics theorem, researchers in this field borrow from psychology research to argue that managers (and investors too) are only partially rational. "Psychologists have gathered plenty of evidence that indicates that managers' behaviour is often irrational and proceeds from the personal characteristics of the managers," says De Jong. One example of this is the common use by managers of simple "rules of thumb" rather than (at least theoretically) superior models. This was one of the conclusions of a recent CFO Business Outlook Europe survey conducted by Abe de Jong and fellow researchers Dirk Brounen, Kees Koedijk and Peter Roosenboom. The survey polled an extensive database of CFOs of large (European) financial firms. Another finding of research conducted with James Ang (Florida State University) and Marieke van der Poel (PhD candidate at RSM), is that when restructuring, CEOs in the US treat company segments differently based on how familiar they are with the segment (due to working experience). Over-confidence in certain segments resulted in an overestimation of future returns and an underestimation of associated risks. Research also shows that confident, optimistic managers show



an increased propensity towards mergers and acquisitions. "Confident managers – managers who receive positive attention in the media, for instance – are 65 percent more likely to acquire a company than managers who are less confident," says De Jong.

***But how can we deter managers from making irrational decisions?*** Traditional governance methods often fail, says De Jong: "Options or shares given to managers do not sufficiently deter; a shareholders meeting has almost no effect in changing managerial decisions. They have a lack of information and sharing confidential information in public would harm the company's competitive position. Above all, most of the shareholders interest in the company is too small to take a hard line." Rather, good governance by the supervisory board (in the US, non-executives of the board of directors), is an effective preventive measure. "The board members have as much confidential information at their disposal as the CEO. The board is in the ideal position to check strategic decisions," says De Jong. Of course, board members may also fall partial to their own bias. "The board can also be hindered by irrationality, such as when there is a close bond between the board and the company's management," says De Jong. "An example is Henny de Ruiter, chairman of the board of supervisory directors of Ahold. Before the Ahold scandal, in which CEO Van der Hoeve had to resign, De Ruiter said he wanted a kind of clone of Van der Hoeven. He put managers with the same competence in all the companies he knew." To be effective, board members must take a deliberately critical attitude, says De Jong. Governance regulations in the Netherlands point to independency and expertise as preconditions to good governance. "The Peters committee in 1997 and the Tabaksblat committee in 2003 made clear recommendations for good governance," says De Jong. "If board members can adopt these policies, they can play a significant role in guiding the strategic decisions made by management." ■

# To the Desert and Back

## RSM's MBA Alumni explore Dubai

Text Rien Nijman, EMBA04



**D**ubai is a country run like a company. Centrally located in a high-growth regional market – between India and the Middle East, with Europe and Asia at even distance – it has its sights set on becoming a financial and cultural hub for over a billion people; and the speed with which it is turning this vision into a reality is impressive.

In November 2006, twenty-two RSM alumni travelled to Dubai for the second RSM Alumni Study Tour, the goal of which was observing and exploring the country's ambition to become a major, prestigious world centre.

The organisation of RSM's study tours is a joint effort of the RSM Alumni Office and a team of dedicated alumni. Alumni bring their contacts, define the topics they want to address, and put together parts of the programme. RSM facilitates with logistical support, academic contacts and cross-class alumni networking. The week aims to provide a learning experience through a mix of lectures and information sessions, company visits and networking events. The destination of the first Alumni Study Tour, held in November 2005, was Shanghai.

For the Dubai Study Tour, alumni from both the EMBA and MBA programmes, from a wide range of classes, participated. The theme of the week was: "Change Management, the Development of a Desert Nation".

The week began with a general introduction (hosted by the Dubai International Financial Centre (DIFC)) to the country and

its goal of becoming a regional financial centre. The group was then invited by the Netherlands Business Council for drinks and a presentation – an excellent opportunity to network with representatives of the local business community.

Through the RSM alumni network, company visits were held at Vopak Fujairah, Citibank and the Unilever Lipton tea factory. The visits provided insight into developments in the area and, the market and operational issues specific to the region. They also provided a sense of what it is like doing business in the area. Local RSM alumni arranged a meeting with a former Shell executive who has a wealth of experience in the oil business, and who talked about the oil and gas industry in the Middle East – a highlight of the trip.

The group visited Abu Dhabi for a presentation by the Dutch Ambassador, who gave an informative and enlightened presentation about the history and current political situation in the region.

A common observation throughout the tour was the volume and speed of current building activities, triggering the question of whether Dubai's ambitions can be both materialised and sustained in the longer term.

Dubai is the second biggest construction site on the planet with remarkable projects underway. It has built several of the world's largest shopping malls (one of which includes an indoor skiing slope) several dedicated business districts, and two major airports. A visit to the soon-to-be tallest building in the world – "Burj Dubai" – and a presentation about the famous "Palm Islands" and "The World" offshore islands were a must, as was visiting the Jebel Ali Free Zone and the Dubai Ports Authority.

The week concluded with a desert safari and a special cultural experience – dinner in a Bedouin tent camp.

A great deal of enthusiasm was expressed about the trip. The good contacts within the group and the networking element were considered valuable, as was the positive influence on the alumni network and the trip's contribution to the life-long learning of its participants. The week demonstrated the depth of our alumni's connections.

The organising team is looking at India for next year's destination – a country of enormous strategic importance, with its divergent and modern service sector. ■

**WEB** For more information on future trips please contact Irene Versluijs; Manager Alumni Relations (MBA, MFM, MHR): [iversluijs@rsm.nl](mailto:iversluijs@rsm.nl)



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# ‘What I did with my MBA’

Four MBA alumni with very different careers  
share their stories

**E**ach year, RSM’s MBA programmes receive participants from industries ranging from law to pharmaceuticals. 23% of candidates in the programme have an engineering background; 11% come from the humanities; 14% from the sciences. This diversity of occupation and education shows that the need for management skills and business acumen kicks in at the higher levels in every occupation, in every industry. It also gives some indication of the variety of occupations pursued

by participants after their MBA. MBA alumni pursue careers of enormous scope and variety. Some choose careers in management consultancy; just as many become entrepreneurs, join start-ups or work for NGOs.

This issue, four of RSM’s MBA alumni share with RSM Outlook what they have achieved in the years since graduating. While each career is as vividly different as the next, their opinions converge on one thing – that their MBA has been instrumental in helping them succeed in their chosen profession. ►

# The Not-for-Profit Consultant

**NAME** ELLEN SPRENGER

**OCCUPATION** NOT-FOR-PROFIT CONSULTANT

**RSM CONNECTION** EXECUTIVE MBA '00

Working for not-for-profit organisations is, for me, a very deliberate choice. The way I see it there are three basic sectors globally – the corporate sector, government, and civil society. A requirement for social justice and democracy is that these three parties are of equal strength and can hold each other accountable. Right now civil society organisations need to gain in strength. This is why I do what I do.

I am based in Toronto, Canada and work as a consultant for not-for-profit organisations. I have always been involved in social justice work. After my master's in development studies at Radboud University Nijmegen in the Netherlands, I worked for Oxfam-Novib for nine years. I began in policy work but as I grew professionally I joined management and became interested in how, as an organisation, we could work 'smarter'. In the not-for-profit world there is a wealth of knowledge and experience, but areas like strategy or internal operations are generally not as well developed. I wanted to learn more about the latest insights in the corporate world, so I enrolled in a part-time executive MBA at RSM.

During my MBA I was very focused. My goal was to submerge myself in the corporate world before going back to the not-for-profit world and applying the ideas. It was challenging and not everything I learned was equally relevant. But I also realised that the two worlds are not so different – both are driven by the desire to create value, just with different ways of qualifying value.

At Oxfam I started bringing these concepts back into the organisation. But I was ready to explore something else, and four months after my MBA I became executive director of an organisation called Mama Cash. It is a foundation that mobilises resources for women's rights globally, making grants to women worldwide.

At the time, they were strong in grant-making but did not have a clear strategy or structure. My experience at Oxfam combined with the MBA gave me the tools to take the organisation to another level. We developed a strategy and a brand, and went from annual revenue of €2 million a year to €4 million, in only twelve months.

After four years at Mama Cash I had come full circle. The organisation needed to consolidate the changes. This is also something I learnt during the MBA: different leaders are needed for different



life stages of organisations. I am definitely a builder, an entrepreneur.

At this point I had also fallen in love with a Canadian, and decided to move to Canada. I started my own consulting business, and I've been doing this for almost three years now.

I choose to consult for civil society organisations, mostly around issues of women's rights. In the last two years I have worked with groups as diverse as the United Nations Development Fund for Women (UNIFEM), the Organisation for Women's Freedom in Iraq, and the Dutch Ministry of Foreign Affairs. I travel extensively, doing a combination of organisational transformation, capacity-building, and strategic planning. I am bombarded with requests, and I now see an urgent need to scale up.

A recent project I did was with an organisation called Puntos de Encuentro in Nicaragua. They produce a groundbreaking social justice soap opera called 'Sixth Sense' which reaches out to young people on issues like HIV, rape, poverty and homosexuality. It is enormously popular in Central America and Latino communities in the US; it is a really effective way of raising awareness.

They are not-for-profit but they have a product that is in high demand. So we developed a business model that allows them to create their own revenue streams. Now they are selling themselves as a business partner – enabling them to become financially sustainable and ultimately more effective at what they do.

I think what I do now is about taking the knowledge I gained from the MBA and using it to make social justice organisations more effective. While I did this work before, now I have a much broader range of ideas and connections to tap into. Which is rewarding: there is a lot of work that needs to be done out there.

Ellen Sprenger is the co-author of: 'Gender and Organizational Change: Bridging the Gap between Policy and Practice' (1997, Royal Tropical Institute, Amsterdam), and "The Future of Women's Rights: Global Visions and Strategies" (2004, Zed Books, London).

# The IT Entrepreneur

**NAME** BRAM LEBO

**COMPANY** EXPATICA 2000-2006

**RSM CONNECTION** FULL-TIME INTERNATIONAL

MBA/MBI '96

**I**t was '99 when I had the idea for Expatica. I was going to work one day in Amsterdam when the tram didn't show up. After a two-hour walk, a colleague asked why I didn't know about the transit strike.

I didn't know because I didn't read the local newspapers or watch Dutch television. Though I spoke some Dutch, I was oblivious to my adopted home's politics, economics and society. I figured there must be thousands of disconnected people like me, so I dreamed up a local news outlet for expatriates – Expatica.

I grew up in Toronto and went to law school, but having come from a long line of entrepreneurs I was always fascinated by business and wanted to study it. I preferred a school abroad for the international experience and RSM had an appealing lack of pretension with a pragmatism and openness that was unavailable elsewhere.

During my MBA I assumed that I would work for a large consul-

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**“At that time, people with internet experience had developed bad habits - like spending money with wild abandon and then going out of business.”**

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tancy firm or bank. I attended interviews in London, New York, Sydney and Toronto. But when it came to it, I realised I wanted something else. Unsure of my path, I took a six-month contract doing business planning and development for an e-commerce company. That was my entry into the online world.

It was during the tail-end of the internet boom that I had this idea for Expatica. I shopped my Expatica business plan around and a fund in Amsterdam agreed to invest a couple of hundred thousand euro. Not much, but I was in business.

Little did anyone know that the market would crash just a week after we launched in March 2000, and that investment money would dry up. What followed were five difficult but rewarding years in which we grew with little outside help, ultimately launching in five countries and adding guides, trade shows and online services to our product line.



Today, Expatica is the number one expatriate publication in the world with hundreds of thousands of readers.

That success did not come easily. There were hard times, especially after the market crashed and before online advertising – the source of our income – strengthened.

There were all the usual management issues, from employee conflicts to figuring out incentive schemes. There were investors who didn't understand the business. We were under constant pressure to alter a strategy I knew would succeed in the long-term. This was where the MBA was tremendously helpful – I'd often recall cases we'd studied or contact a classmate or professor for advice. The best move I ever made was siding against eight branding experts to select our current logo: we doubled our revenue the following year. The second best move was avoiding hiring people with internet experience.

Most people go into business expecting either huge success or failure. Nobody expects years of breaking even, doing too well to stop but not well enough to exit and move on.

As the thrill and challenge gave way to daily management, I decided it was time to move on. Expatica had become a market leader and I had achieved what I had set out to. We hired a general manager and I moved back to Canada in 2006. My MBA was the start of an incredible adventure, and I'm ready for the next instalment.

I'm now looking at two start-ups. One is another online publication, the other an interactive agency which would put to use everything I learned about online business. A “real” job might be a possibility for a while, but it is hard to leave the excitement of entrepreneurship for long. Many times, I've been in a restaurant and overheard someone mention an Expatica article or event. It is the most gratifying feeling knowing people use and enjoy your product, that you are part of someone's day. You cannot buy that, and that is why I would do it all over again. ▶



# The Corporate Director

**NAME** ANNIE HONGYAN XU

**COMPANY** SIEMENS POWER GENERATION OIL & GAS AND INDUSTRIAL APPLICATIONS, GERMANY (DIRECTOR OF STRATEGIC PARTNERSHIPS)

**RSM CONNECTION** FULL-TIME INTERNATIONAL MBA '04

There are significant differences in the way a Chinese and a Western firm are managed. In a Western business, roles and responsibilities are clearly defined – it is function-driven. In Chinese companies the decision-making process is much more centralised. It is changing though; global-operating Chinese companies are adapting to the Western way of management. Five years ago I was an aeronautic engineer working for a Chinese company owned by the central government in Beijing. Now I am the director of strategic partnerships in Siemens Power Generation Oil & Gas and Industrial Applications in Germany. I finished my double degree in aeronautic engineering and international business at Beijing University of Aeronautics and Astronautics in 1997, before working for CATIC (China Aero-Technology Import & Export Cooperation) for five years. I developed from a project manager to a senior manager in marketing and sales, a role that required me to travel extensively outside China. I began to see a very clear career path: I needed to understand how a Western business operated. I decided to do an MBA and move into a position in a global company. Since I was looking for cultural exposure, I chose Europe, and RSM. After I graduated in 2004, I was offered a job at GE as a global supply chain integration leader. This was a position that required

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**“The biggest challenge in my role is being an Asian woman leading a team of 20+ mostly male, German, experienced professionals.”**

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integrating seven manufacturing sites that were acquisitions. In my job, I needed to establish a standardised way of managing these sites and ensure that they delivered their targets while we rationalised operations. It was a great learning experience and I really enjoyed the hands-on execution culture.

When I was approached by Siemens for a segment business development position, I saw the opportunity to combine a strategic and operational role, so I moved to Siemens. In my position I work in three areas: regionalisation, global acquisitions and integra-



tion. While acquisitions drive non-organic growth, regionalisation drives organic growth by setting up local competency centres. I am leading a team of 20+ professionals to integrate acquired businesses into the Siemens world, while streamlining the business to improve its operational result.

An important part of my job requires – and this is something the MBA helped me to learn – the ability to prioritise and think strategically. The business world is running at a high speed. In order to be effective it is more essential than ever to keep the big picture in mind and know when to go into the details.

Working with a multi-functional globally-dispersed team, it is also essential to have good communication skills. I always remember the speech of Dean Mike Page on my first day at RSM. He said, “For most of our professors and MBA students, English is not your first language. When you deal with people, remember that, and focus on the message rather than on the wording.” I use the same words when I welcome a new member to my team.

The biggest challenge in my role is being an Asian woman leading a team of mostly male, German, experienced professionals. But this challenge also brings me the greatest reward – to be accepted by such a team.

I highly value the experience I am getting in my current role. In the long run I might go back to China – the opportunities are tremendous – but right now I would like to develop myself further in Germany.

Without the MBA, I simply could not have qualified for a management job at GE or Siemens in Europe. But it is more than that. Before my MBA, when I saw an unfamiliar business situation I had to rely on my intuition. Now I can go back to the business fundamentals. Nothing is a business miracle – for a complex situation, it is about finding a way to break it down into small and solvable pieces, and being persistent in the execution. This has become my style, and I think people respect that.

# The Writer & Creative

**NAME** BRADLEY CHARBONNEAU

**OCCUPATION** TRAVEL WRITER; NAMER; DIRECTOR OF HIS OWN WEB DEVELOPMENT COMPANY

**RSM CONNECTION** FULL-TIME INTERNATIONAL MBA '95

One of the biggest benefits I got from my MBA is that now I can choose not to work for a big company. I can run my own company and take a year off to write a book because I have the knowledge and networks to do so. It has really been about having more choice.

I am American, but from 15 I had an infatuation with Europe. After doing an exchange year in France with my university – I majored in Maths and French – I asked various companies for advice on how I could live and work in Europe. They all said “get a degree that is recognised in Europe in something that will open doors”. I decided I needed an MBA.

RSM seemed broader in scope than the other schools and more entrepreneurial, so I headed to Rotterdam, and had two of the greatest years of my life.

After my MBA I got a job consulting for a Dutch management consulting firm. I'm technical but also creative and I ended up more in the marketing department, working on the website. I had been there for two years when my partner Saskia and I decided to travel the world for a year. We got rid of our cars and flats, and took off. We visited RSM friends literally all over the world: in Cape Town, Singapore, Hong Kong, everywhere. We were almost at the end of our trip and sitting in a café in Hanoi, Vietnam, when I saw a feature in an old issue of BusinessWeek about an industry called ‘naming’ – companies that name products and other companies. A manager was quoted saying, “our ideal candidate is a linguist with an MBA.” I almost raised my hand in the café: “that’s me!” I speak German, Dutch and French; I love languages. All three companies were in the San Francisco area, and we had talked of living there. I tore the article out and off we went.

Once in San Francisco though, I decided to fulfill one more dream before joining the corporate world. It was February, Saskia was working, so I gave myself the rest of the year to write a book. And that’s what I did. It is a travel memoir/romance about our six months in Africa, but is still to be edited and published. Really, the best thing that came out of that nine months was that by the end I was absolutely convinced that I did not want to be a full-time writer! It was solitary and difficult. I decided it was time to get



that naming job. After doing some research, I got a few interviews with naming companies, one of which was the company from the article. I walked in, put the torn article from BusinessWeek on the table, told them the story, and I got the job.

That was 2000, and I still work for that company. In the last few years though I only do the creative work and on a per-assignment basis. And it is only 10% of what I do.

A few years ago, having always been a techie guy, I started building websites helping writers promote their work. The industry has changed a lot and these days writers really need to be sales people as well. In time the business started taking off. So I quit my daily office job, and now I run a business in website development from my home office.

I’ve developed quite a name in the writing industry. A big turning point came when I did the website for Khaled Hosseini, the author of *The Kite Runner*. He had so many events and reviews that needed placing, I couldn’t keep up. That’s when I started creating sites with content management software so people could update the sites themselves, and I now specialise in that.

Today I have four people working for me, all in different locations, and way more demand than I can handle. And I still write and do creative naming. I love it – you could not pay me enough to work in a big corporate job.

Because of my MBA I have always felt confident that I can get a job wherever, whenever, which has allowed me to indulge in my dreams. I always felt if I didn’t get a job, I would just create one. The other big benefit has been the people. I can’t remember accounting, but my best friends live in Beijing and Cape Town, and for me that is huge. The old adage is true – it is who you know. I can run my business because of my network, and I think a big part of that has come from the MBA. ■

Bradley Charbonneau is the author of *Urban Travel Guide San Francisco* (available on Amazon.com).

# Sustaining Change

An interview with RSM alumnus and Royal DSM Managing Board member Feike Sijbesma

text Rebecca Morris photography Paula Delfos

**H**ow does a Dutch, state-owned coal-mining conglomerate develop into a worldwide force in specialties? The story of DSM, once 'De Nederlandse Staatsmijnen' (Dutch States Mines), is one of ongoing innovation and transformation – a company that has continually reinvented itself to stay ahead of the competition for over 100 years.

Today, DSM has sites in China, India, America and Brazil. It is one of the world's largest independent suppliers to the food, beverages, pharmaceutical, electronics and automotive industries; and one of the biggest producers of patents in Europe.

Royal DSM's Managing Board of Directors member\* Feike Sijbesma spoke to RSM Outlook about the challenges to transformation, the company's plans in China and other emerging economies, and the one philosophy that is mandatory for survival in the company – sustainability.

*DSM has reinvented itself many times over its 100 year history. How has it overcome the typical barriers to innovation that arise in large organisations?*

When you look back, DSM has always been an innovative company. 104 years ago coal-mining was a revolution in this

country. Later DSM began commercialising by-products of coal, one of which was ammonia – an ingredient in nitrogenous fertilisers – which lead to the production of the first artificial fertilisers. These were all very innovative products. They meant that where most coal-mining companies closed down in the sixties, DSM was able to survive. This is one of the factors for longevity – on-time realisation of your need to switch your portfolio. The management of DSM realised there would be an end to coal-mining in this country and shifted their focus into a new direction.

*How can management ensure on-time transformation?*

At DSM we do studies on the major trends in society to work out which new areas might be interesting for us. Another important ingredient is technological skills and the ability to switch these skills to a new field when needed. I also think leadership is one of the most important drivers – to have the vision, develop that vision, and have the guts to execute that vision. Any transformation by definition is risky, but if well-planned and thought-through, absolutely possible.

*How do you deal with hurdles if they arise during organisational change?*

Once we set a strategy we are very committed to it. If in the year following we





come across hurdles, we stop, analyse the situation, and then decide on the best course of action. Most of the time, we realise we have not made a mistake; there are simply issues we need to resolve, in which case we work on overcoming them and continue on, more confident that we can overcome future hurdles.

*Your corporate strategy includes fostering a culture of innovation. How does DSM do this?*

Often when people talk about innovation they talk giving employees' freedom to be innovative and out of that you will innovate. I don't believe that is the only element. I believe you also need boundaries. We choose areas in which we want to be innovative, and if someone approaches

us with other suggestions, our response is, 'True, but we have not chosen this area to innovate – we have chosen this market and this area.' We create boundaries and then within these parameters we allow for freedom and initiative. We are also moving innovation into business development units so people can be free from the distraction of urgent tasks. Innovation is not (always) urgent, so unless these people focus only on innovation, it could be postponed and that is not what we want.

*How does collaboration with universities and other external institutes help the company innovate?*

Whatever budget we allow for stimulating innovation in a particular field we know that the total budget being spent around

the world in the same field is much bigger. Rather than spending our entire budget on our own research, we allocate part of that money externally to leverage knowledge and best practices at universities, other companies etc. By collaborating with universities and other companies, we can learn more than we can on our own.

*China is another pillar of DSM's current corporate strategy. Why is China important for DSM?*

In the early 1990's DSM had almost no presence in China. Fifteen years later we have €500 million sales, 13 different ventures and 3,500 people in China. Why our strong interest in China? One is the local market – a huge population who are increasingly consuming. Second, China ►

is a low cost manufacturing base for our products. Third, China is a strong competitor for our home market. And fourth, China is an increasingly innovative country producing more technologies and patents. We look at China not only as a low-cost country but as a source of new ideas. We are expanding our research activities in China – we have an expanding research base in Shanghai and we collaborate closely with local universities.

*In China, legislation around patents is not as strong as in the Western world. As a company investing in research and innovation in China, how does DSM protect its technology?*

China has issues with technology and patent infringement, so we have to manage this carefully. We have gained some experience in how to protect our technologies. For instance, certain technologies that are more difficult to protect – they may be dependant on a simple trick for instance – we do not introduce into China. Others are

systematic approach in place.

*Do you have a philosophy of diversity as well, or is it a 'local for local' approach?*

It's a question of balance – reaping the benefits of diversity and internationalisation while managing the differences. We have two philosophies: one is that we need plenty of local managers for local situations. The other is that it is healthy to have non-Americans in the United States, and in China, to have some Europeans etc. So our second philosophy is that diversity is also valuable. It is very healthy to have people from other nationalities, cultures, backgrounds and companies, bringing fresh ideas and philosophies to DSM.

*Many companies are now moving to other developing countries as China becomes more expensive. Is that an issue for DSM?*

Not yet. We still think that China will remain a low-cost manufacturing country

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'There are a couple of things you do not need to question at DSM – one is sustainability.'

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more easily protected and can be moved. China is important to us but we will continue to invest in factories in Western Europe, the US and Holland, because we want to keep certain technologies here.

*What other challenges does DSM face as a Western business operating in China?*

People are one of our biggest challenges. In most of our China ventures expatriates still occupy the top positions. We would like DSM China run increasingly by Chinese managers who understand the local context, but also the Western way of thinking. Part of the process is bringing our Chinese staff here for one or two years to learn about DSM here and then moving them back to the Chinese office, and vice versa. The development of people takes years; success only comes when you have a

for some time. We see other opportunities, especially in Eastern Europe, for example Russia. We're considering Brazil in the context of biotechnology and India because it remains very big in certain fields such as pharmaceuticals and ICT. But these are in addition to, not instead of, China.

*Sustainability is a core value at DSM. How is sustainability integrated into DSM's corporate strategy?*

The need for sustainable developments is beyond debate at DSM. We very much take the Triple P approach at DSM – people, planet, profit. We aim to create a sustainable and solid financial performance, ensure the development, safety and health of our people, minimise our impact on the environment, and use our knowledge to contribute to non-business-related

community causes. One example of this is our Nutrition Improvement Programme. One of the biggest problems in developing countries is the lack of a healthy nutritional balance, leading to disease due to malnutrition. DSM provides, amongst other things, technical and scientific assistance to programmes dedicated to supplementing the normal diet with vitamins and minerals. These sorts of initiatives define the mindset at DSM. If you are not concerned with sustainability, you will not get far in the company. You have to be careful with any strong philosophy that tells people not to question things, because it is good to be open to doing things differently. But sometimes it is good to say, 'You can question everything, but there are a couple of things you don't need to question' – one of them is sustainability at DSM.' ■

**\*Recently it was announced that as of May 1st 2007 Feike Sijbesma will be Chairman of DSM's Managing Board of Directors. RSM congratulates Mr Sijbesma on his appointment.**

*Feike Sijbesma, DSM Managing Board member, is an RSM alumnus of the 'Postkandidaats Opleiding Bedrijfskunde' (equivalent of an MSc degree) and Member of the RSM Advisory Board: "My education at RSM has been very influential in my career: I had obtained a degree in molecular biology at Utrecht before I came to RSM, and I had two options: a PhD, or entering the business world. I chose business, but to do so felt I needed further education. I chose to do a business administration degree at RSM. Thanks to this qualification along with my previous education, I was offered a job in a biotechnology firm (Gist-brocades). Today at DSM, a technical or scientific background combined with a business degree is still a very attractive combination and something we look for in people we recruit. Especially in regards to innovation, being able to understand science and technology is extremely valuable for us."*



## RSM & DSM – Corporate Partnership

"In June 2006, DSM and RSM formed a corporate partnership. The purpose of the partnership is to provide a platform for the exchange of knowledge, resources, and opportunities between the two organisations. For RSM, cooperation with DSM will provide its students with career opportunities, work experience, and insights into business practice. By collaborating with RSM, DSM gains better access to the talent at RSM, programmes tailor-made to develop the potential of DSM employees, new knowledge, and the expertise of RSM faculty.

Commenting on the partnership, Sijbesma says: "We are a globally-operating company, however our foundation and our roots are in Holland. RSM, being a Dutch school, has a special status for us, but it is also one of the top business schools in Europe, so we know we can expect top quality."

Amongst other things, the partnership includes DSM's participation in research at RSM via the newly inaugurated Centre for Social Innovation, created in cooperation with the Dutch government and other institutes to stimulate innovation in Dutch companies. DSM is one of the centre's founding fathers. "We want to understand more about the elements around innovation," explains

Sijbesma. "It is also something that we are proud to be involved in, because it is a country-wide issue. The centre will be exploring innovation in terms of what the successful models are, how companies can overcome hurdles, and what are best practices. This is obviously of interest to us."

DSM will be contributing to education at RSM via internships, guest lectures and workshops. "It is beneficial for us to participate in the education of RSM's students even if only in a minimal way, because they are potentially our employees," says Sijbesma. "As far as internships, we take students for two reasons: to remain connected to what is in the minds of young people and the philosophies of the new generation, which provides input for our own thinking processes; and because internships offer a very good way of getting to know potential recruits: finding out who fits with us and who doesn't.

We find RSM students are increasingly international and mobile, which are things we are looking for. We also find that they are aware they are studying at one of the top schools in Europe, and identify themselves with excellence. Excellence is something we also look for at DSM."



Why celebrity sells:  
the brain mechanisms of  
*PERSUASION*



## Marketing researchers at RSM are combining the latest neuroimaging techniques to discover more about what goes on in the brains of consumers. For marketers, this may help take the last remaining guesswork out of pricey advertising campaigns.

text Vittorio Busato and Rebecca Morris illustration by Unit20

In 2002, Chrysler launched an advertising campaign featuring Céline Dion as its new brand ambassador. The campaign was a huge success – for Dion, not Chrysler. Dion received US\$14 million dollars for her efforts (a three-year deal); Chrysler, on the other hand, saw almost no impact on sales and dropped the campaign after just one year. How could the marketers have gone so wrong in their predictions? Perhaps they were lured by the success of previously Dion-endorsed products. Only two years earlier the singer had endorsed Japan's Aeon English College, an institute offering English tuition classes, with great results. So what decisive factors were at play in the minds of consumers that saw them buy into one campaign, but not the other? Nowadays, we may be in a position to know.

RSM's Professor Ale Smidts and his colleagues are conducting research on the neural underpinnings of persuasive marketing communication. Smidts and a team that includes RSM post-doctoral fellow Vasily Klucharev, and Professor Guillén Fernández of the F.C. Donders Centre for Cognitive Neuroimaging at Radboud University Nijmegen, are combining traditional marketing research methods with a revolutionary brain-scanning technique: functional Magnetic Resonance Imaging (fMRI) that captures brain activity. Using this technique, they hope to unravel the brain mechanisms involved in persuasion and thereby the key factors that influence consumer decision-making. Their research is fundamental and pio-

neering, says Smidts at his RSM office. "Marketing as a science has always been very open to innovative methods and techniques from other disciplines to gain more knowledge about consumer behaviour," he says. "This research is cross-disciplinary in every sense and extremely innovative, but it is also risky because we do not know if it will lead to any useful, future applications for practitioners. But the objective is to gain new insights into why certain marketing is more effective than others."

### PERSUASION

In scientific literature, persuasive communication has been defined as any message intended to shape, reinforce, or change the responses of others (Miller, 1980). People are exposed daily to hundreds of messages through different communication channels like television, newspapers, magazines and social networks. So ubiquitous is the presence of persuasive communication in our lives that it plays an ever-present role in our decision-making. And yet, says Smidts, we continue to know very little about why and how something persuades.

"Persuasion has been a focus of extensive psychological research but it has been nearly ignored by cognitive neuroscientists," Smidts explains, "For instance, we know that our decisions can be successfully modulated by the opinions of experts. However, the neural underpinnings of this fundamental social phenomenon have hardly been studied."

In a world where billions of dollars are shelled out to celebrities on the basis of their capacity to persuade consumers

– knowing when a celebrity endorsement will be effective and when it will not has widespread practical utility. Marketers are increasingly hiring celebrities to present their products and services. Twenty years ago in U.S. primetime TV commercials, only about 5% featured a celebrity presenter. Now the best recent estimate is that around 20% feature a celebrity presenter. A famous example is Tiger Woods who was paid \$150 million by Nike in 2000 to endorse golf products, and going by his current form, will likely have his endorsement renewed for double that sum.

Importantly, most of these celebrity ads are created with little or no explicit message – they depend entirely on the celebrity and their connection with the consumer for impact.

Typical examples are Nicole Kidman's ads for Chanel perfume and Brad Pitt's for Tag Heuer watches, both of which depict only the star and the branded product. Moreover, according to recent research on the subject, only half of these advertising campaigns are effective. Counter to the recent trend in marketing campaigns, the endorsement of a celebrity per se is not effective: celebrity campaigns are as likely to fail as to succeed. But what determines when they do, and when they don't? According to the research of Smidts and his colleagues, it comes down to trust in the celebrity as an expert. In 2005, Smidts and his Australian colleague Professor John Rossiter, who holds a visiting Advertising Chair at RSM, developed the concept of an 'expertise hook'. According to the 'expertise hook' model, there is one main ►



**Prof. dr. Guillén Fernández** is a neurologist and a leading expert in memory research. Since 2002 he has been Principle Investigator at the E.C. Donders Centre; in 2006 he became a full professor at the

Department of Neurology, Radboud University Nijmegen. In 2005 he was the recipient of the highly prestigious Vici Award given by the Dutch Organisation for Scientific Research (NWO) for his research programme on emotional memory.



**Dr. Vasily Klucharev** is a cognitive neuroscientist and an expert in affective and social neuroscience. He holds a doctorate in physiology from St

Petersburg State University, Russia. In 2006 he became one of the academic leaders of the EU-Tempus master programme, 'From Neuron to Cognition' in St Petersburg. Since November 2004 he has been an ERIM Postdoc Fellow, while based at the E.C. Donders Centre.



**Prof. dr. Ale Smidts** is a professor of marketing research with expertise in behavioural decision-making, risk attitudes and persuasive communication. He is currently Dean of Research at RSM and

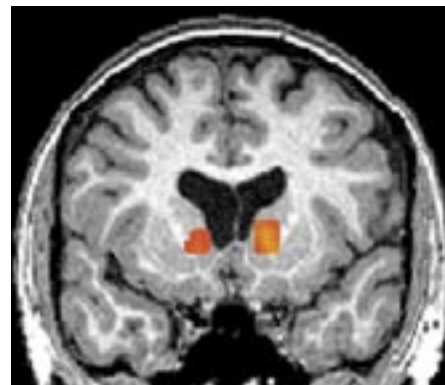
Scientific Director of the Erasmus Research Institute of Management (ERIM). His inaugural address of 2002 (Brain Imaging: Opportunities for Neuromarketing) is available online in Dutch and English.

Ale Smidts and Vasily Klucharev are members of the Erasmus Centre for Neuroeconomics: [www.irim.eur.nl/neuroeconomics](http://www.irim.eur.nl/neuroeconomics)

critical success factor involved in boosting the appeal of a new product through the inclusion of famous people: the celebrity must have an immediately perceived (by the public) 'expertise hook' for the product. Without this, the celebrity's endorsement is very likely to have no effect on sales. In the case of Céline Dion, Dion is not considered an expert for cars. Because her link with cars is tenuous, her expertise is not convincing, and she did not encourage consumers to trust her judgement of the product. However, since she sings in several languages, she invoked trust in her expertise as a language-expert, and thereby in the product she was endorsing – an English tuition college. Importantly, says Smidts, it is this link between trust in the judgement of the expert and persuasion, that is the key. More interesting still, this connection can be seen in the brain activity of consumers.

## NEUROMARKETING

In recent years, due to technological progress and groundbreaking research in disciplines like biology, neurology and cognitive psychology, knowledge about the human brain has increased enormously. Activity in our brain can today be measured and visualised with a technique called neuroimaging. Examples of these techniques are the Electroencephalography (EEG), the Magnetoencephalography (MEG), Positron Emission Tomography (PET) and the fMRI. The first two techniques reveal the electromagnetic activity of the brain. The more advanced and precise PET and fMRI measure the local blood flow and the use of oxygen in the brain, and are able to show, for example, which brain areas are activated when remembering or paying attention to something, or when making decisions. Facilitating the use of this equipment by researchers in various academic fields is the interdisciplinary Donders Centre, which provides researchers access to the latest neuroimaging equipment. In scientific literature, neuroeconomics and neuromarketing are among the names given to this area of research that combines marketing and economics with neuroimaging tech-



*A scan reveals enhanced activity in the caudate nucleus (areas in red) in response to the high-level perceived expertise of the celebrity endorsing the product. Recent research has shown that caudate activity correlates with the intention to trust.*

niques. The discipline draws on economics, psychology, and neuroscience theory to gain a comprehensive understanding of human consumer behaviour.

As a marketing academic, Smidts is curious to see how these techniques contribute to a better understanding of the brain mechanisms that deal with remembering and recognising commercials and products, and hence influence the decisions of consumers.

The first concept he and his team have tested is the concept of an 'expertise hook'. To do this, Smidts, Klucharev and Fernández designed an experiment using fMRI that simulated advertising, thereby revealing the mechanisms involved in effective persuasion in terms of modulation of attitude – and memory – related neuronal activity.

The experiment required 24 participating subjects – young females interested in celebrities – to be monitored for around an hour in the scanner. While being scanned, they were presented with a photograph of a celebrity (for 1 second). Several seconds later they were shown a photograph of an everyday product (also for 1 second). In total, 180 combinations of celebrity and product were shown to the subjects. Around half of these celebrities were perceived experts for the subsequent ►

products, and the other half had no connection with the product. The expert-association between the celebrities and the products was counterbalanced – each celebrity served equally often as expert and non-expert (for example, Andre Agassi was followed with a photo of a tennis racket or by an alcoholic drink). One day later, the subjects returned to the lab and both their memory of the product and their attitude towards the product (i.e. their buying intention) were measured. As expected, experts had strong behav-

a set of brain regions involved in trusting behaviour and memory encoding that probably contribute to effective persuasion.”

Although scientifically enthusiastic, Smidts is down to earth about possible future applications for practitioners: “Our results suggest that marketers should screen potential celebrities for immediately perceived expertise and strong associations of credibility and trustworthiness for the specific product,” he says. “Selecting celebrities just on how well-known they are

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**Trust is a key element in persuasion, says Smidts. More interesting still, this connection can be seen in the brain activity of consumers.**

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oural effects. The subjects revealed higher intention to buy a product when celebrities were seen as product-experts. The presence of experts also enhanced their memory of the product significantly, caused by increased activity in the hippocampus, an important brain area for memory encoding in general. Additionally, celebrities with high levels of perceived expertise evoked particularly enhanced caudate activity in addition to this higher buying intention; in other words, modulation of caudate activity could be seen to play an important role in determining the extent to which an expert induced persuasive behavioural effects. In scientific literature, the caudate nucleus is known as an old evolutionary structure involved in fundamental learning and emotional processes. Recent research has shown that caudate activity correlates with the intention to trust. The conclusion? A celebrity with high expertise induces trust of judgement, thereby convincing us of a product's inherent value.

#### FUNDAMENTAL RESEARCH

At this point, their paper is in the scientific review process. Needless to say, however, these early results uncover some fundamental neural mechanisms underlying persuasive communication. “By and large,” Smidts says, “this data suggests that persuasive experts modulate the activity in

or their physical attractiveness will not suffice – it can simply waste money. However, we are in an exploratory phase. In, say, ten years, we will be in a better position to conclude if applications of these neuroimaging techniques for marketing purposes are indeed as promising in predicting consumer behaviour as they now seem to be.”




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**Fashion giant Chanel enlisted Australian actress Nicole Kidman to star in an advertisement directed by Baz Luhrmann.**

*Photography: Stephane Cardinale/  
People Avenue/Corbis*

# Green Technology

# THE NEW IT

As sustainability becomes the next big investment boom, RSM Outlook talks to venture capitalist and RSM alumnus, Nityen Lal, about the business of going green. **text** Tim Skelton & Rebecca Morris **illustrations** Enio Ramalho **photography** Gerrit Pharos Advies



Until recently, sustainability was generally confined to the PR agenda of most big businesses. Now corporate giants from European food conglomerate Unilever, to U.S. retailer Wal-Mart, are committing themselves to ambitious sustainability goals as a strategic necessity for remaining competitive in the coming decades. The factors behind this sea-change include

tightening environmental regulations, rising oil prices, fears over energy security and pressure from an increasingly green public.

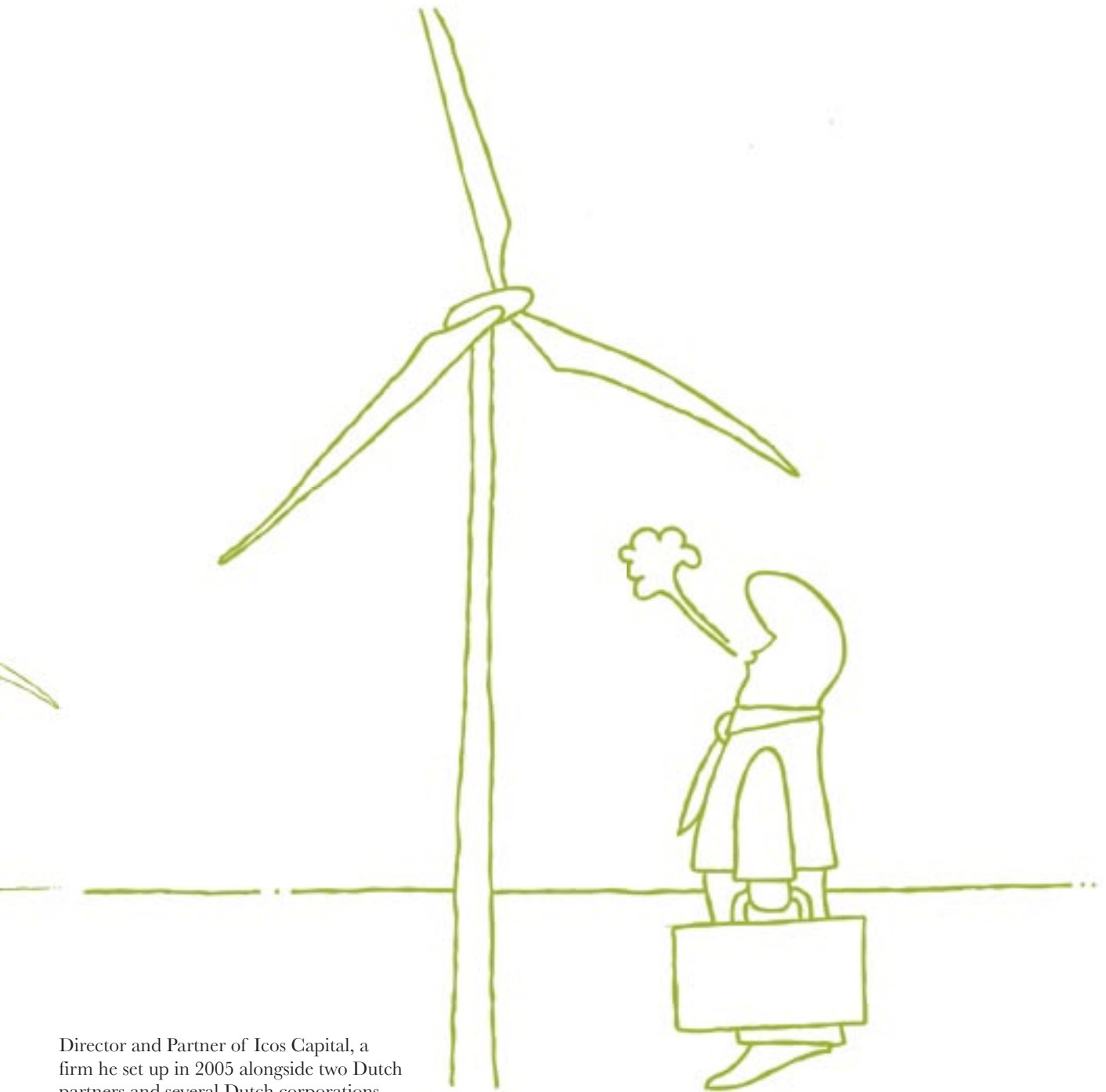
The result is a growing demand by corporations for clean or environmental technologies (ET), fuelling an investment boom that, so say observers, could eclipse the information technology frenzy of recent years. “The energy crisis and climate change are the biggest drivers of

technological innovation right now,” says venture capitalist Nityen Lal. “Innovation has driven this world from the very beginning. Real changes in the way we are using the earth’s resources need to be driven by entrepreneurs.”

## A BOOM IN GREEN INVESTMENT

Nityen Lal, an alumnus of RSM’s MBA programme, is among this growing breed of green investors. Mr Lal is Managing





Director and Partner of Icos Capital, a firm he set up in 2005 alongside two Dutch partners and several Dutch corporations, that invests in technologies that promote sustainability.

The firm targets technologies in the areas of food, energy and waste, and aims to attract scientists and technology experts, as well as entrepreneurs who can develop the technology into successful start-ups.

“We focus on funding first stage technol- ▶



ogy (ideas and products) that are out of the lab and ready for a market launch,” says Mr Lal. “Quite simply it is hot. There is a rapidly growing demand for sustainable products and services; the business opportunities are tremendous.” Like Icos Capital, more and more investment firms are looking to financially back sustainable technology. The Economist reports that global investment in sustain-

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‘We are going to see an enormous amount of innovation coming out this’ – Nityen Lal

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able technology in 2006 was around US\$63 billion, a figure that has doubled in just two years. Over the same period, input from venture capitalists and private equity companies quadrupled to around US\$2 billion. And investment is increasing as more backers sense an opportunity. New environmental regulations are one of the factors driving demand by companies for new technologies. In January 2007, the

European Commission (EC) revealed its vision for a sustainable Europe. This includes the setting of new targets – 20% of all energy to be produced from renewable sources by 2020, along with a 10% share of biofuels in the transport sector. Such pledges have been made before, but this time they will be legally binding. Consumer and market behaviour are also being increasingly driven by environmental concerns. The United Nations’ Intergovernmental Panel on Climate Change’s 4th assessment report released on February 3rd 2007 will only fan the fire. The work of 2,500 scientists, it gives the world its strongest warning yet that we must reduce greenhouse gas emissions or face “catastrophic” climate change. Companies are switching gears so as not to be left behind. Marks & Spencer Group PLC, Britain’s largest clothes retailer, has announced plans to become carbon neutral in five years under a £200m “eco-plan”. Tesco, Europe’s largest supermarket chain after the French-based Carrefour, has unveiled plans to publish environmental information on its products, allowing con-



sumers to make informed choices. The EC's energy targets have also made sustainable investment increasingly attractive for venture capitalists. The EU for instance, is offering subsidies, 'carrots', to investors in green projects. In Germany, these subsidies are considerable. For a windmill project, an investor can generate around 20% IRR at minimum risk. This focus on renewable sources will see some of the older industries get hurt. But it is all good news for investors in green technology and even better news for society. Private investment in green technologies means innovation will soar. In a sustainable future shaped by green technologies, coal and gas-fired power stations will be replaced by renewable alternatives like solar and wind power; petrol and diesel will be replaced by cleaner fuels derived from plants and waste matter; the internal combustion engine by fuel cells running on hydrogen. "We are going to see an enormous amount of innovation coming out this," says Mr Lal.

### GREEN ENTREPRENEURS

Matteo Prezzi is another alumnus of

RSM's MBA programme and an entrepreneur in the business of sustainable technology.

Mr Prezzi set up SAFE Marine Nanotechnologies in 2005, a company that develops proprietary nano-material for industrial- and marine-application paints. The evaporation of solvents from standard-formula paint is a major factor in the reduction of the ozone layer; solvent fumes are also toxic when inhaled and can create health problems.

Nanocomposite materials are created with sol-gel technology and blend the properties of inorganic and organic matter: they are solvent-free.

"Solvent emissions are subject to increasingly stringent regulations so there is a real need by the market for this kind of technology," Mr Prezzi.

Mr Prezzi estimates that the marine market – mainly shipyards, shipping companies, and the navy – is around €1.5 billion. He estimates that the market for industrial applications is around €2 billion.

In fact, one of the biggest challenges for investors in green technology is not lack

of technology or opportunity, but a lack of entrepreneurs like Mr Prezzi to develop the businesses they are willing to fund.

"We have a shortage of entrepreneurs willing to go all the way to make a company happen," says Mr Lal. "But it is an incredibly rewarding career for entrepreneurs both from an ethical standpoint and as a money-making opportunity."

Green entrepreneurship often has initial low returns, but the long-term rewards make it worthwhile, he says: "It is the people that are willing to persevere for more than the first couple of years who really reap the benefits. Once you get over the initial hurdles you start to see the returns come in, and eventually they keep coming."

### GOLDEN OPPORTUNITIES

According to Mr Lal, the opportunities are tremendous. "The business opportunities are beyond the dreams of most people," he says. "As investors, we are looking for a return, but it is the entrepreneurs who make the bigger profits."

On an average week he meets with a ▶



couple of potential entrepreneurs: “We find them roles in existing start-ups, or in new start-ups,” he says. “Others come to us with a project. They may be working for a large corporation and have an interesting in-house project, but the financing and scope are limited and they need our help to bring these out.”

He looks for MBA graduates in their late 30s or early 40s: “The people we look for might be in middle management in a large

technology emerging out of labs, corporations and garage start-ups.”

### A GREEN FUTURE?

Given this new shift toward sustainable technology, the future certainly looks green.

“Sustainability will be one of the drivers of business ventures in the next 20 years or so,” says Mr Prezzi. Mr Lal agrees. “Consumers have done the biggest service

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**‘One of the biggest challenges for investors in green technology is not lack of technology or opportunity, but a lack of entrepreneurs.’**

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company, and are now reflecting on their achievements,” he says. “They realise they may not be able to achieve their financial and/or professional goals in a larger corporation, and are ready for a new approach with more independence. They really want to achieve something with their life. While you do not need an MBA to be these things, we look for people with MBAs because they have proven themselves to be driven and constructive in what they want.”

Icos Capital target returns close to 40 to 50% IRR. While that is fairly high, it should only get higher. “Some proposals we are looking at, particularly involving converting waste into energy, steam, bio-fuels etc, are capable of delivering returns at considerably lower risk than we thought possible,” he says. “We are constantly amazed by the interesting stuff coming out.”

Certain technology is more likely to catch his eye than others: “We invest in disruptive technologies, improving by an order of magnitude solutions to existing problems” he says. “For example, a plant might contain enough energy to drive from Amsterdam to Eindhoven, but the technology is not yet available to convert that energy effectively. We invest in proven

to the environment by asking for sustainable products and services. Now corporate executives are waking up to the fact that green technology is necessary to build a business. They are realising sustainability sells.”

Previously shunned by the establishment, sustainability is now becoming the establishment. Yet in order for green technology to do the same, it needs serious innovators to join its ranks, he says.

“Sustainable innovation does not yet have a spokesperson like Al Gore,” says Mr Lal. “Policy can only do so much. Richard Branson has done something interesting by putting together a plan which he thinks can drastically reduce pollution from his aircraft – he is what I would call an innovator. We need more people like that.” ■

**WEB** For more information visit:  
[www.icoscapital.com](http://www.icoscapital.com)



# THE ET CONSULTANT



Else Boutkan (MBA '00) develops business plans for entrepreneurs and companies with environmental technology suitable for the developing world.

text Rebecca Morris Photography Kimberly Gomes

Every minute, ten people in the world die because of lack of clean drinking water. That is 5 million a year. Everyone knows about poverty and hunger, but drinking water is one of the biggest disasters for the third world right now. This is the main message of the foundation I am setting up called the Blue Peter Foundation; and the focus of my work over the last few years.

I work as a consultant in sustainability. Many of my assignments involve developing business plans that enable entrepreneurs in the first world to bring their technology to the market in the third world. Sustainable technology is a rapidly growing industry with more and more opportunities. And entrepreneurship in third world countries is a tool that has value both for reducing poverty in a sustainable way, and for making money.

I set up my consultancy firm in 2001, a

year after my MBA. My first assignment was with twelve multinationals, working with NGOs and other organisations to create an ecological programme. I built up a network of entrepreneurs and contacts in the water industry which lead to many more assignments, and I've been working in this field ever since.

The basic problem is that water in the third world is polluted. Around one billion people are forced to buy water from trucks or in bottles for which they pay ten to 100 times more than we pay; often 50 percent of the money they have.

In the first world, we have technology that would provide them with clean water at a much cheaper rate: solar-powered machines that remove the impurities in a distillation process, for instance. This technology is being developed by spin-offs of multinationals or small entrepreneurs working from home. And they all have the same question: how can we expand into third world markets?

This is where I come in. As a result of my MBA I know how to translate these ideas into a solid business case. The entrepreneur approaches me, and then I approach various organisations such as banks to finance the hardware, and NGOs to contact the local people and train a local entrepreneur close to the market. It is strange to talk about these people as a market. But bringing this technology to the people in a way that both the local entrepreneur and the entrepreneur here can make a living out of it, ensures we are helping them in a sustainable way.

A recent example is a programme we developed in India in which 50 small vil-

lages are each given a water-purification machine. An NGO has appointed a 'water entrepreneur' to be responsible for the machine, and trained them to maintain it and collect money from the villagers to repay the bank – in this case, a Dutch bank that is financing the local NGOs, who bought the equipment from the Dutch entrepreneur, who contacted me.

A lot of my work is about partnership building. Often I am like a bridge between the corporate world and the non-profit world, and a lot of differences still exist. This is getting easier as awareness grows and sustainability gets higher on the corporate agenda. Sustainability is only just reaching the mainstream now and I feel like one of the pioneers. But we still need development on the business side – more entrepreneurs, business concepts, and economic drivers.

My most recent assignment is the Blue Peter Foundation. Rather than technology, this is about generating publicity and media presence which requires marketing and strategic thinking – skills I learned in my MBA. Charities such as Blue Peter need a business perspective to boom, and I am in a position to provide that.

Al Gore's movie 'An Inconvenient Truth' was designed to raise public awareness. What we see now is that every political party has climate on his or her agenda. With the Blue Peter Foundation we want to achieve a similar thing – raise awareness about the world's water issues to increase pressure on governments to set this problem higher on the agenda. ■

**WEB** Else Boutkan: [www.somethingelse.nl](http://www.somethingelse.nl)



# Tap into Social

Ask your average employee if work productivity and socialising with colleagues are connected and they will likely say no. If anything, common belief tells us the opposite: that we are wasting company time when we chat with colleagues at the coffee machine. The various colours and textures of our working relationships – the fact that with some people we exchange niceties, with others divulge personal issues, with others swap ideas – seem incidental when it comes to the much larger issue of the organisation's performance. But are they?

To Dr Karen Stephenson, an anthropologist and pioneer in the field of social network analysis, these seemingly inconsequential micro-meetings that go on within an organisation add up to a thrumming hive of information exchange that has more sway over the success of an enterprise than any formal hierarchy. These exchanges form the bloodlines of an organisation, she says, the circulatory system through which the bulk of its information moves. The relative strength or weakness of this network is therefore capable of determining an organisation's efficiency,



# Capital

To be a successful manager you need to know who your company's "cultural carriers" are, says social network theorist Dr Karen Stephenson.

text Rebecca Morris photography Courtesy of Strategy + Business

productivity and capacity for innovation. Tap into these networks, and you have in your hands a vast resource with which to influence performance.

The notion of social networks has come into the public fore in recent years. Malcolm Gladwell in his bestseller, "The Tipping Point: How Little Things Can Make a Big Difference", depicted how social networks can turn small exchanges into change of epic proportion. Conflicting 'organisational cultures', of which social

networks are a major constituent, are one of the mostly commonly cited reasons behind failed mergers (Stephenson has long made this claim).

Consider the now famous 'failed' merger of global web services company AOL and media conglomerate Time Warner. In the years since, blame for the company's disastrous performance post-merger has most commonly been pinned on a cultural clash between AOL's 'high-living dealmakers' and the 'the staid Time Warnerites'.

Moreover, many studies have shown that the best ideas arise out of informal (social) rather than formal contact. Innovation, it would seem, is primarily a social activity – born out of chemistry between individuals. But knowledge of networks is one thing; accessing and influencing the largely invisible web that surreptitiously governs the fate of your organisation, is another. Enter Dr Karen Stephenson. Dr Stephenson, who has a PhD in anthropology from Harvard University, has made ►

a science of mapping human networks in organisations. Described by *Business 2.0* as “The Organization Woman”, she uses her patented software to profile the health of an organisation’s networks and prescribe new configurations to improve performance in any number of areas from innovation to staff retention.

Global financial firm J.P.Morgan and Company employed Stephenson’s help in their merger with bank-holding company Chase Manhattan Corporation; Merrill Lynch, a financial management and advisory company, to explore why some of its human resources managers were more globally effective than others; Hewlett-Packard Company, the world’s largest information technology corporation, to foster innovation; Steelcase Inc. Design, a U.S. office equipment manufacturer, to design workspace that facilitates communication.

Dr Stephenson is currently working with media companies looking to adapt to the transforming media industry heralded by new media like blogging. She is also studying the effects of globalisation on network-building using the diverse student body at RSM Erasmus University.

“Stephenson has taken research [into social network theory] beyond description and into prescription,” writes U.S. business writer Art Kleiner in *Strategy+Business*, issue 29, “suggesting ways to intervene and improve the organisation, literally by putting people into different roles based on their capacities as networkers.”

## SOCIAL NETWORK THEORY

A maverick and influential academic, Dr Stephenson is the leading figure in a rapidly growing academic field called social network analysis, “the fastest growing field in management science,” according to RSM’s Associate Professor of Strategic Management, Patrick Reinmoeller. The field is based on the notion that modelling techniques used by theoretical physicists to study subatomic particles can be applied to human interaction in order to capture the patterns of human contact.

According to social network theory, plot the various forms of contact between individuals within an organisation, and you will discover that overlaying the formal hierarchy are ‘layers’ (or networks) of knowledge. Dr Stephenson describes it as, “a landscape below which there are stratigraphic layers of knowledge that merge and compete for space.” While Dr Stephenson analyses many layers of knowledge, she highlights six core layers – networks – in her published work. These are networks based on day-to-day work contact (what she calls ‘work networks’); networks based on people who consider themselves sufficiently on the same wavelength to try out new ideas (‘innovation networks’); and networks based upon sharing gossip and airing grievances (‘social networks’). There are also ‘expert knowledge networks’, ‘career guidance networks’ and ‘learning networks’.

Together, these six knowledge layers comprise the circulatory systems of the

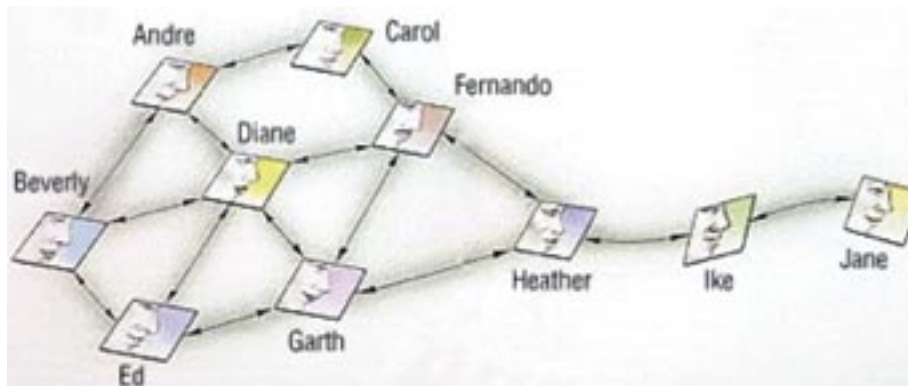
organisation. According to Dr Stephenson, they also form predictable patterns, within which three key categories of people can be seen to play the largest role in the transfer of information.

“There are individuals that come up time and time again in the software analyses,” she says. “They are largely invisible to members of the hierarchy but are grossly underestimated in terms of their ability to influence and persuade others.”

A decade before Gladwell popularized these roles in his book, Dr Stephenson identified these network archetypes (or “cultural carriers”) as hubs, pulsetakers, and gatekeepers. Hubs are well-connected individuals with extensive contact with numerous others. They attend all the meetings, they answer emails and their emails are answered. They are pivotal gatherers and disseminators of information. Pulsetakers, another archetype, are less well-connected, but the connections are strong, influential and diverse, making them less visible but privy to important information. The third archetypes, the gatekeepers, are individuals who are able to control the flow of information to particular parts of the organisation, making them potential knowledge bottlenecks. A hub could be a woman who works in production, and who is in with all the key players along the distribution chain. A gatekeeper could be someone who runs a department that is otherwise disconnected from the organisation, and who has key contacts with influential individuals.

You cannot identify these people in an organisational chart, says Dr Stephenson, but they are just as powerful. Knowing who talks to whom in other words, is just as important as knowing who reports to whom. A good manager, she says, will know and utilise these key players to spread their ideas like pieces in a chess game.

“The key is this: each and every network has three pivotal nodes which if properly identified can be used to change any culture,” she says. “By identifying and incorporating the cultural carriers into the change process, the rest of the network and logically, the rest of the culture, will be dramatically affected.”



According to Dr Stephenson, every organisation is comprised of networks, and every network contains central nodes – the hubs (Diane), the gatekeepers (Heather), and the pulsetakers (Fernando and Garth).



The idea of different roles in social networks has a long-established tradition in social network theory. But Dr Stephenson brings a “mathematical rigour to this otherwise fuzzy phenomenon of information and opinion flows and ... its workings within organisations,” writes Carol Kennedy, an award-winning business writer and author of the book “Guide to Management Gurus” which profiles Dr Stephenson in a shortlist of 55.

Dr Stephenson has developed and patented algorithms and software for analysing human networks under her company NetForm International, a web-based licensing company. Through her software, she is able to pinpoint precisely who the key individuals are and their unique contribution to the movement of information. Moreover, she is able to prescribe reconfigurations based on people’s different strengths as knowledge disseminators. When Dr Stephenson conducts a network

can also be your best allies if they understand the role they play in progress.”

### A MAVERICK ACADEMIC

Based on appearance, Dr Stephenson would fit as well in art or literary circles as in corporate business – an impression that is not deceiving. Stephenson began her career as a fine arts and chemistry graduate of Austin College in Texas: “I chose my career in Quantum Chemistry and used art to keep me sane,” she says.

While a doctoral student at the University of Utah, a school she chose because of its leading faculty in quantum chemistry, she noticed the human interaction in the lab she managed formed repeating patterns – patterns not dissimilar to those dictated by quantum chemistry. “There was more to calculus than devising formulas for describing the shape of space,” she says, “there was also a calculus of human exchange.”

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“When organisations merge, the problems you see are often caused by hidden nodes who take it upon themselves to obstruct change.” – Dr Stephenson.

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analysis on an organisation, a process that takes an average of 30 days, she conducts a survey of at least 80 percent of the organisation. Individuals are asked questions such as who they go to for ideas, who they approach for career advice, and who they socialise with. This information is then fed into her software to produce a series of maps showing the links between individuals, the frequency with which they communicate, the relative significance of their communication and through how many people it passes. “This is where the analysis begins,” she says.

She likens the process to taking an X-ray of an organisation. Like an X-ray, the analysis uncovers small but hidden pathologies, which if not treated, become much bigger problems. “When organisations merge, the problems you see are often caused by these hidden nodes who take it upon themselves to obstruct change,” she says, “they become bottlenecks. But they

Three years into her graduate studies in maths and physics, she walked across campus to the Department of Anthropology, “on a hunch,” she says, “I wanted to test out my theories. And I’ve endured the Sturm und Drang of building a career and reputation over the next 30 years pursuing that hunch.”

Dr Stephenson was accepted as a PhD candidate at Harvard’s anthropology department. For her doctoral dissertation on the highly innovative technology company Bolt, Beranek and Newman (BBN), she (with Harvard statistical scientist Marvin Zelen), devised her first formula for ranking the weight of individuals as knowledge conduits.

She began to use this formula to monitor how different organisations changed over time, initially working at Harvard, then at UCLA, and later from her office in Greenwich Village in New York, where she set up her software company. In a major ►

research project in the 1990s for IBM's Advanced Business Unit, she identified her now-famous roles of hubs, gatekeepers and pulsetakers.

Today, Dr Stephenson is both a management academic teaching at RSM, and consultant for numerous high profile organisations. In 2006, she was honoured with a Katherine Hepburn Medal – an initiative of the Katharine Houghton Hepburn Centre in the United States – given to women in recognition of their contribution to research relating to civic engagement: in Stephenson's case, to honour her pioneering work in social network analysis.

### TRUST IS THE KEY

Many social scientists have written about the value of trust. Francis Fukuyama, Mark Granovetter, and Robert Putman all made compelling cases that societies with high-trust have significantly lower transac-

of information exchange across its various networks," says Dr Stephenson. For an example of this, think of a colleague you would contact if you had an important question on an assignment. Now ask yourself why you chose this person. Most likely it was because experience shows you can trust them to respond, trust them not to take advantage of your lack of knowledge, and trust their judgement. Quite often organisations will be healthy in certain networks (have a high degree of trust) and less healthy in others, says Dr Stephenson. They may have a healthy work network for instance, with an abundance of freely-accessible information, but an unhealthy innovation network. Most organisations shift in their profiles over time. Most importantly, they can proactively shape their profile. "Organisations have it within their power to build and cultivate the levels of trust

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Through Stephenson's software, she is able to pinpoint precisely who the key individuals are and their unique contribution to the movement of information.

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tion costs, and therefore a key advantage over cultures where suspicion supersedes trust.

In Dr Stephenson's forthcoming book "Quantum Theory of Trust" (published by the Financial Times), she argues that it is this same age-old human perception that determines the number and strength of links between individuals in an organisation. Trust, she says, is the lubricant needed for the exchange of knowledge. It is trust that underpins the links between individuals (hubs are characterised by extremely high levels of trust) and their ability to deploy knowledge together, and therefore trust that determines the health of an organisation's networks. Without it, innovation seeps away, knowledge is bottlenecked, competition extinguishes collaboration.

"A healthy social network profile with high levels of trust will show a high-rate

between individuals as well as reorganise their networks to facilitate knowledge flow," says Dr Stephenson.

### TAPPING INTO YOUR SOCIAL NETWORKS

An easy way to improve the level of trust in an organisation, she says, is to increase the speed with which people respond to communication. When people return our calls or emails with sustained timeliness, it sends a message that we can rely on them, because our connection, however small, is important enough to claim their attention. Similarly, an organisation can increase the speed and scope of its information flow by knowing the key people who need to be involved in distributing the new information. Major change can be orchestrated far more rapidly by involving the most highly-trusted individuals (the hubs).

Likewise, innovation can be harvested by

simply altering who works with whom. "If I wanted to increase learning in a company," she said in her interview with Art Kleiner, "I would take a gatekeeper in an innovation network and put him or her with a pulsetaker in an expert network. That's an algorithm for facilitating the distribution of knowledge."

Of course, it works both ways. You can inadvertently break apart valuable networks by removing key figures or failing to involve them in the orchestration of change, resulting in lack of integration and the famous "cultural clash" blamed for unsuccessful mergers.

Yet isn't there something Orwellian about deliberating manufacturing human con-

nections? Dr Stephenson assures us not. "You can't legislate trust, you can only provide opportunities for it to grow," she says. In the age of the knowledge economy, providing these opportunities could prove ever more advantageous. ■

**WEB** More information can be found on Dr Stephenson's websites: [www.drkaren.us](http://www.drkaren.us) and [www.netform.com](http://www.netform.com).

Her forthcoming book, *The Quantum Theory of Trust*, is being published by The Financial Times.

**Carol Kennedy** is the author of Stephenson's profile in *The Guide to Management Gurus*, in which Stephenson is profiled.

## Network Analysis at RSM

### Students at RSM learn networking with the input of Dr Karen Stephenson

Network analysis has been used in RSM's MBA programmes since 2004. From 2007, the initiative will be extended in stages across the school's pre-experience programmes.

"By showing individuals the breadth and type of networks they are forming, you give them a chance to work on mitigating unproductive behaviour," says RSM's Professor Patrick Reinmoeller, who has been advocating the innovation's broader application. "Particularly in the upper echelons of business, networking skills are mandatory for success."

Reinmoeller first approached Karen Stephenson in 2004 about conducting a network analysis in his Strategy Management elective. Together they developed a prototype in which students filled out online questionnaires indicating their connections with other students. Using Stephenson's software, they produced a series of visuals capturing the networks within the class; individuals were given a confidential code to identify their position

on the graph. The prototype was a success: "It brought networking theory to life," says Reinmoeller.

A decision was then made by Dianne Bevelander, Executive Director of the MBA Programmes, to build the initiative on a larger and more intensive scale as part of personal leadership development.

Stephenson and Bevelander have since been investing heavily in developing networking analysis throughout the MBA programme. Bevelander uses the results to show students their current capabilities and provide appropriate interventions before re-measuring some months later. She says, "It is a way of showing students how they are developing and where they still display 'blind spots' that need further effort and attention."

The process is not easy on the students she says, especially due to the diversity of the student body: "Seeing the limitations of one's networks can be uncomfortable. One is often confronted not just with difference, but

with one's own principles, strengths and weaknesses."

Coaching and mentoring is deployed to help individuals move away from preconceptions and obtain the full benefits of a social network. It is not always about expanding their networks. Some students invest too much time in social networks, while their work network suffers – it requires finding the right balance.

Both Stephenson and Bevelander are also interested in the results of these analyses. RSM's MBA programmes include around 40 different nationalities: a unique laboratory for network analysis.

"RSM has one of the most diverse student bodies I have encountered," she says. "For me it is really important to understand the impact of this diversity on the formation of networks and RSM offers a great opportunity to study and teach this."

**WEB** For more information on SNA at RSM contact Dianne Bevelander: [dbevelander@rsm.nl](mailto:dbevelander@rsm.nl)

# The Changing Face of Business Education

In the wake of the Bologna Accord, a new demographic of students in Europe is already emerging: Welcome to the new global classroom.

text Rebecca Morris photography Nard Buijs



Alessandro Albanese is a 23-year-old from Biella near Milan, Italy. Alessandro studied for his bachelor degree in business administration at Bocconi University. After completing his three-year degree, he applied for a Master of Science in International Business Administration (Finance & Investments) at RSM Erasmus University. Like many students, his reasons were simple – he wanted to diversify his resume with more than one top school, but also study an English-language programme in an international environment to better prepare him for a career in the international job market. He chose RSM because it offered both, as well as affordable tuition fees compared with schools in the UK. ▶







“I chose RSM based on rankings – it is better for getting a job if your school is known – and because it is an English programme,” he says. “Since being at RSM my friends are almost all non-Italian – German, Swedish and Norwegian. I already have a job in an investment bank in London for when I complete my MSc

in July. The fact that I have experienced an international environment and that my fluency in English has improved enormously makes me much more comfortable joining this international company.”

Alessandro is representative of a new demographic of master (MSc) students entering European business schools. We have all

heard and read about the Bologna Accord. Now with D-day for standardisation less than two years away and the arrival of the first master rankings increasing competition between schools, much more cross-fertilisation of students across European schools is already taking place, as well as many more students from across the globe entering the European higher education pipeline.

The old rule used to be: the more advanced the degree (MBA and PhD programmes being more advanced) the higher the degree of internationalisation. But these new market conditions are seeing internationalisation spread to pre-experience (bachelor's and master's) programmes in Europe, affecting everything from teaching practices, to campus life and services.

## Jairaan Ebrahimi chose RSM because it was English-language but “less expensive than the UK.”



### ONE EUROPE, ONE HIGHER EDUCATION MARKET

Professor Eric Waarts, Dean BSc & MSc programmes at RSM, has watched the school's student demographic evolve over a 26-year period. When Professor Waarts joined RSM in 1981, the school was based in Delft and offered a small, two-year Dutch master's programme for 150 students. After moving to Rotterdam in 1984, the programme scaled-up to a full-fledged four-year bachelor/master programme with an intake of around 600 Dutch students.

Possibly the biggest change for RSM's pre-experience programmes came in 2000, when the school launched its international bachelor programme. Here was a programme taught in English and deliberately targeted at an international market. A special status granted by the Dutch government allowed the school to selectively recruit 50% of the programme's student body from abroad. This international student body completed their three-year bachelor before moving into the newly-converted English master's programme, along with the students from the Dutch bachelor programme.

“This was part of the vision of Paul Verhaegen, the previous dean of the school,” explains Professor Waarts.

“Verhaegen saw that the bachelor-master

structure would be in place and that the market would become European, if not international. This was a way of getting the infrastructure in place early – it was a smart move.”

Three years ago, RSM formally separated its bachelor and master programmes to comply with the Bologna agreement. In the first year of separation, the freestanding master's received around ten bachelor students from external universities, says Professor Waarts. At last count (a mere three years later) this number is around 200 – twenty percent of the overall master's candidates – and it will continue to grow.

Alessandro is one of these new migrating European students. He joins bachelor students from Spain's ESADE, HEC in Paris, and other schools around Europe who have transferred to RSM for their master's. Likewise, RSM bachelor graduates are pursuing master's at other schools including London Business School. Rather than try to retain these students, RSM encourages them to go abroad, says Waarts. After all, there are a more than equal number of international students lining up to replace them, with the most applications within Europe coming from Germany, Greece and Eastern Europe.

Yet increased mobility within the European market is not the only consequence of standardisation: it has also made these programmes more attractive to world-wide students previously deterred by Europe's idiosyncratic qualification systems. A draw-card for mainland European schools (particularly over rival US and UK schools) is lower tuition fees, and conversion to English is levelling the last obstacles. Moreover, the unique plurality of cultures and languages found in European schools is seen as better-preparing students for the global marketplace.

At RSM, the largest number of applications world-wide is coming from China, followed by Indonesia. The North American market is also growing – with 15 students in this year's programmes.

“We are seeing that more people from the US are looking for an experience in Europe,” says Professor Waarts. “It

provides experience abroad which is becoming increasingly valued by company recruiters. It is not as expensive, and we have a growing reputation for good quality education.”

RSM markets and recruits overseas (“you have to be visible in the market,” says Professor Waarts). But changing market factors are also attracting international students of their own accord, as is a growing portfolio of tailored offerings. RSM last year launched its MSc General Management, a programme giving non-business bachelor graduates the opportunity to gain a master's in business. The programme has a mix of one third Dutch students, one third European and one third from outside Europe.

The result is a widening pipeline of applications and enquiries – last year a phenomenal ten times larger than the year prior. For the MSc International Management/CEMS programme – RSM's joint master's programme offered by a consortium of Europe's top schools – the school received more than twice as many applications as there were available places. This gives the school the opportunity to select only the very best students.

### FROM FAR AND WIDE

Jairaan Ebrahimi is a 24-year-old Bachelor of Science in International Business Administration student from Tehran, the capital state of Iran. Jairaan grew up in Iran's higher social classes; with her father working for the Dutch embassy (he is now a representative for several Dutch companies in Iran), the family were able to travel extensively and Jairaan and her siblings were taught English by a private tutor. After finishing high school, she went to Tehran's largest university, Soureh university, to study architecture. But after graduating and working as an architect in Tehran, she began seeking a business school outside of Tehran in order to gain project management skills – Jairaan never had any doubts that she wanted to eventually live and work abroad.

She says she chose RSM – she stumbled upon a brochure for RSM's international business administration bachelor pro-

gramme while at the Dutch embassy with her father – because it was “less expensive than the UK schools for tuition fees, but unlike other European countries there was no problem with language.” It also offered one of the most international environments – facilitating an international career. Now a third year bachelor student, Jairaan is on the programme committee of the IBA, a board member of the student representatives' committee, and a student ambassador. Her friends are from all over Europe, as well as countries ranging from Afghanistan to America. When she moves into RSM's master's programme, she hopes to extend her international experience further with a six-month international exchange to top US school Wharton or McGill university in Montreal, Canada. “That is another thing I liked about RSM, the exchange programmes,” she says. “I get to experience going to Wharton or another school of my choice for six months, and yet I am paying RSM tuition fees.” The arrival of ambitious students like Jairaan to RSM not only brings a more cosmopolitan flavour to the campus; it has far-reaching implications ranging from a richer learning environment to better student quality – the most motivated students are those most likely to roam so far from home for a degree.

The learning experience itself is modifying as a result of increased diversity. Until recently the IBA programme model was based closely on the Dutch bachelor model, but changes are being made to better-exploit the international quality of the student body. This includes more teamwork, and this year the introduction of network analysis (see story on page 34), in which networks in the student body are ▶





monitored, giving students feedback on the depth and breadth of the networks they are forming.

Another consequence of internationalisation is that services offered by the school

are being amplified to meet the needs of students with no support network and diverse cultural backgrounds. “We are investing much more effort into services including personal services, because

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‘Experiencing an international environment has made me much more comfortable starting at an international company.’

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international students tend to have more complex issues and problems than local students,” says Professor Waarts. These services include everything from assistance in organising visas to accommodation and pick-ups from the airport on arrival. RSM is also developing more and more opportunities to extend the scope of students’ international experience via exchanges and internships abroad through partnering with other schools and companies around the world.

So how far can internationalisation go? Could we one day see the disappearance of the school’s last ‘local’ programme – the Dutch Bachelor of Science in Business Administration – to make way for another English-speaking programme?

Waarts does not think so: “the Dutch programme is a big group and for RSM an important programme – for the foreseeable future this will remain the same.

Our strategy is to keep offering two high quality programmes to two distinct target groups of students. What may happen is that one day we could have a portfolio of courses that can be done in either English or Dutch. But for the coming years, the structure will remain the same and we will further invest in the quality of both programmes.”

Perhaps the biggest impact of internationalisation will be on the students themselves – their outlooks, their interpersonal skills, and their abilities as future leaders. Multilingual and equipped to deal with cultural diversity could be the distinguishing traits of the coming generations.

“What you see now is a group who, even at the bachelor level, come from other cities and other countries to live in another country for three years,” says Professor Waarts. “They then go to London or some other country and do their master’s. By the time they graduate at the age of 23, they have lived in three different locations around the world. And those places themselves are multicultural. We are seeing a generation who are getting far greater exposure to the world than we ever had. This has to shape your world view and have an impact on your interpersonal, and especially cross-cultural, skills.” ■



# Globe-trotting

**24-year-old Jairaán Ebrahimi from Tehran, Iran, is making the most of the opportunities presented in the IBA bachelor programme.**

text Rebecca Morris photography Nard Buijs

"Since I was a child I have been encouraged by my parents to live outside of Tehran. In Europe people go abroad for their education just for the experience; for me, especially as a girl living in Tehran, I had numerous limitations, starting with the Islamic cover that is part of the Islamic law in Iran.

I am a third year bachelor student in RSM's international business administration (IBA) programme. For me, growing up in Iran was a bit different to most. I grew up in a good family, in the higher levels of society. Because my dad worked for the Dutch embassy, we travelled a lot. My parents were very insistent on our learning English – we had a private teacher from the age of five – and since we had Dutch friends we had opportunities to practice it.

After high school I went to university to study architecture.

*"Being heard is something that I really enjoy, because in Tehran you generally do not have that opportunity."*

This was a big eye-opener for me. It was downtown Tehran and people came from all over Iran. I was exposed much more to the politics, and there were many things I did not like.

After my degree I worked as an architect, but after a couple of years I decided to study for project management skills. I was at the Dutch embassy with my dad when I saw a brochure for RSM's IBA programme. It was international, English-language and in Holland. Going abroad was always part of my plan – most of my cousins live abroad – and I always loved Holland because unlike the other European countries I had no problem with language, so I came to RSM.

I really enjoy the IBA. We have 85 nationalities in our programme, which is something that I really like. Getting familiar with other cultures is so important in business education, and RSM really provides that.

I will do my master's in finance at RSM. Eventually I want to work in investment banking, which I think is a really interesting



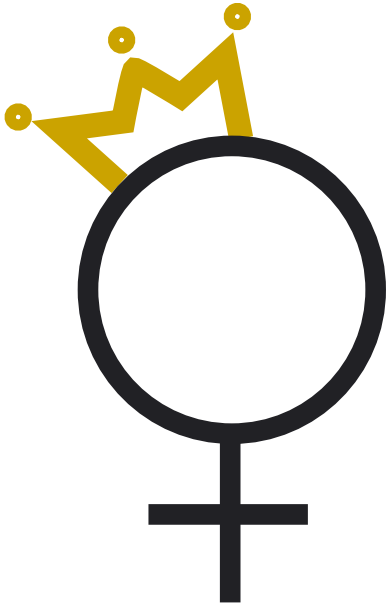
career. In my work experience I have seen that in many firms you move upwards in steps. In investment banks, if you are good, you fly high. It does not matter whether you have been there for two years, or ten years.

I am very active at school – I am a student ambassador, on the programme committee of the IBA, and a member of the IBA student representative board. What I like is that people really listen. Whenever I feel something is wrong I express it, but in Tehran I never had that chance and no one listened. They tend to dictate, and the government is not representative of the people. So being heard is something I really appreciate.

Iran is not as bad as you hear on the news, and serious change for the better is going on. Ten years ago they were very strict about women wearing cover. The only colours you would see on the streets were black. Nowadays, it is just a matter of putting something on your head, and you see all sorts of colours.

Personally, I do not wear cover outside of Iran and neither does my mother. People say that it says in the Koran that a woman must cover her beauty, but in India they interpret this as the chest, and in Iran as the hair. How can all these Islamic countries claim they are getting the law from the Koran and yet, interpret it all so differently?

Yet Iran is also a fantastic country. One hour in a plane and you are on an island with the same climate as Dubai. Fifty minutes by car and you can ski. I go back as much as I can and going back there to work is a possibility, although it is my plan B. Plan A is applying for internships here this summer. Then if I get a job I will stay, or apply for jobs in Canada. I am just really enjoying being here and having the opportunities that I have right now." ■



# A Beacon for Young Women Leaders

Some of the corporate world's top women managers come together for RSM's MBA mentoring scheme, inspiring men and women alike

text Giuliana De Novellis & Rebecca Morris photography Jon Feingersh/zefa/Corbis

Teamwork is never easy, even for seasoned executives. Two months into RSM's Global OneMBA programme, one of the teams had run into difficulties. One member was not sharing the workload – familiar territory for most of us. While the antagonist denied any wrong-doing, the rest of the team had fragmented, with resentful and angry members on the one side – lead by one very angry man who wanted the free-loader ejected from the group – and fence-sitters on the other, who, by refusing to get involved, allowed the animosity to fester. When teams do not work effectively in companies, the cost can be high in both financial and human resources terms. Projects fail and good people leave due to frustration. It is an ideal world where an intervention is staged by a conciliator with the ability to smooth things over and teach us all a thing or two about our manage-

ment skills. In RSM's MBA programmes, mentors from the corporate sector are allocated to each of the teams in the programme. Their role is exactly this – to facilitate the interpersonal functioning of the group.

In this prickly case, the mentor arranged a group session, where each person gave their perspective on events while the others listened. As the stories unfolded, each realised they had, in some way, contributed to the breakdown of communication. "The change in mood afterwards was palpable," says Dave Bond, Associate Director, Global Executive OneMBA. "They were communicating and the motivation was returning."

Three weeks later the team won the prize for best team presentation on their international study trip – co-presented by the angriest man in the group, and the troublemaker himself.

Such is the efficacy of team mentoring. In



the mentoring scheme at RSM, however, mentoring has an additional purpose. The mentors in RSM's MBA programme are exclusively women from top management. They come from some of the largest corporations in the Netherlands: one mentor is the executive vice president of financial services provider Rabobank; another, a board member of ICT services company Getronics PinkRocade; and a third, the vice president of quality and food strategy at clinical nutrition company Numico. Their presence is designed to redress the gender imbalance in top-level management. "Mentoring is a way of identifying what performance expectations are for all future business leader," says Dianne Bevelander, Executive Director MBA programmes. "But in this scheme, it is also about helping to raise the visibility of women leaders in business, since exclusion from networks, lack of mentoring, and absence of women role models are seen as

the main obstructions to women's advancement in firms."

### **A NEED FOR MORE WOMEN AT BOARD LEVEL**

Despite increasing numbers of women graduating from universities each year, women continue to be underrepresented in senior management roles and at board level. Percentages differ from country to country, but average female representation in boardrooms in Europe's top companies remains at 8% (European PWN survey June 2006). In Holland, the number has been decreasing over the past three years. Yet research has shown that the addition of women 'on the board' is essential both for good practice, and good financial health. The Financial Times released a report of the top 100 U.K. boards that indicated that boards with female directors scored significantly higher on good governance than all-male boards. In 2004, the ▶

69 companies with women on their boards had a weighted average return on investment of 13.8 percent, vs. 9.9 percent for the 31 all-male boards.

Such statistics are causing a shift in perception as managers recognise that boards with a diverse composition bring broader skills into play. Some countries, such as Norway, are seeking to achieve this diversity through legislation, aiming at 40% female board participation by 2008. Spain is also exploring legislative steps to kick-start its diversity drive in business.

However while realisation is growing, change is slower to arrive. One hindrance often cited is the lack of visibility of women leaders. It is a chicken-egg scenario, where a lack of women at the top leads to fewer women aspiring to get to the top, leading to fewer women at the top, and so on. But how can the cycle be stopped?

### RAISING THE VISIBILITY OF WOMEN IN BUSINESS

In 2005, Ms Bevelander developed a plan to introduce into the school's MBA programmes a mentoring scheme involving top women leaders in the Netherlands. Her goal was to provide the students with the benefits of advice and insights garnered by experienced executives, while providing a valuable missing component: female visibility in business.

"Lack of visibility of women in management roles perpetuates expectations among both men and women that business leaders are exclusively male," she says. "One of the goals of this mentoring programme is to show that women can and do play an active role in business."

Ms Bevelander enlisted the help of Carien van der Laan, the director of Woman Capital. Woman Capital is an executive search firm for women that aims to increase the presence of women in top management and non-executive positions. Ms Van der Laan has a career as covetable as the candidates she recruits. She has a law degree from Utrecht University and an MBA from Harvard Business School; she has worked as a corporate lawyer, consultant, and in various corporate management roles including founding the

European-American call centre company ClientLogic. She is currently president of the Harvard Business School Club of the Netherlands.

As director of Woman Capital, Ms van der Laan has a network of around 4,000 experienced business women across numerous fields, and was instrumental in finding many of the mentors. She also acts as a mentor herself. "It is satisfying to give something back," she says, "to share your experience with others."

### THE WIDER IMPLICATIONS OF FEMALE MENTORING

Currently, twenty-one teams of MBA students are linked with prominent women in business. The mentors act as consultants for the groups, helping them to identify their leadership and team management goals, encouraging them to self-manage and problem solve and guiding them in working together effectively.

"I have learned to keep checking my current behaviour against my ultimate goal, and to discuss this in the team," says Alexei Dzienis, an MBA student and computer scientist from Belarus. Another MBA student, Berthold Flöter, from Germany, says, "a mentor can offer guidelines, help clarify goals and offer constructive advice within a limited time frame. My own mentor fulfilled these criteria and exceeded them."

One of the group mentors is Mirella Visser. She is a lawyer, former regional director South-East Asia of ING Group, founder of the Centre for Inclusive Leadership, member of the Supervisory Board of Royal Swets and Zeitlinger, and vice president of the European Professional Women's Network. Recently she was contributing editor to *Mentoring Women for Corporate Success*, published in March 2007.

A considerable focus of the mentoring involves managing and utilising diversity of industry, culture and background. One of Ms Visser's mentees, Diego Barbosa, a Portuguese IT consultant, says that she effectively facilitated group relations, asking direct questions so that everyone, regardless of gender or nationality, managed to communicate their ideas. "By the end of

the programme we were connecting and speaking more freely. She was culturally sensitive and inclusive, so that those less accustomed to speaking their minds could break out of their cultural constraints."

"The mentoring programme encourages participants to tap into the diversity in the group and use it as a resource," says Ms Van der Laan.

Yet while guiding teams to exploit diversity is the hands-on work of the mentors, it is the larger implications of their role and presence which could have the greater impact. For women, mentoring can provide much-needed role models; for women and men, it can foster recognition of the value that women can bring to the management table, helping to break down social dogma that says board level management is a male-only arena.

Ms Visser agrees that mentoring offers value to both men and women: "Mentors can act as role models to all students, female and male. Having senior women executives as mentors is very encouraging to female students, and it demonstrates to male students that diversity in the boardroom is becoming a reality."

Dr Sanjay Sharma, a public policy expert from India who has worked in South Korea, says: "In India and Korea women's careers can progress smoothly up until middle management; but in the boardroom there is a clear divide. The mentoring scheme helps you to see the contribution that women can and are making, and how the different perspectives of the genders enrich the decision-making process."

And will the scheme kindle other women's aspirations to follow their mentors into senior management and board-level roles? Erica McCormick from the USA, one of Ms Van der Laan's mentees and herself a lawyer, believes so: "The fact that she believes in women, supports them and is connected to so many, is so inspiring. She had no difficulty with a leadership role in a mixed gender group, and she clearly deserves all the respect she receives. For me it was reassuring to see a successful and confident leader who has all the characteristics that make women great in business." ■



# Companies can benefit from student research

## Interview with ABN AMRO company coach Paul Iske

text Rebecca Morris



**P**aul Iske has been the company coach for ABN AMRO/Dialogues for nine years. Now senior vice president of knowledge management, innovation and entrepreneurship at ABN AMRO, he has applied student consultants from RSM's International Business Projects to issues ranging from a model for calculating the return on investment of a knowledge-management system, to the development of "The Institute for Brilliant Failures".

### **What value do international business projects bring to ABN AMRO?**

Where the international projects really add value is with the projects that otherwise would not get done: the projects that are important, but not urgent. Getting these students involved does not cost so much, just requires some time. We also want to communicate that ABN AMRO is interested in contact with the university, and maintaining a good understanding of the generations coming up.

### **Why is an understanding of younger generations important?**

In the nine years that I have been company coach I have seen a big change in students: how they work as teams, the tools they use, how they collaborate. In the last two projects the teams started their own electronic team room. By seeing how young people are working together we know their expectations in terms of culture and communication, which is valuable because if we don't employ these students, we will employ others.

### **What value can be found in interfacing academia and the corporate world?**

I have always believed strongly in cross-fertilisation of academia and enterprises. I have a PhD and now being 15 years in the corporate world, I think each offer opportunities and inspiration. In general I think the corporate world is un-

derutilising the know-how embedded in universities, including the capabilities of students. This programme is one of the ways I can bring those two worlds together.

### **Knowledge retention was the most recent project you applied the students to. What business problem was posed?**

As knowledge workers become more mobile and our population ages, we are seeing an interesting challenge: how to protect our knowledge. At ABN AMRO we organised a conference addressing how companies can deal with this, and we asked the students to research the topic, including the solutions and the opportunities. We got them to write a report for us to distribute and use as input for our discussions.

### **Did the report provide useful insights?**

It gave a vivid overview of the topic. It was a valuable contribution. With international students you have to accept the fact that they are not always perfect writers in the English language, and sometimes you have to re-work slightly what is written. But that is part of the process.

### **What is the quality of the work produced by international business projects?**

Most of the time they do good work; they know how to think and research. Once or twice a student has come up with something really new. You need to keep an open mind in terms of what you get out of it, because sometimes the value is indirect. One group, for instance, introduced to me a tool called Survey Monkey, to which I now have a subscription. This is helpful because it is important for me to be up-to-date on current possibilities.

### **What is the next business problem you will be applying them to?**

At ABN AMRO I am setting up something called an 'Institute of Brilliant Failures'. I want the students to find examples of people who, by failing, made a large contribution to society: for instance, the discovery of America, and the post-it. The idea behind this is that there is no innovation without failure, and no failure without innovation. We want to highlight this and motivate people to try, accepting that mistakes will be made. I am interested in how the students will approach it. ■

#### **RSM's International Business Projects**

*International Business Projects (IBP) are consultancy-style projects carried out by a team of international students from RSM's exchange programme. Each year dozens of companies benefit from the research conducted by these projects, gaining insights into their existing business problems and issues. For more information on this programme, contact: Company Projects Office on +31 10 408 2010 or visit [www.rsm.nl/cpo](http://www.rsm.nl/cpo).*



# Bacardi • Sustainable Leadership Expedition

**Managers from Bacardi head to Africa for the ultimate leadership programme.**

text Rebecca Morris photography Courtesy of Bacardi managers

**O**n a dusty road in Gambia, Africa, two four-wheel drives head towards their destination – the small village of Darsilami close to the border of Senegal. They are more than a kilometre from its outskirts, but villagers are already gathering roadside to welcome the newcomers. Children are dressed in their school uniforms – their Sunday best. By the time the bus reaches the outlying huts of the village, the whole community has turned out to welcome the foreigners from the West.

For many in this group of Westerners it is their first brush with Africa and the kind of welcome reserved back home for celebrities. Villagers embrace them, touch them, laugh, shout, dance and sing to traditional Gambia beats. But they are not celebrities, they are executives from spirits company Bacardi, taking part in a week-long sustainable leadership programme.

This is the latest example of the sorts of innovative executive programmes being undertaken by companies like Bacardi. Bacardi's sustainable leadership programme is based on the concept of two-way development – Bacardi managers develop their individual leadership behaviours while sharing their business knowledge with Gambian managers. It is corporate social responsibility wedded with the notion that new and challenging environments offer a far more powerful context for personal change than workshops alone. "When we arrived it was a complete confrontation," recalls HR director of Bacardi Annette Roodhart. "We felt humbled, like, 'how can we ever live up to their expectations?' It makes you see things from a new perspective, which makes you more open to change."

There are not very many executive education programmes that

roam so far from the beaten track. Ms Roodhart, a veteran of leadership programmes, knows the difficulties in achieving permanent behavioural change. It helps us to change, says Ms Roodhart, if we leave our comfort zone.

"I've seen before that if you place people in a completely new environment, they are more open to behavioural change – it tends to break people open," says Ms Roodhart. "I was looking for a really high-impact leadership programme that would take them out of their normal context and into a completely new environment."

Ms Roodhart contacted Dave Jongeneelen and Marije Adriaansens of Better Future, a leadership and sustainable development coaching company that has experience with programmes on location in African countries. She then brought in RSM Erasmus University's Executive Education Director Anna Pehar and faculty member Boudewijn Bertsch to design and develop workshops based on turning this experiential knowledge into organisational learning within Bacardi.

"We have worked with Boudewijn from RSM for tailored programmes many times, and he really understands our organisation," says Ms Roodhart. "He was really flexible and open to the innovative idea of an on-location programme."

The result was a programme in which eight Bacardi executives from top and middle management flew to Gambia for one week to work with eight local managers of a juice factory. The factory was founded with the help of a not-for-profit organisation to generate work and income for the local community. After months of running at a loss however, stakeholders were considering withdrawing funding. A new local management team had been put in place to shake things up, and after six days of working with



Bacardi managers, they were to present their new business plan. If they could convince stakeholders of its merit, there might be a future for the factory.

### A UNIQUE PLATFORM

Environments do not get much more new or less familiar than Gambia. The Republic of The Gambia in Western Africa, commonly known as Gambia, is one of Africa's smallest and poorest countries. Poverty is widespread and the majority of Gambians do not have access to basic social services. Mod-cons are scarce – in the village where the juice factory was located, villagers had access to one public telephone.

es. “We started with sharing cultural differences,” explains Erwin van Outheusden, On-Trade Marketing Manager at Bacardi. “We made a role play in which my ‘buddy’ – the manager I worked with for the week – explained my world to the group, and I explained his world. It made you realise how different those worlds are.”

The groups then went to work on projects within the different areas of the factory: supply chain management, finance, sales, and so on. For each area of the business, a Bacardi manager partnered with a Gambian manager. To enhance the Bacardi managers’ learning they also swapped departments.

Their goal was to first learn how the company operated, then ask

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**‘I’ve seen before that when people are in a completely new environment, they are more open to behavioural change.’ – Bacardi HR Director Annette Roodhart**

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Soon after they arrived, explained Ms Roodhart, they broke into four teams and set off to sell the juice at various locations in Gambia to get a clearer picture of the business.

“We had just left the village in four cars all stocked with juice to sell, when one of the cars broke down,” she says. “We had to leave the car there, and when we left Gambia, it was still there. That is what reality is like there. There are no fridges; the juice is sold in plastic bags because they can’t afford bottles. Nothing is like it is here.”

The first thing they did on arriving was begin to bridge differences.

the Gambian managers how they thought it could be improved.

“We did not want to go there as the Western managers who know everything and tell them what to do,” says Mr Van Outheusden.

“We wanted to empower them to find the answers themselves as a way of generating really sustainable change. When they came to the conclusions themselves it gave you so much satisfaction.”

Together with his buddy, Mr Van Outheusden discovered the company was paying three times as much for plastic bags as they needed to. The local managers had established a supply chain through word-of-mouth which saw the bags handled by four



different people before getting from the factory in Senegal to the factory in Gambia. “In Europe you just look on the internet,” he says. “We showed them that they could order directly from the factory for 1/3 of the price. This was just one example of ideas we came up with for improving things.” Yet while often the local managers recognised the need to change some of their methods, sometimes this meant shedding deeply-entrenched behaviour. “It was interesting,” says Ms Roodhart. “By saying, ‘We know it is difficult, but you can change’, it made us realise that this must also apply to us and our own behaviours – that we can also change as managers.”

### THE PROCESS OF CHANGE

Before leaving for Gambia, the Bacardi managers attended workshops held by RSM that covered topics ranging from dilemma management to inspiring and empowering other people. The workshops also covered personal behavioural change.

“We got the managers to participate in an emotional intelligence survey that gave them three sixty degree feedbacks on how various groups: co-workers, managers etc, experienced their leadership behaviour,” says RSM Adjunct Professor Boudewijn Bertsch. “The results of the surveys were discussed in one-to-one coaching sessions and used as a basis for identifying leadership behaviours that should be stopped, continued and developed anew. These were then practiced in Gambia.”

The group met each evening with their Better Future coach to reflect on their learning objectives. They discussed how they had reacted to certain situations, what they had done differently, their energy drivers and inspirations. It was a time of complete openness and self-analysis, says Ms Roodhart.

“People were talking about things they never would have talked about in the workplace or even outside of work, they were far more open towards each other,” she says.

“It was very, very inspiring,” says Mr Van Outheusden. “One of things I learnt was that it is important to not only use other people’s knowledge, but other people’s qualities and ways of thinking. It gave me this real feeling of growing.” They also learnt from the Gambian managers. “By the end we had really connected and made a total team,” he says. “Out of it came friendship as well as some really interesting ideas. It was an eye-opener.”



In their final presentation to the stakeholders, the local Gambian managers were jubilant about their proposed new business plan. The contrast between their wary demeanour at the onset, and their enthusiasm by the time they presented, was remarkable, says Mr Van Outheusden: “they were so motivated, it was so rewarding to see.”

And the result? The shareholders agreed to extend the funding. Three months later, Bacardi managers are still in touch with the juice factory that is sending monthly reports. Business results have improved. The factory has implemented some, but not all, the necessary changes. Change, as Ms Roodhart says, is very difficult to sustain.

To help the Bacardi managers sustain their personal changes, a workshop facilitated by RSM was held three weeks after the trip, and the participating managers will have regular, ongoing coaching sessions.

Have they sustained their behavioural changes? Ms Roodhart thinks so. “I can actually see the changes in my colleagues,” she says.

For Mr Van Outheusden, the change has been profound. “The programme has improved my team as a whole. I am giving people more chance to contribute to allow them to grow which means the whole team grows. I have also gained a clearer idea about what my strengths are and what I want from my future.”

They are also not the only beneficiaries of positive change. Mark de Witte, General Manager of Bacardi and a fellow participant on the trip said: ‘The programme was the best I have participated in. Not only has it created sustainable results for its participants and our organisation – but hopefully also for the Gambian people. We are proud to have been able to give something back to society.’ ■

*Bacardi repeated the programme in February 2007 assisting a lodge in Gambia.*

**WEB** [www.betterfuture.nl](http://www.betterfuture.nl) , [www.rsm.nl/executiveeducation](http://www.rsm.nl/executiveeducation). Contact RSM Executive Education and Development for more information on custom-built company programmes: [executive@rsm.nl](mailto:executive@rsm.nl) or +31 10 408 87 37.



# Making Movies to Improve Work Safety

**“This movie tells the story of a number of employees of Vopak who have been involved in incidences, and shows the impact of these incidences on their lives and those of their families.”**  
**– True Stories about SHE, a Vopak movie.**

text Rebecca morris



**B**uilding on the idea that a picture speaks a thousand words, a team of executives from Vopak, the world's largest independent tank storage company, recently embarked on a unique and am-

bitious project to promote safety, health and environment (SHE) in the workplace. True Stories about SHE, a Vopak movie, is a 30-minute documentary that tells the personal stories of three Vopak employees whose lives have been seriously affected by workplace injuries. By portraying the very real consequences of on-the-job risk-taking, they hoped to communicate the importance of safety to their Vopak colleagues in a way that numbers or guidelines could never do.

RSM Outlook spoke to two of the team members behind the project, Nicole Kok and Filip den Eerzamen. Nicole works in Marketing and Sales for Rotterdam Chemical Terminals based in Dordrecht. Filip works in Corporate Internal Auditing at the Vopak Head Office, in Rotterdam.

## **How did the project come about?**

**Filip:** During Vopak's Management Development programme held each year by RSM Executive Education a few of our managers told us about some incidents that have occurred at Vopak. They were just facts until he showed us a picture of a man who had died and his little child who stayed behind. This personal element was what drove the message home. For the course project we, along with Martijn Schouten, decided to create a documentary capturing the human side of accidents in the workplace.

## **Why is this personal element so significant?**

**Nicole:** It is very easy to think of safety in numerical terms, where the number of incidents is something you report. It is another thing to appreciate the impact an accident has on a person and their family. Technical guidelines are very impor-

tant, but they do not have much of an impact on people's mind-set. We wanted to change the way people think about safety.

## **Was this also the motivation of the people who had been involved in accidents?**

**Nicole:** Yes. One person who stars in the movie mentioned that if his contribution could save one colleague from a similar experience then he considered the movie to be a success.

## **Why is safety so important for Vopak?**

**Nicole:** Safety is crucial for Vopak to be operational. The only reason we can offer our services is because we do it in a safe and environmentally-friendly way.

**Filip:** Our people are our capital, and the people working in the terminals make the business. We want them to come home safely every day, for both themselves and their families.

## **How did you go about making the film?**

**Filip:** We approached the Willem de Kooning Academy in Rotterdam. Two students were recommended to us, and we spent a lot of time discussing the project with them so they understood exactly what we wanted to achieve. The students did a great job. They submitted the movie to the Dutch Film Festival, where it was presented in the category "student-movies".

## **What kind of response did you get when people saw the movie?**

**Nicole:** It had a big impact on all levels of the organisation; we received positive feedback from our colleagues worldwide.

**Filip:** People were talking about the movie throughout Vopak. It had an immediate short term impact, but now we need to maintain that impact. Our directors have expressed the desire to combine the film with a safety day. The whole of Vopak is going to watch it at least once a year.

## **How has the movie been incorporated into safety training at Vopak?**

**Filip:** All operators at Vopak have seen it and it is endorsed by corporate management. New employees watch it as part of their training. It has been translated into 15 languages. The moment we gained the full support of our executive board was the moment the project really became a success. We believe that the movie has really contributed to improving safety awareness in the company. ■

### **Vopak's Management Development Programme**

Royal Vopak is the world's largest independent tank terminal operator specialising in the storage and handling of liquid and gaseous chemical and oil products. Vopak collaborates with RSM Executive Education in the development and delivery of a management development programme for middle- and senior managers.

**WEB** [www.rsm.nl/executiveeducation](http://www.rsm.nl/executiveeducation)

# The Art of Sustainable Seduction

**The new Dutch government has made environmental concerns a top priority but to achieve the drastic changes required they need to seduce people individually, writes Professor Jo van Nunen.**

With Job ten Bosch

**T**ransport and mobility are essential both for our national and the European economies. The harbours of Rotterdam and Amsterdam, Schiphol airport, and the major role we play in distribution by global companies are all examples of the important position we have in the logistic systems of the world. How strong this position seems at first sight. It is, in fact, very fragile.

Conjunction and capacity problems together with the growing challenge of environmental regulations and diminishing resources will put an enormous strain on our logistical and production systems.

Most of us are well-acquainted with the prognoses of diminishing oil and gas reserves, but the impact of the earth's diminishing resources on business becomes clear when we look at other essential production resources, such as 'copper'. If China and India begin to use the same amount of copper per capita as we do, the total world resource will be exhausted. The same is happening with zinc and platinum. Just imagine the impact this will have on the price of the products around you.

For business, this means redefining all production and logistic processes. 'There is no waste, only resources' is the motto of a new mind-set that, as it turns out, truly pays off. My colleagues at the financial management department have done great work by proving that eco-efficient companies have an average higher stock-return of six percent.

Yet turning sustainability into profitability is easier said than done. Our business systems are heavily intertwined. To reap the benefits of recycling we have to redefine the logistical systems of a whole industry. Everybody has to take part in it. This is challenging since it often involves investments at the beginning of a logistical chain that only repay themselves at the end of the chain.

The government could step in and facilitate a system change. If we could convince ten percent of people to leave for work an hour later, our traffic conjunction problems would be over. Hellas, individuals would never accept a government that dictates when we should go to work.



In fact, this is about an age old dilemma: a more sustainable world asks actions from the individual which in the short term are not beneficial, but will prove beneficial for the greater good in the long run.

The challenge lies in seducing people at an individual level. If you do not drive right now on the highway, tomorrow you will be able to drive without delay. Today, I need to act in a sustainable manner in order to still have a world in ten years.

Seducing requires creating incentives. Information technology offers transparency which results in incentives for individuals. Imagine a queue in a convenience store. If you cut in line, the others in line will correct you. Likewise, if a company dumps its waste in a foreign country, local NGOs will inform consumers through the internet so that they can take corrective actions. Information technology will make all sorts of queues in our society more transparent.

The potential of this transparency is tremendous. In the near future, your TomTom navigation system could give you a notice that if you take the car one hour later you will miss the traffic jam. Thanks to these sorts of incentives that seduce us individually, we can create the change that is needed for a more sustainable world. ■

*Prof. dr. ir. Jo van Nunen is professor of Operations Research and Information Sciences and chairman of the RSM Department of Decision and Information Sciences.*

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To purchase an MBA recipe book contact Genevieve Weber-Esteban on [gesteban@rsm.nl](mailto:gesteban@rsm.nl)

Proceeds from sales are donated to charities including the Tambores Project in Columbia (EMBA '06) and Free the Children (MBA '07).

*“In China, a chicken dish is a necessary part of a formal business dinner. Remember to place the dish in such a way that the head of the fish or chicken faces the most important guest of the group. And remember that it is impolite for the spout of the teapot to point directly towards a guest!”*

**Ying Cui, Full-time MBA '07 student**



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