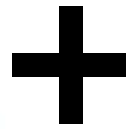


RSM Outlook

SUMMER 2010

The Alumni and Corporate Relations Magazine of Rotterdam School of Management, Erasmus University

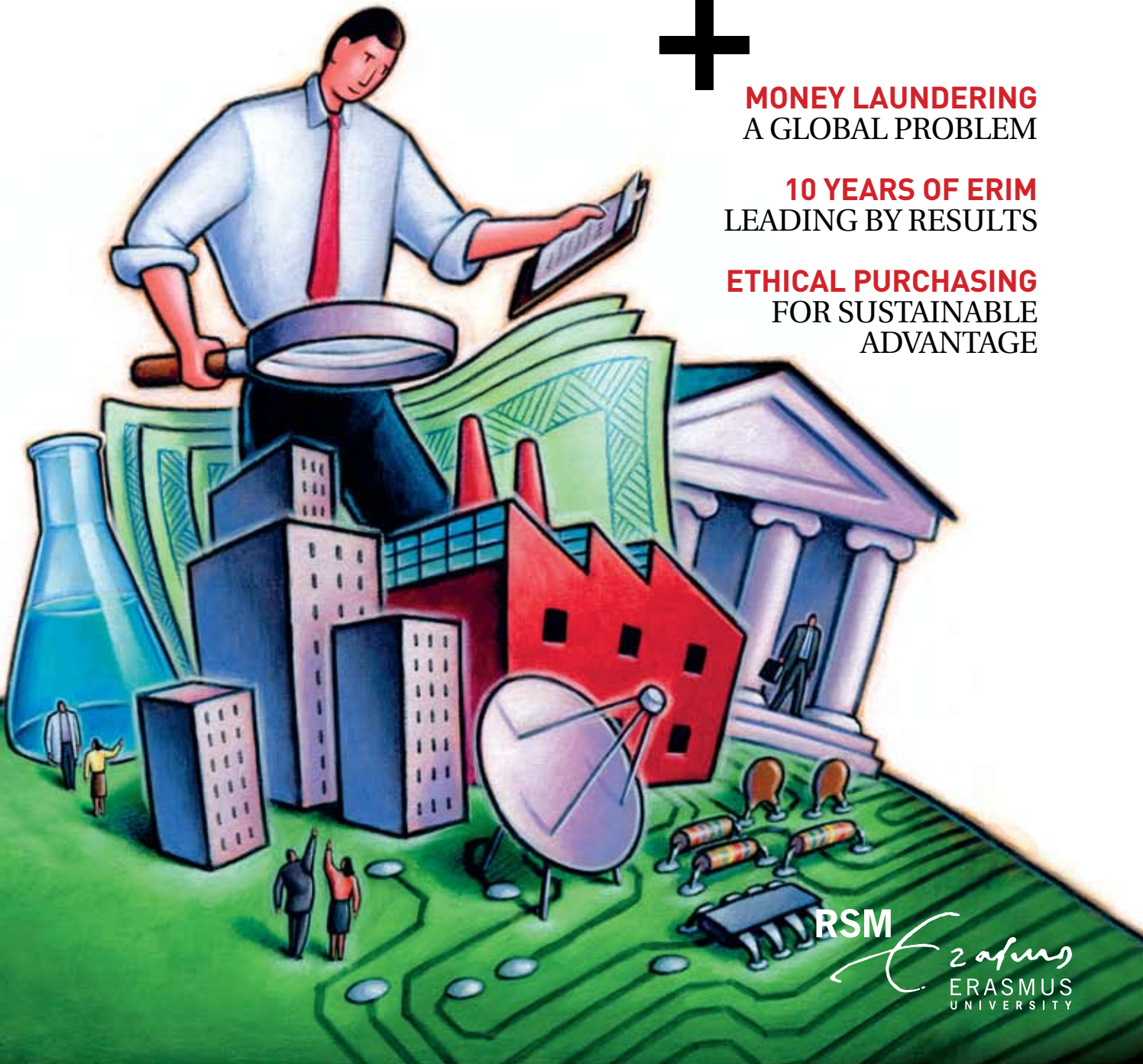
MANAGEMENT RESEARCH SHAPING THE FUTURE OF BUSINESS



MONEY LAUNDERING
A GLOBAL PROBLEM

10 YEARS OF ERIM
LEADING BY RESULTS

ETHICAL PURCHASING
FOR SUSTAINABLE
ADVANTAGE



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WINNING STRATEGIES IN THE NEW BUSINESS LANDSCAPE



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- Mark E.M. Elborne, President & CEO, GE UK, Ireland and Benelux
- René Hooft Graafland, Member of the Executive Board and Chief Financial Officer, Heineken
- Chris Zook, best-selling author and Partner at Bain & Company, leading its Global Strategy Practice

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SUMMER 2010

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LETTER FROM THE DEAN



“The Financial Times European Business School rankings place RSM at #7 – just two short places away from our goal.”

In the article ‘Leading the Way’, published in the Summer 2009 edition of *RSM Outlook*, I outlined our overall strategic goal for RSM: to join the Champions League of business schools, with rankings, reputation and recognition that would place us in the top five European business schools, and the top 20 worldwide.

A year on, it seems a good time for a ‘strategy report card,’ checking on the progress of the five major elements supporting our strategic ambitions: pre-experience programmes, post-experience programmes, executive education, research and its relevance to business, and our external and alumni relations.

Overall, the *Financial Times* European Business School rankings place RSM at #7 – just two short places away from our goal. This reflects amongst other things the ongoing strong position of our pre-experience programmes within the rankings.

In terms of post-experience education, our flagship International Full-time MBA has crept upwards in the FT Top 100 Full-Time Global MBA ranking, reaching #25 in the world (up from 26 last year and 34 in 2008). This is good news, and with our new 1-year MBA format, and an exceptionally large and high-quality intake for MBA 2011, we anticipate further ascent in future MBA rankings.

Highlighting the excellence – and importantly, the managerial impact – of research carried out by the scientists/faculty members of ERIM has been a high priority at RSM. We’ve introduced a new publication, *RSM Insight*, which offers relevant, readable management knowledge based on the latest research (*RSM Insight* can be downloaded as a pdf at rsm.nl under News).

Our leading ERIM researchers are also playing an important part in our external and alumni relations, and in executive education. They are able to translate new knowledge into

concrete benefits for business; this provides strong incentive for corporate and alumni invitees to attend a growing roster of events featuring ERIM speakers. These events include Journeys with Erasmus, Dean’s Dinners, seminars and symposia, and our upcoming Leadership Summit this Fall.

More importantly, we are proud to announce two new sponsored chairs that were signed in April 2010. Prof. Gail Whiteman is now the ECORYS Sustainability and Climate Change Chair; while Prof. Erik Peek has assumed the responsibilities of the Duff & Phelps Trust Fund Chair in Accounting & Valuation. Through these two chairs, RSM will see an influx of €160,000 in support each year, for a period of four years, totalling €640,000.

To leverage our wealth of relevant knowledge further, our Executive Education and Organisational Development department has added two new service lines to their existing, excellent In-Company and Open Enrolment programmes: RSM Speakers and RSM Consulting. Through these new services, our world-class academics are available to speak at events, or offer solutions to sticky organisational issues...something I was invited to do as the very first RSM Consultant.

In conclusion, I’m pleased to say that RSM is not only meeting, but exceeding its strategic targets, and is consistently broadening its reach and recognition.

I hope you enjoy this edition of *RSM Outlook*, and wish you a successful and enjoyable summer.

George Yip
Dean

Rotterdam School of Management
Erasmus University

NEWS FROM RSM



STUDENT FRIENDLY APPROACH WINS RECOGNITION FOR RSM

RSM reached the final three of the Orange Loper ('Orange Carpet') Award 2010. The competition looks at the ways in which higher education institutions dedicate themselves to the wellbeing of their international students and is hosted by Nuffic, the Netherlands Organisation for International Cooperation in Higher Education.

RSM came to the attention of the judges through a testimonial written from the perspective of a Taiwanese MBA student, who explained how RSM had paved the way for easy processing of visa arrangements, accommodation, social networking and even provided a 'buddy' from a similar cultural background.

The school even went as far as picking up the international students from the airport and bringing them to the campus.

BEREND WIERENGA TO RECEIVE MARKETING SCHOLAR AWARD



The European Marketing Academy (EMAC), a professional society devoted to marketing theory and research, has bestowed its inaugural Distinguished Marketing Scholar Award on Professor Berend Wierenga of RSM.

The two main criteria for the award are: Outstanding marketing scholarship as reflected by extensive research contributions of significant impact, and outstanding contributions to the European Marketing Academy. Other criteria for the award are teaching and mentoring, general creativity and innovativeness and service to the marketing community and the public at large. The awardees will present lectures at

a special session in their honour at the EMAC Copenhagen conference and will also be invited to provide an associated research article to the International Journal of Research in Marketing as well as to the EMAC Chronicle.

Professor Stijn van Osselaer, Chair of the Department of Marketing at RSM, says: "Please join me in congratulating Berend on being awarded the EMAC Distinguished Marketing Scholar Award. This is truly a great honour that appropriately recognises the trailblazing role Berend has played in boosting the quality and quantity of marketing research in Europe."

A profile of the soon-to-retire Professor Wierenga is featured on p18-21

RSM ACQUIRES NEW M&A PROFESSOR



Frederik-Paul Schlingemann has joined RSM as a full Professor in Corporate Finance, specialising in Mergers and Acquisitions (M&A). Schlingemann's research interests involve the question of optimal financing and investment decisions in corporations, particularly decisions relating to mergers and acquisitions. His current projects include private equity acquisitions and managerial retention, cross-border acquisitions, and the effect acquisitions have on risk and uncertainty. Schlingemann's research has been published in top academic journals like the *Journal of Finance*, the *Review of Financial Studies*, the *Journal of Financial Economics*, and the *Journal of Banking and Finance*. His research has been cited in the *Wall Street Journal*, *The Economist*, *Business Week*, *NPR*, and the *New York Times*. His paper "Why do private acquirers pay so little compared to public acquirers?" won the Jensen Prize 2009, which is awarded by the *Journal of Financial Economics*.

IMPROVED I WILL CONNECTS MORE PEOPLE

Following its initial launch in October 2009, the I WILL site - iwill.rsm.nl - has been upgraded with enhanced usability, speed and stability.

The site now serves much more as a discussion forum, with users able to react and reply to posts from other users. In addition to the 'I WILL Ask' feature, it also has functionality for Twitter, Facebook and LinkedIn, and provides a single meeting point for Europe's most popular social media activities.

The I WILL website was created by Rotterdam School of Management, Erasmus University to communicate ideals, ideas, ambitions and focus of all of the school's stakeholders and to show RSM's commitment to its principle of critical thought and practical action. In the past month, there have been 13,000 visits and 22,000 page views. Currently more than 1,400 participants have created profiles and stated their commitment to the future on iwill.rsm.nl.

Last month's opening of the I WILL web shop has been declared a success with I WILL statements soon to be seen not just online, but on the street, in cafés, and on public transport. There are sweaters, tee shirts, mugs, notebooks and many more I WILL branded items:

WEB iwill.rsm.nl/shop

NEW CHAIR IN BUSINESS ANALYSIS & VALUATION



The Duff & Phelps Chair in Business Analysis & Valuation, the first endowed professorship in Europe to concentrate on connections between capital markets and financial reporting has been announced. The professorship is sponsored by independent financial advisory and investment banking firm Duff & Phelps, which has a growing presence in European markets with offices in London, Paris, Munich and Amsterdam.

Professor Erik Peek has joined RSM as the first to serve in this new role, which will focus on the concept of business valuation as the financial quantification of a company's strategy. Peek is co-author of *Business Analysis and Valuation: IFRS Edition*, considered an essential text by RSM and other leading business schools around the world.

"To understand today's global business dynamic, students must be able to accurately and fairly determine the worth of a wide range of assets – and today's announcement places an unprecedented amount of academic focus on valuation skills," said Prof. George Yip, Dean of RSM. "RSM is pleased to have Duff & Phelps' partnership in developing our innovative valuation programme. We feel equally fortunate to have an educator of Professor Peek's calibre join our ranks and expand the body of knowledge that exists around valuation issues."

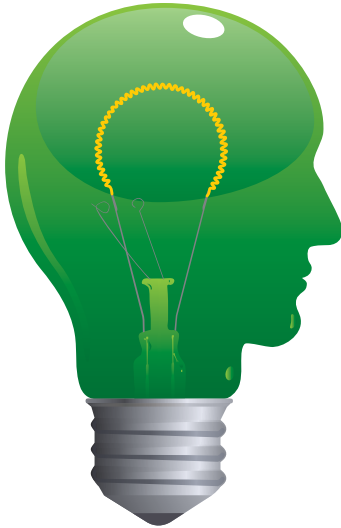
Peek will join RSM's Department of Accounting & Control, where his research activities closely fit with the department's research on financial reporting, firms' disclosure policies and the functioning of capital markets.

In his role at RSM, Peek will also research the European Risk Premium, a collection of data and analysis to help

finance professionals assess risk and more accurately estimate the cost of capital for purposes of business valuation, capital budgeting, feasibility studies and corporate finance decisions. Peek will teach courses titled "Financial Analysis" and "Advanced Financial Statement Analysis," both of which fall under the RSM's MSc in Finance & Investments and MScBA in Accounting & Control curricula.

"The global financial crisis has led to increased calls for transparency and accountability in business, underscoring the need for reliable valuation expertise. Professor Peek and his programme will help address market-driven demands for valuation analytics – a need that is bound to grow as regulatory and industry leaders undertake new measures that promote the accuracy and integrity of pricing information," said Henk Oosterhout, managing director and head of Duff & Phelps' Netherlands office. "Through cutting-edge classroom instruction and research, we can better prepare the next generation of financial professionals to be responsible and technically astute, with strong valuation and communication skills."

"Fascinating valuation questions face the business community as it moves beyond the unprecedented events of the last year and a half – and there is a strong need to reconcile the kind of valuation information that firms are currently accustomed to providing, and the greater depth of valuation information that market participants expect going forward," said Professor Peek. "By collaborating with my fellow scholars and exchanging ideas, we will strengthen and expand the resources available to tomorrow's business leaders. I am grateful to RSM and Duff & Phelps for the opportunity to pursue this exciting academic endeavour."



RSM MANAGEMENT PUBLICATION NOW ONLINE

The second issue of *RSM Insight* is now online and available to download free of charge. The publication was launched late last year in order to make the outstanding research of RSM faculty easily accessible to alumni and business managers.

Based on research from RSM faculty members, the magazine offers a selection of easily digestible articles that explore topics of interest to executives.

Says Dean George Yip: "The positive reaction to the first edition is very encouraging and confirms to us that there is a strong need for clear, informed and insightful management research that is of direct and practical value to busy executives at the cutting edge of business." It is hoped, he continues: "That the content, contributed by some of RSM's brightest academic minds, can help managers by providing insights and expert opinion on issues pertinent to the future of business."

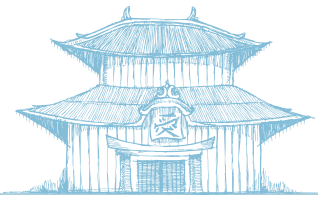
RSM Insight is available for download as a pdf at: www.rsm.nl/home/news

ICCL STARTS RESEARCH PROJECT AT UNILEVER

Over the course of the next two years, the Innovation Co-Creation Lab (ICCL) and Unilever, in cooperation with Unilever's R&D facilities, will investigate how team collaboration and processes of information exchange influence the development of successful innovative ideas. The purpose of the research is multifold and aimed at identifying effective strategies and patterns of collaboration for developing innovative ideas; understanding how team members can enhance collaborative activities and the knowledge sharing network of the team; and identifying beneficial patterns of information sharing that

contribute positively to idea generation. ICCL, a joint-venture between top business schools, teams up with a number of global companies that recognise the challenges of the times and the significance of innovation. Headquartered in London and Rotterdam, ICCL helps companies to successfully face these challenges, based on their own strengths, and reap the benefits before their competitors do.

WEB www.icclab.com



PIONEERING STUDENTS HOST CHINA BUSINESS SEMINAR

Three keynote speakers from international business and a panel of experts were among the 150 people contributing to a seminar examining the development of sustainable business in China, organised by four students at RSM. The students are among the first cohort studying for the school's new MScBA Chinese Economy & Business.

Speakers included Bram Buijs from the Clingendael International Energy Programme; Anastasia Kellerman, founder of 2lead4us; Kees Donker, IT, healthcare & life sciences and water management executive at IBM Benelux.

The panel consisted of Fokko Wientjes, director of Corporate Sustainable Development programme at global manufacturing firm DSM; Henk Schulte Nordholt, co-founder of Hufong Technology and an expert on business, politics, economics and culture of China; Prof. Tak Wing Ngo, head of the Centre for Regulation and Governance of the International Institute for Asian Studies at Leiden University; Jan Jaap Folmer (Global 7 and PTL Group), an expert in international business management in Vietnam and China, and Peter Fleury, a Dutch documentary maker and expert on China.

For more information on RSM's Masters programmes **WEB** www.rsm.nl/master



NEW ECORYS SUSTAINABILITY AND CLIMATE CHANGE CHAIR AT RSM

Renowned sustainability and climate management scholar, Gail Whiteman, has been appointed as the holder of the newly established Sustainability and Climate Change endowed chair at RSM. The new chair is sponsored by research and consultancy company ECORYS Nederland, and will be in the department of Business-Society Management of RSM, where social and environmental issues in business are a core part of research and education.

"Climate change is arguably the biggest management challenge currently facing the world, and companies are both part of the problem and part of the solution. The main purpose of this chair is to explore the management challenges and opportunities of sustainability and climate change," says Professor Whiteman. "We'll look at these issues not just within companies, but within municipalities and other governmental structures who will have to cooperate with various stakeholders in order to achieve effective results.

"I am looking forward to collaboration with the experts from ECORYS who are specialised in guiding governments, companies and other organisations in

incorporating sustainability into their policies and day-to-day practices."

George Yip, Dean of RSM, says that the decision to install this chair is really in line with an ongoing effort at RSM to put sustainability and stakeholder management at the forefront of research and education efforts. "For several years now, subjects like sustainable leadership, stakeholder value and context vs. content have been an integrated part of RSM's research and education programme," he says.

Marten van de Bossche, General Director of ECORYS Nederland, comments: "The partnership with RSM and Professor Gail Whiteman is a great opportunity for ECORYS to increase its research-based knowledge and activities in the field of sustainable development worldwide. ECORYS has dedicated experts working globally on issues related to sustainable development, energy and climate change, and we deliver strategic advice to policymakers by combining in-depth energy and environmental expertise with a clear understanding of the societal and economic context in which new policies have to be implemented. Joining forces with RSM will further expand our knowledge base."

CHARISMATIC LEADERSHIP STILL IMPORTANT TO DUTCH EMPLOYEES

Workers employed by Dutch companies still believe in leadership – particularly charismatic leadership – despite the current economic crisis. This is one of the findings of research carried out by Professor David De Cremer and Marius van Dijke of the Erasmus Centre of Behavioural Ethics at RSM.

Research conducted among 531 Dutch employees in mid-2009 shows that charisma is a crucial leadership quality in a time when distrust and a lack of moral fortitude are very much in evidence.

One of the main reasons why respondents feel this way is because, in their view, charismatic leadership helps to strengthen moral and ethical values, which they see as necessary during today's crisis. So Dutch employees see a charismatic leader as one with a clear moral compass.

Experimental research by De Cremer and Van Dijke further demonstrates that leaders with charismatic qualities (having passion and providing inspiration, for example) have more success in infusing their corporate environment with a sense of justice and morality.

Their research also showed that employees will also pay more attention to the erosion of ethical standards in their working environment when a charismatic leader leads them.

MONEY LAUNDERING A GLOBAL PROBLEM

In April, the latest in the 'Journeys with Erasmus' series of business symposia took place. Among the high-profile speakers was Pieter van den Akker, until recently the Global Head of Anti-Money Laundering Operations for ABN AMRO Bank Group. Here he outlines how money laundering is a problem for every business and provides guidance for those seeking to protect themselves from its harm. **Text Russell Gilbert**

His lecture, entitled 'The management of external liabilities: hard lessons learned by the financial sector in organising anti-money laundering controls', brought home to delegates the extent to which organised crime and money laundering is a global problem.

A veteran of ABN AMRO for 25 years, 16 of which were spent abroad, Van den Akker concluded his extensive tour of duty by taking responsibility for overseeing and structuring the protection of the bank so that its infrastructure wasn't exposed to use by criminal organisations seeking to launder money. The high profile role also saw him take charge of nearly 500 employees in eight strategic locations around the globe.

The problem and scale of money laundering worldwide is huge, says Pieter: "It's very difficult to give accurate statistics, because of the very nature of the crime, but the International Monetary Fund (IMF) estimates that a staggering 3-5% of global Gross Domestic Product (GDP) is laundered every year. If you use the GDP figures given by the World Bank for 2008, it means that figure is somewhere between 1,000-3,000 billion US dollars. That's equivalent to the GDP of France, the 5th largest economy in the world!"

Although at first glance this may be a problem that's firmly nailed to the door of financial institutions and governments of the world, it is

definitely not the case. He explains that at the heart of money laundering activities are organised, and in many cases highly sophisticated, criminal networks involved in everything from the illegal drugs and arms trades, to human trafficking, and the mass production of counterfeit goods and even medicines.

"As a society we should put measures into place that prevent the dissemination of illegal funds into the financial systems of the world or bring it into the legal realm," he says. "Aside from the many ethical issues, it is also a very distorting activity economically, given that very large sums of criminal money are moving around the system very quickly."

How are criminal gangs able to conduct their activities on such a global scale, flooding financial systems with illegal monies? From Pieter's perspective it is the banks and the financial systems themselves that must shoulder some of the blame: "A number of things have helped facilitate this situation over the last 10-20 years. Specifically, we can identify an increasing liberalisation of banking systems and reductions in capital controls. These have made it much easier to transfer money from one location to another."

For Pieter, the growing involvement within developing markets is another point for consideration. "That's not to say that the problem of money laundering is an issue of the developing world," he takes pains to point out. "On the contrary, around half of the money laundered every year is done so in the USA. Of the remaining half, most is to be found in Europe. However, the developing world does not yet have the proper infrastructure and regulation to prevent or detect this type of activity. This though, is where they will play an important future role."

For now though, the USA is taking the lead. The reason for that, Van den Akker believes, can

"What many people fail to realise is the sheer scale of the problem and the sophistication of the forces behind money laundering."

be traced directly back to the terrorist attacks on September 11th 2001. “There is a perceived link between money laundering and terrorism, although in reality the link is not so clear, and the amount needed to finance the planning of the 9/11 attacks is quite insignificant when compared to the global problem. It’s highly unlikely, no matter how sophisticated the mechanisms, that the small sums of money involved could have been detected and the attack prevented.”

However, 9/11 drew sufficient attention to issues of money laundering that regulators, especially in the USA, have ever since been holding corporations accountable for their lack of financial controls, with heavy fines being imposed and even licences withdrawn.

ABN AMRO came under such scrutiny in 2005. As a result, regulators heavily fined the bank and imposed severe restrictions for a number of years. There are many lessons to be learned here, says Pieter. What led to this situation was a gradual loss of controls inside the organisation, which led to decay in the understanding of what the bank stood for above and beyond its profit objectives. Instead, it should have reinforced its commitment to being an ethical organisation, one with integrity, and focused on building a sustainable future.

Balancing ethical dilemmas

But it’s not just banks that are prone to such ethical blackouts. Siemens, a highly respected global corporation, was fined US\$1.6 billion in the last couple of years for lacking proper financial controls and facilitating bribery, corruption and money laundering.

This highlights the fact that every company, especially those working internationally, is potentially exposed to such risks. “In some respects,” says Pieter, “the key issue for organisations is in balancing ethical dilemmas



with the pursuit of profit. Multi-national corporations deal with the cultures, attitudes and ethical perspectives of many different countries. What is considered ethical in one society may be considered highly unethical in another.

“In some countries it is considered highly appropriate to give gifts when visiting clients,” he observes. “Yet in other societies the same thing is considered a bribe. So what do you do? If you set strict standards and say such gifts are expressly forbidden, you’ll soon find it difficult to operate well in certain countries where this is considered an accepted part of corporate or societal behaviour. The point is that ethical dilemmas exist at all levels of the organisation.” The issue of money laundering goes beyond borders, of course, and in dealing with the problem there are several dimensions to consider. “It is the responsibility of governments to deal with the issues through regulations and laws,” he says. “However, most efforts by governments are done at the national level; that’s not enough to deal with an international problem.” ▶

**I WILL BE A SUCCESSFUL
SERIAL ENTREPRENEUR**

Sjoerd Geurts (iwill.rsm.nl/sjoerd_geurts), Dutch
Founder of StudentCar and Symbid & RSM Alumnus



Anti-Money Laundering Tips for Business Leaders

- 1 Decide your corporate AML risk appetite
- 2 Develop a corporate AML policy
- 3 Communicate a consistent message to all parties
- 4 Invest in an ethical corporate culture
- 5 Know your stakeholders
- 6 Understand the AML dynamics of your markets
- 7 Document evidence and keep it up to date



Pieter van den Akker is managing partner at the anti-money laundering consultancy and training practice, International KYC.

MAIL info@i-kyc.com

WEB www.i-kyc.com

Numerous multi-lateral initiatives have been introduced over the last few years. However Van den Akker believes that these are merely consultative and result in a confused patchwork of rules and regulations. The most effective anti-money laundering (AML) initiatives generally are those started at an international level by the private sector. One is the Wolfsberg Group (www.wolfsberg-principles.com). Here a number of international banks have come together and agreed certain standards of conduct and AML controls.

So, in such a tangled situation, what can organisations do to protect themselves? “There are rules and regulations, along with compliance organisations that understand their complexity, and advise institutions on how they should be implemented,” he says.

The challenge is in making regulations work effectively operationally. “Just implementing them is not enough – they have to be embedded within organisations at all levels to be effective on a day-to-day basis,” Pieter advises. However, he also cautions: “It is possible to impose so many restrictions that it stifles the ability of an organisation to generate business and make money. It is crucial to find that balance, to translate the applicable rules and regulations into effective programmes and procedures for organisations.”

Any company that is internationally active will be confronted with scenarios that will

challenge their corporate ethics and integrity. In order to ensure the sustainability of your business, Pieter advises that managers have to be prepared and know how to deal with these issues in the right way when they arise, as they inevitably will.

“Corporations do realise that the price of getting it wrong, especially in the financial sector where reputation is so important, is prohibitively high. Reputation goes hand in hand with trust, and without trust the ability of an organisation to do business is severely hampered.”

It becomes imperative then, that the role of senior management is clearly defined when setting out a company’s strategy and determining its risk appetite. In a climate in which ethics and trust are increasingly valuable commodities, organisations just cannot afford to have such assets damaged because of a disregard of the consequences brought about from the short-sighted pursuit of financial gain.

“The way an organisation is structured plays a very important role, as does the leadership at the top. Leaders must provide clear guidance on what is acceptable behaviour and what is not. It may seem obvious,” Pieter concludes, “but it pays to have an ethical corporation and an ethical culture within it. Such a clear stance not only attracts the right kind of employees, but also discourages the wolves that wait for when you might, for whatever reason, stray from the path.” ■



FOUR FUNDAMENTAL DISCIPLINES ONE NOT-TO-BE-MISSED PROGRAMME

The RSM Business Management and Leadership Diploma is designed to provide first time managers with a comprehensive platform from which to build an outstanding career.

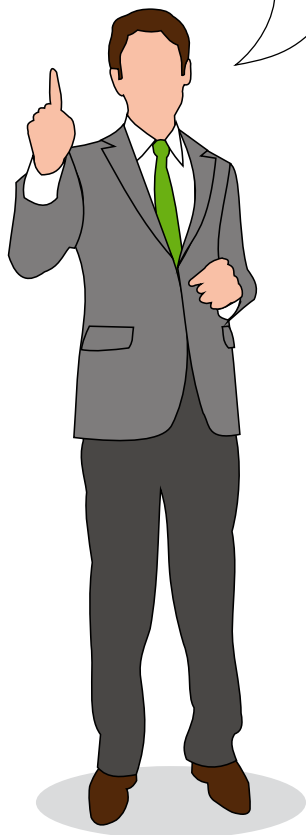
Covering four fundamental disciplines (Strategy, Leadership, Finance and Marketing), each module is taught by an expert in the field and focuses on providing you with the skills for real world application and maximum impact.

On completion of the diploma participants will have:

- A thorough understanding of the critical challenges in each functional area;
- Improved performance in core managerial activities;
- Enhanced interpersonal skills and the ability to communicate more effectively;
- The confidence to take on a higher level of responsibility;
- An extended network of professional contacts.

SUSTAINABILITY: NOT JUST

With its promise to secure a safe and happy future for generations to come, we all readily accept that 'Sustainability' is good for business. But do we know why? **Text** Justine Whittern



'Sustainability' takes into consideration the needs of future generations, in terms of the three P's – people, planet, profit. But the nuts, bolts and innovations that come with it have yet to be adopted by many businesses. Some are still to be convinced that it is necessary, or that it could be applied to their business.

'Sustainability' seems to be a buzzword for businesses emerging from the financial crisis. With many industries rocked to the core, there's an urge to rebuild on new foundations and to take advantage of business opportunities presented by concern for the environment from governments and people, and the new way of thinking that it has ushered in. At the same time,

there's a desire to guard against the imbalances – too many systemic risks and deficits, and a lack of 'safe' assets, savings and investments – which contributed to the crisis.

So what is sustainability and what are the motivations for incorporating sustainability into business? According to Anastasia Kellerman of 2lead4us, an organisation that coaches business leaders in integrating sustainability, it's making sure that core business values, and decisions are perpetually good for business. That means taking many things into account; other stakeholders, the environment, the organisation and beyond. Ms Kellerman was speaking recently at a seminar on Sustainable Energy in China, the first of its kind organised by students of RSM's new MScBA specialisation in Chinese Economy and Business. She said sustainability applies to everything a company does; how it produces, sells, purchases, transports and manages. For it to work, however, everyone needs to do it together and strong leaders are needed to forge the way forward. And therein lies the question.

For sceptics, the word 'sustainability' has already become over-used and meaningless. "It gets used so much because people intuitively understand what it's about, even though they may not know how to apply or implement it," says Frank Wijen, Assistant Professor of Strategic Management at RSM. "The word is abused, but we should take an overall view of the issue instead of trying to understand all its systemic complexities. It's still a useful term as it gives us an idea of where to head to."

"Introducing sustainability measures is not only environmental good practice, but also good for the wallet."

A BUZZWORD

Academic research and analysis into sustainability – to explore its potential for business – gained momentum in 1995 with the publication of a special issue of the *Academy of Management Review* on ‘Organisations and the Natural Environment’, Wijen observes.

“The field of research into the natural environment is maturing, but it’s still not as well-established as research into traditional management subjects, and accounts for only three per cent of management research appearing in mainstream journals,” he says. Indeed, early researchers had their work cut out even to define the subject, but since then, the

usability and usefulness of research for organisations has improved.

“There are a variety of reasons why companies might ‘go green,’” says Wijen, explaining that government and business both have powerful, but very different, roles to play. “Businesses have to become innovators, but as a rule they don’t volunteer to be so. When governments tighten the screws, that’s when businesses are induced to become green.”

There are normative reasons too; increasing numbers of consumers think it’s important to be ‘sustainable’ and businesses have taken note. But, as Wijen points out, in reality consumers ▶

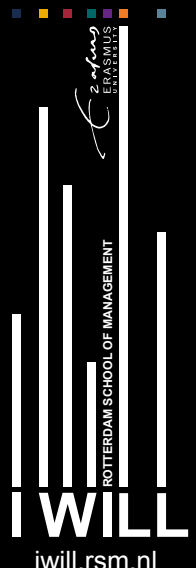


I WILL CHANGE THE CLIMATE OF BUSINESS

Gail Whiteman, (iwill.rsm.nl/GailW), Canadian/British Professor and ECORYS Chair in Sustainable Management and Climate Change

**Rotterdam School of Management
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play a modest role in the sustainability movement: “Only something like 10 per cent of consumers actually spend ‘sustainably’. Most say they are willing to do something good for the environment but their purchasing reflects convenience and price. There’s still a huge gap between attitudes and revealed preferences, although I have the impression that over the past three to five years consumers have become more concerned because of the increasing evidence of climate change and dwindling supplies of raw materials.”

But, for many organisations, the most important business reason for introducing sustainability is improved performance and profitability. Introducing sustainable practices means, theoretically, that a business stands a better chance of perpetuating itself, and improved performance often brings with it efficiencies, which can include eco-efficiencies

“Legitimacy becomes a driving force for sustainability, especially in retail and consumer markets, where the customers’ impressions of the company are hugely important.”

such as minimising waste and energy use. Introducing sustainability measures is not only environmental good practice, but also good for the wallet.

In addition, new markets for green products are emerging continually, and markets for established green products; hybrid cars, energy-

efficient buildings and water-saving washing machines, for example, are growing. Investments in sustainable energy outweighed investments in conventional energy from fossil fuels for the first time in 2008, according to the United Nations Environment Programme, and there have been huge investments in solar power, wind power and power generation from biomass.

Pressure to ‘go green’

What if your business rival is using sustainability as a marketing tool and you’re not? Does this encourage commercial enterprises to ‘go green’ – and for the wrong reasons? “Companies don’t like to be pointed out as lacking, and rivals’ claims of their business being green imply that yours is not,” Wijen says. “Legitimacy becomes a driving force for sustainability, especially in retail and consumer markets, where the customers’ impressions of the company are hugely important.”

The pressure to go green isn’t constant across all markets and industry sectors. Companies operating at the beginning of a supply chain are less compelled to introduce sustainability than those at the end, Wijen believes. For producers and handlers of raw materials or unbranded products, legitimacy doesn’t have as much importance as for businesses operating at the branded retail end of a supply chain. Likewise, sustainability-related legitimacy is not yet a big issue in emerging markets.

What is known of the importance of sustainability to environmentalism and business prompts more questions; many of which are being answered by students at RSM, the next generation of business leaders. Sara van der Meer, a student of the MScBA Global Business and Stakeholder Management programme, has just completed her thesis, which explores the sustainability of exploiting ‘free’ global resources.



Several evaluation models already exist, but Ms van der Meer has developed a new model that evaluates ecosystem services in monetary terms more effectively. This takes four elements into account; direct-use values, indirect-use values, option values and non-use values. Her research into the real value of ecosystems will be published in a book co-authored by Denis Sliker and Jos van Assendelft later this year.

Assuming the business case for emphasising sustainability is compelling, what are the risks? “When business is driven to incorporate sustainability by normative reasons – to ‘fit in’ – the whole enterprise becomes extremely vulnerable if the company encounters an adverse business cycle,” warns Wijen. “It may consider giving up its green measures in those circumstances. But if those green measures are an integral part of the business and the way it makes money, then it has no choice but to continue through economic downturns. Sustainability is so much stronger and more

convincing when green activities are an integrative part of the business model.”

Perpetuating business into the future is one reason for introducing sustainable operations. The potential for falling foul of legal liabilities in the future is another. Wijen notes that, “Although businesses may be compliant with green standards today, we can’t rule out lawsuits saying ‘you should have known’ 10 years down the line. We have to consider there may be penalties for businesses that can’t demonstrate they did everything in their power to mitigate their contribution to climate change.”

There will be discussion and argument about sustainability into the future; some or other moral high ground to be taken and re-taken, but what should not be in doubt is that much more research, discussion and experimentation is needed. The only conclusion to be drawn now is that the first steps have been taken; the move to genuine and good-for-business sustainability has only just begun. ■

**I WILL ENCOURAGE MY
STUDENTS TO THINK BEYOND
THEIR COMFORT ZONE**

Mignon Halderen (w.will.rsm.nl/Mignon), Dutch
Assistant Professor

END OF AN ERA

As a Professor of Marketing since 1983, as Dean of Faculteit Bedrijfskunde/RSM from 1986-1989, and as a founder, and first Scientific Director of ERIM from 1999–2004, Berend Wierenga, who retires this summer, has been a constant driving force in making RSM and ERIM the successes they are today. **Text** Lesa Sawahata

His groundbreaking approach to educational and research programmes, savvy and strategic methods for creating academic structures and policies, and persistent drive towards quality have formed the basis for the international reputation of RSM.

Further, he has collaborated on research projects and articles with numerous respected academics within and without RSM, and was PhD promoter to several key members of the organisation, including Prof. Ale Smidts, ERIM's current Scientific Director; Prof. Eric Waarts,

scientific giant in the marketing field" was appointed Professor of Marketing in 1983. This was for the Interuniversitair Instituut Bedrijfskunde (IIB), an earlier iteration of RSM, located on the campus of Delft Technical University. "We felt we were pioneers, and the atmosphere was very creative and innovative," says Wierenga.

Almost immediately, the mavericks of IIB moved to the Erasmus University Rotterdam (EUR) campus, already home to respected law, medicine and economics faculties. This induced culture shock. "We thought it was bureaucratic," he says. "It was also very political, and difficult to manage." The integration of the anti-authoritarian management faculty – which had become Faculteit Bedrijfskunde (FBK)/RSM upon the move to Rotterdam – within the more staid context of EUR wasn't easy. "We came here in 1983 and by 1986 there had been three Deans," says Wierenga.

"Berend is an ambitious leader, and despite opposition he persists and won't take 'no' for an answer unless there's a very good reason."

Prof. Eric Waarts.

Dean of RSM's BSc/MSc programmes; and Gerrit van Bruggen, Professor of Marketing, who has arranged a day-long symposium/farewell event in honour of Wierenga (pictured) this June.

"It's clear that Berend has made a huge contribution to the school," says Van Bruggen. "He's not formally a founding father, but he has been crucial in getting RSM's values in place."

Wierenga, whom Waarts describes as "a

Programmes, politics and policies

During these turbulent early years, even before his period as Dean of FBK/RSM from 1986-1989, Wierenga was instrumental in creating the programmes – MSc (Doctorandus), BSc, MBA, and a small PhD programme – that would distinguish the school.

He also learned how to lead effectively within its complex, highly politicised environment.

“Berend is an ambitious leader, and despite opposition he persists and won’t take ‘no’ for an answer unless there’s a very good reason,” says Eric Waarts.

He fought with particular vigour for qualified external professors for the MBA programme, although the Faculty Council and other internal parties tried to block such a move. “The sitting faculty was clearly not up to teaching the programme – this wasn’t meant to be an employment project for FBK - and it took a lot of work to get people to see that it was in our interest to have a successful MBA.”

The proof is, as they say, in the pudding. There was success across all the new programmes, but the MBA in particular brought international visibility to RSM. When asked about the high point in his career as Dean of RSM, Wierenga retrieves a T-shirt, emblazoned with a reprint from the *Wall Street Journal* dated Wednesday 30th August, 1989. The brief article indicates that Cox Communications ranked Rotterdam School of Management as ‘valedictorian’ in their survey of European MBA programmes. “That meant something: people outside of Europe had heard of us. The MBA was a success, and the BSc and MSc programmes were an even bigger success. Suddenly,” he says, “everyone wanted to study business, and they wanted to study at RSM.”

That led to the need for strong admissions policies, including a cap on the number of students admitted each year. “The year we decided to accept 500 students, we got 2,900 applications. We needed to establish ourselves, and felt we couldn’t offer good educational quality without setting limits,” he says. Only students with very high grades were automatically accepted into the programmes; the others went through a lottery process. Harsh, perhaps, but quality of intake is a great strategy for establishing



excellent programmes, and impacting such all-important rankings as those of the Financial Times. RSM’s wide variety of MSc, BSc and MBA programmes are all highly ranked today. “We managed to make them good from the start, and we kept building on that foundation,” he says.

Wierenga says his legacy as Dean is that he created clear structures within the school, for example in forming the seven academic departments that exist at RSM today. “My other major legacy is the recognition of ERIM as a world class research institute,” he says.

Putting research on the map

ERIM, which consistently maintains its ranking within the top three research institutes in Europe, was not the first attempt at a management research institute on the Erasmus campus. That was the Erasmus Institute of Advanced Studies in Management (ERASM). However ERASM, an ▶

I WILL BRING SCIENCE
INTO THE CLASSROOM

Stijn van Osselaer (will.rsm.nl/StijnvanOsselaer), Belgian
Professor of Marketing Management



“Berend is a marketing visionary, one of the founders of top quality marketing research in Europe.”

Prof. Stijn van Osselaer, Chair - Department of Marketing Management

applied research organisation, failed in its attempts at accreditation with KNAW, the Royal Netherlands Academy of Arts & Sciences.

“We let it go for a few years, and when the late Paul Verhaegen came in as Dean, he said we should get going with a research institute once again.” In 1998, Verhaegen came up with the idea that RSM and the business part of ESE (Erasmus School of Economics) would join forces to make a new research institute – one that would have the weight and depth of research to be recognised by KNAW.

In 1999, Wierenga recounts, it was time to demonstrate the worthiness of ERIM in front of a panel at KNAW; a small group, including Verhaegen, Wierenga, Wilfred Mijnhardt (currently Executive Director of ERIM) and members of ESE, made the drive to KNAW in Amsterdam together. Because of the earlier disappointment with ERASM, everyone was a bit tense. “We were like schoolboys who had to do an exam!” says Wierenga.

KNAW granted the accreditation. It was a moment of triumph. “Academically we were on the map. Those first years with ERIM were a lot of fun,” he says. “We were pioneering once again, because we were starting from nothing.”

The first step was to define criteria for membership in ERIM. From the beginning the focus was on quality; as in the educational programmes created earlier, this proved to be the perfect strategy for quickly transforming the research culture of RSM.

Prof. Stijn van Osselaer, Chair of the Department of Marketing Management, says: “In establishing these criteria, Berend institutionalised high standards of quality in ERIM.” There is a voucher system that provides incentive for production of scholarly articles; in any case ERIM members must publish a minimum of one paper a year, three of which must appear in peer review journals over a five year period.

“Some colleagues thought ‘I can never meet these standards’ and went away,” says Wierenga. They were soon replaced. “In a few years the whole school was more research-oriented,” he says. “In retrospect I’m surprised it happened so quickly - apparently if you change the rules of the game, suddenly things move!”

Marketing visionary

Wierenga has fitted hand-in-glove with the evolution of RSM and ERIM. But it’s important to remember that he’s been just as influential in his field of specialty: as a marketing researcher and professor, and founder of the Department of Marketing Management at RSM, which he chaired for over 15 years. “Berend is a marketing visionary, one of the founders of top quality marketing research in Europe,” says Van Osselaer.

Wierenga is a Fellow and former President of the European Marketing Academy (EMAC); founding editor of the *International Journal of Research in Marketing*; and an editorial board member of other leading academic marketing journals. He's been a visiting professor at The Wharton School, INSEAD, Universitas Indonesia, and the University of Vienna. His current research interests include managerial decision making, and CRM – customer relationship marketing. “This is a new branch of marketing in which you use information technology to

really target individual customers,” he says.

Last year, he launched Customer Centric Marketing, an open enrolment programme with RSM Executive Education, in which he co-taught with well-known marketing consultant Paul Postma. And he's still working on articles and papers with colleagues.

So ‘retirement’ is a relative term. “I've got a new degree of freedom that I'll try to use in an optimal way,” says Wierenga. “I feel like I can finally do what an academic does - teaching and researching. And a bit of golf.” ■

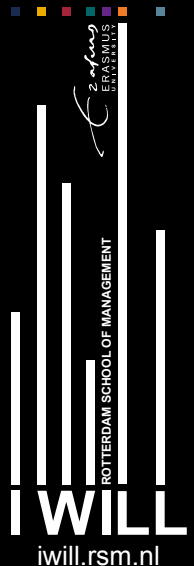


I WILL BE A THOUGHT LEADER

Himanshu Yadav, (iwill.rsm.nl/hyadav), Indian
Alumnus MBA10

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INVESTING IN NEW KNOWLEDGE PRODUCTION

The meteoric rise of the Erasmus Research Institute of Management, or ERIM, would make many a company envious. In a mere ten years it has tripled in size. It has risen from relative obscurity to become one of the top three players in Europe, and among the top 25 in the world. **Text** Catherine Walker

“It has taken a lot of hard work and considerable strategic investment, but the transformation has been truly amazing,” says Ale Smidts, who took on the ERIM scientific directorship five years ago from founding Director Berend Wierenga. “We now have more than 200 senior researchers and over 100 PhD students on our doctoral programme, making us the largest single centre for business and management research and doctoral education in the Netherlands and one of the largest in Europe.

“At the same time ERIM has changed quite dramatically from being a predominantly Dutch group to a very international collection of researchers. As a result of these and other developments we now compete with the best schools in Europe and the USA.”

Founded in 1999, ERIM is a joint initiative between Rotterdam School of Management and Erasmus School of Economics, bringing together the top researchers in business and management from each of the schools. Alongside its research programmes ERIM also has an advanced graduate programme in management that attracts some of the most promising young scholars from around the world who are increasingly finding jobs at top schools after completing their PhDs.

Within ERIM, research is divided into five broad streams: marketing; finance and accounting; strategy; organisation; and business

processes, logistics and information systems. Also under ERIM’s umbrella are more than 20 specialist research centres, focusing on topics as diverse as customer value chains, mutual and hedge funds, neuroeconomics, entrepreneurship, closed loop supply chains, and sustainability and climate change.

A great breadth of expertise, but what sets ERIM apart is not so much the subjects it covers, says Smidts, as its capacity to draw on the strengths of top researchers from many different disciplines: “ERIM is unique in the Netherlands. Whereas other major institutions are economics-driven, we are truly multidisciplinary. Alongside people with a background in the core field of business administration, we have many psychologists, sociologists, economists, econometricians and also people from technical backgrounds, studying what happens to organisations and the links between organisations.”

This allows issues in business and management to be looked at through a variety of lenses, and the connections between those different perspectives to be explored, adds Wilfred Mijndhardt, ERIM’s Executive Director, who has been with the institute from the outset and has helped it evolve. “It has brought in new intellectual ideas which inform the whole research practice.”

“We already see our impact on business



taking place in many different ways,” says Smidts. “Take our Corporate Communication Centre, for example, under Cees van Riel. It has very strong links with companies across the Netherlands. Corporate communications managers from most of the leading Dutch companies have taken at least one course from the CCC – gaining insights into how to manage their corporate reputation or build their corporate brand. So the centre is really having an influence on how people operate, at a business level.

“More recently we’ve set up an Innovation and Co-Creation Lab, led by Harry Barkema and sponsored by DSM, as a joint venture with the London School of Economics and Political Science. They have started a project with Unilever’s R&D facility, looking at what types of team

collaboration and information exchange are most effective in developing innovative ideas. There is also very important work going on within our INSCOPE centre, where our researchers in strategic management are working with the universities of Maastricht and Amsterdam and with TNO to provide a much deeper, evidence-based understanding of the impact of social innovation.

“There’s also a lot of interest from clients in how to deal with moral issues within organisations, given the financial crisis and, before that, what happened at Enron. Our new professor of Behavioural Ethics, David De Cremer, is developing new programmes to find the psychological underpinnings of some of the behaviours of managers and leaders, and also how to create trust, how to stimulate ethical

behaviour in organisations. That’s a new addition to ERIM that will bring fundamental insights from psychology to board and organisational levels so that we can understand how people behave on moral issues within organisations.”

Just how has ERIM achieved its success?

From the outset ERIM has modelled itself on the best US and European schools, Smidts explains – its methods and approaches have much in common with leading schools such as Wharton, Stanford and UCLA, or Europe’s top two, London Business School and INSEAD. ‘We’ve always seen ERIM as very much part of a wider global community of business schools, and our researchers have built extensive relations with colleagues ▶



at leading schools around the world.”

One of the most potent instruments for change, Smidts believes, has been a very clear and transparent performance measurement system aimed at systematically increasing both the quantity and quality of research. Faculty who publish within top journals are rewarded with additional research time, better career prospects, and other types of support, both financial and practical. This system has focused minds and created a culture in which faculty have a common understanding of what is required. Of the initial ERIM community of researchers back in 1999, only 16% are still with the institute today, illustrating the enormous shift in faculty dynamics.

“Now we have to show the world more clearly, and emphasise more strongly to companies, what we have to offer.”

The financial and support infrastructure within ERIM has been a major factor in attracting new talent to the institute, adds Mijnhardt, who has played a major role in creating the stimulating research environment.

It has clearly paid dividends: “ERIM

researchers increasingly publish their work in the very top international academic journals, and recently also in publications for more general audiences, such as *Harvard Business Review*. Top quality publishing is essential for raising the visibility and reputation of the institute,” says Smidts. “It showcases our researchers as experts in management, and our ratings have risen as a result.

“It is also helping us to attract increasing amounts of grant funding, from the Netherlands Organisation for Scientific Research (NWO) and from European programmes. For instance, in a recent competition organised by the NWO, the ERIM doctoral programme was ranked among the very best in the country, across all academic disciplines.”

A dual impact approach

But ERIM is already engaged in its next big wave of strategic development. Over the next ten years ERIM will remain at core an academic research institute, focused on management and business research, says Smidts, but points to a marked shift in its strategy already taking effect:

“Two yardsticks that will be used to measure the success of research in management over the next ten years will be the impact of the research on the scientific community on the one hand, and its resonance with the business community and general public on the other. This marks the fundamental change within ERIM in the last

couple of years to move beyond the traditional output-driven strategy towards an impact-driven strategy.”

Increasing ERIM’s academic impact (usually measured by citations) will mean ensuring that it can continue to attract top quality faculty who conduct research at the highest level. Maintaining ERIM’s place in the European top three is a key goal, but in an increasingly competitive environment, where other schools are constantly raising their game, this will certainly be a major challenge, Smidts concedes.

Increasing ERIM’s impact on business practice and society – and, not least, being certain of what that impact is – presents even bigger challenges. But Smidts and Mijnhardt both recognise that the advantages of such top-flight research cannot be fully realised unless this feeds

through to inform business practice.

“ERIM has grown enormously in academic impact and reputation over the past ten years,” says Smidts. “Now we have to show the world more clearly, and emphasise more strongly to companies, what we have to offer.”

Executive education, an important vehicle for transmitting new ideas, is one area that Smidts would like to see expanded in future: “By doing more executive teaching our researchers come to know more about how people in business deal with and think about particular topics. Greater involvement by faculty in executive education means getting closer to your stakeholders and to your customers – and that can only be beneficial for us all.”

Feedback from stakeholders will be key to understanding where ERIM’s research is having most effect. “We are now part of

a national pilot scheme, which aims to measure that impact. Stakeholders, such as business users, can testify as to our usefulness, and how they have used the results of our research in their business practice,” Smidts explains.

“We are one of the first business schools to start doing this,” adds Mijnhardt. “It’s a key strategic initiative for us – it’s the first step in selecting where we want to score as an institution, and where to focus our energies.”

If ERIM can attack that task with the same single-mindedness of purpose already shown in building its academic reputation, the next ten years look to be bright indeed.

WEB www.irim.nl

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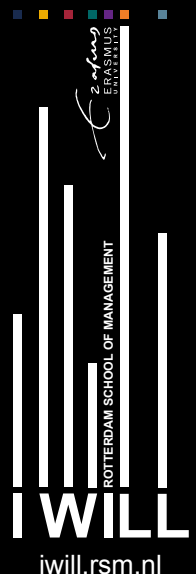


I WILL PREPARE YOU FOR THE FUTURE

Slawek Magala, (iwill.rsm.nl/smagala), Polish
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HARNESSING THE CREATIVE POWER OF DIVERSITY

Whilst research indicates that diversity in the workplace can contribute to competitive advantage in business and boost innovation, diverse teams remain difficult for organisations to manage. Finding out why is a major challenge for researchers, says Prof. Daan van Knippenberg, co-founder and head of ERIM's Centre for Leadership Studies. **Text** Justine Whittern



Daan van Knippenberg is Professor of Organisational Behaviour in the ERIM Centre for Leadership Studies. His comprehensive review of past research has resulted in a new theoretical model for studying the effects of diversity.

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Within the field of organisational behaviour, how is ERIM's 'dual impact' criterion - of developing research that has impact in both the academic and business worlds - being achieved?

Our focus at ERIM has been to first establish academic impact through a programme of empirical research in order to develop strong evidence for causality - the cause and the effect - and have a strong empirical basis for evidence-based management.

We review existing literature and gather our own data to investigate how teams differ and the extent to which they are diverse, and also how performance is affected as a function of diversity and contextual influences.

We have worked with teams from all kinds of organisations across Europe and the USA to assess diversity and performance. We're interested in finding out what allows team members to be creative and to what extent team diversity contributes to this. The findings will be useful for teams working on any project classified as 'knowledge intensive'.

Consider a CEO who is an expert in their field but not necessarily expert in the same field as their team mates. Here, it's likely that policy decisions from top management teams rely on leveraging expertise from all members of that team.

We've conducted contract research at the request of organisations such as the Ministry of Defence in the Netherlands, and recently worked with a multinational company to discuss how they could implement our academic findings.

We're only now making baby steps to broadcast the results of our research to business, for example through RSM's Executive Education programmes. We're also hoping to get exposure for our research in managerial outlets and publications such as *Harvard Business Review*.

What will be the research priorities in organisational behaviour in the years ahead, and what are the 'hot topics'?

My knee-jerk reaction is always to think of the role of leadership. First, this has the most direct influence on organisational behaviour, and research into it is key to what we're trying to do. Secondly, HR departments always choose to invest in educating and training leaders, expecting them to pass on and develop ideas with larger numbers of people.

From personal observation, I think the role of inspiration and motivation has been overemphasised in leadership development programmes at the expense of attention to the role of leadership in creating synergy through team work. I believe it may be something that should become a more central aspect in



“The greater the positive understanding of diversity that leaders have, the more tolerant they will be.”

diversity of the team, much more so than if they believe that diversity is a negative attribute.

What radically innovative solutions or ideas are emerging from the study of organisational diversity?

I am no fan of ‘radical solutions for the sake of radical solutions’ and believe that the field tends to over-value these at the expense of sound, programmatic development of research, building on what we already know. We need to establish our research ideas one step at a time, and develop a science by consolidating concepts rather than producing one disconnected innovative idea after another.

However, one promising idea we’re starting to study is how an individual performs in context. Not everyone benefits (or suffers) equally from diversity. Even if you don’t work in a team, the social context in which you do your work affects its quality. This may be particularly true for professionals or ‘knowledge workers’ – lawyers, accountants and doctors, for example – whose work is primarily self-directed. Nonetheless, they work within a context that offers diversity to a lesser or greater degree. The question we must ask then is what allows them to leverage this diversity in order to increase the quality of their work. ■

business practice and particularly in training leaders.

There’s a good case for studying the internal understanding of a team; the way in which the team itself understands its own diversity and shares ideas. We could all benefit from the improvements in results derived from team collaboration; these are the synergies of diversity. Leadership becomes important here, in terms of getting this understanding across to others within and outside of the team.

It’s inevitable that the ability to mobilise diversity in creativity, innovation, R&D and the integration of expertise will become increasingly important in knowledge-intensive or complex service industries. Social studies have shown that tolerance and commitment drop, and turnover of team members increases when demographic changes mean the majority

become a minority. These are slow and gradual developments and would have to be studied over 20 years or so.

What are the major challenges for business in the areas of organisational diversity in the next few years?

Clearly businesses will want to use diversity to improve team performances, and at the same time, changes in demographics will change the meaning of diversity. In principle, diversity is a positive attribute, but we shouldn’t close our eyes to the fact that trouble sometimes comes from it. How can we prevent ourselves from becoming more sceptical, or even negative, about diversity?

The greater the positive understanding of diversity that leaders have, the more tolerant they will be, and the more likely they are to make the best use of the

A VIRAL APPROACH TO MARKETING

The Marketing programme at ERIM has long examined the decision-making function that drives consumer behaviour. The future of the field, says Professor Stijn van Osselaer, Chair of the Department of Marketing Management, is in looking at customer-to-customer marketing: how does marketing go viral, and how can we use language to target consumers in a multicultural setting? **Text** Lesa Sawahata



Prof. Stijn van Osselaer chairs the Department of Marketing Management at RSM. He has taught at several international business schools, including LBS, and is an Editor of the *Journal of Consumer Research*.

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Within the fields of marketing management and behavioural marketing, how is ERIM's 'dual impact' criterion - of developing research that has impact in both the academic and business worlds - being achieved?

One way is through teaching. We were recently in Amsterdam presenting to OneMBA students about our research into advertising and marketing to multilingual people. We brought them the latest research, which is consistent with the goals of our school: one aim is to bring cutting-edge research into the classroom.

Increasingly, we're doing joint research with companies; and we're also reaching out more and more to public policy-making institutions. We just had a meeting with Nederlandse Mededingingsautoriteit (NMa), the Dutch Competition Authority, talking with them about ways to make the pricing structure of retail electricity more transparent for consumers.

What will be the research priorities in marketing management in the years ahead, and what are the hot topics?

One area is viral marketing, and customer-to-customer communication – 'word of mouth' marketing. Some of this work is approached from a behavioural perspective on marketing, looking at individuals and how they respond to, for example, a member-to-member campaign, in which you are a friend of mine and are paid to recommend something to me. Am I actually more likely to take advice that is given by a friend? We're working with some companies on that issue. We've also come up with mathematical models of how a customer-to-customer internet campaign spreads through a population – these are literally viral, disease-spreading models.

Something else we're examining is how consumers learn, and how they form their preferences. We've just finished a paper about how people learn to like a brand, for example through pairing the brand with celebrity endorsers; and then looking at whether or not you will see damage to the brand if the celebrity falls from grace. Both outcomes are possible according to how you organise the consumer learning process.

Another set of projects is focused on the role of language in multicultural settings, and how you communicate emotion in a native or foreign language. Even though people can translate what you're saying perfectly, they just don't feel it as strongly if it's not in their native language.

These language effects will become more and more important in the next 10 years. Look at the city of Rotterdam: a lot of people for whom Dutch is not a native language live here, and they see advertising all the time. Are marketing messages getting through to them successfully? That's a big question.

Another issue of rising importance is creating a positive feeling for brands. Today, physical features are easily copied, so emotional ties

become more and more important. If you want to compete based on the widgets you manufacture, well – someone can very easily create a copy of your product. But for sustainable differentiation, you have to create a good feeling around the brand. Coca-Cola is always advertising with polar bears, or Santa Claus, creating a strong positive feeling that allows them to charge more than their competitors. Understanding how these emotional ties are formed is important to companies, and to policy makers, because you need to ask – do we want companies to be able to do this? Does this make people happy?

Are there radically innovative solutions or ideas emerging in marketing management?

One idea emerging now is that marketing should be more accountable. You can no longer say ‘I had a great ad campaign and everyone loved it’; we now have the tools to show what the real effects of the campaign were. We’re also getting a better idea of what the limitations and decision-making behaviours of consumers are, and how we can help them avoid being taken advantage of.

We’re also getting more deeply involved in public policy issues, working with regulatory bodies to see how to protect the consumer.

For example, we are working with a company that wants to prevent methicillin resistant *Staphylococcus aureus* (MRSA) infections in hospitals. So we thought about ways to get people to wash their hands. We tested this at Erasmus Medical Centre: we put rolls of toilet paper, printed with methods and reasons for washing your hands, in the bathrooms, and we’ve found it works very well. The point is that the information has got to be really close to the action if you want to influence people.



Considering the dual impact aspect, what are or will be the major challenges for business and organisations in the area of marketing management over the next few years?

I think that issues of trust, and the confusion of consumers who are confronted with too many choices, are going to be major issues. We're coming to grips with the idea that giving consumers lots of options does not necessarily improve their lives. If I'm a telephone company and offer 200 different payment plans, and none of them are the same as my competitors' plans, I might be doing consumers a disservice. So I think a lot of companies need to go back to really listening to their customers. In the Marketing Management department, we've just hired someone whose research is focused on customer co-creation: how to listen to what people actually want and get them involved in co-developing the product with the company. ■

“We’re coming to grips with the idea that giving consumers lots of options does not necessarily improve their lives.”

THE LOGISTICS OF OPERATIONS

Innovation is high within the field of logistics, says René de Koster, Professor of Logistics and Operations Management, as he outlines here the challenges that lie ahead for researchers and business managers alike.



Professor de Koster's research interests are warehousing, material handling, supply chain management, retail operations and reverse logistics. He can be contacted at

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There are many trade-offs in logistics management. For example, you cannot have the best quality and the lowest costs. You cannot be the most flexible company whilst being the most efficient. Businesses continually face the complexities of trying to strike a balance between multiple processes and factors in order to create an optimal scenario.

Much of our work in the Business Process, Logistics and Information Systems research programme at ERIM draws its inspiration directly from these types of challenges and we seek to develop, improve and implement real models that can provide solutions, increase efficiencies, and ultimately aid the financial bottom line. It is by a direct contribution to the understanding of the problems faced by business that our research helps fulfil the 'dual impact' criterion of creating scientific knowledge that also has resonance with the business community-at-large.

One specific area of logistics – terminals – offers many challenges and provides researchers with abundant opportunity to put the 'dual impact' philosophy into practice. Broadly speaking, a terminal is any facility where

goods and materials are handled or stored – ports, container docks, logistics depots, warehouses, etc.

People are especially important in facility logistics, as it is they who really drive performance. One of the key questions therefore, is how can people be motivated in such a way that they maximise company performance? Whilst behavioural research has been carried out on many aspects of organisations, such studies in the field of operations are relatively new.

One of the prime objectives for organisational effectiveness in a warehouse is order picking. This needs to be done efficiently, accurately and in a timely way. Although typically there is much in the way of mechanisation and computerisation, people ultimately have to do the work and it is essential that their productivity rates are sufficiently high.

The received wisdom is that you have to locate products in a warehouse in such a way that those in greatest demand require the least travel distance for the order picker, thus increasing productivity. However, our research indicates that this is just one aspect and that ergonomics is equally as important. If people

MANAGEMENT

“Ports are incredibly time sensitive businesses, especially when you consider that the large cargo ships sailing today carry up to 15,000 containers.”

do not like the ergonomics of the work – they have to bend down too much to reach products, or strain to retrieve items from high shelves – then they become physically uncomfortable and demotivated. This leads directly to drops in productivity and higher turnover of staff.

The application of performance targets, and how they can increase productivity without impacting on quality, is another area of research being developed that will have obvious benefits for industry. In laboratory scenarios, we have shown that by setting the right objectives, and by providing personalised feedback, it is possible to measure a sustained increase in productivity of as much as 13%. Such an improvement is very significant for managers.

Safety is another important area of research, and understandably so when you look at the statistics for a small country like the Netherlands and find that annually there are around 1,700 injuries involving forklift trucks. Reducing those numbers and improving safety awareness is critical for all. (For more information on these safety issues, go to: <http://tinyurl.com/ongevallenreductie> [article in Dutch])

The second research field seeks to find solutions to one of the biggest problems facing the logistics industry today. To illustrate, probably the biggest sector of business in the Netherlands is logistics. Latest figures estimate its contribution to GDP at 40 billion euros annually. However, warehousing space, which typically takes up 40% of operational costs, is at a premium.

One solution could be very high-density storage. Think along the lines of automated parking garages where cars are stacked just 5cm from one another. For warehouses, this means that the same volume of goods could be stored in just one third of the space. If warehouses can be made smaller then operating overheads will be reduced. Another significant benefit is that compact warehouses need to be fully automated, thus yielding high productivity levels.

Our third area of research is in what we call

terminal optimisation, specifically container terminals. Ports are incredibly time sensitive businesses, especially so when you consider that the large cargo ships sailing today carry up to 15,000 containers.

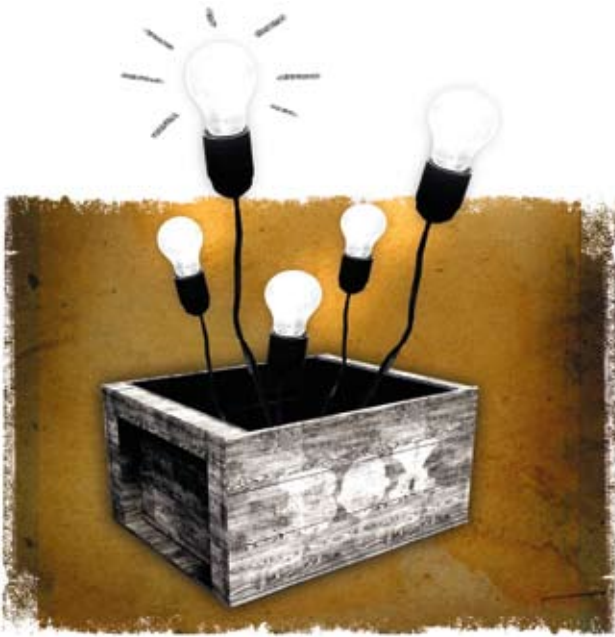
One of the key challenges in relation to this is stacking within a container yard. Four-high stacks of containers are not uncommon. That increases the likelihood of having to dig to find the right container with the right shipment – a time-consuming and costly problem that managers are eager to see alleviated.

The optimisation of layouts, storage and order picking in general is another growing area of study. Here, algorithms aid in determining the specific positioning of products within a warehouse, and at specific times, with the purpose of reducing the lead-time for orders. Understandably, bearing in mind the costs involved and the possible savings that can be made, our professional services will continue to be in demand.

Another significant challenge is the huge shortage of motivated workers, which has primarily come about because the logistics industry suffers from a lack of appeal.

As companies increasingly seek to profile themselves as being ‘environmentally friendly’, so those involved in terminals and warehouses need to reduce their carbon footprint. This is a fresh challenge on an unprecedented scale, and essentially uncharted territory for researchers.

Each of the research areas mentioned offer significant challenges both now and in the future. Looking at the bigger picture, there is much innovation happening, and that needs to continue. What we need to do is analyse these innovations, develop models, and then see how these innovations can be optimally applied in business or to develop them further with other ideas. For researchers in the areas of logistics there may never have been a better time to take up the gauntlet and help tackle head-on the challenges that lie ahead. ■



INNOVATING THE INNOVATORS

Strategic renewal, the process of creating and implementing new products, processes and capabilities, is the focus of ERIM's Strategy programme. Whilst technological innovations remain important, Prof. Henk Volberda believes that the future lies in Social Innovation. Here he explains what it is and the impact it can have on businesses. **Text** [Lesah Sawahata](#)

Within the field of strategic management, how is ERIM's 'dual impact' criterion - of developing research that has impact in both the academic and business worlds - being achieved?

One very practical problem we are looking to address is why firms, particularly Dutch firms, are lacking in innovation.

The answer that usually arises is that "companies don't invest enough money in research and development and technology". My colleague Frans van den Bosch and I wrote an innovation paper for the Dutch Ministry of Economic Affairs in which we made a plea for social innovation.

Subsequently, I was asked by the Dutch Innovation Platform (Innovatieplatform), chaired by Prime Minister Balkenende, to write a proposal for a centre on social innovation, and we've now helped set up the Dutch Centre for Social Innovation (NCSI), in collaboration with employer associations, labour unions and other knowledge institutes. Moreover, we launched INSCOPE Research for Innovation, a consortium of EUR, Maastricht University, and TNO. INSCOPE's aim is to increase the fundamental understanding of social

innovation and its influence on technological innovation, productivity and competitiveness of firms.

Although much has been said about the dual impact of research, for us it has a triple impact. First, we have been successful in having a positive impact on business. For instance, we've done several studies on strategic renewal within the Dutch energy sector; a study on corporate longevity within Shell and Vopak; and the Knowledge Innovation Monitor for Rabobank.

The second aspect is academic impact. According to the rankings carried out at Leiden University through the Center for Science and Technology Studies (CWTS), we are number one in the Netherlands, second in Europe and fourth in the world in terms of academic output in top journals in our field. We've been quite influential regarding such new concepts as co-evolution, strategic renewal, strategic flexibility, absorptive capacity, dynamic capabilities and ambidextrous organisations.

The triple impact is policy impact. This was not our original intention. We started out as management scholars studying strategic renewal, but from a funding

perspective it is essential that our research programme has implications for policy making and evaluation.

We are the host institute of the World Economic Forum, and provide the Dutch data for the Global Competitiveness Ranking. This is used as the crown indicator by the Ministry of Economic Affairs and the Dutch government. The aim of the Dutch government and the Innovation Platform is to get back in the top five in this ranking. We also do a large-scale survey, the Erasmus Competition and Innovation Monitor, which measures levels of social innovation among 10,000 Dutch firms each year. So this type of research has an impact on policy making.

What will be the research priorities in strategic management and your own specific research areas in the years ahead, and what are the hot topics?

Social innovation will remain the priority; the EU will include social innovation in its Euro2020 strategy and has created an expert panel to determine its meanings, definitions and implications. To define social innovation: quite simply, it focuses on the non-technological determinants of innovation. Normally an

innovation starts with a new technology. Social innovation means new ways of managing - new ways of organising, new approaches to labour - that enhance the effectiveness of technological innovations.

Here's a practical example of social innovation at work: six years ago the board of directors of DSM had the intention to terminate their Anti-Infectives production plant. After reconsideration, DSM decided to innovate in two ways: they went towards 'green' production using a bio-technology process with fewer production phases. That's a technological innovation.

Next they eliminated some management levels and invested heavily in skilled operators – human capital. These operators had to work in self-organised teams, and cooperate with an outside maintenance company. That's a social innovation.

The new ways of working and organising increased productivity by at least 16% with the result that the plant in Delft is still active and production has not been relocated to China.

DSM now knows that with new ways of managing and organising, it is still feasible to keep their production activities in the Netherlands. The issue now is how to replicate these innovations across DSM's other plants.

What are the major challenges for organisations in the areas of strategic management over the next few years?

We've been doing offshoring studies with Duke University in the USA, and other European universities, and find that many production activities have been relocated to places like China and India. The Netherlands is a frontrunner in offshoring, not just in manufacturing but also in knowledge intensive activities.

This research is highly relevant because the Netherlands does not score well on innovation. We're lagging behind other countries, not just in terms of investment in R&D – which is 1.6% but should be 3% of GDP – but also in areas of collaboration between business, the government and knowledge institutes. Emerging economies

outperform the Netherlands on certain innovation indicators. India and China do much better than the Netherlands in terms of the availability of knowledge workers, for example. As well as cost factors, one of the reasons for Dutch firms offshoring is this availability of knowledge.

If Dutch firms don't innovate faster the risk is that in the coming decades we'll end up with 'hollow corporations'. That's a kind of nightmare scenario in which Dutch companies relocate so many knowledge intensive activities out of the Netherlands they end up unable to create added value.

As shown in the case of DSM, if we invest not just in technology, but also in smarter ways of organising and management, it is possible to create high added value for all kinds of activities in the Netherlands.

Are there radically innovative solutions or ideas emerging from the department of strategic management?

At INSCOPE, we have made some impact with the Erasmus Competition and Innovation Monitor – the effect has been that social innovation is now considered an important issue. The monitor is financed by NCSI, and we give an award to the most innovative companies. Also, companies that participate in this project get a sort of innovation report on their own organisations. Justin Jansen, managing director of INSCOPE, deserves all the credit here.

In a similar way we get data from our Quick Scan Flexibility, an online measurement of organisational flexibility. To date, the scan has been filled in by more than 6,000 companies.

The radical part is that it is not just interesting for the companies that fill out the survey – it's very interesting for us, providing a huge amount of data. Our PhDs have access to this database, so they are able to develop their theses quickly; the data has also helped us to publish more frequently in top journals.

Five years ago, we didn't have a lot of data – now we've created a data-rich 'publication machine', which enables scholars to write and publish their articles. ■

“Social innovation means new ways of managing: new ways of organising and new approaches to labour.”



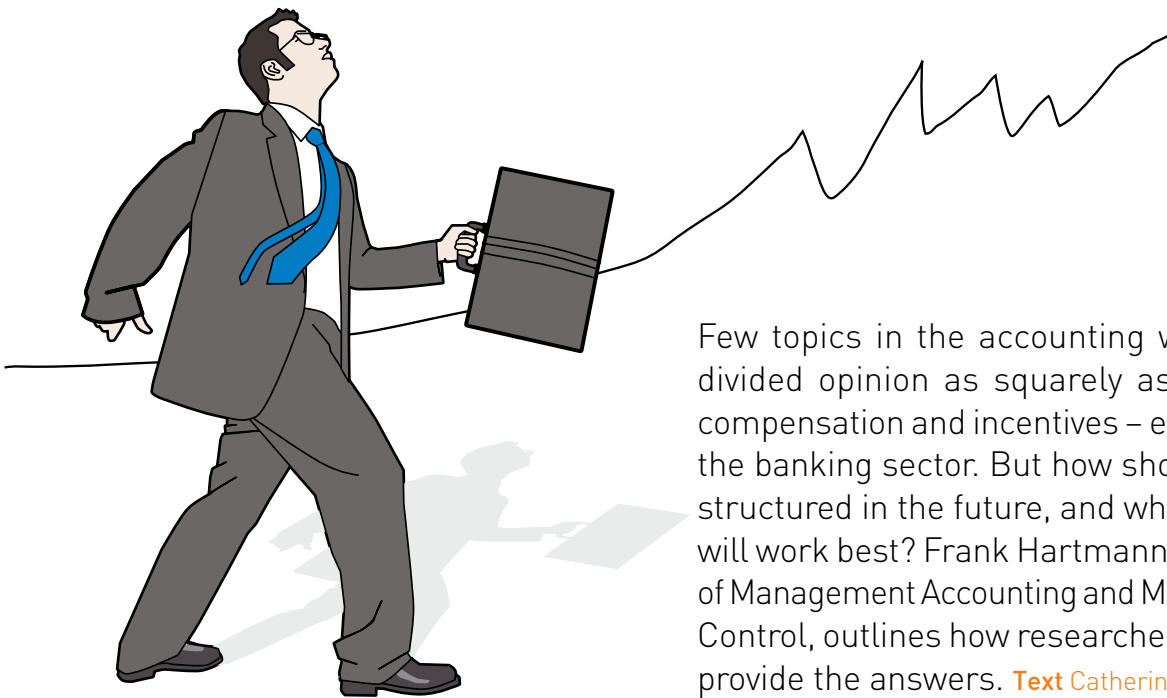
Prof. Henk W. Volberda is Chair of the Department of Strategic Management & Business Environment at RSM; Scientific Director at INSCOPE, and Director of the Erasmus Strategic Renewal Centre.

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A MATTER OF INCENTIVE?



Few topics in the accounting world have divided opinion as squarely as executive compensation and incentives – especially in the banking sector. But how should pay be structured in the future, and what systems will work best? Frank Hartmann, Professor of Management Accounting and Management Control, outlines how researchers can help provide the answers. **Text** Catherine Walker

Many blame large bonuses for encouraging managerial myopia and a culture of excessive risk-taking. Yet others – particularly in academia – declare performance-related pay to be the ideal means of motivating managers, organising labour markets and making pay more flexible. Now, says Professor Hartmann, “banks are questioning how to redesign their incentive pay because of societal pressure, and because they also believe what they have built over the last decade doesn’t really work.”

Little wonder that Hartmann, whose research focuses on incentive schemes, risk-taking and managerial decision making, is finding his work

in demand by financial institutions and public sector organisations.

Besides contributions to practitioner journals and to professional conferences and seminars, Hartmann highlights executive education as key for spreading and acquiring new knowledge: “I do a lot of executive education specifically for people in the controller professions who design firms’ incentive, control and measurement systems. This direct dialogue is tremendously important because we are not just providing these practitioners with perhaps new ways of looking at things. It’s vital that we as researchers have exposure to people in the roles and



jobs we are theorising about. It's also very challenging to us in terms of testing whether theories we're developing make any sense to people outside."

It is also, he stresses, a crucial way of picking up quickly on issues which really matter to the business world, and spotting important gaps that can inform future research.

One exciting initiative that should provide longer-term links with financial institutions is a forthcoming Erasmus University Research Institute in Compensation and Incentives (EURICI). This, says Hartmann, will allow companies interested in the field to participate in collaborative research that will benefit the companies themselves and advance academic knowledge.

So what will the key research priorities be for the future? Hartmann wants to take a step back: focusing on what puzzles or concerns the financial sector, but also examining more fundamental areas in human motivation and looking more questioningly at how incentive schemes, performance measurement and performance-related pay affect decision-making processes.

"If we can get a finer, more nuanced understanding of how people react to incentives and performance measurements, we can understand more about how and why they sometimes run 'off-track,'" he explains. "We need to look further at how such schemes affect managerial short-termism and long-termism."

"I think over the years we've gone a little too far in trying to measure everything that we think we measure well, then rewarding people based on those measurements. The problem is that whatever the performance measures, there's always what we call 'measurement error'. So if you evaluate somebody based on profit, for example, but know that profit is only an imperfect indicator of their real contribution, over-emphasising profit through linked incentives will probably in the long run steer somebody in the wrong direction."

"Organisations have simplified the whole pay and reward system towards having a set of outcome measures and related bonuses, and have avoided the much more essential problem of trying to assess the quality of individual decision making. I think organisations should take up that challenge, and see whether they can develop their HR and control instruments so that they can make better judgements about the quality of decision-making."

Where executive pay is concerned, Hartmann sees that more and more organisations will be faced with a precarious balancing act – that of motivating and incentivising existing employees to take neither too many risks nor too few, and at the same time ensuring that the organisation remains attractive in the labour market so that it can attract new talent.

"Performance-related pay is sensible in that it gives the firm an insurance policy against poorer than anticipated performance from a new employee," Hartmann explains. "But, as some of our research already indicates, over time, high levels of variable pay run a real risk of simply escalating expectation. The variable pay comes to be regarded almost as 'fixed', the employee wants more for the same effort, and the incentive effect is reduced."

"Incentive schemes are about more than simply individual motivation – they also have potentially negative side-effects, and affect organisational behaviour at large. So in any full evaluation of such systems, or discussion whether they are good or bad, we should look at this variety of outcomes in order to be able to advise for or against."

It's undoubtedly complex, but, argues Professor Hartmann, "I think that's also what business school research should be about: the recognition that questions from the real world are more diverse, and more complicated, than we sometimes like for our nice, neat academic study. But that's also what makes the research rich, satisfying – and ultimately more likely to generate genuinely useful insights." ■

"Incentive schemes are about more than simply individual motivation – they also have potentially negative side-effects."



Frank Hartmann is Professor of Management Accounting and Management Control at RSM, and a Member of ERIM.

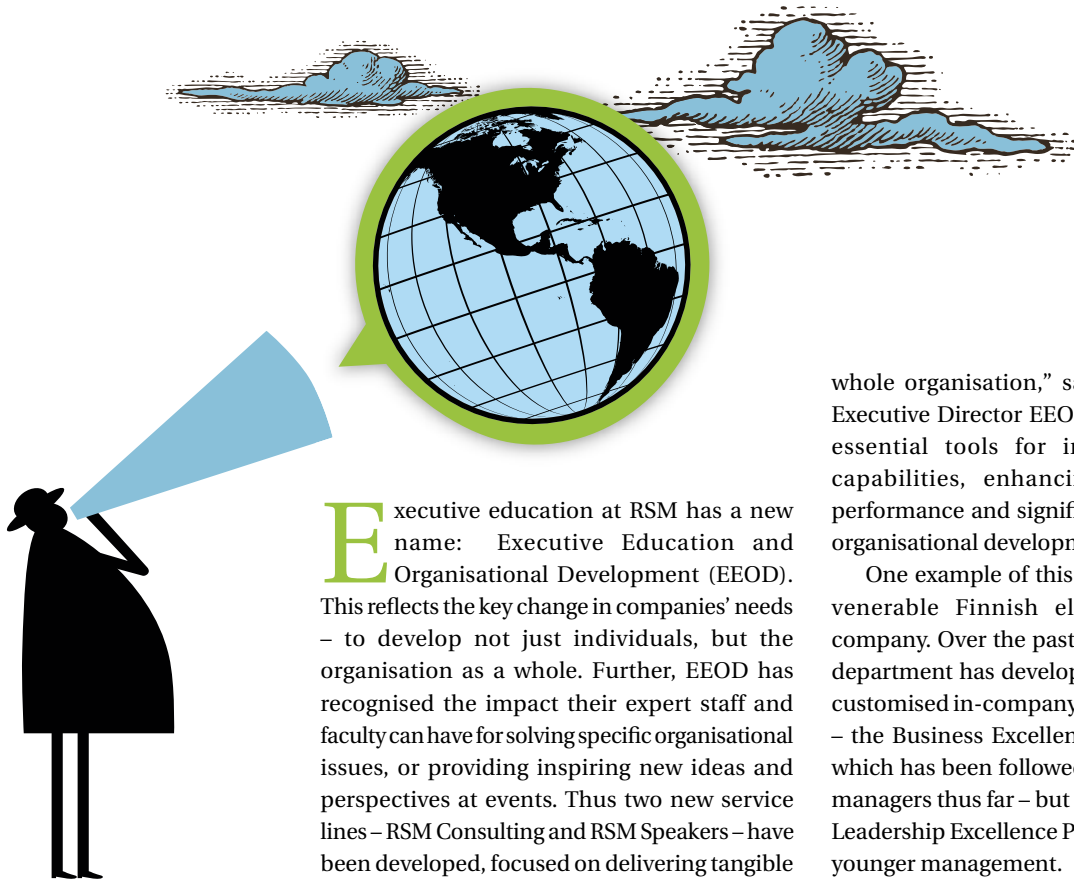
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EXECUTIVE EDUCATION REFLECTING COMPANY NEEDS

With learning and development activities increasingly seen as strategic initiatives within business, RSM's new Executive Education and Organisational Development team offers companies innovative ways to access knowledge and expertise. **Text** Lesa Sawahata



Executive education at RSM has a new name: Executive Education and Organisational Development (EEO). This reflects the key change in companies' needs – to develop not just individuals, but the organisation as a whole. Further, EEO has recognised the impact their expert staff and faculty can have for solving specific organisational issues, or providing inspiring new ideas and perspectives at events. Thus two new service lines – RSM Consulting and RSM Speakers – have been developed, focused on delivering tangible organisational benefits alongside the individual learning experiences the school is best known for.

Decentralised learning

The shift to flatter and leaner organisations, and the explosion of global competition, have changed attitudes towards executive education. "Today, learning and development activities are used much more strategically and focus on the

whole organisation," says Josette de Goede, Executive Director EEO. "They have become essential tools for improving individual capabilities, enhancing overall business performance and significantly contributing to organisational development and growth."

One example of this is found at KONE, the venerable Finnish elevator-and-escalator company. Over the past five years, KONE's HR department has developed not only a thriving customised in-company programme with RSM – the Business Excellence Programme (BEX), which has been followed by 150 upper middle managers thus far – but has also developed the Leadership Excellence Programme (LEX) for its younger management.

"KONE was the leader in this regard," says De Goede. "They recognised that managers at every level must be trusted to make informed decisions." This requires a decentralised approach to learning, moving executive education out of the exclusive domain of senior managers, and extending it 'down the ranks' to equip those nearer the front line with the skills and knowledge needed to make these calls.

Custom or Open Programmes?

Post-crisis, executive learning initiatives are being increasingly scrutinised for their capacity to demonstrate the all-important return on investment for organisations.

A customised in-company programme may be the best way for a larger firm to embed new learning and effectiveness throughout the organisation. The programme design process begins “with a consultation and feedback process that provides both RSM and the client with a clear understanding of organisational context, and the client’s desired outcomes,” says Tricia Alach, Senior Learning Consultant, EEOD. “The learning is anchored in the every day work of programme participants, and they can apply it right away; thus the programme impacts performance, both individually and organisationally, and its value can be gauged in a measurable way,” she adds.

Further, as in the KONE BEX, ongoing feedback and focus from Learning Consultants results in a programme that evolves over time. “BEX used to be a three-module programme,” says Maria-Purokosi-Vainio, HRD Manager, Global HR for KONE. “In looking at feedback with our Learning Consultant Paul Kerr, he proposed a two-module structure that actually works better, has more impact throughout the company - and we save on travelling costs as well,” she says.

Small to medium sized companies (SMEs) often don’t have the number of participants required to commission in-company programmes. However, just like larger firms they are looking for executive education that will help them ‘professionalise’ the organisation overall.

Launched last year, RSM’s revamped Open Programmes are ideal for SMEs. “We’re having particular success with the RSM Business Management and Leadership Diploma Programme,” says Hans Vollebregt, Marketing and Sales Manager, EEOD. This modular programme offers the collected wisdom of four of RSM’s Open Programmes’ ‘Essentials’ series – Essentials of Marketing, Finance, Leadership and Strategy – then adds a Business Improvement Plan, determined by participants and their employer and targeted towards a particular organisational issue.

RSM Consultants and Speakers

In working with clients to clarify their organisational goals, EEOD has discovered that the expertise offered by RSM faculty and Learning Consultants is highly sought after. Companies are, says Alach, “looking for expert advice on how to build an holistic learning and development plan that aligns with their company’s strategic objectives. Further, they are looking for a trusted source of expert speakers for events; they want to hear from real thought-leaders who can present exciting new ideas on how to address contemporary challenges.”

Hence the creation of RSM Consulting and RSM Speakers, services which allow the business community to draw from the world-renowned faculty members of RSM.

Dean George Yip introduced RSM Consulting and RSM Speakers at a launch event held last March. Speaking to a group of 60 HR professionals and senior executives, Prof. Yip emphasised the quality of both research and practice behind all of EEOD’s offerings. By virtue of faculty members of the Erasmus Research Institute of Management (ERIM), as well as speakers, consultants and practitioners in business, RSM is “a pre-eminent source of knowledge today,” he said.

To give the audience a taste of what RSM Speakers can offer, Prof. Eric van Heck, Chair of Information Markets and Management at RSM, presented “Smart Business Networks in the Clouds. Are you Ready?”

His presentation demonstrated the future-is-now orientation that RSM Speakers can give to business. “Our speakers provide audiences with a clear view of the issues that affect business now,” says Joanna Magala, Learning Consultant EEOD. “Moreover they present these new ideas in a way that challenges, entertains and inspires audiences.”

RSM has a proven track record of working with clients to build managerial capability and improve business performance. “And now through RSM Consulting and RSM Speakers we’re like a one-stop shop for all learning and organisational development activities,” says Alach. ■

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**I WILL MAKE
SCIENCE USEFUL**

Will Felps (will.rsm.nl/willhelps), American
Assistant Professor of Organisational Behaviour



MADE IN JAPAN

Each year, 35 to 40 RSM Executive MBA students get the chance to visit Japan on a study trip, to see how the business environment works in the Far Eastern country. So successful are the trips that the fifth excursion will set off this July. **Text** Tim Skelton

RSM's involvement in the trips, arranged in conjunction with the Nagoya University of Commerce and Business (the first dual-accredited business school in Japan), is coordinated by Executive-in-Residence Theo Backx. Until a few years ago, Theo was Chairman of the operational board of Sony Europa, and his expertise and experience in doing business with and understanding the Japanese has been pivotal in the success of the visits. "I worked for Sony for 31 years," he explains. "I spent two months in Japan each year, so I know all about business ethics there, how to negotiate, and how to understand the culture."

But what exactly can Japan teach students that they can't learn in Rotterdam? Theo Backx says the country is special for several reasons. "The business model is more relevant to European culture than the Chinese equivalent," he explains. "They are entering a 'silver age' as the workforce gets older. It's something the West will also soon have to face, so we want to see how the Japanese are dealing with it." Another

unusual aspect is that Japan has no service industry to speak of. “Their strength is quality of manufacturing, and craftsmanship.” This enables them to compete with China, where the main strength is cheap labour, and keeps them as an important business market both locally and globally.

Besides the aging population, another key difference is that unlike in Europe, promotion is based on seniority, not necessarily on merit. “That will change slowly,” Theo says. “But it’s not as bad as some in the West think.”

Japan is also a monoculture (there are few foreigners), and it would rather come up with its own solutions than bring in overseas workers. “They are developing a new generation of manufacturing techniques, with fewer hands but the same quality, thanks to automation,” Theo says. “Sharp has a huge flatscreen TV factory, which operates as a ‘black box’. No one knows how it works, but it has high automation and low staffing. There’s a benefit to students and RSM in understanding these processes and the management techniques that support them.”

Those taking part in the trip attend lectures each morning given by Japanese and international professors, where they learn about the Japanese way of doing business, business etiquette, and culture in general. In the afternoons site visits are arranged to Japanese and international companies, where students can talk to top management and experience first hand how companies are run. “With my experience of Japanese business I can give a Westerner’s perspective of why they do this or that,” Theo adds.

Two years ago even more insight was provided when another Japan expert, RSM’s Professor Patrick Reinmoeller, joined the group. In addition to his time in Rotterdam, he also teaches at Japanese universities. “Having lived abroad for more than two decades, one of which was almost entirely in Japan, I experience every day - like many of our students - how powerful it is to

throw yourself into a different culture,” he says. “The trips provide an opportunity to see how a diverse group of students conduct themselves in a completely alien environment. It adds hugely to their international experience,” he says.

Evidence of just how useful the students find the trip can be seen in their testimonies. One who went in 2009 was P-J Broodbakker. “I’ve lived in Japan, so it was great to come back to a country I’d enjoyed,” he says. “The staff did a tremendous job in offering a good overview of the business climate. One company we visited was a distribution business that supplied Circle-K convenience stores in Greater Tokyo. The most interesting part was not what it did, but the way it presented itself.

“None of the managers spoke English, and the entire presentation was done through an interpreter. The CEO attended in person and was open and frank, answering even the most challenging questions. Moreover, all the managers were there and stood in order of rank against the wall. It was a typical Japanese presentation style, and showed they held RSM in high regard.”

For P-J it brought back old memories, but for many students it is the first time they experience a remote culture where English isn’t the prevailing business language. “It was my first visit and I was amazed by the level of organisation and kindness of the people,” says Stefania Ballestra, another MBA candidate who made the trip last year. “On a business level it was very useful in terms of getting to see both the theoretical side, through lectures, and also examples of successful entrepreneurs.”

With the Japanese visits already a success, giving students a taste of the way business is conducted there and opening their minds to a global diversity of cultures, other overseas destinations are now being added. One group of Executive MBA students recently went to Hong Kong. “We’re also looking at emerging markets,” says Theo Backx. “We want to give students a better insight into what’s going on in the world.” ■

“We want to give students a better insight into what’s going on in the world.”

I WILL ENSURE THAT FUTURE LEADERS HAVE A POSITIVE IMPACT ON THE WORLD

Anjeni Ramtahal (will.rsm.nl/aramtahal),
Trinidadian/Canadian, Alumnus MBA10

THESIS INSPIRES ETHICAL

Master theses are often remembered as a demanding rite of passage in the early stages of a management career. One RSM student found businesses keen to assist in research that resulted in a thesis exploring the benefits of adopting socially responsible standards for purchasing activities. [Text Justine Whittern](#)



Mathijs Eefting graduated *cum laude* in the double honours CEMS Masters in International Management programme at RSM, ranked by the *Financial Times* as the number one Masters in Management programme worldwide, in 2009.

For his thesis, he set out to investigate the benefit of using Socially Responsible Purchasing (SRP), sending out a questionnaire to strategic buyers and senior management at 200 businesses from the metal products, engineering and equipment manufacturers, and electrical and electronics industries - all of whom were members of the Dutch Association of Purchasing Professionals (NEVI).

Purchasing is usually seen as a component of Supply Chain Management. That brings to mind the hard sciences of cost-cutting, bulk-buying and sourcing of supplies from the east, which all hold potential for positively influencing a manufacturer's financial performance. But it was only recently that purchasers started to look more closely at the ethical and social behaviour of suppliers, influencing some manufacturers to incorporate the principles of Corporate Social Responsibility (CSR).

CSR describes the efforts to meet economic, legal, ethical and discretionary responsibilities expected by wider society, and covers diversity, human rights, the environment, philanthropy, and safety issues.

Eefting first carried out a review of existing literature, which showed that managers are still



uncertain about the bottom-line benefits of CSR and its implications for purchasing. The picture is further clouded by mixed findings from researchers who tried to define the relationship. Some researchers found improved reputation, increased customer awareness (which could influence buying behaviour), and an increased attractiveness to employees, but others found no proven benefits for business and financial performance. And there is also continued debate about whether CSR precedes financial performance or vice versa.

Eefting found a lop-sided three-way relationship; implementing SRP and aligning CSR objectives improves knowledge sharing between supplier and purchaser, but SRP's influence on process innovation was found to be less clear. However, knowledge sharing is good for levels of process and product innovation.

PURCHASING

His was the second academic study to show a positive relationship between SRP and cost reduction - companies can use SRP to reduce costs without negatively influencing suppliers' profit margins, but the effect comes from the purchaser having an improved opinion of the supplier over a period of time, particularly when the relationship features timely deliveries and reliability. For companies willing to implement SRP, a long-term commitment to the buyer-supplier relationship is also crucial in obtaining these benefits. The implications for businesses focused on reducing costs are thus of great interest.

Overall, the results of Eefting's study show that for the industries featured, purchasers should not be reluctant to implement SRP. For them, SRP is not only the 'right thing to do' but has the benefits of increasing innovation performance and reducing costs. That should encourage companies not already active in SRP to reconsider, he says.

So why don't more businesses follow the SRP route? Instead of associating SRP with increased costs, says Eefting, the benefits should persuade buyers to focus on the long-term. "A short-term focus on the costs associated with implementing SRP might result in purchasing professionals being reluctant to consider it. The results of this study should convince them to start being proactive about implementing SRP, simply because the long-term benefits outweigh the short-term costs."

The initiative for bringing in SRP clearly lies with the buyer. Earlier research identified four out of five steps buyers need to take towards SRP; developing internal policies, setting purchasing criteria, applying assurance practices and building internal capacity. Externally, buyers need to manage supplier relations.

Internally, the barriers to SRP implementation can be; lack of management support, the need

"The results of this study should convince organisations to start being proactive about Socially Responsible Purchasing."

to justify costs to the board, and the inconveniences and costs associated with switching suppliers.

The findings are expected to become a starting point for debates about sustainable purchasing within the Netherlands. Eefting, and his thesis supervisor, Erik van Raaij, Assistant Professor of Purchasing and Supply Management at RSM, expect the issue will gain importance and become incorporated into mainstream purchasing practice, as has been seen with e-procurement – using the internet to streamline the purchasing of goods to reduce costs. Early adopters of the practice will have the advantage, they believe. Both see this as opportunities for buyers and suppliers and say they hope their research will invigorate strategic discussions in the purchasing chain.

The research presents not only a compelling case for the potential for SRP to influence a company's performance, but also identifies variables still to be researched. "Further research could identify other areas where SRP can benefit a company," says Eefting.

Eefting's study at RSM was commissioned by VNU Exhibitions. The results were presented to 20 journalists earlier this year, and subsequently to an audience of more than 200 companies at a sub-contractors' exhibition in Utrecht in March.

Mathijs has since embarked on a further RSM Masters programme - in Finance and Investments - and is currently exploring his career opportunities. ■



**I WILL CONNECT
16,000 ALUMNI**

Irene Versluuis (iwill.rsm.nl/irene), Dutch
Manager, MBA Alumni Relations

STUDENT CONSULTANTS HELP BUILD CITY IDENTITY



Since 1996, teams of international students have provided organisations with consultancy-style services under the aegis of RSM's International Business Project (IBP) programme. **Text Russell Gilbert**

The purpose of the projects, run under the supervision of RSM faculty, are two-fold: they provide students with practical and hands-on research experience through addressing questions presented by organisations that seek insights into very real scenarios. A team typically consists of four to five students from the Partnership in International Management (PiM) and Community of European Management Schools (CEMS) networks, and include one Dutch student.

One organisation that has repeatedly found the IBP programme of great value is DSW21, the public infrastructural body for the German city of Dortmund. Under its wing are city utilities: water, gas, electricity, public transport networks (including a working port and airport), and social housing. The organisation is 100% owned by the city government.

With a population of 600,000, Dortmund is the sixth largest city in Germany. Up until the 1960s and 70s, it was known as a city of beer and steel. However, the breweries and steel works fell by the wayside or left and the city found that it had to reinvent itself in order to maintain levels of employment, quality of life, and to avoid the onset of urban decay.

Fast-forward a couple of decades and Dortmund is a new city, attracting as it has, strong involvement from financial services and technology-based organisations.

In 1999, when the city felt it needed external consultancy advice on a specific technology project, a Dutch business connection pointed them towards the academic institutions of the Netherlands. That led them to RSM.

Thomas Steffen, Corporate Communications Consultant and Webmaster for DSW21, explains that the projects begin with a business question or idea that DSW21 would like to explore: "For example, how best can we utilise Web 2.0 as a means of communicating with the citizens of Dortmund? It's a big question and we asked it because we had no idea about what to do with Web 2.0, or even what it was."

The student teams are supervised by Otto Koppius, Assistant Professor of Decision and Information Sciences at RSM. Without him,

“Helping DSW21 develop the bub.mobi site, and seeing it come to life, was a really good experience.”

Fabrizia Bodei IBP student team member

confides Steffen, none of these projects would be possible: “It is with his invaluable expertise and abilities that we are able to structure these research activities into highly successful three-month projects.”

Steffen continues: “Web 2.0, RSM students told us, was a means of creating a feeling of community online; not a global network, but a new sense of being local. It was a means of binding the people of Dortmund together through experiences that could be shared online, through social networking channels like YouTube and MySpace.”

Through the input of the student group, the city came to realise that such online networking and community building could also extend into the physical domain. “The international make-up of the students, and their many fresh and diverse perspectives, always opens our eyes to new possibilities,” he enthuses.

Such fresh insights and approaches fired up the imagination of both the student team and DSW21. Before long, a bold new communications campaign was born – ‘herzvorkommen’ (meaning: What is your heart beating for?). Its logo, the ‘herz tattoo’ (heart tattoo), symbolises that in this city everyone is united.

Although it took a while to evolve, the second incarnation of the campaign won Dortmund the Excellence of Masters in Corporate Communications award for 2009. Earlier this year, it also received the prestigious Golden City Gate prize, an international accolade awarded for the most innovative city marketing and communications campaign. “This recognition,” says Steffen, “comes as a direct result of the contributions of RSM students.”

Two other projects in which RSM IBP students have played a major role are in redeveloping the corporate intranet, and in optimising online communications for mobile internet use. This latter project raised questions on how best to integrate Web 2.0 – RSS-feeds, blogs, videos, file sharing, etc – for mobile technologies. A direct result of the students’ research is www.bub.mobi, the mobile version of Dortmund’s public transport information and ticketing website.

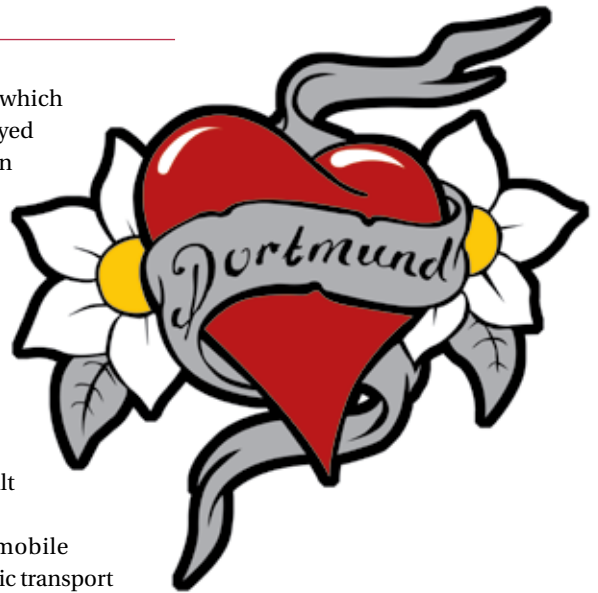
For Steffen, the benefits of using RSM students through the IBP programme are obvious: “These are just as real as any consultancy projects. When we have new ideas and want expert views and opinions on them we know where to come for the answers – and that’s to the students of RSM. We feel very fortunate to have struck up a very strong and positive relationship with the school and especially with Otto Koppius. This relationship has gone from strength to strength over 10 years now and will continue to do so as we pursue our partnership, possibly in conjunction with other city departments, into the future.

WEB www.herzvorkommen.de

WEB www.dsw21.de

For more information on RSM’s IBP programme:

WEB www.rsm.nl/careerservices



**I WILL CYCLE FROM THE
ARCTIC TO ANTARCTICA**

Joost Notenboom (will.rsm.nl/CycleforWater), Dutch
Co-founder Cycle for Water & RSM Alumnus

FROM PUNK TO PRESIDENT

It's hard to imagine a more eclectic career path than that followed by RSM alumnus Stijn Otten. In January 2010 it took him to Tendris Remotion, a 'Mobility Service Provider' involved in accelerating the introduction of electric vehicles onto the Dutch market, by promoting all aspects on the demand side, developing infrastructure and raising awareness.

Text Tim Skelton



Stijn, 26, who completed his MScBA in Global Business & Stakeholder Management (GBSM) September 2009, attributes his varied background to his upbringing. "I was raised as a Catholic in a staunchly Protestant town in the central Netherlands," he says. This contradiction affected him in some unusual ways. It inspired him to play in a string of punk bands. It also gave him itchy feet, something that impacted upon his higher education. "I studied commercial economics in Arnhem for one year, then studied in Bremen," he says. "I had several internship placements in Germany and later in the US."

On returning to the Netherlands, Stijn signed up for RSM's GBSM Masters programme, looking to bolster his international outlook. He chose the course for its wide-ranging interdisciplinary base. "It has lots of potential,"

looked at me, thinking: 'What is he doing?' But I'd joined because some years ago I was fired from a supermarket for no reason. The union helped me claim for unfair dismissal."

The union led him to the Dutch National Council (DNYC), and while at RSM he became vice president of this. It was then he discovered a deeper interest in the concept of Sustainability. "Through the DNYC we set up the Dutch Youth Copenhagen Coalition, because the government wanted us to help young people become more active in climate matters," he explains. The DNYC was invited to be part of the official Netherlands delegation at the recent Copenhagen climate talks, with official accreditation. "We set up debates, lecture programmes for schools, and held parties to raise awareness and money," says Stijn. "For example, we said to bar owners we could bring

"One week we focused on the election; the other on the Palestinian conflict."

he says. "It puts everything into one course and gives you a broader view of how to do well financially by doing good."

Studying in Rotterdam helped his international experience, and he managed to spend time at the Russian State University in St Petersburg. Meanwhile, another role was having an impact on his future. Before joining RSM he'd become active in a youth trade union. "My professors

them 300 customers, but only on condition they pledged to give 10% of their takings to sustainable causes."

In Copenhagen, the team were able to talk with several prominent world leaders. "We asked everyone the same question: 'How old will you be in 2050?' We wanted to point out that maybe they wouldn't be around then, but we young people would. We didn't want to lobby in

OBAMA



the normal way, adding a word here or there to any agreement. Instead we had the chance to walk up to Chancellor Merkel, President Sarkozy, even President Obama, and to shake their hands and say: 'We are the young people – don't mess up'."

Predictably perhaps, those world leaders did fail to reach a binding agreement. "All this political power was in Copenhagen, but almost nothing came of it," Stijn says. "It was hard not to be disillusioned." It inspired him to become more commercial, and find a way of making money from doing something worthwhile. And the answer also lay in Copenhagen. "A hundred electric scooters made the journey from the Netherlands. One of Remotion's partners led them part of the way in his electric car. We got talking and he said: 'Why not work with us?'"

"He said I wouldn't earn much for the first three months, then after that they would see," he continues. "So despite my father's advice, I chose instability." Since then Otten has not had one second of doubt. "I work with a smart young team. We deliberately choose people who aren't from within the auto industry, because we want them to think outside the box. There's huge

potential for electric vehicles, and feeling I'm doing something worthwhile is good for my motivation."

While tireless Stijn is focused on Remotion, he still finds time for other causes. Last year he was part of the BKB Academy, a PR company that selects around 25 young people with high potential and teaches them about campaigning and raising public awareness. Each year they head somewhere there's an imminent election. "We visited Israel for two weeks," he says. "One week we focused on the election; the other on the Palestinian conflict."

Stijn is also setting up a European umbrella organisation (the European Youth Climate Movement), coordinating DNYC's sustainability taskforce, and is currently active in the Young Club Of Rome. He freely admits his time at RSM played a pivotal role in all this. "Studying at RSM creates a broader perspective. I look at other GBSM alumni and they have varied jobs, but all share the same sense of wanting to do good. The course gave us the motivation to work hard for good causes," he says. "Of course, it helps that we had really dedicated professors who taught us very well." ■

**I WILL HELP CONSUMERS
TO MAKE BETTER CHOICES**

Daniel Fernandes (will.rsm.nl/dfermandes), Brazilian
PhD Candidate

ALUMNI NEWS



I WILL KEEP RSM RUNNING STRONG

Several members of staff and students participated in Rotterdam's biggest one-day sporting event on 12th April, the Fortis Marathon Rotterdam. The 26-mile (42km) route passed through Kralingse Bos, close to RSM's Woudestein campus itself, at the 32km stage.

RSM runners, who had to deal with cold and windy conditions, were raising awareness of the need for additional funding - through the new initiative I WILL KEEP RSM RUNNING STRONG - to get International Full-time MBA 2011 candidates to the MBA Tournament (MBAT). All crossed the finish line with flying colours.

MBAT is a networking and visibility event held each year in Paris. Contributions from alumni and events such as this help a larger contingent of RSM MBAs to attend and demonstrate the School's spirit. A total of €885 from the runners' sponsorship was put towards helping to send an additional six MBA 2011 candidates to MBAT.

NEW STRATEGIES FOR THE NEW DECADE

'New strategies for the new decade' is the theme for RSM's second annual Leadership Summit, to be held on Friday, 8th October 2010 at the WTC Beursplein in Rotterdam. The summit sees high-profile business and academic leaders exchanging ideas and discussing key issues in front of an audience of delegates representing a wide range of businesses, as well as those from academia.

Registration for delegate places will open soon. To join the critical thinkers applying their thoughts to new strategies

in Rotterdam, see the events listing on the RSM Alumni website www.rsm.nl/alumni.

Last year's inaugural Leadership Summit featured Dr. Wim Boonstra, Chief Economist of the Rabobank Group, who described his view of the future of banking following the crisis, plus CFO Boudewijn Beerkens of global information company Wolters Kluwer, and Founder and Chairman Belmiro Mendes de Azevedo of Sanae, Portugal's largest non-financial holding company.

KEEPING IT IN THE RSM FAMILY

MSc alumna Meiny Prins (PTO '02) returned to RSM's Woudestein campus in March to present a guest lecture on family business to students of the MScBA Entrepreneurship and New Business Venturing.

After founding Proforma, her own highly successful corporate identity company, Meiny succeeded her father as General Manager of Priva, a world market leader in climate control and process management in the greenhouse horticultural sector.

Many students in the audience came from families in business or had their own entrepreneurial aspirations. They showered Meiny with questions about taking over the family business, working with family members and dealing with an unrelated management team running the family business. Meiny spoke strongly in favour of family businesses that focus on long-term strategy instead of short-term profits.



In 2009, Ms Prins won the Prix Veuve Clicquot Businesswoman of the Year accolade for providing a strong stimulus to female entrepreneurship and management.



FUTURE JOURNEYS WITH ERASMUS

The 'Journeys with Erasmus' series of conferences, which gives RSM alumni and local business communities an opportunity to debate with influential experts, continues this year with three events planned for June, September and November.

The pressure for cutting operation costs has led to increased interest in the subject of pooling internal resources in the search for cost leadership. On Thursday 10 June in Rotterdam, the debate focuses on 'Centralisation versus Decentralisation', and the options of outsourcing or off-shoring, whereby the service centre is located in an overseas location. Guest speakers are Hendrik Mulierman, Managing Director of BP Netherlands and Godefroy Motte, President EMEA of Eastman Chemical. The event starts at 18.30hrs.

In September, Journeys with Erasmus moves to the AEGON headquarters in The Hague in the Netherlands to debate 'The Reputational Risk of Corporate Sponsoring'. Speakers and a firm date are still to be confirmed, but more detailed information will follow soon.

At the March event in Brussels, Pieter van den Akker, former Global Head of Anti-Money Laundering Operations for ABN AMRO, and two distinguished professors from RSM's Business-Society Management department encouraged a lively debate on the subject of 'The Societal Consequences of Corporate Governance: Why Corporate Compliance

Matters', the latest in the 'Journeys with Erasmus' events.

RSM's Prof. Hans van Oosterhout set the stage by showing practical connections between corporate governance and corporate compliance – and what happens when there's a disconnection. He concluded that there are very good reasons for transparency and upholding ethical standards. Research shows that companies misrepresenting their financial transactions lose 51% of their stock value.

Prof. Muel Kaptein's presentation described how the definition and determinants of corporate ethics have changed since a time when the leader of the organisation embodied its ethics. In displaying a heartfelt ethical code from Enron to demonstrate that having a business code didn't really improve integrity, he stated that: "The search for an ethical culture is the main challenge and responsibility for those who are leading companies. Moral leadership will make the difference between having an ethical business culture or not."

Pieter van den Akker gave a daunting portrayal of the global scale of the money laundering problem. An interview with Mr Van den Akker can be found on pg 10.

The final Journeys with Erasmus event for 2010 takes place in Rotterdam during November. Visit www.rsm.nl/journeys for more details on all the Journeys with Erasmus events, including a registration form.

DEADLINE FOR GLOBAL EXECUTIVE ONEMBA APPLICATIONS

If you're thinking of applying for the Global Executive OneMBA, the deadline for applications is fast approaching.

The Global Executive OneMBA features the combined strengths of five different top-ranked institutes and includes residencies in the US, Europe, Latin America (Brazil and Mexico), and Asia.

Learning from local faculty, local government and business leaders gives authentic regional insights into the issues surrounding business and courses are presented in an interactive seminar mode to maximise the sharing of this knowledge. The study programme has a module structure to allow flexibility around

executive agendas. Five modules are held over 21 months, including 11 extended local four-day residencies and four week-long global residencies. Additional work is conducted through e-learning and virtual networks. The application deadline is August 2010. More information can be found at www.rsm.nl/onemba.

WWW.IWILLREUNITE.COM



SAVE THE DATE AND SPREAD THE WORD

Did you graduate in 1990, 1995, 2000 or 2005? Then it's time for a reunion! And if that's not your graduation year, this should still be a date for your diary.

Saturday, 9th October promises to be the biggest reunion of RSM alumni ever.

The event, I WILL REUNITE also celebrates RSM's 40th anniversary, and this year's reunion incorporates three events into one:

* De Grote Bedrijfskunde Reunie/The Grand Lustrum Reunion, which is open to all alumni of the MSc, BSc and PhD programmes and occurs every five years.

* RSM's MBA Annual Alumni Reunion, which welcomes MBA alumni from the graduating classes of 1990, 1995, 2000 and 2005;

* RSM's IBA Homecoming, celebrating 10 years of this international BSc programme.

The afternoon's event includes a reunion with RSM's educational mission and a package of entertainment has been planned. A welcome address from the Dean, Prof. George Yip will be followed by lectures from your favourite professors for MSc alumni, and a tram tour of Rotterdam for MBA alumni, among other attractions. To find out more and to register for the reunion, visit www.rsm.nl/reunite.

A new website, emanating from RSM's forward-thinking I WILL communications initiative and linking in to existing networking platforms, www.IWILLREUNITE.com has been launched to coincide with the grand reunion, and will serve to strengthen alumni bonds online.

RSM INTERNATIONAL CHARITY SEEKS MORE SUPPORT

It's a tradition for RSM's graduating MBA and EMBA classes to present a gift to charity, but only recently have programme participants decided the process should become formalised. Joep Elemans, EMBA 09, leads the Charity Board for the RSM International Charity Foundation, which became an officially recognised organisation during his studies in 2008. "It's all about raising money, because as students you don't have a lot of time to help out in a more hands-on way," he says.

While the Peduli Anak Foundation, a charity group co-founded by another RSM alumnus, Bjorn Dudok van Heel in 2006, has most frequently been the focus of class gifts, the devastating earthquake in Haiti last January provided another opportunity to help. "The response to the disaster all happened very fast and in just one day our MBAs and EMBA's had donated an impressive €1,400," said Elemans.

RSM International Charity is growing: one staff member from the finance department has been assigned to help manage the foundation, and board members are seeking new ways to engage both students and business.

"We are looking for new opportunities we can develop alongside Peduli Anak. We're very open to a Dutch initiative, preferably with a link to education, targeted at people who really need support," said Elemans.

Alumni interested in becoming corporate sponsors, event organisers or Board members can contact Elemans at

MAIL jelemans@emba09.rsm.nl

For more information on the Foundation and Peduli Anak visit:

WEB www.rsmcharity.nl

WEB www.pedulianak.com

MENTORING SCHEME FOR MBA STUDENTS

The wisdom and experience of RSM alumni is being brought back and disseminated throughout the school in the first MBA Mentor Programme. Around 100 alumni put themselves forward for selection to mentor current full-time MBA students who are about to re-enter the corporate world.

This year's mentor-mentee pairs will be announced in May when the matching process is completed, and the relationships will last for a year.

A call was put out earlier this year for interested alumni to put themselves forward as mentors, and the Alumni Office intends to repeat the exercise next year.



The programme aims to give MBA students the chance to build sustainable relationships with those who have already achieved professional success, and it's hoped that alumni will share knowledge of corporate culture and bestow insights

into their industries or functional areas.

A programme coordinator will keep in touch with each pair and provide support when required. Mentors also receive a one-day mentor workshop, provided by RSM's Executive Education Department. Alumni benefit from the opportunity to help shape future business leaders and gain personal satisfaction from making a difference in the life of a motivated and ambitious student.

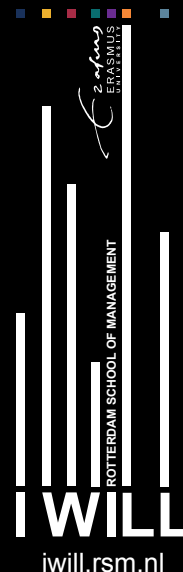
Not least, the mentor-mentee relationship should help students break into new job functions and aid career advancement, especially as the employment market has become increasingly competitive.

I WILL SEEK NEW BORDERS TO CROSS

Nienke Debets, (iwill.rsm.nl/ndebets), Dutch Master Student in Marketing Management

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MASTERS/CEMS GRADUATES URGED TO CONSIDER TRIPLE BOTTOM LINE

Awards for outstanding academic achievement were given to five MScBA IM/CEMS graduates from the class of 36, representing 12 nationalities, at their Rotterdam graduation ceremony in April. Family and friends gathered from around the world to attend the ceremony, despite the travel upheavals caused by the Icelandic volcano. In his keynote speech, Prof. Werner Delfmann of the University of Cologne outlined what had been learned from the financial crisis. The economist and former CEMS president urged the graduates to consider the new 'triple' bottom line; 'people, planet and profit' in order to face the challenges of tomorrow.

CONFERENCE ON LIQUIDITY

The role of liquidity in financial crises is a topic up for discussion at the third annual Liquidity Conference, which takes place on 7-8 July 2010 at RSM's Woudestein campus. This two-day conference, in conjunction with the Erasmus University's Econometric Institute, aims to promote research into market liquidity, and brings together leading academics in the field. Other topics for discussion include the real effects of market liquidity and its dynamics, liquidity in international equity, credit, and derivative markets, market microstructure and liquidity, and measuring liquidity.

A number of papers will be presented and discussed by a selected panel, with ample opportunity for interaction. Confirmed speakers are Marti G. Subrahmanyam of New York University and Mark Seasholes of Hong Kong University of Science and Technology.

All current doctoral students were invited to submit papers for the doctoral symposium section of the conference. More information, as well as an overview of previous conferences, can be found at

WEB www.rsm.nl/liquidity_conference

ROTTERDAM CELEBRATES MBA GRADUATION DAY

"The most important educational innovation of the past 100 years," said RSM's Dean, Prof. George Yip, describing the MBA to more than 200 new International MBA and Executive MBA graduates from 39 different nations at a ceremony at the Beurs-World Trade Center in Rotterdam.

The students had achieved individual transformations through academic and professional learning, enabling them to work as business leaders in developed and developing countries around the world, said Dean Yip.

Of more than 200 students graduating, 152 travelled to Rotterdam to receive their degrees personally. Eight students appeared on the Dean's Honours List for consistently achieving high marks in their studies. For the first time in the history of RSM's MBA graduation ceremonies, three of these eight students were recognised with distinction.

Students on the Dean's Honours List were Elvira Böck and Rosalie Kuyvenhoven from the Executive MBA class, and Dhaval Naker, Johanna Little, Stephen Sullivan, Katherina Holch, Sameer Mehta and Max Gärtner from the full-time International MBA class. The three students to graduate with distinction were Dhaval Naker, Johanna Little and Stephen Sullivan.

Two other students were honoured



for showing outstanding leadership qualities during their studies; International MBA graduate Eric Lam and Executive MBA graduate Jeroen van den Heuvel.

Guest speaker was Unilever's President for Western Europe, Doug Baillie who described the importance of integrity, ethics and diversity for business in the next 10 years, presenting challenges for businesses and the way they interact with society.

Following the ceremony, graduates and their families attended a reception in the Beurs-WTC Mercurius Hall, where Alderman Peter Lamers of Rotterdam City Council congratulated them. He expressed the hope that they would act as ambassadors for the city of Rotterdam in their future endeavours. The event can be seen online at:

WEB www.rsm.nl/graduationlive



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