

UNICON Presentation

BUILDING A SUCCESSFUL ACADEMIC JOINT VENTURE

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> > > STRATEGY EXECUTION THROUGH EDUCATION > > >



Joint Venture

Summary of this morning's presentation

- The top drivers to successful joint ventures – you tell us
- What are the key assets of the two parties?
- The structure – is the chemistry working?
- The results to date
- Challenges for the future – joint ventures are inherently unstable !
- Your results and comparisons

You tell us

- In your experience, both in your current role and in previous organizations, what are the key facets that are needed to create a sustainable and profitable joint venture?
- Examples – leadership; complementarity; strong coverage of the market; clearly delineated roles and responsibilities; accountability; sensitivity to partner; vision

Duke University

- Major research university consistently rated among the top six universities in the USA
- Business School (Fuqua) consistently rated among the top 10 business schools in the USA
- A very strong research orientation
- Executive education high quality but small in volume
- Professional schools (law, medicine and engineering) all highly ranked

Duke CE's unique assets

- Origins in Executive Education at Duke University, Fuqua School of Business
- Separate entity created in June 2000
- A designer and provider of customized corporate educational programs and learning experiences that achieve business results
- Currently ranked #1 in the world by the Financial Times and BusinessWeek in customized executive education
- Academic and practitioner capabilities
- An adaptive business model
- Strategic intent

London School of Economics & Political Science

- Academic strength and reputation
 - 13 Nobel prize winners
 - 30 heads of state
 - No. 2 in the UK Research Assessment Exercise
- Global in nature
 - over 8,000 students, 36% UK; 15% EU; 49% from 120 ROW countries. 48 per cent are women and 52 per cent are postgraduates.
- Strong brand and alumni base with global reach
- Location, location, location

Enterprise LSE – unique assets

- Commercial arm of the LSE: executive education, consultancy, commercial research and new ventures
- Separate company created in 1993
- Design, delivery and management of customized and open enrollment programs to corporations, governments, educational institutions, independent organizations, and individuals
- Flexible business model
- Experience of introducing venture activity to LSE

Our joint venture

- Creates a business education provider that sees the whole landscape of business across the world
- Brings together two educational institutions that are world class in their respective fields
- Duke Corporate Education (Duke CE) ranked number 1 in the world for custom executive education programs by the Financial Times and Business Week
- London School of Economics and Political Science (LSE) (the world's leading economics and social sciences institution)

Structure behind the chemistry

- Governance and power
 - A joint board of directors
 - An operations committee
 - An academic liaison group
- Shared networks
 - For talent
 - For resourcing and support services
- Business Development
 - Joint
 - Complementary

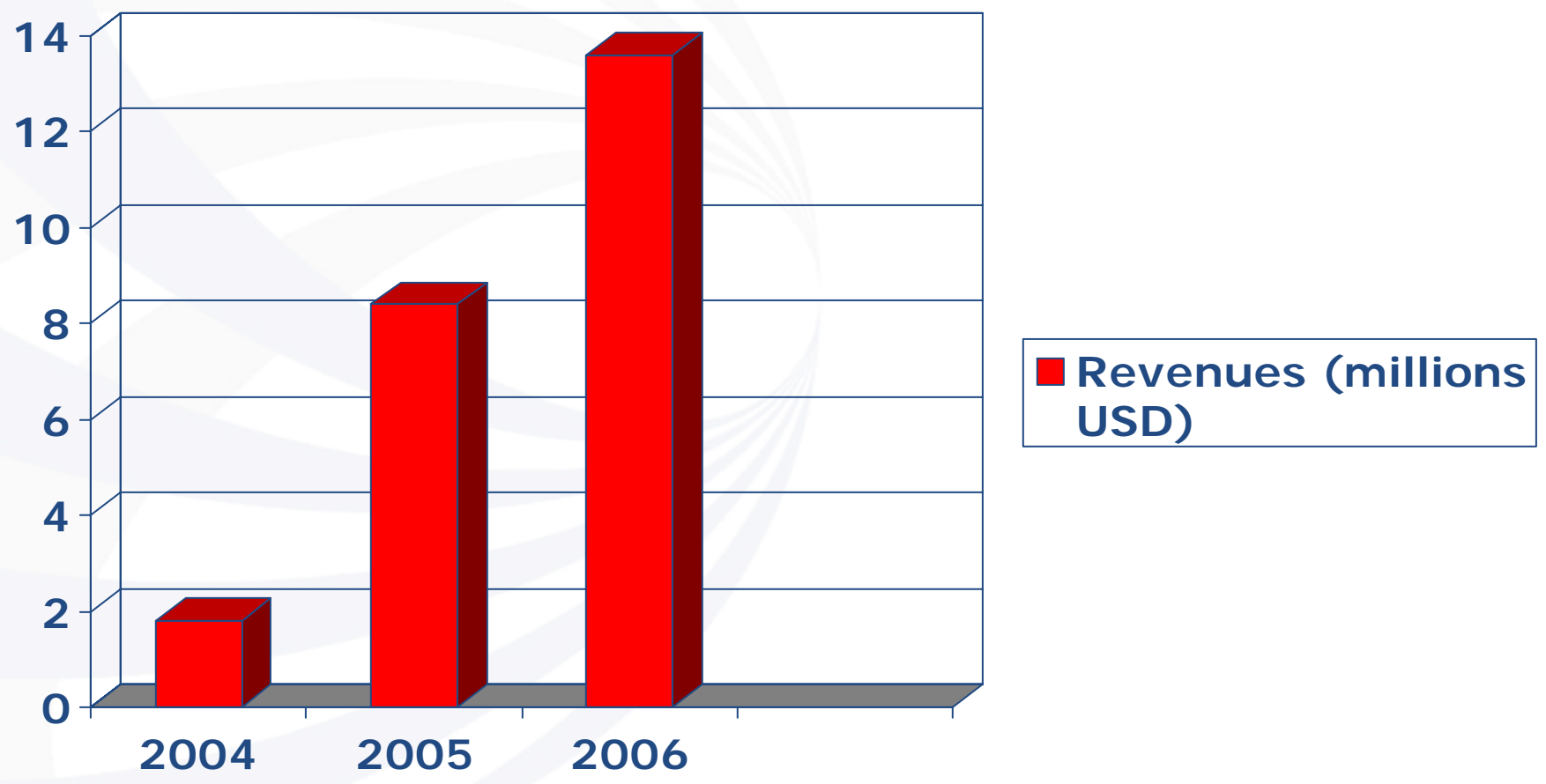
Structure behind the chemistry (2)

- Communication
 - Regular and open
 - Financial
 - Operational
- Proximity
 - At the heart of LSE
 - Adjacent to Enterprise LSE
 - Shared facilities
- Is the whole greater than the sum of the parts?

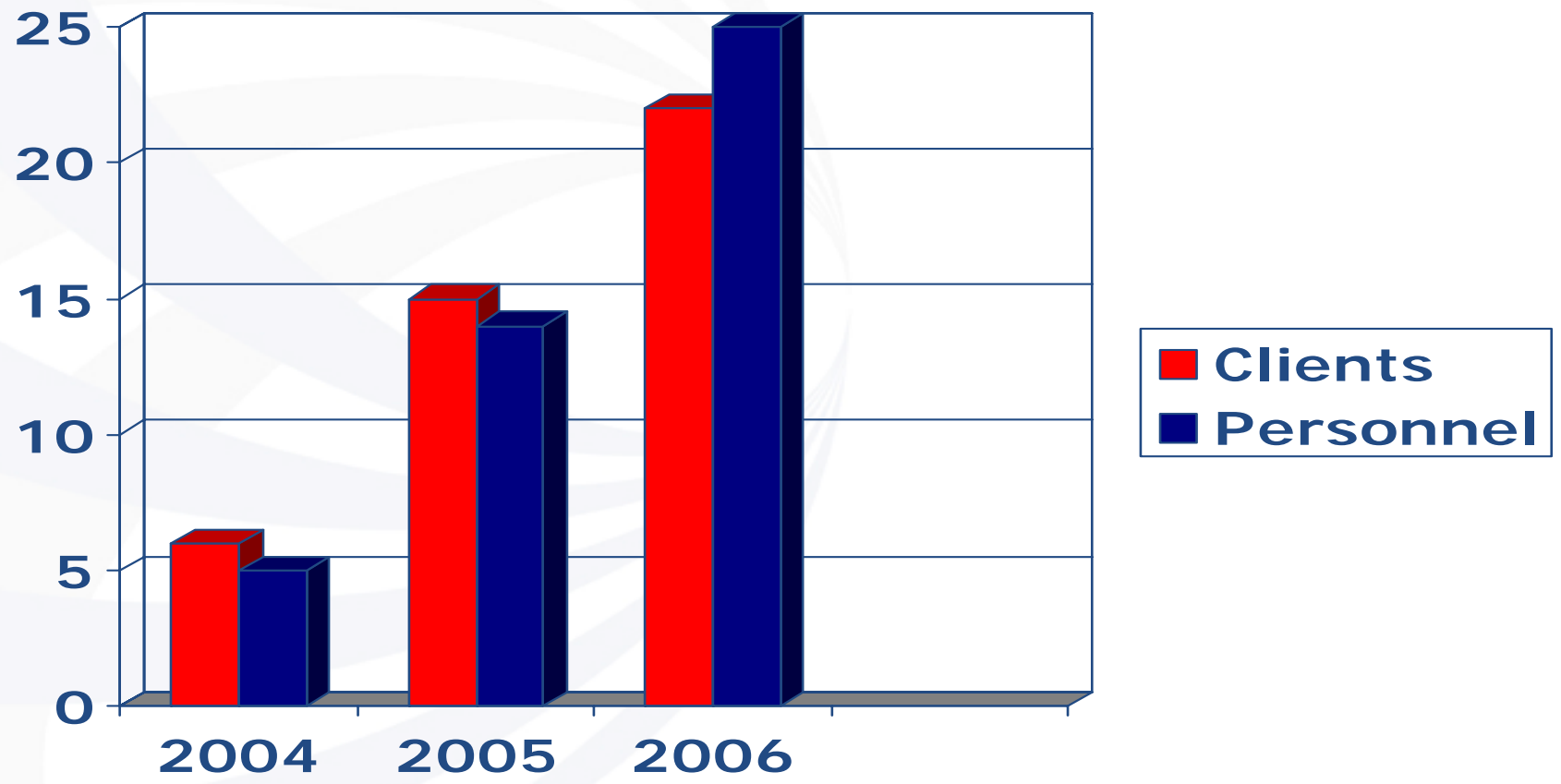
Joint venture benefits

- New markets and existing market growth
- Complementary products, processes and skills
- Organizational breadth and depth
- Diversity and creativity
- New capabilities

Results to Date: Revenues



Results to Date: Clients & Personnel



Lessons learned

- Mutual assumption of positive intent
- Complementary rather than similar
- Asymmetrical balance of power
- Shared governance
- Frequent meetings and interactions
- Physical proximity
- Establishment of norms and procedures
- Careful selection of key personnel
- Social integration

Challenges for the future

- Rapid growth has dangers
- Utilizing more LSE faculty
- Maximizing utility of the brands
- Optimizing the joint model and understanding our limitations
- Governance and control
- Increasing revenue means more visibility and scrutiny from parents

Your results and comparisons?

Similar business models

Cross selling

Global Reach

Net
t
w
o

Market share

Brand Integrity
Leadership

Joint strength