

**Unicon Director's Conference - 2009**

**Washington University in St. Louis  
Olin Business School  
April 28 - 30, 2009**

**Managing Complexity in Times of Global Crisis:  
Teaching and Living our Clients Challenges**

**Key Takeaways  
Lou Centini and Marie Eiter**

## Day 1 - April 28

### CEO Panel (Emerson, Burge, Energizer)

Managing complexity from the top - common themes

- Globalization - Adds increasing layers of complexity, including geography, products/services and functions (the cube analogy).
- Need to create effective global organization and management structure that is both centralized and decentralized, depending on the issue. The key becomes effective coordinating mechanisms to align global organization.
- Need to take into account multiple stakeholder perspectives is more important than ever as the firm's global reputation is at stake. Key stakeholders include: consumers, partners (supply chain), investors, employees, communities, boards, government, regulators.
- Business is more competitive than ever and need to differentiate has increased dramatically. Speed to market has become key competitive advantage.

How are organizations responding to complexity?

By managing a multitude of paradoxes

- Global alignment mechanisms
  - Structure - decentralized but integrated.
  - Build network of management talent across globe.
  - Strategic planning and control - force consistency of approach and metrics; and interaction among managers.
  - Focus on living mission/vision/values. .
- Talent management and succession planning - CEO's actively involved and in fact often "own" the process for top executive talent.
- Leadership Development - use as way to build one common global leadership team - focus both on blocking and tackling functional skills as well as strategic leadership.
- Reinforce unique culture of firm

## Implications of CEO Panel for University Executive Education Providers

**Move From**



**To**

**Highly structured**

**Highly customized, unstructured, unique**

**Predictable**

**Experimental**

**Answers**

**Questions - work together to define problems and find answers**

New model requires greater trust in partners and confidence that new approach will deliver, because is more difficult to define up front.

“New Custom Framework”



## Concern

Risk for Universities is that the more clients expect highly customized and unique learning experiences, the less inclined they may be to partnering with Universities.

## **Day 2 - April 29**

### Olin's Approach to Complexity: Organic Growth in a Downturn Economy

Anjan Thakor from Olin gave a superb presentation on the Competing Values Framework (CVF), a model he developed to predict and promote innovation - based organic growth.

## Model



Innovation-based growth faces four paradoxes:

**Paradox 1:** Stock market wants both innovation and consistency in performance and these may conflict.

**Paradox 2:** Some of the biggest threats represent the biggest opportunities.

**Paradox 3:** Innovation requires diversity but excessive diversity requires structure and rules to “manage” it, and this goes against innovation.

**Paradox 4:** Knowledge is necessary for innovation and growth, but excessive knowledge can kill innovation.

Key takeaways from this session

- In a world of increasing complexity, the need for models and frameworks’ to understand business challenges and develop leaders is more important than ever. Companies look to Universities to provide research based models/frameworks like CVF to help navigate complexity.
- The CVF model is simple in concept yet robust in its application and impact. It is also very appealing as its inputs are what some consider the “soft stuff” of business - people, organizational, cultural elements yet they are directly linked to business outcomes.
- The four paradoxes also serve as a good template for Universities to consider in how we both develop leaders and manage our executive education businesses.

Investigating our Custom Clients’ Changing Needs: A Unicon Research Study Marie Eiter

(See PPT slides)

Marie presented preliminary findings of research study with 14 business schools and 6 senior HR executives of client firms.

Key Takeaways:

- Client needs are different than 5 years ago and continue to change.
- Clients want help solving their business problems, executing strategy, and bridging leadership to business results. “It’s about their issues, not our content”.
- Clients today are more sophisticated, smarter, experienced, demanding, focused and involved in leadership development process.

- University core value proposition of faculty expertise and classroom teaching is threatened. Clients want a more integrated learning model that goes beyond the traditional “programs” schools are organized to deliver.
- Meeting client needs has resulted in more “work arounds” by schools, to depart from their core business models.
- Demand is stretching schools into new territory, where we are not structured or have the processes and competence to compete - e.g. consulting, coaching, facilitation.
- Environment is more competitive. More detailed and stringent RFP process, greater procurement involvement, downward pricing pressures.
- Implications for schools is to rethink and clarify their value proposition and business model to better meet client needs. Challenges of new direction include less utilization of core competence of faculty expertise and teaching, greater resources needed in executive education department, and potentially lower margins.

### Concurrent Sessions

#### **Experiential Learning to Manage Complexity**

*Clark Callahan, Executive Director, Tuck School of Business, Dartmouth College*

*Chantal Delys - Assistant Dean and Director, Executive Education, McCombs School of Business, University of Texas at Austin*

*Joseph Pistrui, Ph.D. - Associate Dean, Executive Education, IE Business School*

(PPT)

#### **Managing Complexity: A Different Perspective**

*Milind M. Lele, Adjunct Faculty, University of Chicago*

(PPT)

#### **Integrative Learning - An Alternative to Integrative Teaching?**

*Rochelle Weichman, Executive Director, MIT Sloan School of Management*

Rochelle presented an integrative learning model MIT developed in partnership with BP, that is different from the traditional B-School model. They moved responsibility for integration from the faculty to the individual participant level. They effectively changed the paradigm. How did they do this?

- First they changed the classroom teaching model to:

1/3 concepts, frameworks, tools

1/3 case studies and examples  
1/3 application to business - how to use it?

- Added “deep dive” case studies that were live strategic decisions made in the past at BP. They used primary source material from the company, were cross-discipline and unfold over time. Faculty posed a series of questions representing multiple disciplines, e.g., risk management, leadership, systems thinking, etc. Participants were responsible for integrating perspectives in analysis and made presentation to executive decision maker.
- Included action learning projects between modules that were also required integrating multiple perspectives.

### **EFMD CLIP: Corporate Learning Improvement Process**

*Martine Plompen, Director Knowledge Services, EFMD*

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### **Growing With The Opportunities in China**

*Professor Qingjun Diao, Director of the Administrative Office of Continuing and Professional Education*

*Jessie Y. Liu, Associate Director, EDP School of Economics and Management, Tsinghua University*

(PPT)

### **Business School Responses to the Downturn: Tales from Asia, North America and Europe**

*Rory Simpson, Associate Dean, Executive Education, London Business School*

*Jaki Sitterle, Managing Director of Executive Programs, NYU Stern School of Business*

*Liu Yongjie (Hobbs), Executive Director for CEIBS Executive Education & Assistant President of CEIBS*

Rory, Jaki and Hobbs each shared some unique responses to the downturn that their respective schools have done.

**LBS** - They have taken a hard look at their internal operations, they reorganized teams around clients, pruned staff, culled poor performing programs, shifted roles, more emphasis on PR placements and a host of other tactics designed to “clean up the house”.

**NYU** - Created a unique opportunity out of the downturn. NYU used their core competence of world renowned finance faculty to increase understanding of complex financial literacy. NYU faculty have been highly visible in the press and at conferences to inform the public and suggest solutions. Has generated lots of positive buzz.

**CEIBS** - With the downturn reaching to China, CEIBS has responded through “edutainment” - combining golf tournament with one day education program. Purpose is to be visible and actively market for turnaround.

### Unicon Benchmark Survey

(PPT)

- 70% member experiencing negative growth in 2008 and are forecasting lower growth for 2009.
- As expected, drop in open enrollment has been greater than custom.
- Key questions coming out of downturn are:
  - Is this a short term blip or a longer secular trend?
  - When we come out, will it be business as usual or look radically different?
  - If so, what do we need to do different?
  - How can we better articulate the shifting value proposition to the rest of the school?

### **Day 3, April 30**

#### Senior HR and Talent Management Panel: Challenges in Leadership Education and Development

*Dennis Berger*, VP Co-Worker Services, CDW Corporation

*Urs Bernhard*, Executive Coach, Former Head of OD, *Tata AutoComp, Ltd.* and former Chief of Organizational Effectiveness, *Siemens Building Technologies*

*Douglas Koch*, Senior Vice President of Human Resources and Chief Talent Officer, *Brown Shoe Company, Inc.*

*Alex Scekcic*, VP Talent Management and Organization Development, *AIU Human Resources*

This was an extremely lively conversation with the panelists providing candid feedback to the audience regarding their changing leadership development needs and how they perceive universities are responding.

Key focus areas of panelists:

- How to manage talent in environment of uncertainty and increasing complexity.
- How to retain hi-po's in downturn. Importance of top talent heightened during crisis (AIG example).
- Need for top talent to focus on short term business problems, not long term development.
- Integration of business and learning across geography, products/services and functions.
- T&D budgets slashed. How to redirect reduced budget for maximum impact.

## Implications for University Executive Education

- Open enrollment programs will continue to decline. Do not lead to increasing competitive advantage of company. With reduced budget, less investment in individual development and more focus on building organization capabilities.
- Need for more integrated problem-solving approach to learning.
- The way executives learn is changing - social networking is becoming important medium for learning.
- Need to focus on bottom line business acumen - how company makes money.

These trends have been occurring for some time. current downturn has accentuated them and is serving as wake up call to schools.

### **Live “Wiki” Session: Formulating Solutions to the Challenges**

*Carlos Arruda, Marie Eiter and Lou Centini*

Open-source session in which participants contributed their key learning’s from conference.