

Winter 2008



Nottingham University
Business School

nubiz

The magazine for Nottingham University Business School Alumni



Issue four | A world in financial crisis | Nice work if you can get it | Death by PowerPoint

Business School rankings success | Where are they now? | Staff and school news

Director's View

In his first year as Director of Nottingham University Business School **Professor Leigh Drake** is delighted to introduce this issue of NuBiz.



2008 has seen the School continue its rise in global rankings which we recognise is an important endorsement not only of our achievements but those of our alumni too. But we never stand still. Innovation is a cornerstone of our teaching and research activities. We are fast developing a reputation as a knowledge innovation hub. This means we are outward facing, pursuing multi-disciplinary links across the university and engaging with business locally and beyond.

Tangible evidence of this can now be seen in the spectacular new developments on the Jubilee campus, which include the recently launched Ingenuity Centre, a focus of entrepreneurial activity which unites several of the University's Schools and external organisations in collaborative teaching, research and the generation and development of new ideas.

The current financial turmoil will inevitably call into question existing business models and incentive structures, and also the appropriate relationship between business and society. The School takes its responsibility to educate future business leaders very seriously, encouraging them to take a broader ethical perspective on business practices and finance. And our leadership in embedding corporate social responsibility into our curriculum fully supports this objective.

We're also pioneering entrepreneurship education across all our programmes as we believe it's vital to equip our students with enhanced creativity and effective problem solving abilities to help them realise the many opportunities that their futures will bring.

I'm in no doubt that the School's rich mix of expertise in innovation and entrepreneurship, its international perspective and connections, and the expertise of its faculty offer unique opportunities for personal development. The social entrepreneurship activities of our students, both locally and internationally through Active Communities and SIFE, also make an extremely important contribution to their potential employability. For all these reasons our graduates are highly sought after by employers both from within the UK and overseas and this, in turn, means our alumni represent a powerful network of expertise and experience.

Our Business School alumni community is of fundamental importance to our future growth and success. We value and actively encourage your involvement with the School. Over the last year we've been delighted to welcome back several alumni to give careers talks and advice to our students. With their support and involvement we have also been able to offer our MBA and Masters students valuable internship and work placement opportunities. And we're successfully setting up effective networking groups in parts of the world such as India and China as well as closer to home.

The School is confidently moving towards its aim to become one of the top five business schools in the UK. With the support and endorsement of our alumni we can ensure that our reputation continues to grow around the world. And you can be sure that, as our reputation grows, so too will the value of your Nottingham degree.



Letter from the editor

There's little doubt that we're currently experiencing unprecedented turmoil and uncertainty in global economic and financial markets.

In this issue, two of our featured articles address aspects of this. In his article Professor Bob Berry, Boots Professor of Accounting & Finance argues that while capitalism is in crisis, it's not only those who run the companies who have contributed to this but that some of the responsibility rests with the shareholders themselves. Professor Leigh Drake suggests that these recent turbulent events call into question the appropriate relationship between business and society, and that business schools around the world will need to find the appropriate answers.

But it's not all doom and gloom. Professor Tony Watson introduces us to some of the more engaging aspects of empirical research and we continue to feature some real life success stories from alumni who've taken the plunge and started their own businesses. Their inspiring stories provide further evidence that a creative approach to problem solving, allied to sound business principles and implementation, can produce successful results.

And what of the School's dedicated alumni website? Wouldn't it be great, for example, if, arriving in some strange city on business, you could look up a fellow Business School alumnus as a first point of contact for local advice and relevant business networks? As in all on-line communities, to be really effective in this way our alumni website relies on input from its members. So please log in, update your details and share some of your current activities with your fellow alumni. With your feedback and support we'll be able to develop the site so that it continues to offer the sorts of facilities and resources that you really value. And unlike some other external networking sites, you can be sure of the integrity of data and the security of your information. You'll find us at www.nottingham.ac.uk/business/alumni

The Alumni Relations Office is here to promote both professional and social networking, as well as give you access to opportunities for life-long learning, both of these activities with the ultimate goal of building the value of your degree. Please help us to help you by keeping us up-to-date with what you're doing and where you are. Your success is our success, and vice versa.

I very much look forward to hearing from you and hope that you'll continue to enjoy reading NuBiz, as well as use the new Nottingham Business Online website.

Best wishes,

Hilary



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Nottingham is 'Entrepreneurial University of the Year'

The University of Nottingham has been named 'Entrepreneurial University of the Year' at the prestigious Times Higher Education Awards 2008.



The judges praised the 'breadth and depth' of its entrepreneurial activity and said the University was 'committed to nurturing the most enterprising and globally-minded graduates in British higher education'.

Ian Robertson, Chief Executive of the National Council for Graduate Entrepreneurship, which sponsored the category, said: "Choosing a single successful university was difficult. But entrepreneurialism was a clear and visible part of Nottingham's culture. A very difficult decision was eased by the breadth and depth of that entrepreneurial culture at the University, from senior management through to staff and the student societies."

The award citation notes that under the auspices of the University's Institute of Enterprise and Innovation (UNIEI), Nottingham offers 'one of the largest and most highly developed entrepreneurship education programmes in Europe'.

The award also highlights the University's considerable strength in academic enterprise – with 28 award-winning spin-out companies, based on patents arising from the University's world-leading research, over 100 license deals secured in the past five years and collaborations with global brands such as AstraZeneca, Ford and Rolls Royce making Nottingham a leader in the field. The University was a launch partner in BioCity, Britain's biggest biomedical business incubator, and has recently added an Innovation Park to its expanding Jubilee Campus to accommodate more spin-off enterprises and collaborative industrial projects.

Singling out the University in a hotly-contested category, the judges also noted that entrepreneurialism at Nottingham incorporated a number of inter-related ideals – including alertness to opportunities, being first into new markets and playing a pioneering role within the higher education sector.

Professor David Greenaway, Vice-Chancellor of the University of Nottingham, said: "Entrepreneurialism has always been embedded long-term at this university, reaching back to the work we have done with Boots for over a century. What pleases me most about this award is the way it reflects how our students embrace the qualities of the entrepreneur."

"At this point in time, such approaches to life and work are particularly important. In the past six weeks we have gone through an economic upheaval that happens perhaps once every 100 years. Part of how we react to this will be about individuals taking the initiative by being entrepreneurial. Higher education can contribute significantly to that sustainable future."

The entrepreneurship category attracted entries from 34 universities, the highest number ever for a new category at the Times Higher Awards. It demonstrates growing levels of entrepreneurialism throughout the higher education sector and the increased seriousness with which graduate entrepreneurship is being taken.

Professor Leigh Drake, Director of Nottingham University Business School, said: "Winning the accolade of Entrepreneurial University of the Year is a tremendous achievement and reflects the entrepreneurial attitude which typifies the University of Nottingham and the considerable strengths in this area across the University."

"Nottingham University Business School, for example, has pioneered Entrepreneurship teaching and research via our Entrepreneurship Division and the University of Nottingham Institute for Enterprise and Innovation. We were one of the first Business Schools to mainstream Entrepreneurship Education, with all of our first year undergraduates taking modules in this subject, and we have also developed an innovative suite of Masters programmes and an MBA programme in Entrepreneurship."

"Our approach to teaching is new and integrative, involving live case studies and students developing their own business ideas with the support of local businesses and business mentors. Our students are also active in putting social entrepreneurship into practice in support of the local community."

Students at Nottingham have been declared national winners of Students in Free Enterprise (SIFE) in 2005, 2006, 2007 and 2008. Joining Professor Greenaway to collect the Times Higher Education award were final year students Charlotte Matthew, president of the SIFE team, Reena Chandar, Vice-President, and Professor Martin Binks, Director of UNIEI.



Professor Binks said: "This is a wonderful tribute to teams of people in many parts of the University at all levels, and is recognition of their entrepreneurial creativity and determination to apply this in practice."

The University has launched award-winning spin-off companies and works with a wide range of businesses, including global brands such as AstraZeneca, Ford and Rolls-Royce. An Innovation Park for spin-off enterprise and collaborative industrial projects is now sited on the Jubilee Campus, which is also home to Aspire, the UK's tallest free standing work of public art. The University's Institute for Enterprise and Innovation (UNIEI), based within the Business School, runs programmes open to first-year undergraduates on all courses and enrolled 1,600 students last academic year. Postgraduates can enrol in cross-disciplinary degrees in entrepreneurship, and the University's Ingenuity and enterprise support programmes are sector-leading.

The NCGE was delighted to sponsor the Times Higher Education Award for Entrepreneurial University of the Year 2008.

Entrepreneurial universities are vital if we are to sustain the UK's economy and society. Put simply, an entrepreneurial university is a place where entrepreneurship is part of the fabric of the institution.

According to category sponsor, the National Council for Graduate Entrepreneurship, an entrepreneurial university is characterised by a number of key factors:

- strong leadership that develops entrepreneurial capacities for all students and staff across its campus;
- strong ties with its external stakeholders that deliver added value;
- the delivery of entrepreneurial outcomes that make an impact to people and organisations;
- innovative learning techniques that inspire entrepreneurial action;
- open boundaries that encourage effective flows of knowledge between organisations;
- multidisciplinary approaches to education that mimic real-world experience and focus on solving complex world challenges;
- and the drive to promote the application of entrepreneurial thinking and leadership.

The NCGE's work is designed to help universities develop and embed these models and approaches. It actively identifies the practices that support effective entrepreneurship development and encourages institutions to build their capacity for this. The organisation also offers professional educator development and FlyingStart initiatives working directly with student and graduate entrepreneurs to support them in developing their businesses.

2008 Financial Times Masters in Management ranking

More business schools than ever were ranked in the FT's 2008 global Masters in Management, which placed Nottingham's MSc International Business at 35 out of the top 50 programmes offered by the world's leading business schools.

In this prestigious ranking, 92% of Nottingham's MSc International Business graduates were employed three months after graduation and Nottingham ranked highly for 'Value for Money' and 'Careers', in which latter category we were placed 3rd among UK business schools.

Nottingham also scored in five of the FT's 'leagues of their own: the top 10 schools in selected categories,' including 5th in the 'best in international business' category.

Commenting on the result Director of School Leigh Drake said, "Our ranking of 35 out of 50 global business schools is a really excellent achievement. The fact that there are only 10 UK Business Schools included in the ranking, and that we are placed 6th in the UK, underlines this strong performance and confirms that our strategic objective of attaining Top 5 UK Business School status is certainly attainable. Our placing in 5 of the 'top ten schools in selected categories' is also very encouraging and will be very helpful in terms of further enhancing our reputation and brand."

Business Leaders Series

We continue to attract top executives for our exclusive series of lectures.



Gerry Pennell

Chief Information Officer, Co-operative Financial Services (CFS) and Co-operative Trading Group

Gerry Pennell was a new guest on our Business Leaders Series this year. He talked about his perspective on the current relevance of IT-enabled innovation and whether innovation is an organisational barrier or a solution.

He joined CFS in January 2003 as Director of ICT Development and Delivery, having previously held senior positions with Barclay's Bank and PricewaterhouseCoopers. He was also responsible for successfully directing the programme to develop, establish, and operate all technology support for the Manchester Commonwealth Games in 2002.

Gerry pointed out that business is still absorbing the last major wave of IT innovation and that technology hype, such as the Y2K disaster that never happened, tends to make businesses cynical. He noted that innovation involves taking risks, which business tends to avoid, so that good business practice can become a barrier to change and innovation.



Mary Jo Hatch

Emerita Professor, McIntyre School of Commerce, University of Virginia, and Adjunct Professor, Copenhagen Business School

We were delighted to welcome distinguished Professor Mary Jo Hatch as a Visiting Scholar at the Business School in 2008. Mary Jo gave a special lecture entitled "Taking Brand Initiative: How companies can align strategy, culture, and identity through corporate branding," in which she highlighted ideas from her recently published book of the same name.

Mary Jo's research is interdisciplinary and she brings a societal focus to her understanding of branding. She argues that developing a healthy brand identity comes from cooperating with others and learning about a brand through mutual discussion among organisations, their critics, and customers.



Dr Mike Lloyd

President, Gas Turbine Operations, Rolls-Royce

Mike Lloyd, a regular guest on our Business Leaders Series and one of the School's Special Professors, spoke about "competitive manufacturing" and the remarkable success and survival of Rolls-Royce plc in 2008. The company boasts its highest ever order book and has prospered in the changing landscape of FTSE 100 companies. Mike attributes this success to the company's consistent strategy, its ability to adapt to change, and its investment in technology, capability and infrastructure that has enabled it to build and grow on a global platform.



John Finch

Director of Development and Delivery, Experian

In February, John Finch, Director of Development and Delivery at Experian's information solutions division, joined us to give a practical view on professional project management. John leads product development and delivery for Experian's IS businesses in the UK and is the third of the company's directors to speak on the Business Leaders Series, cementing our relationship with the global leader in information services. He has led a transformation in the way Experian interacts with its customers, offering them new speed and flexibility through web-based services. He emphasised the importance of focusing on the value of a project, not its function or scope.



Details of forthcoming talks in the Series can be found at www.nottingham.ac.uk/business/alumni

Former Dragon's Den star speaks to future entrepreneurs

Rachel Elnaugh, entrepreneur, author, and former TV Dragon shared her business highs and lows with over 800 of our undergraduate students on a recent visit to the Business School.



Rachel gave a down to earth talk about starting her business from scratch, building it from an idea she had for a birthday present, right through to running the multi-million pound 'gift experience' company, Red Letter Days. She also spoke about growing up above her parents' shop where she was surrounded by business. Although she didn't attend university, through hands-on work experience with accountancy firm Andersen's she had the confidence to start her own business when she was just 24.

She offered students a real insight into the challenges of starting out in business, what pitfalls to avoid, and the classic mistakes made by many entrepreneurs. After sixteen years, her business eventually went into administration and she gave students an insider's view of what went wrong and how quickly a business can falter.

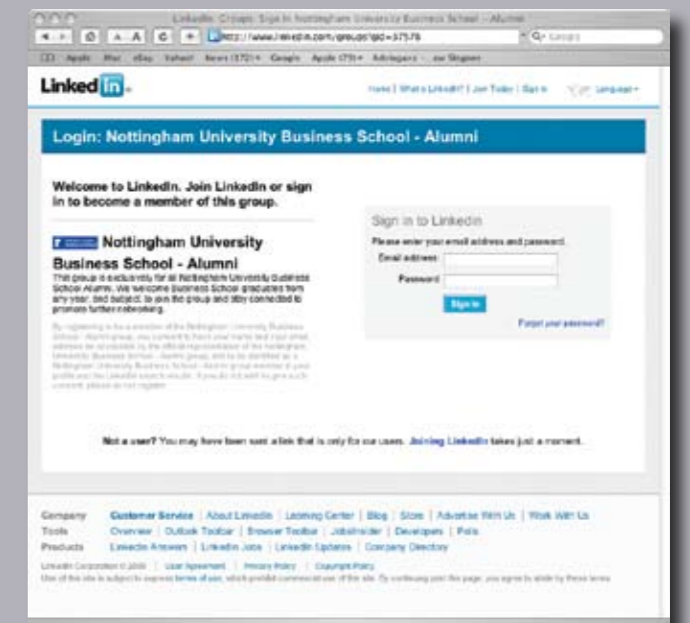
Martin Binks, Professor of Entrepreneurial Development, said: "Having Rachel to talk to the first years in their very first semester is a great start to the programme, and one I'm sure they won't forget. There's nothing quite like a bit of business reality to put academic theory to the test!"

Business School is Linked In!

The School now has its own Linked-In group. Linked-In is an online network of more than 30 million experienced professionals from around the world, representing 150 industries.

When you join, you create a profile that summarizes your professional accomplishments. Your profile helps you find, and be found, by former Business School alumni, colleagues, clients, and partners.

Membership of the network enables you to do a number of things. You can, for example, find potential clients, service providers, subject experts and partners who come recommended; discover inside connections that can help you land jobs; close deals and get introduced to other professionals through the people you know.



You'll find the Nottingham University Business School group page at www.linkedin.com/e/gis/37578

School hosts first Finance, Consulting and Management Recruitment Event

For two days last October the Business School was a hive of activity when it hosted the University's first Finance, Consulting and Management Recruitment Event.

After months of planning both atria in the School's North Building were transformed into exhibition areas, and over the two days some 1500 Nottingham students attended the event to find out about employment and internship possibilities with more than 30 leading companies. Employer representatives were kept busy promoting their companies, answering queries and giving out their 'freebies': chocolates, bags, pens and stress balls! The feedback from the companies suggests that students had prepared well and their questions to employers were informed and relevant.

A number of employers brought recent recruits from Nottingham along to the event, and it was a pleasure to welcome these alumni back to the School and hear, first hand, about their experience of working and their career progression. This alumni involvement was particularly welcomed by the students, who were able to get a more relevant and personalised view of the types of industry and roles that were represented at the Fair.



Companies that attended included:

Accenture	BDO Stoy Hayward	Deloitte	IBM	Nomura Holdings	Siemens
Allianz	BP	Deutsche Bank	ICAP Plc	Norwich Union	Swiss Re
Bain & Company	Capital One	EC Harris	KPMG	Page Kirk	TDX Group
Baker Tilly	Cooper Parry	E.ON	Lloyds TSB	PricewaterhouseCoopers	Tesco
Bank of England	Co-operative Group	Ernst & Young	Macquarie	Procter & Gamble	Thales
Barclays	Coors Brewers Ltd.	Hewlett-Packard	Mazars		

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School launches new Executive MBA (Healthcare) programme

As part of the development of our executive MBA provision, the School has launched a new variant designed for people working in healthcare – and more especially for those healthcare professionals who have taken on management and leadership roles.

The Executive MBA programme is a part-time degree studied over a period of between two and four years leading to the award of an MBA degree. Those studying for the new healthcare variant will, along with all other participants, undertake modules in core management disciplines such as business economics, organisational behaviour, computing and IT, operations management, strategic management, marketing and accounting and finance. In addition to these, however, they will also take two new modules specifically designed for the needs of people in health services. The first of these is Commissioning and Service Redesign and the second, Ethics, Governance and Risk.

In Commissioning and Service Redesign, course members will study issues such as the determinants of health and disease, inequalities in health, the health needs of populations, how they can be assessed and the drivers for change. The module will look both at the formal ways in which the services change in response to changing health needs and commissioning processes, and at how organisations can respond through effective service re-design. In Ethics, Governance and Risk the emphasis will be on current issues about governance, ethics and risk in the healthcare sector, and will explore the inter-relationships between these sets of issues via specific case studies from the health sector. The contents of this module will reflect current concerns in health policy, and include an examination of concepts of governance, the challenges presented by innovative health technologies and the imperatives driving new developments in research ethics.

Both modules have been developed with active participation from both outside health organizations (including, for example, local NHS organisations and the Association Of Surgeons of Great Britain and Ireland) as well as members of staff in the Faculty of Medicine and Health Sciences and the Institute for Science and Society here at the University of Nottingham. Members of staff from these departments will be active in teaching the two specialist modules, alongside faculty from the Business School.

The first of the new modules will be delivered in July 2009, but we can welcome participants onto the course, and the degree programme, at any time to suit themselves.

Initial enquiries and indications of interest should be made to Susan Oldham, Executive MBA and Corporate Short Courses Administrator, Email: susan.oldham@nottingham.ac.uk or Tel: 0115 8466111.

Success in Bidding

Professor Graeme Currie, Professor of Public Services Management and the School's former Director of Research, together with Professors Nick Manning & Richard Morriss from the Institute of Mental Health and Behavioural Medicine, and the Nottinghamshire Healthcare NHS Trust, led a successful bid, last year, for £17.4 million to set up a Collaborative Leadership in Applied Health and Research Centre (CLAHRC) funded by the National Institute of Health Research.

The CLAHRC will be located in the new Gateway Building on the Jubilee campus and will carry out applied research examining and translating clinical innovation into service delivery in the areas of: mental health; stroke rehabilitation; primary care; children and young people services.

Graeme Currie has been appointed as Director of the CLAHRC and has recently commenced in this new role. He also retains a part-time role in the Business School.

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Commenting on the CLAHRC, Professor Leigh Drake, Director of the Business School said, "The success of this bid is a tremendous achievement and is a very significant and important development for both the University and the Business School. From the School's perspective the CLAHRC, and in particular Graeme's central role as Director, is a recognition of our increasing profile in the area of Public Services Management. It will also be an important catalyst for the further development of the School's research and teaching (including Executive Education) in this area."

Taking the first steps to business success

The next generation of entrepreneurs are taking their first steps on the road to commercial success at Nottingham University Business School.

Budding tycoons have come up with exciting business ideas, developed them into fully-realised business plans — and will now go head-to-head in a competition to recognise the high-flyers of the future.

The Student Business Plan Competition 2008 brings together current University of Nottingham students, who have gone through the rigorous process of taking their bright ideas and honing them into businesses that could attract outside investment.

Finalist business plans this year include a way for car drivers to earn revenue for advertising on their privately-owned vehicles, a national rent-a-bike scheme, and a way for home computer users to get broadband that pays for itself. They have been supported by workshops within the Business School and expert mentoring sessions to help them to produce a viable business plan.

The winner will be announced at an awards ceremony in the Senate Chamber, in The University of Nottingham's Trent Building, on Wednesday, 13th February 2009.

Professor Martin Binks, Director of the Institute for Enterprise and Innovation (UNIEI), said: *"Entrepreneurial creativity is of increasing importance in any dynamic economy but attempts to realise the potential that it offers must be well organised and planned. The University of Nottingham Business Plan Competition engages students in the process from creativity to planned innovation."*

The competition judges are looking for a well-researched, convincing and realistic business plan which demonstrates an understanding of a particular product or service, the market in which they intend to operate, the likely costs to be incurred and the returns that investors can expect.

The competition is organised by the Enterpriselab team — part of UNIEI — in cooperation with the University's Centre for Career Development. It is being sponsored by

Jon Dawson, Senior Manager at RSM Bentley Jennison, said: *"A wise person once said, 'failing to plan is planning to fail'. A sound business plan is the cornerstone of a successful business. We are delighted to support the 2008 Business Planning Competition and we hope that the competition will assist in the development of the next generation of entrepreneurs."*

The 2008 finalists are:

Advertism Jonathan Francis

If you've ever wanted your broadband to pay for itself, then Advertism may be the answer...

Eova Michael Preston and Mark Redden

Eova plan to launch the first alarm clock developed for the 21st century.

GetAd Peter Gostev

GetAd provides car drivers with the opportunity to earn revenue from advertising on their privately owned vehicles.

Rent-A-Bike Mohammed Kotah, Salim Bamakhrama & Albio Espinosa

Rent-A-Bike have plans to bring a quick, cheap and convenient method of hiring a bike to the UK.

Toes & Tummies Dana Hamzah

Toes & Tummies attempts to fill a gap in the market for a luxury designer boutique selling fashionable, high quality maternity wear and children's clothing in Bahrain.

Consumer trust in financial services remarkably steady

Consumer trust in financial services is proving to be remarkably robust according to the Financial Services Research Forum, the influential think tank based at Nottingham University Business School.

The Forum's 2008 Trust Index showed only a marginal fall in consumers' overall rating of how much they trust the financial services sector overall, although the banking sector has experienced a notable decline in trust as a consequence of the Northern Rock crisis and the credit crunch.

A particular feature of the 2008 study is that, notwithstanding recent difficulties, consumers appear confident that the overall financial services system can be trusted to protect their interests.

The *Financial Services Trust Index* was developed in 2005 against a background of increasing concern about declining levels of consumer trust in financial services, perceived industry malpractice such as the miss-selling of pensions and endowments and the impact stock market difficulties.

The index takes a forensically detailed approach to the study of consumer trust in financial services institutions (FSIs). It goes beyond the typical yes/no answers to give a unique insight into consumer trust in - and trustworthiness of - financial services providers. The index explores consumer trust on two levels.

- **Low-level trust** — relates to the extent to which an organisation can be relied on to do what it says it will do.
- **Higher level trust** — relates to the extent to which the organisation is concerned about the interests of its customers.



While the 2008 report revealed that low level trust has held firm, there has been a noticeable drop in higher level trust. Unsurprisingly, banks in particular have seen their score for higher level trust falling back in the wake of the credit crunch.

Building societies, general insurers, and investment companies have also seen some reduction in their scores for higher level trust, at the same time brokers and credit card companies have seen their scores for higher level trust increase. The life assurance sector has seen its trust score hold steady compared with 2007.

Commenting on the findings, Professor Christine Ennew who leads work on the Trust Index says *"Although banks have suffered more than other sectors of financial services from the credit crunch, overall the financial services sector is trusted to conduct its business in a sensible fashion. It will be interesting to observe what further changes arise when we collect our next fieldwork data early in 2009."*

The 2008 study also asked about whether consumers had cause to complain about the service they have received from their financial services supplier and explored the effect this had on trust. The results make fascinating reading and show clearly the detrimental effect that complaints have upon trust, more particularly when the consumer is unhappy with the outcome.

Furthermore, there were significant variations in overall trust scores at the level of individual companies with some suppliers maintaining high levels of overall trust while others fared far less well. Commenting again, Professor Ennew says *"We can see wide variations in trust not only among individual firms but also among the various segments of a provider's customers. For example, trust scores are much higher among the over 55s, who are regular users of branches, and materially lower among young people who transact their affairs primarily via the internet. The message is that individual companies need to carry out their own trust study if they want to be in a position to properly manage their customers trust in them and, in turn, their corporate reputation."*

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Lessons of the Northern Rock crisis

The credit crunch has stimulated research at the Centre for Risk and Insurance Studies (CRIS), initially in relation to Northern Rock but subsequently with a wider perspective.

In response to the Northern Rock crisis, CRIS held a short conference on "Banking Risk after Northern Rock," where the speakers were Professor Kevin Dowd and Margaret Woods. We were delighted that Chris Brown from the Bank of England and Dean Carter from Nottingham Building Society joined us in a question-and-answer session.

Kevin Dowd focused on the regulation of the banking system and of Northern Rock itself. He argued that the authorities should have stood by their policy of allowing any problem bank to fail. Northern Rock would have been run out of business, and quickly closed or bought out, which would have sent a strong signal for the future. Kevin was critical of the limited understanding that the Financial Services Authority had of weaknesses in firms' risk models. The government was also wrong to have panicked, and to have provided 100% guarantees on Northern Rock deposits. However, the guilty parties must also include Northern Rock itself, with poor risk management.

Margaret Woods presented an analysis of what banks, including Northern Rock, disclosed in their accounts about their risk exposures. She argued that it was very difficult for investors to understand these disclosures, which were uneven and non-comparable: some lengthy, but others quite brief. Some of the information provided by Northern Rock was very general. Margaret said it was a tale of missing information; we should now refocus on the quality of financial reporting disclosures.

Professor Dowd was critical of the limited understanding that the Financial Services Authority had of weaknesses in firms' risk models.

One of the comments about the credit crunch came from the chief financial officer of Goldman Sachs, David Viniar: "We were seeing things that were 25-standard deviation moves, several days in a row." But, how unlikely is a 25-standard deviation shock? Kevin Dowd, Margaret Woods and colleagues consider this in a paper being published in the Journal of Portfolio Management.

First, if losses are normally distributed, how likely is a loss that is 2 standard deviations or more away from the mean? This is easy to calculate: the probability is 2.3%, so we would expect such a loss (a "2-sigma event") once about every 44 days.

A 3-sigma event is much less likely: about one trading day in every 3 years. That goes up to 126 years for a 4-sigma event and 13,932 years for a 5-sigma event, about the entire period since the end of the last Ice Age.

The figures soon become scarier. A 6-sigma event corresponds to less than one day in the entire period since homo sapiens evolved from earlier primates; and a 7-sigma event is about once in a period about 5 times the length of time since multi-cellular life first evolved on Earth.

An 8-sigma event should occur less than once in the entire history of the Universe. And a 25-sigma event is less likely than winning the UK national lottery 21 times in a row. The authors conclude, "Funny things, these 25-sigma events - and surprisingly common, too".



Centre for Management Buy-out Research explores the effects of market turmoil on UK private equity

Founded in 1986 by Barclays Private Equity and Deloitte & Touche LLP, the Centre for Management Buy-out Research (CMBOR) is the world's pre-eminent provider of information and analysis on management buy-outs and private equity.

With increasing turbulence and uncertainty in the markets, the Centre's research continued to attract widespread media attention in 2008. Bloomberg reported CMBOR's survey on the value of UK leveraged buyouts, which dropped 73 percent in the third quarter as turmoil in the credit markets left buyout firms unable to fund takeovers. CMBOR's research found that the firms spent 4.3 billion pounds (\$7.7 billion) in the three months ended September 30, compared with 15.7 billion pounds in the same period last year.

According to the research, private equity firms are struggling to finance acquisitions after banks and investors cut off the debt financing that had fueled a two-year buyout boom. This also stopped firms selling assets to each other, with so-called secondary buyouts dropping to a five-year low. Buyout firms did not take any companies public on the London Stock Exchange during 2008 as equity markets tumbled.

This gloomy trend continued in the fourth quarter of 2008 when the value of UK private equity takeovers fell to its lowest level in 13 years, between October and December, due to a lack of debt funding and the rapidly cooling economy. The value of buy-out deals reached just 994 million pounds (\$1.48 billion) in the fourth quarter compared with 5.7 billion pounds for the same period of 2007 and 5.6 billion pounds in the third quarter of 2008. This meant that total buy-out value for 2008 fell to 19.1 billion pounds from a record tally of 45.9 billion in 2007.

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Feature

A world in financial crisis

What can the past tell us about the way forward?



London

We are currently experiencing an unprecedented phase in the context of global economic and financial markets. In this article, **Leigh Drake**, Professor of Financial Economics and Director of the Business School argues that many of the causal factors behind the current crisis are far from new and that it is imperative that Governments and regulators learn the lessons of history in the way that monetary policy-makers appear to have done.



There is no doubting the fact that we are currently experiencing an unprecedented phase in the context of global economic and financial markets. The unprecedented nature of recent events is evident in the severe volatility in financial markets and in the fragile state of financial institutions and financial systems, the global and synchronous nature of the severe downturn in economic activity, and, most significantly, in the magnitude of the policy responses (both monetary and fiscal) across the world. Short term policy interest rates, for example, have reached all time lows in the US and UK and look set to fall further, while the recent historically low levels of long term interest rates indicate that the markets view the downside risks associated with prolonged recessions to far outweigh any potential risks associated with future inflationary pressures. Indeed, it is striking how quickly sentiment has changed in recent months from concerns over inflationary pressures to concerns over the spectre or potential deflationary pressures in many economies and, in particular, in the US.

The spectre of deflationary pressures emerging across the globe raises the very serious threat of debt deflation and the painful lessons learned in many countries during the 1930s and during the 1990s in Japan. Debt deflation is a particularly corrosive economic phenomenon in which falling prices (negative inflation) conspire to increase the real value of debt levels. Clearly, the high levels of personal sector indebtedness which exist in countries such as the UK and US imply that the onset of debt deflation would have a particularly damaging impact on already weakened consumer confidence and spending. Households would be inclined to reduce consumption and increase savings in an attempt to reduce the real value of their outstanding debts, as in the 1930s and in Japan during the 1990s. In a deflationary environment there is also the temptation to delay consumption in anticipation of falling prices. Furthermore, this consumer retrenchment would reinforce the contraction in consumer spending associated with the powerful negative wealth effects on consumption emanating from the significant declines in house prices and in other asset prices such as equities. The recent focus on the problems associated with the zero lower bound on interest rates (nominal interest rates cannot be reduced below zero per cent) also reminds us of the other corrosive aspect of negative inflation, as witnessed in Japan during the 1990s. Specifically, that negative inflation (other things being equal) tends to produce rising real interest rates. Hence, once policy-makers have reduced short term interest rates to zero, any further falls in the general price level (associated with an increasingly negative inflation rate) will be associated with rising real interest rates. This is the polar opposite of the desired policy response but is exactly what happened during the Great Depression of the 1930s and the more than decade long recession that gripped Japan after the early 1990s.

It is a mistake, however, to argue that monetary policy ceases to become effective when nominal interest rates reach their lower bound of zero. Indeed, the failure to make effective use of monetary policy in a low interest rate deflationary environment was the grave policy error made by the US Fed in the 1930s and

by the Japanese monetary authorities in the 1990s. Specifically, they failed to use expansionary monetary policy in order to prevent the emergence of the damaging spiral of falling prices, negative inflation and rising real interest rates. The extreme caricature of this policy is what Friedman termed "helicopter money", ie, the aim of monetary policy in such extreme circumstances is to be sufficiently expansionary so as to create some inflationary pressure in the economy and thereby to prevent the emergence of economically corrosive deflationary and debt deflation pressures.

We can only hope that the painful lessons of the Great Depression and of the Japanese experience have been learned by central banks around the world. Indeed, the recent aggressive cuts in short term policy interest rates by the US Fed, the UK Bank of England and others, combined with the aggressive policy of "quantitative easing" embarked upon recently by the US Fed does give some grounds for optimism. Furthermore, the policy of "quantitative easing" employed by the Fed (in which the central bank purchases various assets such as Mortgage Backed Securities, Treasury Bonds, etc, for cash) may make some contribution towards the unblocking of the jammed banking system and to lowering long term interest rates, as well as to increasing the growth in the money supply and thereby to offsetting deflationary pressures in the economy. At the time of writing, there is some evidence that the Bank of England are considering the adoption of "quantitative easing" (a policy initially → p14



New York

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→ developed during the Japanese crisis of the 1990s) as interest rates fall closer to the zero interest rate bound. The commentators and newspapers which are currently raising alarm bells over the authorities resorting to the “printing press” and risking consequent inflationary problems fail to appreciate that the balance of risks is firmly weighted in favour of the real economy rather than inflation. Furthermore, the risk facing the global economy is currently one of deflation rather than inflation, and the policy of “quantitative easing” is only effective to the extent that it creates some inflationary pressure or, at the very least, acts to offset the incipient deflationary pressures in the economy.

However, while we are clearly experiencing unprecedented times and, notwithstanding the potential ability of central banks and policymakers to learn the lessons of history and to tackle the powerful contractionary forces currently gripping the global economy, it can be argued that many of the factors which contributed to the current situation are actually far from unprecedented. Hence, in the context of many of the causal factors responsible for the ongoing global economic and financial crisis, it may be argued that the lessons of history have not been learned by policymakers and regulators. While the globalisation of financial markets and global capital flows has undoubtedly brought many benefits, history teaches us that large global financial imbalances and the associated significant capital flows are often followed by financial and economic crises. Furthermore, this is often because domestic financial institutions and domestic regulators and supervisors are unable to deal adequately with these huge global flows of capital. In the 1970s, for example, the huge petro-dollar surpluses of the OPEC countries were channelled via the interbank markets (primarily in London) into Sovereign Lending to countries in Latin and South America. However, the scale of this lending and

the under-estimation of the associated risks culminated in the so-called LDC Debt Crisis of the early to mid 1980s. Similarly, huge capital flows into the SE Asian economies in the early to mid 1990s, coupled with premature financial liberalisation and inadequate financial regulation and prudential supervision, culminated in a rapid growth in lending, asset price bubbles and ultimately a currency, banking and economic crisis. Asset price bubbles (particularly in real estate and equities), rapid expansions in bank lending and an underestimation of credit risks were also a feature of the Japanese economy in the late 1980s/early 1990s and culminated in a severe and prolonged banking and economic crisis.

In the context of the current financial and economic crisis, Ben Bernanke the current US Fed Chairman, highlighted in the earlier part of this decade (and well before taking over from Alan Greenspan as the Fed Chairman) the dangers associated with what he termed the “global savings glut”. This is quite simply the most recent manifestation of the well-known problem of global financial imbalances in which countries such as China, Germany, the oil exporting countries, and some S.E Asian economies run very large current account surpluses that have their counterpart in an excess of gross domestic savings over domestic investment. In the context of the global economy these large current account surpluses must logically be offset by current account deficits in other countries such as the UK and, more significantly the US. Furthermore, these huge current account deficits have their counterpart in the well-known dearth of gross domestic savings relative to domestic investment requirements in countries such as the US. Hence, in the context of the global economy, the globalised financial system has simply been performing the basic function of channelling the “global savings glut” from these surplus countries to the deficit countries, much as the domestic financial system redistributes surplus funds from savers to borrowers within any particular economy. Added to this already potentially dangerous mix, however, was the tendency for the “global

Many of the causal factors behind the current crisis are far from new.

savings glut” to contribute to historically low levels of interest rates (nominal and real) and thereby to sustained asset price bubbles, particularly in the housing markets of countries such as the US and UK. Arguably, this was also fuelled by policy mistakes such as the US Fed keeping short-term policy interest rates too low for too long following the dot com crash and the economic recession of the early part of this decade.

As in previous banking crises, large capital flows and asset price bubbles were associated with a rapid growth in lending (exacerbated by the incentive schemes operating in many banks and financial institutions) and an underestimation of both credit and liquidity risks. This time, however, the rapid growth in bank lending manifested itself largely in mortgage market lending, as personified by the lending boom in the US sub-prime mortgage market. Furthermore, the potential dangers of this sub-prime lending boom were exacerbated by a number of factors such as: the increasing tendency for banks to fund the growth in lending from the wholesale money markets rather than from deposits (thereby increasing liquidity risks); the increased use of securitisation and financial innovations/derivatives, such as credit default swaps, in order to “slice and dice” and thereby to redistribute credit risks; the associated opacity of the true risk exposures of numerous financial institutions including banks, insurance companies and hedge funds; the increasingly globalised nature of the financial system which implied that any systemic problems in countries such as the US and even Iceland would be rapidly transmitted to other countries. In turn, given the well-established empirical evidence that banking and financial crises tend to be followed by severe economic crises, this clearly increased the likelihood of a coordinated, and severe economic downturn across many countries of the type we are currently witnessing.

The recent financial and economic turmoil will inevitably call into question existing business models, incentive structures and regulatory frameworks. Indeed, we are even seeing question marks being raised over the future of such “holy grails” as capitalism, the free market system, and the globalised and highly complex financial system. As with all such episodes, however, there is a severe danger of over-reaction and of “throwing out the baby with the bath water.” Capitalism and the free-market economic system have contributed enormously to the growth of wealth and prosperity around the world, although the recent financial crisis does underline very powerfully the fact that markets, and particularly banking and financial markets, cannot be allowed to operate in a completely unfettered manner without appropriate forms of Government intervention, regulation, and supervision. It is the case that financial systems and financial innovations have contributed enormously to the development of real economies and to economic wealth creation around the world. Once again, however, it must be recognised that many aspects of financial systems and financial innovations are double-edged swords with the potential to create enormous systemic risks and crises as well as enormous benefits. Financial derivatives, for example, can be enormously beneficial in the context of hedging against various types of risks, but can also be responsible for dramatically increasing risk exposures while simultaneously reducing the transparency of these underlying risk exposures. As recent events have shown the latter, combined with dramatic increases in leverage can prove to be a potent and toxic combination. Hence, it is clear that Governments and regulators will face an enormous task in the future in terms of ensuring that the undoubted benefits of financial markets and financial innovation can be secured by restoring confidence in the globalised financial system. Equally, as this article has hopefully illustrated, many of the causal factors behind the current crisis are far from new. Hence, it is imperative that Governments and regulators do finally learn the lessons of history in the way that monetary policy-makers appear to have done.

For the academic community, and business schools in particular, questions will inevitably be asked in the context of the standard curricula and the education of future business leaders. Many commentators have noted, for example, that many of the individuals at the centre of the global financial crisis were MBA graduates from leading business schools, while others have questioned aspects of the core of the traditional business school curricula such as elements of the finance curricula, and particularly those elements relating to financial innovations and derivatives and to risk management techniques and practices, and the focus on shareholder value maximisation as the over-riding goal of firms. Furthermore, the recent Madoff financial scandal reminds us of the importance of the ethical dimension in business, which was underlined so vividly by the corporate accounting scandals of Enron, Worldcom and others earlier in this decade. In short, all these recent events will call into question the appropriate relationship between business and society and business schools around the world will need to find the appropriate answers. ■



Tokyo



Shanghai



Frankfurt



Sydney



Moscow



Sao Paulo



Shareholder Value and the Current Financial Crisis

Today capitalism is in crisis, and shareholder value driven finance is seen by many as a contributory cause. In this article **Professor Bob Berry**, Boots Professor of Accounting & Finance and Co-Director of the Centre for Public Leadership & Management, places some of the responsibility back to the shareholders themselves.



My favourite finance book is *The Theory of Financial Decisions* by Charles Haley and Lawrence Schall. It provided me, when I first read it in the late 1970s, with a framework for understanding corporate finance which has proved useful ever since. Essentially the book assumes that well functioning capital markets exist and that companies seek to maximise shareholder value as reflected in equity prices. The substance of corporate finance is simply a set of logical implications of these assumptions.

To many people the widespread acceptance of the second of these two assumptions by business executives has, unfortunately, characterised the last thirty years at least. Rakesh Khurana in his 2007 book *From Higher Aims to Hired Hands* argues that professional and moral ideas have been driven out of management education by the view that the only significant measure of managers is their ability to create shareholder value. Sumatra Ghoshal in a widely quoted article from 2005 talked disparagingly of the cult of shareholder value. Will Hutton, journalist and author, in an analysis of the current financial crisis bemoaned the historical lack of an effective challenge to the generally accepted “shareholder-value driven, financial, ‘securitised’ capitalism” (Observer 5-10-08). Klaus Schwab, the founder and executive chairman of the World Economic Forum stated in the Times (4-11-08), that the “*professional role of management has been undermined in recent years by bonuses and other systems that link the management to the short term interest of the shareholders.*” → p18

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p17 → Today capitalism is in crisis, and shareholder value driven finance is seen by many as a contributory, if not main, cause. I acknowledge the crisis, but doubt the diagnosis, and since good diagnosis generally assists good treatment, feel that the role of shareholder value maximisation in the current crisis needs to be much better understood.

Let's start by examining Hutton's assertion that shareholder value maximisation has not been subject to challenge and criticism. Business School academics like Khurang and Ghoshal have presumably been questioning the validity of shareholder value maximisation in their teaching as well as their writing. It would be perverse to write one thing but teach another. Hutton, notably in his book "The State We Are In" has argued forcefully for a stakeholder, as opposed to shareholder, approach to management. Schwab, in the article quoted earlier says, "I founded the *World Economic Forum* in 1971 based on the stakeholder theory. According to the theory – which has served as the philosophy of the *World Economic Forum* for the past **40 years** (my emphasis) – the management of an enterprise has to serve all stakeholders; it means that the management has to lead the enterprise as the trustee of all stakeholders and not just the appointee of the shareholders, in order to secure the long term prosperity of the company."

Shareholder value maximisation has more than its share of critics! My own experience of UK Business Schools suggests that shareholder value maximisation is a minority view and the stakeholder perspective much more widely held.



Executives play the game, and can cheat if cheating is seen as acceptable behaviour or is unlikely to be discovered.

The first session in the MBA Corporate Finance module I teach at Nottingham deals with two simple questions, "Should companies operate in the interests of shareholders?" and "Do companies operate in the interests of shareholders?" I argue, often against stakeholder fuelled opposition from the class, that the answer to the first question is a (qualified) "Yes". The supporting arguments are based around the rights inherent in an ownership claim, or around the difficulty of writing a contractual agreement for shareholders, leading to them accepting a claim on residual risk and return. (Boatwright's book *Financial Ethics* provides a summary of these arguments.) I tend to leave the answer to the second question up in the air. The problem is one of agency; executives (the agents) may act in their own interests rather than in the interests of shareholders (the principals).

Ross, Westerfield, Jaffe and Jordan in their textbook *Financial Management* offer arguments why the agency problem may not be relevant. They cite pressures from capital markets, managerial labour markets, and product markets as constraints on the behaviour of executives. In simple terms, if executives act against the interests of shareholders then share prices will fall, triggering a takeover and the removal of the under performing executive team. Ross et. al. also claim that modern reward systems encourage executives to act in the interests of shareholders. However, the evidence about the effectiveness of these constraints and incentives is lacking. The data are open to many interpretations, not least because acting in the interests of shareholders can look very much like acting in the interests of stakeholders.

The current crisis does offer some new evidence, most notably Alan Greenspan's testimony to the US Congress's House Government Oversight Committee on 23 October 2008 (Wall Street Journal 24/26-10-'08) He said, "Those of us who have looked to the self interest of lending institutions to protect shareholders' equity are in a state of shocked disbelief." The surprising thing is his sense of shock. The possibility that companies are not run in the interests of shareholders has been acknowledged for a very long time. Berle & Means in their 1932 work *The Modern Corporation and Private Property* identified the loss of control by shareholders, and Galbraith, in his 1967 book *The New Industrial State* emphasised the growing power and freedom from control of corporate executives.

A better description of the last quarter of the 20th century might well be executive capitalism rather than shareholder capitalism. The markets supposedly constraining executive excess haven't worked effectively; the reward systems designed to align executives' interests with shareholders' interests have been counterproductive. The idea underpinning modern reward systems is simple; pay executives in shares, or in options to acquire shares, and executives will start to think like shareholders. And by acting in their own interests, as they inevitably will, they will act in the interests of shareholders. Unfortunately there are problems with this idea. One is the difficulty of recognising actions which are in the interests of shareholders. This may not be apparent in the short term (the level of capital market efficiency is relevant here). In practice, activity has been rewarded rather than the quality of, or the results of, the activity. For example, the volume of subprime loans, rather than the quality of the loans, triggered bonus payments.



That executives have operated in their own interests rather than in the interests of others – in this case shareholders – doesn't absolve shareholders from blame for the current crisis.

A more general problem is that setting performance measures and performance targets that trigger rewards simply defines the rules of the executive game. Executives play the game, and can cheat if cheating is seen as acceptable behaviour or is unlikely to be discovered. One example of cheating is the process of backdating options issued to executives. Basically, the award of the options is recorded as happening at an earlier date, when a lower share price held, justifying a lower exercise price. This kind of behaviour transfers value from shareholders to executives, and has not disappeared in the current crisis. A recent survey (Spring 2008) by Deloitte Consulting found that almost two thirds of companies surveyed were considering altering bonus plans to ensure they paid out (Wall Street Journal 13-10-'08). The article claimed, "One controversial remedy some companies are considering is swapping underwater options for stock or for options with lower exercise prices."

That executives have operated in their own interests rather than in the interests of others – in this case shareholders – doesn't absolve shareholders from blame for the current crisis. Shareholders too have been complicit in the transfer of control to executives. They have been willing to see an ownership claim as a simple source of financial return, separate from the right and the responsibility to exercise control. Widespread, small scale, share ownership hasn't helped matters. The 'free rider' problem poses problems for responsible shareholders; activists bear the costs, but followers share the benefits.

It is possible to argue that it was acceptable for shareholders to give up the right to control in exchange for financial reward. However, while rights can be given up responsibilities cannot. Owners have both rights and responsibilities and shareholders ignored their responsibilities on too many occasions. One group of individuals who have attracted criticism recently are short sellers, who are seen to have imperilled companies by pushing share prices down. Short selling a share involves borrowing it from a shareholder for a period of time in exchange for a fee, selling the borrowed share, and then buying it back and returning it to the original owner. Who bears the responsibility for the deal, the short seller or the shareholder who lends the shares in the first place?

Shareholder value maximisation was not a cause of the current economic crisis. It is more reasonable to say that a lack of concern for shareholder value contributed to the current crisis, and that the reintroduction of a "managing in the interests of shareholders" ethos has to be part of the solution. However there are genuine questions about who should be allowed to own shares, and perhaps who should be required to own shares and in what proportion. The acquisition of shares in the major banks by government is prompting a renewed debate about the appropriateness of government holding an equity claim for example. The Times sees the government ownership claim as short term "The British Government presumably intends to sell its newly acquired stakes in the banking sector as soon as market conditions allow." (Leading Articles 3-11-'08). Will Hutton has a different point of view. Commenting on the statement by Chief Secretary to the Treasury, Yvette Cooper, that the government is not in the business of running banks, Hutton says, the government "could, if it chose, deploy its ownership of the banks to insist they build a new business model on supporting innovation and long term investment." To Hutton, operating a company in the interests of its shareholders, which was seen as a source of the current crisis, is now seen as part of the solution!

Companies have not been run in the interests of their shareholders, and that is a significant cause of today's economic problems. Now shareholders not only have to be given back the reins of corporate control but also, more importantly, have to re-learn the responsibilities that are part and parcel of owning shares. ■

Nice work if you can get it

Tony Watson is Professor of Organisational Behaviour in Nottingham University Business School and a doctoral alumnus of the University. Tony and his wife Dr Diane Watson, of the Open University (and a doctoral alumna of the Industrial Economics department out of which NUBS emerged), are currently researching aspects of the UK pubs industry. So how did this intrepid couple end up in Greece as part of their research?



Most people, if they have heard of it at all, will associate ethnography with anthropologists who venture to the furthest-flung parts of the globe to live for a while in exotic settings among 'the natives' before returning to their universities to write up an account of the tribal life and culture of their research subjects. Indeed, much ethnography was once like that. These days, one is as likely to find sociologists and anthropologists studying the tribal lives of their own people in order to write a close and detailed account of particular aspects of social or organisational life. It is this account that constitutes 'an ethnography'. Ethnography is not itself a research method, as research students are sometimes taught. The essential, but not exclusive, research method which ethnographers use is close, often participative, observation in 'the field'. And all the knowledge, insights and understandings which emerge from that close observation can be powerfully reinforced by all the other methods that social scientists use; documentary analysis, interviews, statistical analysis and so on. Ideally the ethnographer shares as much as they can of the lives of the people in the setting being studied.

So what about pubs? Well, I'll come to that shortly. And Greece? Yes, that too. For now let's just say a little more

about ethnographic research in general. Diane and I have always felt that social science researchers can only learn so much about how the social world works by analysing second-hand data, sending out surveys or interviewing people. One can surely develop much richer and interesting data, theory and insights by becoming closely involved in the aspect of life being studied. For this reason, and having decided whilst doing my first degree that I wanted to study managerial work sociologically, I went straight from university into a managerial job in the engineering industry. I immediately embarked on a participant observation study of a major change programme. When Diane was researching the work of trade union officials she spent a lot of time shadowing such people as they went about their daily work. And in the early 1990s I returned to industry for a year to join the senior management team of a large business. Out of that came a book called *In Search of Management* (2001 South-Western Cengage, originally 1994). The book is regularly reprinted and must be in a record-breaking category for a research monograph, with its five-figure sales. It would be nice to think that this and the book's regular citations in the research literature have been because I had written a brilliant book. But, no, I think that its great appeal has been simply that it engaged with the realities of modern managerial work in a large corporation - both describing and theorising these - *from the inside*. This is so rarely done. So why not do it in the pub industry? → p22



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→ Why study the pub industry? The first reason was that my research had previously concentrated on large corporations and their managers. It seemed like a good idea to turn to smaller enterprises and, in particular, to look at entrepreneurial and strategy-making aspects of the small business. A business with a portfolio of fairly distinctive pubs and operational principles seemed an ideal choice for this, especially because we were able to gain very open research access to such a business. Also, we wanted to develop a distinctively sociological way of thinking about business, one which complements the more usual economics-focused studies. For us, this means putting a lot of emphasis on history, national culture, narratives and the 'identity work' of both producers and consumers.

The early alehouses can be seen as a fascinating example of what we choose to call 'everyday entrepreneurship', with alewives deciding to allocate a room in their house to the selling of the beer which they brewed at the back of the house. In contrast to this, pubs and brewing later became caught up in large-scale business processes which we



The pubs and brewing industry is one of the oldest and most interesting areas of business and cultural life that it is possible to study.

would characterise as anything but enterprising. Pubs have played – and continue to play a central role in British culture. It is a feature of streets in every town in the country (sorry, but we can no longer say that of villages). It plays a key role in the soap operas, situation comedies, crime series, jokes and story-telling of popular culture. And here we come to a very challenging research question. How is it that 'the pub' continues to be iconic within the British way of life (and appears to have significant cultural currency abroad) at the same time as the pubs industry appears to be in spectacular decline?

How is it that 'the pub' continues to be iconic within the British way of life at the same time as the pubs industry appears to be in spectacular decline?



The pub has played - and continues to play - a central role in British culture

Part of our ethnographic research involves reading what the newspapers are printing and listening to what people in the street are saying about the enormous number of pub closures across the UK. We hear about smoking bans, the cheapness of supermarket beer, government taxation policies, drink and driving laws and all the rest. But, as good researchers are meant to, we are not jumping to any easy conclusions. Rather, we are looking carefully at as much detailed evidence as we can and considering how social science theories can help explain what is going on. Very significantly, we feel, there are pubs which are continuing to trade successfully. Why is this? Is it a matter of clever strategies? Is it a matter of entrepreneurial astuteness? Is it about the size of operations? Is it about the motives and levels of interest of pub tenants and managers? Is it to do with a cultural or generational shift? We can go on. Ethnographic investigation is one of the means we are using to deal with questions like these.

Our ethnographic work (which, by the way, has seen us using our own stills camera as well as bringing in a television crew at one point) has also taken us into the detailed running of our case-study pub and brewing business. This has sometimes meant sitting in management meetings. It has sometimes involved shadowing the



The participant observer at work.

business's managing director and chairman as they go about day-to-day managerial tasks or examining and developing potential new ventures. And, yes, it has sometimes meant working behind the bar. In the days of sailing ships, new sailors used to talk of 'learning the ropes' of the vessel they were embarking upon. Field researchers sometimes use this term to describe the experience of getting to understand the 'realities' of their research setting. An excellent way of learning the ropes of the pub business is to do some shifts behind the bar. That, of course, is only part of the story. The skill of writing ethnographies involves linking the sort of detail that comes from close observation and 'getting one's feet wet' with all the other kinds of information and 'data' that is available. Most importantly, it also means relating these things to existing academic literature and making use of whatever theoretical resources might be helpful in developing a holistic understanding of life in the area being studied.

The close and detailed observation that occurs in the field requires the researcher constantly to seek opportunities to slip away from the action to write field notes and bits of theoretical reflection.



The ethnographer must take every opportunity to write field notes and jot down theoretical insights

Unfortunately, it is rare that one is able to find a seat on a Greek ferry or a table beneath the Acropolis to settle down for note-making or theoretical reflection. So how did that come about in our case? The visit to Greece followed an invitation to lead a workshop involving a mixture of Athens business scholars and local entrepreneurs. In this event, we talked about our idea of entrepreneurship as a craft and its connection to human 'identity work'. We then presented an analysis of how we saw this occurring in the British pubs industry. The participants were asked to reflect on how this compared to the Greek situation. Much of the discussion, as it transpired, focussed on a cultural and business comparison of 'the pub' and 'the taverna'. We felt bound, of course, as ethnographers, to do some participant observation in a taverna or two! This was valuable in prompting us to think hard about why things are the way they are in the UK – if they can be so different in another culture. Why, for example, should it be that 'hostelries', if we can use that generic term for the moment, should have been 'drink led' in the UK, for hundreds of years, whilst they are 'food-led' in Greece (and, indeed, elsewhere)? It is a good anthropological principle to contextualise the research you are doing in one culture to look, from time to time, at equivalent matters in another culture. So that is what we were doing in Athens and Andros. Also, when we were in a pub in Sweden last year... No, no, let's leave that for another time. It's all research. It's very hard work. It's nice work if you can get it! ■



We felt bound, as ethnographers, to do some participant observation in a taverna or two

It's all research. It's very hard work. It's nice work if you can get it!

International Alumni Networks

PVC visits Beijing Alumni Group

On September 24th Pro Vice-Chancellor Professor Chris Rudd met with a group of members from the Nottingham Alumni Association of Beijing (NAAB) in Beijing, together with visiting professors and lecturers.

This was his final stop in China, where he had been involved in similar events in both Ningbo and Shanghai, aimed at updating alumni on the University's plans for its future development as well as getting to know, and understand, the various activities of our overseas alumni groups.

The event was held in very relaxed atmosphere and various of the alumni recalled fond memories of their time at the university and confirmed their continuing wish to stay involved, and help to contribute towards its future achievements. From such a perspective, Professor Sir Colin Campbell was also specially thanked for his great contribution to the University.

The 29th Beijing Olympic Games, and subsequent Paralympics Games, were also hot topics of conversation at the event! And all attendees expressed, and wrote down, their best wishes in the guest book to London Olympic Games in 2012.

All in all it was a very enjoyable occasion. Through their attendance the Beijing alumni not only received updated news about the University but also had direct communication access to Prof.Rudd and other academic staff. In this way they were able to consider, and agree, opportunities for cooperation in the future eg welcoming visiting students and assisting with recruitment activities.



Calling all China-based Business School alumni

There are already very active Nottingham Alumni Associations in Beijing, Shanghai and Hong Kong but what may be less known is that, throughout the year, the British Council runs tailor made events all around the country for Chinese graduates of all British universities.

Alumni UK network (www.educationuk.cn/alumniuk) is a platform that has been specially created by the British Council to facilitate interaction and exchange between university alumni upon their return to China from the UK. Started in 1999, it has grown to be a network of more than 13,000 UK graduates around China.

In the past few years, the British Council has organized numerous events for UK alumni to interact and stay in touch. These include career development workshops to help returning Chinese alumni better understand the job market in China; professional development seminars to keep alumni updated with the most recent developments in their respective business areas; an annual ball, and other networking events to provide opportunities for alumni to meet with people who have shared similar experiences in the UK.

Alumni also receive invites to the British Council's various educational and cultural events that are held during the year and which keep them updated on recent developments in science and technology, education, law, arts and health through various alumni communications platforms. And many UK organisations, associations and institutions have also used the network to connect with the growing number of Chinese alumni who return to China after studying at UK universities.

The combination of the Business School/University alumni networking activities together with those offered by the British Council offer a powerful way to stay connected to the School, the UK and each other.

Find out more at www.educationuk.cn/alumniuk



Landmark graduations in China

An historic ceremony in July saw the first cohort of Chinese graduates receive British degrees at The University's pioneering campus in China.

Successful undergraduates who started at the Ningbo campus on its opening in 2005 are now the proud holders of bachelor degrees from a British university — even though their studies took place 6,000 miles away in the People's Republic.

All undergraduate and postgraduate programmes in Ningbo are taught entirely in English, with the same teaching and quality assurance standards as at The University of Nottingham, UK. Students gathered on the Ningbo campus to receive University of Nottingham degrees in Finance, Accounting and Management, International Business Management, International Communications Studies and International Studies. They received their certificates from Professor Sir Colin Campbell, The Vice-Chancellor of The University of Nottingham.

The first cohort of graduating students also joined with Professor Peter Buttery, Provost and CEO of The University of Nottingham Ningbo, China, in a tree-planting ceremony on campus to mark their successful completion of their studies.

Professor Sir Colin Campbell said: *"This is an historic moment for higher education in Great Britain and China. For the first time, Chinese undergraduate students have completed British university degrees within the People's Republic, to the same standard as their fellow graduates studying in Nottingham, UK."*

"They are the pioneers of global education and their understanding of both British and Chinese cultures, their fluency in both English and Mandarin, and the skills which they have developed throughout their University life will make them a formidable asset to any organisation."

"We have ambitious plans to expand The University of Nottingham Ningbo, China, and we look forward to seeing a growing number of our graduates going on to achieve success in their chosen careers in the future."

The University of Nottingham was the first foreign higher education institution in the world to establish a university inside The People's Republic. The £30m research and teaching campus, home to a thriving community of international staff and students from more than two dozen countries, was completed in 2005 and is a full and integral part of The University of Nottingham.

It is modelled on its counterpart in the United Kingdom — complete with lake, bell tower and a replica of the Trent Building in Nottingham's University Park. The official opening ceremony, in February 2006, saw Deputy Prime Minister John Prescott join with State Councillor Madam Chen Zhili to mark the launch.

The University of Nottingham Ningbo already has some 2,800 full-time students, and numbers are set to increase by 30 per cent at the start of the new academic year in September to around 3,700. Ningbo is a large and dynamic coastal city south of Shanghai.

The University is also helping to foster research and industry links between China and the UK. This year saw the opening of the Centre for Sustainable Energy Technologies on the campus, which will specialise in research to help meet the building and energy challenges of the 21st century.

Last year saw the opening of the Centre for Global Finance, which is undertaking research in areas of importance to the development and reform of China's financial sector.



Alumni

Business School alumna receives honour for research into marketing luxury brands

Celine Chhuon from France, who completed her MA Marketing degree at the School in 2007, has received an honour in the City of London to mark the success of her post-graduate research.



She was one of five selected post-graduates at UK universities to be awarded a bursary of £1,000 to facilitate research projects which met the objectives of the Marketors Awards Committee. The Marketors is a City livery company for marketing professionals, one of whose aims is to encourage excellence in marketing.

Celine conducted her research project on 'Creating and Sustaining Customer Value for UK Luxury Brands'. She was formally presented with a Commemorative Certificate to honour her award by the Master, John Fisher, at the Marketors' dinner at the Mansion House in the City of London on 31st July 2008.

Commenting on her grant, Celine said 'The Worshipful Company of Marketors enabled me to enlarge the scope of my research with their bursary. It has been a very enriching experience which I hope will provide new insights for practitioners in the field of luxury brands'.

Prior to undertaking her MA research at Nottingham University Business School Celine had studied for an International Business (BA) and a Masters in Marketing at ESC Rennes International School of Business. She has previously worked in export management in Singapore and in trade marketing at Disneyland, Paris.

Celine is currently Project Manager, Singapore Airlines in France and her future plans are to specialise in the marketing of luxury goods.

Another prize for Sarah

Sarah Singleton graduated with an MA in CSR from Nottingham University Business School in 2006.

She is now a second year commercial graduate – and currently Sustainability Officer – in the Corporate Affairs team at Cadbury Schweppes and has won the IGD Young Managers Business Challenge, sponsored by Tate and Lyle. Sarah was asked to write a 3,000 word essay, and present to a panel of industry experts, on a topical industry issue: "How can sustainable initiatives such as Fairtrade deliver competitive advantage in the marketplace?" Entries had to show sound business acumen and innovative thinking and Sarah was presented the award for demonstrating these skills. She is the first Cadbury employee to have received the award.

Sarah commented, "I have enjoyed the whole process! I was asked to present my thoughts on a topic that I feel passionate about and having the opportunity to share my opinions with industry experts has been a fantastic experience for me. I was delighted to find out that I'd won and I'm looking forward to applying my theory as part of my role in the CSR team here at Cadbury."

Steve Hermiston, Retail Sales and Marketing Director at Tate & Lyle commented, "Sarah greatly impressed all the judges with her passionate, and mature approach to a subject matter very close to Tate & Lyle. Sarah presented well, demonstrating original thinking and was even brave enough to create her own model. Her work deservedly won the Tate & Lyle Young Managers Business Challenge. Well done and many congratulations"

Mark Varney, Commercial Manager at The Fairtrade Foundation who was on the judging panel stated, "Sarah demonstrated broad knowledge of the sustainability agenda and a very accomplished presentation which was clearly well prepared, confidently delivered, supported with good interaction at the question stage. The judges were particularly impressed with Sarah's innovative model which she had developed to support her proposal."



Students' achievements recognised

A Business School alumnus has proved that there's more to be gained from time at university than academic qualifications alone.



Chris Skilton was named Socially Responsible Student of the Year in the Real World Awards — an annual competition that recognises the work of talented students across the UK.

Chris graduated in Finance, Accounting and Management in July 2008, and is now staying on at the Business School to study for his Masters in Entrepreneurship.

As a former President of Students in Free Enterprise (SIFE) Nottingham, Chris had been involved in community outreach projects throughout his undergraduate degree. He created Beevelop, a project in Ghana which sets up community beehives to give families an income. This went on to bring together beekeeping co-operatives from across Ghana, enabling them to triple the price of their honey and encouraging them to use beeswax — which had previously been thrown away — in lip balm and candles. Bee Enterprising followed, allowing secondary school to run beekeeping businesses and generate income for their schools alongside developing their business skills. Also while at University, Chris worked with Wheelbase, teaching vulnerable teenagers the skills to get them into education and employment, and with Brightwaters Laundrette, a community business featured on Channel Four's The Secret Millionaire.

Chris will use his £2,250 prize money to launch a micro-finance fund and brokerage in Ghana, giving poor people access to funds that will allow them to develop their own businesses. He is also in the process of setting up his own business in the UK, a business network which will link up workers and students wanted to do voluntary or pro-bono work with the small and medium-sized businesses who are looking for their skills. He hopes eventually to develop a system of standards which will make this easier for both volunteers and organisations.

"I'm really passionate about the idea that business can be used to help people, not just to make money," Chris said. "It can be used to empower people socially as well as financially."

At the same awards ceremony **Jonathan Francis**, a second year Management Studies with French student at the Business School, was named Entrepreneur of the Year.

Jonathan joined a local business development network within two weeks of starting university and has been working with them on various projects, from a fledgling software venture to a Student2Business troubleshooting service. His flagship business — www.dinkysite.com — evolved this year and is a popular site for trading Dinky toys. He will be investing his £3,000 prize money back into his business projects.

"Any money that comes my way is invested into my businesses at the moment," he said. "Cars are my passion — I'm really into Formula One — and the engineering of Dinky toys has always fascinated me. When something is your passion any time and effort you put into it doesn't even feel like work."

"Business is my life, it's what I love doing. It's brilliant to have been recognised by the judges."

Darius Novell, founder of Real World magazine, the award's organisers, said: "The calibre of the students who have made it to the final list are exceptional. While making the most of their time at university they have developed new skills that can only benefit them in the future. They share a confidence and determination to succeed that defies the lazy student stereotype."

Chris Mahon, Director of the MBA in Entrepreneurship at the Nottingham University Business School, said: "On behalf of everyone at the Business School, I would like to say how proud we are of both Chris and Jonathan for winning these awards. Their achievements and abilities inspire us all, and quite clearly demonstrate the value of the Business School's ongoing commitment to entrepreneurship education."

Alumni

The drinks are on me

Catalyst Wine Services has been set up by **Tony Wellings**, a 2005 MBA alumnus of the Business School. Catalyst is a UK Wine Agency Company whose aims are to source, import and represent, contemporary wine brands, with growth potential, from the New World.

Although I had long dreamt of setting up my own company, when I finished the MBA in Nov 2005, I did the sensible thing. I got a job. I had the chance to join Pernod Ricard and work on the Jacobs Creek brand with the major grocery multiples and more importantly, I needed to earn some money!

Having had previous work experience within the wine trade, being back in it allowed me to re-establish several key contacts and familiarize myself with changes in the market place. But it also reminded me of the frustrations that one can often encounter when working for a major multi-national. Although I found it difficult to apply much of what I had learned on the MBA in my business role, I began to think more laterally about the changing state of the UK wine industry and what opportunities that might bring.

After years of uninterrupted, double digit growth, total wine consumption was beginning to slow... after all, there is only so much the consumer can drink! A more mature wine consumer was starting to drink better quality wines and showing signs that they were prepared to pay a little more for them. I started to think about finding a premium niche in the market place and toyed with the idea of setting up a web-site selling iconic wines direct to the public. By iconic wines, I mean those wines which are often produced in limited quantities, to showcase the very best that the winery can produce. It was a nice idea, but easily copied. What was to stop anyone else doing exactly the same thing? The Strategic Management module of the MBA had, after all, taught us to try and pick markets where there might be barriers to new entrants and that this could be one way of gaining "sustainable competitive advantage".

So I sidelined this original idea and embarked in my current direction, to source, import, market and distribute premium wine brands from the New World. By sourcing the right products I could



Tony and his wife Jo at the "Gordon Ramsey Taste of Christmas" exhibition.



target the small but growing niche of premium consumers who shop for wine between £7 and £10. I could satisfy the retailer's needs, by supplying interesting and innovative products, which might add value in a category whose growth was slowing (if you can't get customers to consume more, you have to get them to consume better and ultimately spend more per transaction). Finally, if I could source wines with a real point of difference and sign exclusive importer/distributor contracts for the UK, then I would have a recipe to create barriers to entry and create real sustainable competitive advantage.

After 6 months of searching...and I might add, a fair amount of tasting...I found "the one". A new wine, from a relatively new producer (their first vintage was in 2006), receiving rave reviews in those countries where it had been launched. It was family owned, had a regional point of difference and they were ambitious. The brand looked great and, even better, the liquid in the bottle was sensational! Enter **O:TU (from Otowhero Estates)**, a Sauvignon Blanc from the Awatere Valley, Marlborough, New Zealand.

So now, for the first time, I was able to combine all of the skills I had acquired during the MBA. I put together a marketing plan to determine price, positioning and target accounts/consumers for the UK. This helped me to convince the guys at **O:TU** that they should choose me to represent them, ahead of other more established importers/distributors. Using skills and knowledge acquired in Operations Management to plan my route to market, I set up accounts with JF Hillbrand (to ship

from Auckland) and Wincanton (to store and distribute in the UK). I created my own cash flow forecasts (Finance and Accounting!) to ensure that I capitalized the company correctly and could survive any worse case scenarios. Most importantly, I gave myself time to set out a five year strategic plan, to determine the future direction of the company and at which points I would add further brands to the portfolio.

So, where have I got to?

I signed my contract with **O:TU** in August 2008 and immediately ordered my first shipment. The stock landed on the 23rd November and my first customer orders went out on the 24th. The wine is now available through several quality on-line merchants (see www.ampsfinewines.co.uk) for delivery by the case, nationwide, and in mid December we launched to the UK general public at the "Gordon Ramsey Taste of Christmas" event at Excel in London. What a response! 5500 consumers sampled, over 800 bottles sold at full retail price (£9.99) and some fantastic PR was generated. Going forward, Selfridges will be listing the wine from early this year and I am waiting, as we speak, on a decision from a quality grocery retailer.

All in all, not a bad start...I should have done this years ago, but without the MBA, I might not have been quite so confident of success!

In the words of distinguished wine writer, Curtis Marsh (Asia Sentinel Magazine) on O:TU Sauvignon Blanc 2007/2008:

"Move over Cloudy Bay... Here Comes **O:TU!**"



For more information visit:
www.otuwine.com www.catslystwines.com

And to contact me:
Email: tony@catalystwines.com
Phone: 07789 898 017

To all Nu-Biz readers who cannot yet find the wine, but would like to order, just e-mail Tony at the above address and he can deliver a case of 6 for £59.94 (£9.99 RSP x6), with no delivery charge. Delivery would be Mon-Fri (9am-5pm) through his home delivery partner, Sensible Wine Services.

Playing politics

Our third annual alumni BBQ took place at the end of May and, as in the two previous years, proved to be a popular event with all who attended.

We were joined by guest speaker Colin Gautrey, from consultants 'Politics at Work', who outlined the types of games which people can play at work and which can demotivate, infuriate and sap the lifeblood out of a team or an organisation. These included The Fall Guy - assigning projects or tasks that are destined to fail to an expendable manager so that they can be blamed for the failure - and Creative Magpie - exaggerating involvement in the ideas and good work of others or blatantly stealing them whilst hiding the originators worthy contributions.

Everyone had a personal experience to share and there was lively discussion. Colin's overarching message was that one needs to be alert to these types of games, recognise where your own personal power comes from and then capitalise on this by influencing with integrity.



Alumni

Surfing for jobs – the Generation Y way



A Business School alumnus, **Tazeeb Rajwani** (MA in Management, 2002, and ex-

President of the Masters Business Society) recently left KPMG Corporate Finance, where he was Innovation Champion and member of the Thought Leadership team, to join an exciting new web company called **BraveNewTalent.com**. We caught up with him to find out more...

Why did you leave a great job at KPMG to join a new venture?

I believe the various degrees I've obtained over the last few years had given me the right platform to move up the corporate ladder and to excel in the Finance industry. However, I also knew very strongly that I wanted to be a free spirit. I had watched my father run various start-ups, from hotels to restaurants, and that brought me back to the roots of starting firms.

After finishing my Masters at Nottingham University I went on to join a boutique consultancy in Portugal. It was there that I realised that knowledge was power, so I undertook a PhD at Imperial College London. After finishing the PhD in Strategic Management I got headhunted to join KPMG Corporate Finance. I joined as a Manager in KPMG Corporate Finance and as a member of the Thought Leadership group at KPMG Europe, which was interesting. I provided strategic, financial and commercial advice on various complex global infrastructure projects worldwide. In November 2007 I also inherited an innovation management role for Corporate Finance which meant life was busy.

The feeling of turbulence in the financial markets provided the 'perfect storm' for joining a start-up. Within weeks of my leaving KPMG Corporate Finance, I found myself as a Director at BraveNewTalent and as a Fellow at Cranfield School of Management. The blend of academia and entrepreneurial activities is exactly the challenge that I need at this stage in life. The privilege of teaching students, researching and running some aspects of a business are the ideal blend to create value.

So, what's the new company all about?

We are essentially a web 2.0 company centred on connecting talent with potential employers. BraveNewTalent.com is the world's first pre-employment networking site. The platform enables students to take control of their careers by creating professional profiles and connecting these to their desired employers (e.g. Google, PWC, P&G).



The platform utilises existing established social networks to allow our users to build their professional profiles alongside their current social profile. Instead of connecting to their friends they simply connect to their future desired employers, thereby allowing these employer companies to get a feel for the talent available and to reach these potential employees at a much earlier stage. Through this simple connection of needs we're aiming to revolutionise the student recruitment process worldwide. And, interestingly, we're about to embark on a huge contract using BraveNewTalent.com to find 1500 Generation Y (Born between 1980-2000) leaders of tomorrow from 192 countries around the world.

How is this platform of benefit to Universities?

It helps to provide university careers services with information for students on various career opportunities, including those beyond the usual mainstream employers. It also offers the opportunity for an online 'home' for the careers services to advise its students on the various aspects of their career as well as follow their student behaviour online. And finally, it allows career advisors to use social media to engage with their students in order to work more efficiently.

....and to employers?

Rather than spending time and energy going out to graduates we allow talent to come directly to employers through social media connections. We turn graduate recruitment from a top down business model to a ground up business model. Employers can use BraveNewTalent.com to build their employer brand, network with their potential future employees and even pre-screen and recruit candidates from their talent pool. Essentially, we enable employers to engage with future talent at a much earlier stage.

And what challenges do you see ahead of you?

Nothing in life is certain, but my willingness to learn, and reflect on my experiences and opportunities from the many projects I have been involved in, has been a simple success in a single venture. The credit crunch is evident, but the key question I asked myself was, 'What do I have to lose by venturing into the unknown'? The leap of faith that was required to leave a stable job, security and career progression is not for the faint-hearted but once you have taken that step you may wonder why you did not change your career path sooner.

Working simultaneously in a start-up and academia has given me a better understanding of my abilities, as well as my weaknesses, as an entrepreneur. My advice for anyone thinking about embarking on an entrepreneurial journey is simple. There will always be certain factors beyond your control that can affect you for better or for worse. However, making the journey is imperative if you believe in what you are doing. Learning by doing only makes you stronger, more capable and likely to succeed, but often you have to make few stops along your journey before you reach your destination.

The BraveNewTalent platform has plans to scale-up globally but will launch initially in the UK and Indian student markets. You can find out more from their website www.bravenewtalent.com

Babu's Bit

Death by PowerPoint: A new form of modern day torture



Millions of us use Microsoft PowerPoint, but how many of us use it well?

Rather than making deals, influencing opinion and educating audiences, PowerPoint has evolved into something far more sinister – an instrument of tedium and torture.

Freelance business writer Babu Basu begs, nay pleads, with the reader to take note...

You can forget the rack, you can dismiss flogging, and Chinese water torture just doesn't cut it. Today's corporate torturer will inflict upon you something far more sophisticated; PowerPoint – Microsoft's ubiquitous presentation programme.

This deceptively innocent piece of technology can help you persuade, inform and educate. However, in my experience, it is more likely to bore, un-inspire and frustrate.

Your university or workplace will have you use PowerPoint with impunity.

But do so at your peril...

Millions of users worldwide make PowerPoint one of the most popular forms of 'persuasive technology' ie: technology that intentionally changes attitudes or behaviours through persuasion and social influence (Fogg).

Businesses, students, academics and those hoping to attract investment all use PowerPoint. I've even seen it used (superbly) at a wedding.

In the right hands, a PowerPoint presentation is bliss.

Short, sharp and persuasive. It gets your point across quickly and effectively. A well placed PowerPoint slide can add weight to your argument, summarise your case and sometimes, even clinch a deal.

Alas, it's not very often found 'in the right hands'.

As a committed networker – and sometimes wishing I wasn't – I have the dubious pleasure of being presented to on a regular basis. Perhaps I'm affected by bad presentations more than most. As a writer and devotee of words and business, I'm aware of just how good a great presentation can be. I'm also aware of how rarely we find them.

When a presentation is bad (and usually you'll know), look around the room. You'll see vacant, confused or resentful expressions. Time is precious and a bad presentation is a terrible way to waste it.

Many presenters don't realize they need to motivate their audience.

Just because an audience is sitting in front of you, it doesn't mean that they're interested in what you have to say.

Make your speech interesting, informative and accessible. Then, they'll listen.

I've sat through presentations where even the presenter was bored by what he said. (Presenters, I beg of you, when that happens, stop! Your audience will thank you for it).

Unless you're presenting something really technical, there isn't any need for a battery of slides. For a 30 minute presentation you'll probably need to use no more than 15 slides, if that. There really is no need to bombard your audience with information. You're trying to persuade, not baffle or brainwash.

And while you may be an interesting person, 9 times out of 10 the audience does not want to hear your ENTIRE life story. Unless of course, this is the somewhat unlikely subject of your presentation.

Presenters are guaranteed to make my blood boil by offering me a presentation that veers violently away from its title. If I've come to listen to a speech about HR's role in Astrophysics, then by golly that's what I want to hear.

Be brief and stick to the brief. Your audience will not thank you for swerving away.

And, if you're presenting, look up. See how your audience is reacting. Adapt your style to the audience's mood, you'll be more effective.

In one presentation I attended, a rotund gentleman kept bending down to access his computer. With his back to the audience, he succeeded in revealing his underwear and ample buttocks at the start of every slide. There were 60 slides – and an awful lot of buttock showing.

I'm not a perfect presenter. Sometimes nerves make me stumble over my words, but I understand the need to connect with the audience. Their time is precious and I won't waste it.

Rather than being 'the enemy', the audience is usually on your side. People are generally supportive of others when presenting. The audience will forgive nerves, they won't forgive arrogance.

And if you do muck up, take some heart. Studies in social psychology have shown that if a speaker makes a mistake and recovers with warmth and honesty they can become more appealing to an audience than a speaker who gives a flawless performance.

Sometimes it pays to make the odd mistake.

Good luck everyone.

Babu Basu, a Business School alumnus, is a freelance business writer based in the East Midlands. If you would like to contact him, email: writing@babubasu.com, visit his website www.babubasu.com or call 0115 942 4163

Alumni

Where are they now?

If you'd like to get in touch with any of our featured alumni or if you want any information on old colleagues please e-mail Hilary at hilary.vaughan-thomas@nottingham.ac.uk

It's now 10 Years...

Edgar Quiroz (MBA 1999) remembers old colleagues and tells us his story over the last decade.

Summer 2008 marked 10 years since I initiated one of the most wonderful experiences in my life, and one which has certainly helped me to drive upwards in my personal and professional career. I am very proud to see the MBA programme at Nottingham has moved up the rankings among the top world-class business schools, as I believe we all are part of this achievement.

Nottingham brings to me amazing memories: the very good times with the chaps at the 87 Sycamores (Seydi, Nishal, Chris, Laurent), the tequila parties, the basket ball matches (Giacommo, David, Kee), our uncompleted squash challenges (Nick, Dario), and of course those long lecture evenings with all of you.

After graduation I worked with Unilever for a number of years, then got married to Marlin and joined my actual company: Mapa Spontex, where, this year, I was appointed Managing Director for Mexico and Central America.

Finally I am glad to inform everyone that our first son will arrive by the end of January 2009. I will be very glad to know where all you guys are and certainly to be in contact, as networking is vital these days. Do get in touch!



Class of 1999 - Where you there?

John Colley was recently appointed ESRC/FME Fellow at the Business School, following a long career in industry where he held a number of senior positions in major multi-national businesses.

John is also Vice President of the Construction Products Association, which represents the £40bn industry's policy interests to the Government. He has a Nottingham MBA and in addition to his research interests, teaches strategy to our MBA, MSc, and undergraduate students.



Matt builds Hut to £27m

Online retailing entrepreneur **Matt Moulding** (BA Ind Econ, 1994) has just been crowned Bank of Scotland Corporate Entrepreneur of the Year, having quietly built the fifth-largest online retailer of entertainment products in the UK, behind Play.com, Amazon, HMV and Game.



His company **The Hut.com** is little known — partly because its main sales channels are "white label" sites for major high street retailers including Asda, Dixons and Boots. It produces entertainment channels on each firm's site selling CDs, games, DVDs and other entertainment products; The Hut.com handles the fulfilment but shares the profits with brand owners.

Says Matt "One of our strengths is working with other brands. They let us run their shops and we give them a cheque every month. We're an aggregator, which is not a bad thing to be in these times. If we were just a small consumer brand on our own there would be a daunting few years ahead".

In the year to the end of June the Northwich-based company made a pre-tax profit of around £200,000 on sales of £14.1m but Matt expects sales by the end of the year to be much higher. "We're turning over £1.5m a month compared to £500,000 a month this time last year," he said. "Our big period is Christmas, and our run rate off the first six months suggests we'll do £27m."

More than just an act for Tom

A keen member of the inaugural year of the Jubilee campus and an eager participant of the Theatre Club at Nottingham, **Tom Hatton** (BA Industrial Economics 2000) is now combining these pursuits in New York as a TV actor and founder of the 'New Group' theatre company.



"After graduating from Nottingham I became a sports and drama consultant for a niche marketing company with clients such as Nickelodeon and MTV. In 2005 I applied to the prestigious Lee Strasberg Theatre and Film Institute. After graduating last year I have starred in several coast-to-coast US TV shows and last autumn I became the face of 'Dentyne Ice' chewing gum in their billboard and magazine campaign.

My involvement with theatre at Nottingham inspired me to train further and I have now starred in several off-Broadway shows. The culmination of this experience, coupled with my business training, led me to form the 'New Group' theatre company. We have 8 full time members (3 of whom are British) and have just recently completed our first major success with a play called 'Odets in Love.' We debuted last year with a play called the Fifth of July and are following in the footsteps of the famous Steppenwolf theatre by creating a true ensemble."

Brief words from...

Zena Cumberpatch (BA Industrial Economics, 1980)

I am starting up a new company in the new year, February 2009, after being self employed for five years. Before that I was a senior lecturer in Organisational Psychology and Strategic Management for 13 years.

Jonathan Fergus-O'Brien (BA Industrial Economics, 1992)

I worked 10 years at Accenture in Strategy Consulting with a few bike expeditions thrown in (www.jabsonwheels.blogspot.com). I have since started my own company, Mobile Working Consulting (Flexility), which will allow me a bit more time to spend with my lovely wife Anne, our daughter Tara and baby to be. I would love to hear from anyone who graduated at the same time! Email me at jmfobrien@gmail.com

MBA Class of 2000 from all countries unite!

Pietro Crescini (MBA Class of 2000) says if you're a member of the MBA class of 2000 and don't have plans for summer 2010 then here's a suggestion: let's meet up at the Business School! Bring your spouse, your partner and your kids for a 10th anniversary MBA celebration and grand reunion.

We already have some enthusiastic supporters who have committed to come but we are seeking to involve everyone who spent that landmark year as an MBA student at the Jubilee Campus.

The programme is likely to involve, amongst other things: a BBQ party, visits to local attractions, some football matches, pints of lager at Via Fossa and lectures from Faculty.

For further information and/or suggestions for the event please contact Hilary (Hilary.Vaughan-thomas@nottingham.ac.uk) or Kerry (Kerry.Millward@nottingham.ac.uk) or me, Pietro (pietrocrescini@hotmail.com).

Come on, Let's 'jubilate'!



Pietro and family.

School's first 'MBA Baby'!

Congratulations to **Allan Kelly** (MBA Finance 2004) and his wife **Tasya Chinina** (MBA 2004)

On the 1 September, they became the proud parents of baby son Grigory Kelly, our first second generation MBA alumnus!



European Faculty Pioneer Award winner

Having been awarded 'Highly Recommended Runner-Up in 2007, **Dr. Wendy Chapple**, Associate Professor in Industrial Economics at the Business School and Deputy Director, International Centre for Corporate Social Responsibility (ICCSR), was again a recipient of a 2008 European Faculty Pioneer Award from the EABIS-Aspen Institute Center for Business Education.



Wendy earned the EABIS-Aspen "European Rising Star" award, a category created to recognize the work being done by the next generation of educators to fully integrate corporate responsibility into the heart of their institutions. This award is in recognition for Wendy's excellent record of teaching innovation in one of the world's foremost MBA programmes focused on CSR.

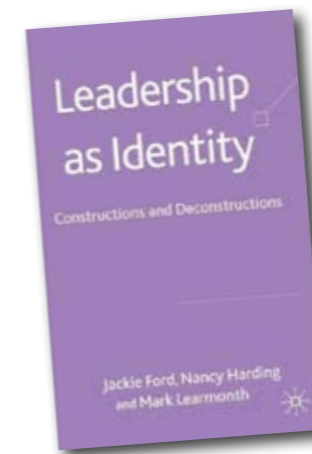
A powerful partnership to promote faculty innovation & leadership in Europe, The Aspen Faculty Pioneers are a select and prestigious group, including many of the most promising and accomplished management educators in the world. Since 2003 Aspen has partnered with EABIS to honour European faculty members who have demonstrated great vision and outstanding leadership in integrating social and environmental issues into research, teaching, student communities and corporate practice.

Announcing the winners, Prof. Gilbert Lensen, EABIS President and Judith Samuelson, Executive Director of the Aspen Business and Society Program both underlined the increasing global relevance of the awards, noting: "With business in society issues rising to the top of the worldwide management education agenda we believe it is vitally important to recognize both American and European faculty who are leading the way in their respective disciplines and institutions, and who provide an example to other educators and researchers."

Commenting on Dr. Chapple's achievements the Institute noted that Wendy had demonstrated outstanding commitment to the practical application of CSR at student level and institutional leadership through the management of ICCSR. In recent years, she had also played a key-role in translating the outputs of the renowned centre into the core curriculum and thereby helping to build bridges between economics, CSR research and management development.

Leadership as Identity

Associate Professor **Mark Learmonth's** new book, *Leadership as Identity: Constructions and Deconstructions* (Palgrave Macmillan) brings together several studies of leadership and argues that leadership cannot fulfil the promises that are made in its name.



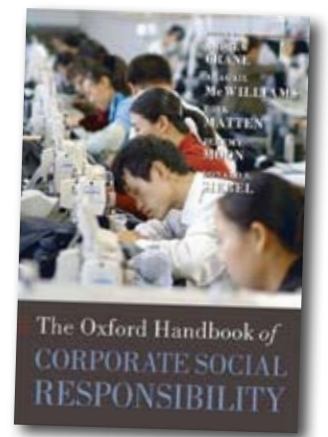
Mark Learmonth, with Jackie Ford and Nancy Harding of the University of Bradford School of Management, offers a unique, in-depth analysis of the unsettling or negative aspects of leadership.

The book is designed to advise those charged with the task of being leaders, and those who teach or train them, about the subtle pressures leadership places on leaders and followers. It gathers studies of leadership that use qualitative methods, giving finely nuanced accounts of leadership and being a leader.

The Oxford Handbook of Corporate Social Responsibility

2008 saw the publication of the first authoritative review of the issues around CSR, *The Oxford Handbook of Corporate Social Responsibility* (Oxford University Press).

Professor Jeremy Moon, Director of the School's International Centre for Corporate Social Responsibility (ICCSR) with co-editors Andrew Crane, Abigail McWilliams, Dirk Matten and Donald S. Siegel, brings together leading experts in the area and provides clear thinking and new perspectives on CSR and the debates around it.



Director of Careers retires

After many years of dedicated service, **Barbara Fear**, Director of Post Graduate Careers, retired from the Business School in early December.

Barbara combined her careers expertise and professionalism with a wonderful sense of fun and will be fondly remembered by many.

Commenting on her retirement gift from the School, Barbara said,

"Your generous gift of money will buy a clever box of tricks: a turntable to convert vinyl records to digital format. I have a large shelf stacked with vinyl golden oldies dating from the 1960s through to the 1990s and I will have many happy hours converting LPs into CDs and then playing the CDs in my car and singing along at maximum volume. Thanks to you all, I can grow old(er) disgracefully!"

Staff highlights round up



Caroline Tynan, Professor of Marketing, was appointed to the Research Assessment Exercise Sub-Panel 36 for Business and Management Studies. She is Vice President of the Academy of Marketing, Dean of the Academic Senate of the Chartered Institute of Marketing, a Trustee and Fellow of the CIM and Chartered Marketer, a Member of the ESRC Research College, and a Visiting Professor of Marketing at The University of Ljubljana in Slovenia.

Before becoming an academic, Caroline worked in brand management in the food and utilities markets and has maintained her Chartered Marketer status as a qualified practitioner. She is part of a group of academics who were awarded ESRC seminar award for theory development in Relationship Marketing, and has won two Knowledge Transfer Programme awards worth £190,000 to explore issues of marketing theory and practice in local companies.



Mike Wright, Professor of Financial Studies and Director, Centre for Management Buy-out Research (CMBOR), has been appointed to the new Research Advisory Board of the British Private Equity and Venture Capital Association. An organisation with a membership of 400 firms, the BVCA board will provide guidance on the BVCA's research work. The BVCA said that the board would ensure that research themes cover a pan-European and global perspective.

Mike has advised both international organisations and venture capital companies and under the stimulus of the World Bank, he advises European universities on promoting the entrepreneurship of their researchers. He is also a pioneering teacher and was one of the first worldwide to start a course on 'entrepreneurial finance,' which he teaches at INSEAD, the University of Sienna, and at Erasmus University in Rotterdam, where he holds a part-time chair in entrepreneurship.

Staff highlights round up continues → p36

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Dr Giuliana Battisti, Associate Professor in industrial Economics, was named as one of six Advanced Institute of Management Research (AIM) Services Fellows, part of a new initiative funded by the Economic and Social Research Council (ESRC) and the Engineering and Physical Sciences Research Council (EPSRC). The new AIM Fellows will be exploring topics such as innovation in services — the creation and pricing of new services business models, entrepreneurial behaviour in services, and gender and diversity in the sector. AIM is a UK leader in the field of management research, bringing academics together with business, public sector and policy thinkers to develop and deliver research of a world class standard that has an immediate and significant impact on management practice.



Chris O'Brien, Director of the Centre for Risk and Insurance Studies (CRIS), has been invited to join the high-profile Prism Group — the team of expert advisers backing Clare Spottiswoode, who represents Aviva's policyholders over plans to carve up £4bn worth of surplus cash.



Dr Mark Learmonth, Associate Professor in Organization Theory, was elected to the British Academy of Management (BAM) Council for the 2009-2011 term. An expert in health services management and critical management studies, he is also a member of the editorial board of Journal of Health Organization and Management and will become a member of the board of the Journal of Workplace Rights in 2009.



The Ministry of Justice has appointed **Professor Paul Fenn** of the Centre for Risk and Insurance Studies to scrutinise the 'no win, no fee' arrangements in England and Wales. Professor Fenn, Norwich Union Professor of Insurance Studies, will join Professor Richard Moorhead of Cardiff Business School and Professor Neil Rickman of the School of Economics at the University of Surrey to examine the concerns around 'no win, no fee,' covering both conditional fees and contingency fees, and to look at whether they are currently too expensive for clients.

Professor Fenn is an expert in liability insurance, medical negligence, and the economics of the legal services market. He recently completed a research project funded by the Economic and Social Research Council's Public Services Quality programme on Liability, Risk-pooling and Health Care Quality.



Professor Jim Devlin has been awarded £80,000 from the ESRC Business Engagement Opportunities Scheme to investigate "Financial Services: Fair Treatment For All". The work is being carried out with Peter Cartwright-Law, Professor Christine Ennew and Dr Deborah Roberts.



Kevin Dowd, Professor of Financial Risk Management of the Centre for Risk and Insurance Studies won the Bob Alting Von Gesau Prize for the best paper on financial risk published in the ASTIN Bulletin in 2005 and 2006. The paper by Andrew Cairns, David Blake, and Kevin Dowd, "Pricing Death: Frameworks for the Valuation and Securitization of Mortality Risk," also won the David Garrick Halmstad Prize in Actuarial Science, awarded by the Society of Actuaries.



The Higher Education Academy Economics Network 2007 Award for Outstanding Teaching in Economics has been awarded to **Dr Robert Hoffmann**, Associate Professor in Economics. Rob is the joint winner. The award recognises exemplary practice that encourages understanding and inspires interest in economics. It is awarded to an academic who demonstrates excellence across five criteria: course structure, delivery, student response, student performance, and peer recognition.



John Hasseldine, Professor of Accounting & Taxation and Co-Director, University of Nottingham Tax Research Institute, has won the "Best Practice in Tax Administration" award for 2008. Commissioned by the National Audit Office as part of HM Revenue & Customs' transformation programme, the paper used available research, for example from the OECD published material on tax administrations and contacts with tax administrations in other countries, to assess best practice in the areas of the organisation and management in tax administration.



Professor Graeme Currie has been appointed Director of the recently established Collaborative Leadership in Applied Health and Research Centre (CLAHRC), which is funded by the National Institute of Health Research. The CLAHRC will be located in the new Gateway Building on the Jubilee campus and will carry out applied research examining and translating clinical innovation into service delivery in the areas of mental health; stroke rehabilitation; primary care; children and young people services.



Professor Jeremy Moon, Director, International Centre for Corporate Social Responsibility, was invited as a keynote speaker at the Asian Forum on Corporate Social Responsibility at the Asian Institute of Management. Against a backdrop of the worst global financial crisis in decades, the Forum was held in Singapore in November with a call on companies to go beyond profits, compliance, and form. The annual Asian Forum on CSR is the largest and most significant conference and awards programme on corporate social responsibility in Asia. It celebrated its seventh year with more than 480 delegates from 30 countries in attendance.

Internships and management projects

Can we help your organisation?

The School has a wealth of talented students who, with support from our award winning academic staff, are able to help solve a wide range of business challenges covering topics as diverse as supply chain management and operations right through to business development and marketing strategy.



Over the last year the School has expanded its postgraduate placement programme and has worked with a range of companies to develop the variety and quality of summer internships available to our full-time MBAs, all of whom are experienced managers.

Many of our MBAs produce consultancy projects that focus on a specific business or management need for a particular company or organisation.

This year our MBAs have provided professional consultancy for clients including a team project in business strategy for Alliance Boots plc; a project for E-ON in business development; IT and Operations Management projects for Experian, UK; a study of funding priorities for Groundwork Nottingham and a communications audit for Nottingham University Hospitals, NHS Trust. Other companies that have provided internship places include BMW and Nottingham Forest FC.

The School is now extending its postgraduate placement programme (PPP) to cover students on all its Masters programmes. The placements, which usually take place over the summer between June and September, are flexible in length and commitment, either part time or full time. An individual or group of business postgraduate students can be available to join your organisation over a period of a few weeks, or months, to put into practice the advanced personal and technical skills they have acquired over their course of study.

And accessing this pool of talent is straightforward. The School will assign your organisation a tutor, usually a senior academic, to help you identify the most suitable students for your project brief. At the end of the project the hosting organisation will receive a detailed report of the findings and a presentation. Your organisation will maintain control of the project with the reassurance that an academic member of staff from the School will be supervising the placement. It's a win:win situation for all concerned.

If you and your organisation would like to find out more, and discuss the possibility of getting involved in offering a placement, please contact:

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Nottingham Business Online is a dedicated web space for our School's alumni. It links you up to a whole community of former Business School students, from your classmates to the friends of your classmates, and their friends too! It's a networking solution, a job-finding site, an event notice board and a way to keep in touch with the people who made your Nottingham experience so special.

As well as keeping you up-to-date with the latest School news you can search for friends, update your details, find international networking groups and take advantage of a range of benefits and services, including free access to on-line business databases and careers resources.

You'll find it all at
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