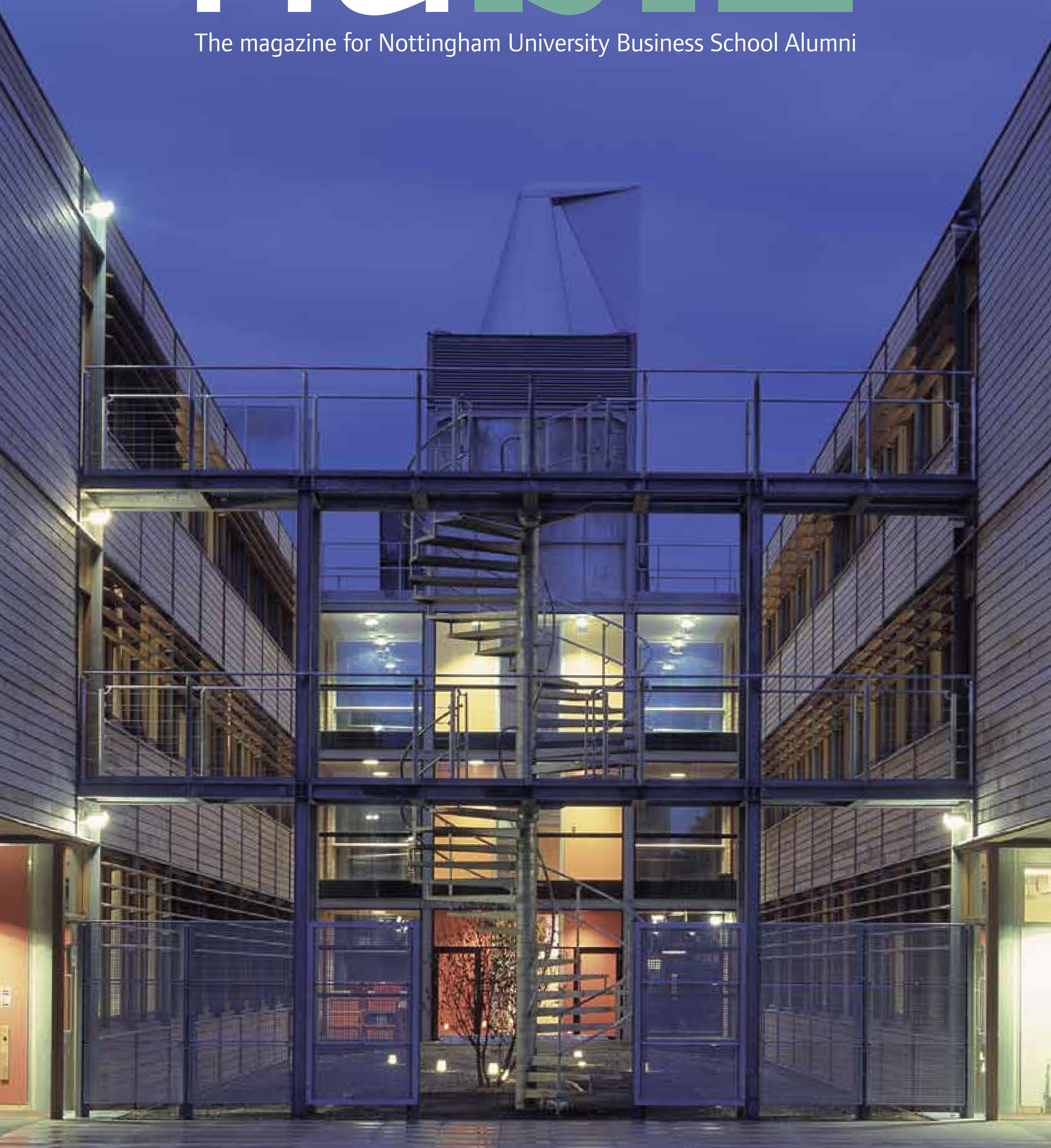
Summer 2009

Nottingham University Business School

nubiz

The magazine for Nottingham University Business School Alumni



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Letter from the editor

As I write this editorial I'm mindful that the economic turmoil sweeping the world shows little sign of abating and continues to confound the world's experts.

But this uncertainty continues to stimulate academic thinking. In this issue, Martin Binks and colleagues from UNIEI argue that the imperative of thinking differently, identifying and exploring opportunities for innovation, may never be greater for many organisations than in a period of economic recession, yet the likelihood of it occurring in practice given the frequent need for short-term 'fire-fighting' may never be lower. This can be a mistake. Encouraging and funding employees to train in areas that promote creativity and innovation are proven ways to help a firm remain productive and sustainable. In his featured article, Steve Diacon considers organisational risk-taking, which the financial crisis and resultant global economic downturn have placed under a spot light. He postulates that the widespread adoption of risk appetite statements, along with standard risk management processes, would have helped to prevent the excesses of the current crisis and concludes that organisations which have such a statement in place, are more likely to take decisions where the risk involved is justified by the value created.

But it's not all doom and gloom. Professor Jeremy Moon addresses the issue of CSR and the recession and concludes that, counter to what one might imagine, CSR has become more institutionalised in the UK and might actually be invigorated by the recession and prevailing economic difficulties. And we feature some real life success stories from alumni who've been inspired to apply the business skills they've learned to improving the lot of those who are less advantaged. A clear example of CSR in practice is Chris Skilton's enterprising activity in Ghana (see page 30).

We continue to develop our alumni activities and have now launched a networking group in India. The School also has a dedicated LinkedIn group which you can access from the homepage of the School's alumni website. You'll find us at www.nottingham.ac.uk/business/alumni.

As in all on-line communities, to be really effective as a networking tool our alumni website relies on input from its members. So please log in, update your details and share some of your news and current activities with your fellow alumni. 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 Nottingham Business Online website.

Best wishes,

Hilary

Cover image © Martine Hamilton Knight Photography

In this issue

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Jubilee Campus shortlisted for awards

The £30m extension to the Jubilee campus, with its striking new buildings designed by Make architects and built by Rok SOL, has been shortlisted in the British Construction Industry (BCI) Awards for both the 'Building project from £3m to £50m Award' and the Prime Minister's 'Better Public Building' Award.

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© Make Architects

Professor Alan Dodson, the university's Pro-Vice-Chancellor for environment and infrastructure, said: *"The University is delighted that its stunning new campus development has been shortlisted for these awards. In commenting on the shortlist the Prime Minister said 'we are absolutely committed to good quality, sustainable public buildings and infrastructure (that) work efficiently and effectively'. His statement echoes the University's commitment to sustainable infrastructure development."*

The landmark development delivers a remarkable new environment for research, study, business and leisure which will benefit the Business School, the University and the City of Nottingham as a whole. The sensitively landscaped 18-acre site has transformed a barren and largely derelict former industrial site into a richly varied and welcoming environment with its own distinct sense of place.

Ken Shuttleworth, founder of Make said: *"We are delighted that the University of Nottingham's Jubilee Campus is a finalist in the BCIA Prime Minister's Better Building Award. We pride ourselves on creating award winning buildings which are as innovative as they are robust, and which act as exemplars of sustainability in all its guises, economically, socially and environmentally. It is wonderful to receive recognition for this."*

The silver zinc shingled Sir Colin Campbell Building — named after the University's Vice-Chancellor from 1988-2008 — provides a stunning gateway between Jubilee Campus and the new Innovation Park. It accommodates the University's Technology Transfer Office, exhibition and meeting rooms and the Business School's UNIEI innovation centre providing high quality flexible growing space for small companies and start-ups.

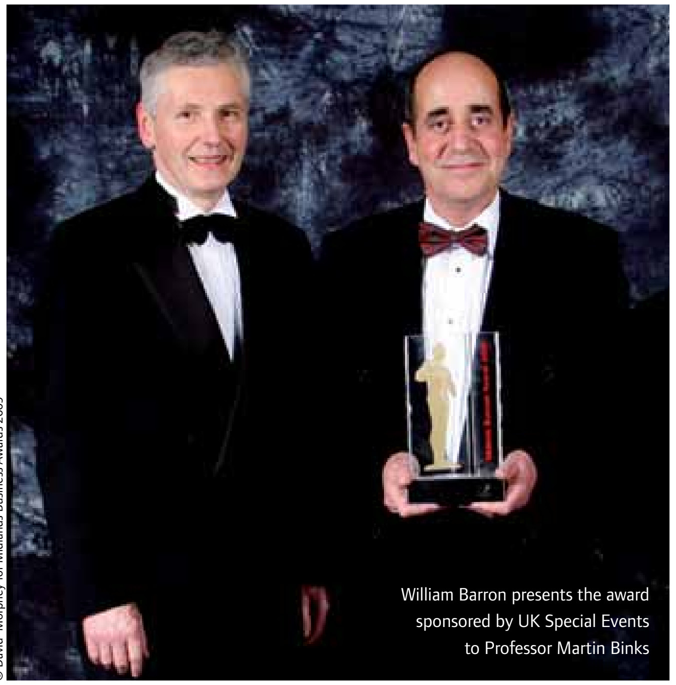
In March this year The Sir Colin Campbell Building was named 'Nottingham Science City Development Project 2009' at the Nottingham Evening Post Commercial Property Awards — which reflect the importance of building design and construction in the economic success of the city and region.

The extension to Jubilee Campus also features the red and brown terracotta tiled International House and the Amenities Building. Towering above the new campus buildings is the Aspire Sculpture — a new landmark for Nottingham and the tallest structure of its kind in the UK.

The winner of this year's BCI Awards will be announced at a gala dinner on Wednesday 14 October 2009 at the Grosvenor House Hotel, Park Lane, London.

The University of Nottingham is named 'Midlands Enterprising University of the Year'

Judges in the Midlands Business Awards 2009 praised the University's 'outstanding performance' in the promotion of entrepreneurship among students, and a commitment to entrepreneurial activity that has made it a pioneer within UK higher education.



William Barron presents the award sponsored by UK Special Events to Professor Martin Binks

© David Morphey for Midlands Business Awards 2009

Nottingham beat other shortlisted universities from both the East and West Midlands at an awards ceremony held in Birmingham on January 30, and attended by hundreds of business people from across the region including guest of honour Digby Jones, Lord Jones of Birmingham, former Minister of State for Trade and Investment and Director-General of the Confederation of British Industry.

The University of Nottingham offers one of the largest and most highly developed entrepreneurship programmes in Europe. Under the auspices of the University's Institute for Enterprise and Innovation (UNIEI) based at the Business School, programmes are open to first-year undergraduates on all courses, with 1,600 students enrolled in the last academic year. Postgraduates can enrol in cross-disciplinary degrees in entrepreneurship, and the University's ingenuity and enterprise support programmes are sector-leading.

© Midlands Business Awards 2009

The Midlands Business Award follows recent success at the Times Higher Education Awards, when the University was named 'Entrepreneurial University of the Year'. Business students at Nottingham have also shown they are award-winners in their own right — after winning the title of Students in Free Enterprise (SIFE) UK four years in a row from 2005-08. They are competing again for SIFE honours in 2009.

Martin Binks, Director of UNIEI and Professor of Entrepreneurship at Nottingham University Business School, collected the latest award at the ceremony in Birmingham. He said: *"Winning this award is a great achievement and is a tribute to the talent and drive of our staff and students.*

"Enterpreneurialism has long been embedded at The University of Nottingham and we have a commitment to nurture the most enterprising graduates in British higher education. Our success is based on so many different aspects of the University — it's fantastic to have endorsement and recognition of what we do from the business community."

Nottingham University Business School has pioneered entrepreneurship teaching and research via its Entrepreneurship Division and UNIEI. The University was one of the first to bring entrepreneurship education into the mainstream, with all first-year undergraduates taking modules in the subject. It has also developed an innovative suite of Masters programmes and an MBA programme in entrepreneurship.

The University has launched award-winning spin-out companies and works with a wide range of businesses, including global brands such as AstraZeneca, Ford and Rolls-Royce. An Innovation Park for spin-out enterprise and collaborative industrial projects has been added to its Jubilee Campus, which is also home to Aspire, the UK's tallest free-standing work of public art.

University of Nottingham's MBA among world's elite

Nottingham University Business School's MBA is among the best in the world, according to the prestigious Financial Times global league table 2009.

The latest FT league table also highlighted the School's world-class reputation in a business discipline that becomes more important every year — Corporate Social Responsibility (CSR).

It is ranked second in the world in Corporate Social Responsibility, ahead of international competitors such as Yale School of Management and the University of California at Berkeley.
On the overall rankings, Nottingham University Business School is one of only 18 UK business schools to feature in the elite 'World Top 100' ranking, which recognises the quality of both teaching and research.

The FT's 2009 table of the world's leading full-time MBA programmes reaffirms the continuing strength of the Business School in both the quality and value for money offered by its MBA. It is one of the most respected courses in the country for business professionals to increase their academic qualifications and ultimately take their careers to a new level. This year's rankings surveyed full-time MBA alumni who graduated from the School in 2005.

The Nottingham University MBA has done better this year in two significant categories: it has risen to 16th in the world measuring the career progress of graduates; and is up 13 places to 36th in the doctoral ranking. The MBA was also ranked 34th in the world on value for money, based on the views of the students themselves.

The results also show that the average salary percentage increase among Nottingham's MBA graduates was 62 per cent with average earnings rising to $99,647 per annum. Within three months of graduating with their MBA, 94 per cent of students were employed.

Nottingham University Business School offers a variety of MBA programmes, accredited by the Association of MBAs (AMBA), and which currently include more than 300 participants. It is ranked 1st in the UK and 28th in the world in the Aspen Institute's "Beyond Grey Pinstripes" Global Top 100 ranking of the world's most innovative MBA programmes, where the School places 2nd in the world for faculty research into social, environmental, and ethical issues in management. It is also ranked in the world's top 100 by the Economist Intelligence Unit.

The Times Good University Guide talks to our student about her experience in Malaysia

In an article in early June on the popularity of overseas campuses, The Times talked to Nottingham University Business School undergraduate Nathalie Stoneham, who spent the second year of her management studies degree at the University's campus in Malaysia.

'You feel like you're on holiday,' Natalie Stoneham, 21, said of life on the University of Nottingham's Malaysia campus, where she spent the second year of her management studies degree. *"It's very hot; flip-flop weather every single day. The campus is basically in the middle of a palm tree jungle, it's absolutely beautiful."*

With no classes on Fridays because Malaysia is predominantly Muslim, Natalie says students work hard at the beginning of the week to make the most of their time off. *"I travelled every other weekend - to Bali, Australia and the Philippines."*

And there was no drop-off in how the course was taught. *"Nottingham is unique in that it offers the same lecture notes, the same sort of standards and it has the same amount of back-up."*

www.timesonline.co.uk/tol/life_and_style/education/good_university_guide/article6409292.ece

'The School is ranked second in the world in Corporate Social Responsibility, ahead of international competitors such as Yale School of Management and the University of California at Berkeley.'

A global first in the language of business

‘Meetings about meetings and emails about emails’... how does the spoken and written word in the contemporary business environment help or hinder its performance? That’s just one of the questions to be explored by a new generation of entrepreneurs at The University of Nottingham.

In a unique partnership between Nottingham University Business School and the University’s School of English Studies, a new postgraduate MSc is being launched in Communication and Entrepreneurship. It’s the first of its kind in the world and the latest in a series of pioneering courses offered jointly by the Business School and other Schools within the University. The new courses aim to give graduates in a range of academic core subjects a chance for further study, with an emphasis on building business skills and entrepreneurship in their field of expertise.

The new MSc is the seventh in the University’s expanding portfolio of Joint Masters programmes with an entrepreneurship theme. It aims to forge closer links between the world of business and the study of its global language ... English, by offering students the exciting opportunity to investigate communication in the context of entrepreneurship, business and the workplace.

Students will take modules provided by both the Business School and The School of English, combining expertise in the fields of communication and entrepreneurship. They will learn about, and have the opportunity of exploring for themselves, how individuals and groups use spoken and written communication to get work achieved successfully in businesses and organisations. The course emphasises the importance of language in business and demonstrates how linguistic approaches can illuminate and enhance communication in a range of workplace and business contexts.

Students will also be given the opportunity to work alongside staff within companies in order to investigate real-world communication issues, learning how the findings of communicative research can be practically applied in teaching and training materials and in consultancy work. Businesses taking part in the placement scheme will have the chance to give feedback on the analytical work produced by students and use the information to enhance their communication style or methods.

Dr Kevin Harvey from the School of English Studies said: *“The relationship between language and business and entrepreneurship is a crucial and fascinating one. This exciting and timely new course will provide students with the opportunity of investigating communication first-hand in a range of practical contexts, while highlighting the importance of communication in contemporary business-related affairs”.*

Nottingham University Business School’s Dr Simon Mosey added: *“We are very excited to be part of this innovative course. It allows students from different schools to work together to create the most amazing new business ideas and continue to do so once they graduate. Alumni from our courses are now developing new products and services within organizations such as Mars, IBM and the NHS in addition to launching and growing their own businesses.”*

The course is designed to appeal to a variety of prospective students, including:

- Individuals who have subject-related experience in Business Studies, English Language and Linguistics, English Studies, Communication Studies and who wish to explore the links between the commercial world and communication.
- Teachers or linguists who wish to exploit an idea or project, either from within their own company or school or an idea developed under their own thoughts.
- Overseas students who wish to understand the European market as means to establishing international collaborations or prior to developing ventures within the UK.
- Students interested in developing careers in Communications.

Further information on the course including application details can be found at **www.nottingham.ac.uk/enterprise/curriculum.htm**

School upgrades its financial database access

In order to continue attracting the best students and faculty, Nottingham University Business School has recently upgraded its subscription to the best U.S. databases in order to gain important data for its academic research.

These come via the Wharton Research Data Services (WRDS) platform from the Wharton Business School at the University of Pennsylvania. This service provides powerful access tools to CRSP, from the University of Chicago, and Compustat, from Standard and Poors, as well as a host of other databases.

The Business School’s agreement with Compustat, a Capital IQ business and leading provider of financial intelligence, will provide faculty and students with access to proprietary data from its flagship databases.

The Business School has been strengthening its finance and accounting research across its campuses in the UK, China and Malaysia. It believes that Compustat databases are the critical financial information resources its faculty staff members, researchers and students need to compete globally and maintain a high-level of academic excellence.

“The University of Nottingham’s Business School has a strong reputation and as competition for entry into our doctoral programme has increased, the School has the luxury of being highly selective.

“However, in order to continue to attract the best students and faculty, it was clear that updating to the best US databases was important and Compustat was essential,” said Professor David Newton. *“In addition, Nottingham has established campuses in both China and Malaysia. As an integral part of the University, we need to maintain the same level of academic excellence and respect in these locations.*

“Our Ningbo campus is near the financial hub of Shanghai. We believe that access to Compustat data on these campuses will enable those faculty and students to be highly competitive in their financial research as well.”

“Compustat is excited to partner with Nottingham University Business School,” said Lu Lau, Compustat Director for Client Development. *“Our fundamental and market data on over 90,000 global securities as well as our company, index and industry information and standardised databases will provide a tremendous asset to today’s students who will become tomorrow’s investors.”*

The Nottingham MBA in China

Nottingham University Business School has launched its MBA and MBA Finance programmes at the University’s campus in Ningbo, China, adding a fourth location to the School’s MBA provision in Nottingham, Kuala Lumpur, and Singapore.

Both programmes are available full-time and part-time, and evening and weekend classes cater for participants who are working or who have to commute to Ningbo. What this also means is that, from October 2009, course members from any campus can now take Nottingham MBA modules in all four locations, providing flexibility and the opportunity to experience different cultures and gain a broad international perspective.

Nottingham University Business School China Director, Professor Chris O’Brien, says: *“With fully integrated campuses operating in three countries, Nottingham’s MBA programme at our China campus provides an unparalleled opportunity to develop international business skills in the heart of the world’s most exciting economy.”*

TTRI's Travel and Tourism programme extends its reach

A scholarship programme for women in the travel and tourism industry, now in its fourth year, has recently announced the first batch of graduating scholars who have successfully completed the online programme.

The MasterCard-U21Global scholarship programme was launched in 2006 to empower women executives, through education, to realise their full potential. It comprises 20 scholarships for the U21Global Postgraduate Diploma of Business Administration.

The programme is intended for graduates who want to develop skills in the management and marketing of tourism and travel products and programmes. It is designed to provide participants with a solid foundation in core management subjects and equip students with a firm grounding in basic management capabilities. Core subjects include general management subjects such as Organisational Behaviour, Finance, Marketing Management and Strategic Management as well as tourism-specific subjects like Service Quality in Travel and Tourism and Understanding the Tourism Consumer.

The course was developed by U21Global, a leader in quality graduate online education for working executives and professionals, in conjunction with the Christel DeHaan Tourism and Travel Research Institute (TTRI), at Nottingham University Business School. Students who successfully complete the Diploma can go on to qualify for the University of Nottingham online e-MSc in Tourism and Travel Management.

"The MasterCard-U21Global scholarship program was very enriching. I would recommend it any day. It sharpened my management skills and has enabled me to interact more skillfully and professionally with both the private sector and government departments," explained Sue Rickens Kabwe of Fabulous Zambia.

"The programme is very flexible and easy to manage. I am a mother of seven and run my own business, yet I found it absolutely accommodating. It is extremely beneficial to those who are passionate about contributing positively to their countries."

The graduates were nominated by their respective employers, who recognised that they were the candidates most likely to benefit from the learning and exposure offered by such a scholarship. Today, these employers are optimistic that the graduates will bring valuable know-how both to their organisations and the travel and tourism industry as a whole.

"As the industry works to deliver enhanced value and service to customers, this programme is designed to equip female travel and tourism executives with the latest in training and knowledge. The positive response by businesses over the last three years demonstrates the programme's close alignment with industry requirements and hot-button issues and trends," said Nick Hutton, CEO, U21Global.
The 20 scholarships are made possible by a grant from MasterCard Worldwide. Since its inauguration, 60 women have been awarded the MasterCard-U21Global scholarship programme for women in travel and tourism. The scholars are professionals from a broad spectrum of the industry, from hotels and airlines to travel and tour operators.

Those interested in more information on the scholarships and course components can log on to U21Global's website **www.u21global.edu.sg/mastercard**

Tourism and Conservation in Madagascar

Dr Karen Schwartz and Dr Richard Tapper (Honorary Research Fellow with the TTRI) are currently researching opportunities for tourism to contribute to the management of biodiversity and protected areas in Madagascar.

The project involves telephone interviews with tour operators in France, Italy, Germany, Switzerland, UK, the US and inbound operators in Madagascar. A team of consultants including Christine Scherl (TTRI PhD Student) and Rodolfo Baggio (Bocconi University) are assisting with the interviews. By assessing tour operators' perceptions of running tours in Madagascar, the project will help further understanding of how tourism can contribute to the protection of the 'Red Island's' unique biodiversity. The insights gained from this international research project will be used to assist planning for effective and sustainable tourism development in this unique landscape.

Youth Hostel Association

TTRI have recently started a major new project evaluating the benefits of activity camps for young people in relation to community cohesion.

This work is being undertaken by Dr Scott McCabe and Dr Enrico Bachis for the YHA England and Wales Ltd and is funded by the Department of Children, Schools and Families (DCSF). Issues of community cohesion affect young people, particularly in areas of high deprivation. YHA are working on a pilot programme with Rotherham Metropolitan Borough Council's Young People's Services and a number of other community services teams and schools to deliver activity camps to help raise young people's awareness of issues, helping them to break down barriers and improve levels of communication and tolerance through outdoor activity camps, at centres across England. Community cohesion is a relatively new area of activity for Government, addressing issues across a range of young people's groups including ethnic minority, faith and recent immigrants to name a few.

Indicators and measures for assessing cohesion are therefore at an early stage. This project represents an innovative and important challenge for YHA and TTRI to develop a strategy to evaluate the effects of young people's participation in activities on their perceptions of their community, their level of involvement and integration as well as the level of meaningful contacts they have with people outside of their cultural/local community group. This research which begins early in 2009 will continue for two years.

Are you a Geotourist?

If you've ever picked up a pebble on a beach and wondered what it was made of, visited the caves under Nottingham Castle, or gazed in awe at a mountain landscape, you're a Geotourist!

Geotourism includes all kinds of tourism with a connection to geology, even those connected with the extractive industries and mining heritage. After presenting a paper at a conference in Krakow, Poland, in June 2008, Anita Fernandez Young was invited to become the UK representative of the International Geotourism Association and is currently engaged in plans to develop a European network for mining heritage. The East Midlands is rich in geotourism attractions, from the Blue John mines in Derbyshire to the cellars of the Old Trip to Jerusalem pub and is also home to the British Geological Survey, and Anita looks forward to developing new research in the region.

European Union of Tourist Officers Conference 2008

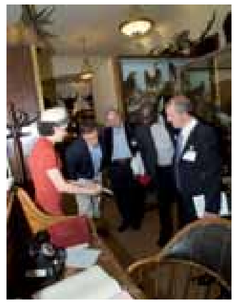



'Attractions and events as catalysts for regeneration and social change'

TTRI hosted the above conference on the 24th & 25th September 2008. The conference brought together researchers who shared interests in the role of tourist attractions and events in place making and shaping destinations.

The conference formed the academic stream of the European Union of Tourist Officers (EUTO) study visit and provided a unique opportunity for researchers to network and share cutting edge ideas, innovation and critical thinking with the EUTO participants. The conference included study visits as well as academic paper sessions. The study visits focused on the role of culture in shaping destination image as Nottingham transforms into a cultural capital - with ambitious projects such as Wollaton Hall, Centre for Contemporary Art Nottingham & The New Art Exchange - as well as a visit to Nottingham Castle and Sherwood Forest to see how 'Living Legends' can be used to stimulate the visitor economy.

Joint social functions were organised at various venues, including Wollaton Hall and Nottingham Castle, to allow TTRI delegates and EUTO tourism practitioners to network.




The ICCSR 8th annual symposium:

"Corporate Social Innovation and Sustainable Community Development"

The symposium - to be held on Tuesday 27th April 2010 - will address the issue of poverty, one of the biggest development challenges today.

The rise of global poverty has reinvigorated the question as to whether, and how, businesses embrace wider roles and responsibilities, and respond to poverty and development challenges afflicting communities. And related to this, what are the governance implications of businesses taking such responsibilities? As community development and poverty reduction move from the periphery to the heart of strategic business thinking, there is a need to reconceptualise the role of business in poverty reduction in the local communities, that goes beyond philanthropy and towards sustainable community development.

The symposium will examine why and how businesses facilitate, support and promote i) interventions and ii) institutional mechanisms and structures that advance sustainable livelihoods in the communities, particularly those in developing countries.

There'll be more information and details of the symposium, including guest speakers, in the Winter edition of *NuBiz*.

Consumer Trust in Financial Services Remains Robust

A new survey produced by Nottingham University Business School shows that consumer trust in the financial services industry remains remarkably robust despite the banking crisis and global recession.

With an overall trust rating of 75.02, the Financial Services Research Forum's 2009 Trust Index finds that, on average, respondents are more trusting of financial services institutions (FSIs), compared to organisations like the NHS and BBC who scored 53 and 61 respectively[1].

Brokers/advisers (81.67) receive the highest ratings on trust and trustworthiness, followed by investment companies (76.24), general insurers (75.98) and building societies (75.22). Banks (73.96), credit card companies (71.55) and life insurance companies (72.69) receive the lowest ratings.

Professor Nigel Waite, Director of the Financial Services Research Forum, said: *"It has been widely assumed that the combined effects of the credit crunch, global recession and the banking crises would lead to a crisis in consumer trust in financial services. It may be an inconvenient truth, but the reality is that trust in the financial services industry is not at rock bottom.*

"However, evidence showing that current conditions have not provoked a 'crisis of trust' is not grounds for complacency. Behind an overall average that suggests consumers have moderate levels of trust in financial services providers, there is considerable variability. And average industry figures hide a wide disparity in trust for individual institutions within specific sectors."

The 2009 Trust Index is based on 1400 consumer interviews, and is the most recent piece of research from the Financial Services Research Forum, based at Nottingham University Business School. The research is the first of its kind to look past simple yes and no answers to develop a more complete understanding of consumer trust, by looking at base level (cognitive) and high level (affective) trust.

Base level (cognitive) trust is significantly above high level (affective) trust as might be expected – respondents are more convinced about the reliability/dependability of FSIs and less convinced about the extent to which FSIs have their interests at heart.

Professor Waite added: "Enduring relationships must be founded on high levels of trust. And, if industry and government are to enhance consumer engagement with financial services, there is still significant work to be done in terms of developing trust and trustworthiness.

[1] The Trust Index operates on a scale of 1 – 100, where a score of 75 indicates a moderate level of trust and a score of 50 a neutral response.

"But, if the research tells us one thing, it is that the Government and regulator must move the debate surrounding the future of financial services onto a more constructive footing. Significant levels of consumer trust do exist, which should serve as a foundation on which to alleviate the current economic crisis."

Other findings include:

- The ratings for brokers who are independent are higher than for brokers who are tied.
- In terms of the drivers of trust, FSIs attract their highest ratings in relation to ability/expertise and are weakest in relation to shared values, a result which is consistent with findings from previous surveys.
- Older customers in financial services have significantly higher ratings of trust and trustworthiness than younger customers. This suggests that FSIs may face an important challenge in the future in building and maintaining trust among the younger age groups.
- Service failures which result in a complaint have a negative impact in all dimensions of trust. However, successful service recovery as measured by satisfaction with complaint handling, does help to restore consumer trust.
- There continues to be some variability in trust by channel, but what is most noticeable is the apparent decline in levels of trust among those who tend to use the internet and this is particularly marked for banks and credit card providers.
- Comparative analysis with the results of the Trust Index Surveys in 2005, 2006, 2007 and 2008 suggests a high degree of consistency in levels of customer trust in FSIs. Brokers and advisers are consistently the most trusted FSIs although they experience a marginal decline in 2009; life insurers tend to e the least trusted FSIs, along with credit card companies. Banks, Building Societies, general insurers, life insurers and investment companies all experience a slight increase in 2009 while credit card companies deteriorate after an improvement in 2008.

www.nottingham.ac.uk/business/forum/

With-profits insurers resilient but surplus down by £10 billion

UK with-profits life insurers have weathered the economic crisis - but their surplus assets fell by over £10 billion in 2008.

Life insurers suffered from the falls in share prices and long-term interest rates in 2008. Nevertheless, a survey by the Centre for Risk and Insurance Studies, at Nottingham University Business School, shows that each of the top 20 with-profits life insurers had assets at least equal to their liabilities.

However, their assets fell by £47 billion (12.8 per cent) while their liabilities fell by only £36.7billion (10.8%).

Chris O'Brien, Director of the Centre for Risk and Insurance Studies, said: *"These companies are important for people's savings, the assets of the funds totalling £319 billion at the end of 2008. They have been able to survive in the crisis with the help of improved risk management."*

Using the 'realistic balance sheets' that life insurers produce in accordance with the rules of the Financial Services Authority (FSA), the survey calculates the average surplus assets ratio fell from 7.8 per cent in 2007 to 5.3 per cent in 2008. However, three firms were able to increase their ratio, while in two firms the ratio more than halved.

Taking information from companies' annual returns to the FSA, the Centre for Risk and Insurance Studies surveyed the top 20 with-profits life insurers, using the 'realistic balance sheets' they produce in accordance with the rules of the Financial Services Authority (FSA). The figures as at the end of 2008 were compared with those companies' data at the end of 2007.

Chris O'Brien said: *"Banks have been in the spotlight in the global economic crisis. We do not expect life insurers to suffer in the same way as they have a different business model.*

"However, they are exposed to financial conditions that have included low interest rates, a fall in share prices and widening spreads on corporate bonds. The financial position of life insurers is therefore of particular interest."

Private equity deals are 'not riskier'

Private equity-owned businesses are no more likely to fail than other companies.

According to new research by Nottingham University Business School's Centre for Management Buy-Out Research (CMBOR) and the Credit Management Research Centre at Leeds University Business School, and cited recently by the Financial Times.

The study of 8m private companies in the UK, of which 124,000 had failed (a rate of 2 per cent), found that private equity deals done after 2003 were no more likely to fail than other companies, after adjusting for leverage and other factors.

This finding could provide a boost for private equity's push to persuade regulators that it is not a risky form of ownership, as it wrestles with proposals for a legislative clampdown on the industry in Brussels and Washington.

Mike Wright, professor of financial studies at Nottingham University Business School and director of CMBOR, said that while higher debt levels corresponded with higher failure rates, private equity ownership, per se, did not make deals more risky.

"As an overall conclusion, I would suggest that private equity in itself does not increase risks as much as thought," he said. *"For any given amount of leverage, if a company is private equity-backed or not, it is no higher risk than others."*

The research also found that private equity deals are more likely to fail when outsiders are brought in to run a company (management buy-ins) than when they are done with the support of existing managers (management buy-outs).

"Buy-outs have a higher failure rate than non-buyouts, with MBIs having a higher failure rate than MBOs, which in turn have a higher failure rate than private equity-backed buyouts," it said.

"However, MBOs and private equity-backed deals completed post-2003 are not riskier than the population of non-buy-outs if we control for other factors."
Professor Wright said the reduced failure rate for private equity deals done after 2003 could reflect the industry's growing experience at dealing with business turnarounds.

"It may be that private equity has become more effective at monitoring companies and taking action sooner," he said.

In total, the study found that 4.8 per cent of private equity buyouts ended in failure. In the first six months of the year, receivership was the main exit route for private equity deals, ahead of flotation, trade sale, or secondary buy-out. Out of 48 exits by private equity-backed companies, 28 went into receivership.

UK private equity in the doldrums during first quarter as downturn continues

Private equity investment in the UK reached just £2.0 billion in the first quarter of 2009 according to Nottingham University Business School's Centre for Management Buy-out Research (CMBOR), with two thirds of this total from just one deal.

This is compared to £1.3 billion in quarter four 2008 – the lowest quarter for over 13 years. CMBOR, the UK's leading provider of research and analysis on the private equity market, and sponsored by Barclays Private Equity, also reported that deal numbers declined to just 61 in quarter one, from 92 in quarter four and 152 in the same period in 2008.

"We are witnessing a market showing little sign of life, much as we predicted towards on the back of a very quiet end to 2008" said Christiian Marriott, Director at Barclays Private Equity. *"The very quiet first quarter is likely to lead to a very quiet 2009 and we expect few signs of green shoots of recovery."*

Analysis of CMBOR's findings reveals that public-to-privates during the first quarter of 2009 accounted for over 71 per cent of all deals by value (£1.4 billion) from five de-listings. Of the total 61 deals, 38 per cent came from receiverships which accounted for 14 per cent of all deals by value. Secondary buy-outs, which had slowed to 12 per cent of all deals in 2008, continued to decline in the first three months of 2009 accounting for less than seven per cent of market share.

"While there has been an increase in the share of public-to-private deals there has been a corresponding decline in the number of family/private deals. These deals, which had been growing in market share since 2003 accounted for just over a quarter of deal flow and seven per cent of all deals by value. It seems that the only willing sellers in this market are the public markets" Marriott continued.
The exit market has also remained slow in the first quarter of 2009. So far, there have been just 30 exits at just £221 million. Exit value has been falling since the record year of 2006 when total value realised reached £26.9 billion. Exits ended last year at just £9.8 billion from 324 deals.

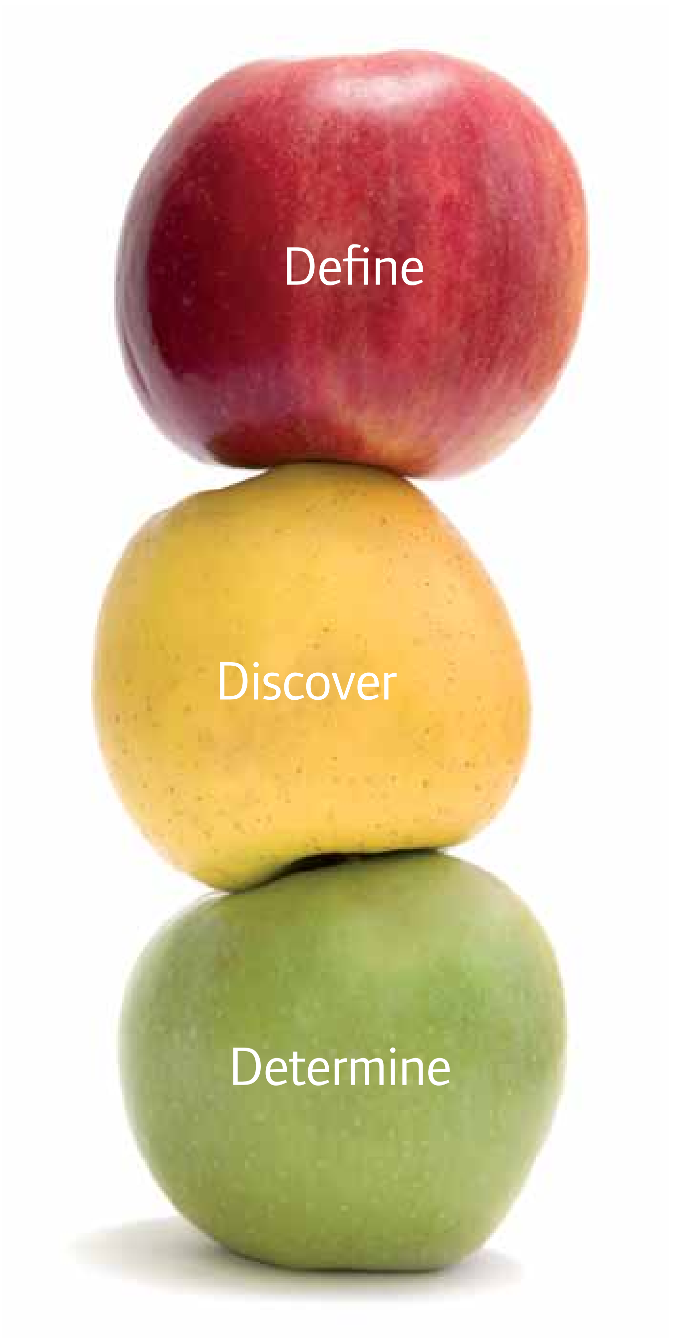
Continuing, Marriott said: *"There is a distinct sense of deja vu about today's data. In the recession of the early 1990s private equity investment stalled in much the same way and in quarter one of 1991 declined to just £447 million. Receiverships also increased during this period – reaching 124 in 1991 – and it was only in the mid-1990s that the buyout market entered a period of robust growth. Conversely receivership as a source of buy-out deals peaked at 107 in 1991."*

"We are unlikely to see much in the way of market recovery in the next quarters. Rather, the expectation is for the market to stabilise at a new lower level throughout this year. When confidence and leverage return to the market we should see activity begin to increase, but the timing of this is by no means certain" Marriott concluded.

Other interesting findings include:

- There were just eight deals in the £10-100 million range in the first quarter of 2009. This is down from 39 in the same period in 2008.
- The average deal value this year is just £32 million, down from an average of £34 million in 2008 and well below the £69 million average set in 2007.
- Buy-out activity above £100 million has plummeted with a combined total of just five from the last two quarters, compared to 22 in the preceding six month period.
- The proportion of total M&A volume provided by buy-outs has remained relatively stable at around 50 percent in recent years. In 2007 buy-out activity accounted for 63 per cent of value but fell sharply in 2008 to just 35 per cent.

Necessity should be the Mother of Innovation



The imperative of thinking differently, identifying and exploring opportunities for innovation, may never be greater for many organisations than in a period of economic recession, yet the likelihood of it occurring in practice given the frequent need for short-term 'fire-fighting' may never be lower.

At an economy wide level, the same impasse and disjoint between what is required and what is likely to happen in practice jeopardises the process of renewal and recovery. There may not be an obvious solution to this conundrum but there are some straightforward possibilities that might be considered by organisations small, medium and large, private or public.

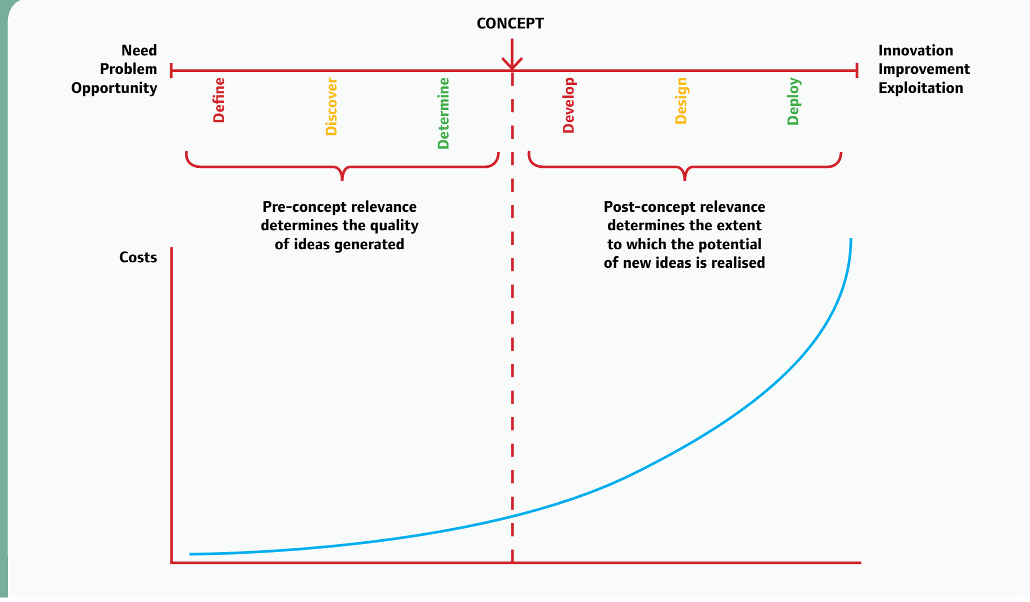
It has long been recognised that entrepreneurship and innovation underpin economic development and progress. Back in the early 20th century Joseph Schumpeter, the famous Austrian economist, emphasised the crucial distinction between incremental and discontinuous innovation. The first builds on gradual improvements to the accepted and established methods of operation whilst the second causes radical change. The first improves, the second transforms. Whilst Joseph Schumpeter was observing these characteristics in the generic context of economic development precisely the same principles apply to individuals and also businesses and organisations of all kinds.

Incremental innovation may be important in maintaining or increasing market share often in response to market research and customer feedback. Radical innovation that involves considering key aspects of a business from non-obvious, different and novel perspectives may reveal opportunities previously unrecognised. These innovations are not just restricted to products, services and processes but also refer to organisational behaviour, structure and culture. Whilst it may be important for organisations to refresh their 'offer', in order to remain competitive within existing markets and technologies, it is also crucial that they undertake a more wide ranging and free-thinking review of all areas of their operations to ensure that opportunities previously unrecognised are not missed. To achieve this requires rigorous 'pre-concept' preparations prior to 'post-concept' implementation strategies. Consider the continuum of innovation that stretches from problem or opportunity identification all the way through to a new innovation.

It has long been recognised that entrepreneurship and innovation underpin economic development and progress.

The Process of Innovation →

Successful innovation depends upon the quality of the concept. The Ingenuity Guide for Clear Thinking optimises the prospects of success by applying creative thinking at the heart of and throughout the innovation process



Given a problem, opportunity or perceived need then in a perfect rational world those considering implementing an effective response would follow a simple but rigorous procedure.

In the **definition** phase they would strip the problem down to its root causes and prioritise these so that they could be dealt with one at a time.

In the **discovery** phase the root cause concerned would be comprehensively explored with as rich a set of solutions as could be produced using divergent thinking and solution storming.

In the **determine** phase the wealth of spontaneous ideas and solutions would be sorted and sifted and reduced to a number of viable practical alternatives. Proven techniques would then be used to ascertain the best possible solution.

The new product, process, mode of organisation or structure that emerges from this pre-concept focus would then be subject to more familiar considerations in terms of development, design and eventual deployment.

In practice, as individuals or organisations, we tend to neglect this crucial 'pre-concept' focus and default immediately or very quickly to the nearest solution emerging from previous experience. When confronting a problem there is pressure to seek a solution as quickly as possible. This means that the rigours of definition, solution generation and solution selection are neglected and the flow of new ideas and concepts into organisations and economic progress more generally may be suboptimal. Pre-concept innovation analysis may also help to filter out unworkable concepts at an early stage when the sunk cost involved is quite low. Insufficient focus on problem definition, idea generation and concept selection often allows significant costs to be incurred before fundamental weaknesses that could have been detected much earlier are fully recognised.

In order to determine the levels of innovation in a business it is important to consider the extent to which opportunity identification activities are present and pre-concept analyses are undertaken. The extent to which new products processes and organisational changes are introduced should also be considered. As indicated above time pressure may appear to preclude these considerations in practice particularly when 'fire-fighting' in a recession but finding some space to reflect on these issues in the context of prevailing business practice could make a significant positive difference.

Rapid decision making under pressure, without allowing recourse to advice or reflection, is sometimes mistaken for strong and effective leadership. While those responsible for leadership may regard this approach as unavoidable in the circumstances, it means that there is virtually no 'pre-concept' focus and the existing reservoir of experience and understanding latent in the rest of the organisation is ignored.

Creativity and the generation of innovative ideas are not the jurisdiction of a select few; they are open to everyone. We often tend to be self limiting in the extent to which we share ideas for fear of humiliation, criticism or simply due to a lack of trust in how these may be used or recognised. Open innovation and the sharing of ideas requires structure and trust and may best be established through collaborative pre-concept working across the organisation. Approaches and systems that are created by those expected to apply them may be less susceptible to rejection and therefore more long lasting.

Given the prevailing trading conditions in many markets, now may not seem to be the best time to stop, think and reflect - but it may be just what is needed.

Professor Martin Binks, Dr Simon Mosey, Paul Kirkham
University of Nottingham Institute for Enterprise and Innovation (UNIEI)
Nottingham University Business School

Masters students have a Ball!

The Committee

After weeks of careful planning the day of the Business School's Masters Summer Ball finally dawned.

On a pleasant Monday evening, on 8 June, and with all their exams firmly behind them, over 250 smartly attired revellers descended on Colwick Hall to celebrate the end of their formal postgraduate studies and the start of summer.

Organised by a few doughty individuals within the Nottingham University's Masters Business Society (NUMBS) the event was testimony to the organisational planning, financial management, marketing and PR skills that the students had clearly honed from their courses. Featuring a Pimm's reception, sit down three-course meal with wine, a casino, jazz quartet, assorted games, and a firework display there was something for everyone to enjoy.

Casino winner Luke Wheelhouse with a total of £52,000 of chips (not real money!)

NUMBS general secretary, Tom Struthers, and social representative, Emily Forster, were heavily involved in pulling the whole event together and both agreed that it had been instructive in learning what not to do as much as what to do.

Commenting on the Ball, Emily said *"Although hard work and time consuming, organising the ball provided us with a great insight into event planning and management. I particularly enjoyed choosing the entertainment for the event and negotiating prices…I only wish I'd put in a little extra practice for the casino as I lost all my chips in quick succession with two misguided bets!*

On the night it was fantastic to see all of our hard work finally come together and to be able to sit back and enjoy the occasion. Hopefully the precedent has now been set and the ball will become a regular event in the Business School calendar.

I wish next year's committee every success."

Crazy Golf

And Tom added, *"Managing ticket sales was probably the single most difficult part of the preparation but we were delighted with the turnout for the event. The committee started promoting before Easter and still had ticket requests in the week before the Ball so we would encourage next year's organisers to start planning early. Drumming up student and staff interest was crucial, but also great fun, and we hope this annual event will be an ongoing success and the highlight of the Business School's postgraduate social calendar."*

Students including best dressed female, Alero Egbuson, centre

Playing games including best dressed male, Vikas Aggarwal, left

Top prize for PhD from The Geneva Association

A Nottingham University Business School PhD student, **Hale Abdul Kader**, is the co-author of a paper that has won a prestigious prize from The Geneva Association and the International Insurance Society, Inc.

In May, the two organizations announced the winners of their collaborative insurance research programme, designed to foster high-quality practical research on current issues.

Hale Abdul Kader's paper - *'The Cost Efficiency of Takaful Insurance Companies'* , co-authored with Mike Adams, School of Business and Economics, Swansea University, UK and Philip Hardwick, Business School, University of Bournemouth, UK - was one of three award-winning papers to receive a $10,000 award; the authors presented their research during the International Insurance Society's 45th Annual Seminar at the Grand Hyatt Amman, Jordan, June 7 - 10, 2009.

The three papers will be published in the January 2010 issue of The Geneva Papers on Risk and Insurance -Issues and Practice. For more information on The Geneva Papers, please visit: **www.genevaassociation.org/Publications/Geneva_Papers_on_Risk_and_Insurance.aspx**

Recognizing the need for research that is practical and applicable to current issues facing the insurance industry, The Geneva Association and the IIS have combined efforts to create an awards programme that rewards high-quality original research. Each year, at the IIS Annual Seminar, some 400 executives are canvassed on their most pressing concerns, and their responses form the basis for next year's call for papers.

"This year's award-winning papers, as well as the many other good submissions we received for the awards, bear testimony to the excellent work that is being carried out to advance the insurance sector's knowledge", said Patrick M. Liedtke, Secretary General and Managing Director of The Geneva Association.

The Geneva Association is a unique non-profit worldwide organization formed by a statutory maximum of 80 Chief Executive Officers from leading insurance companies worldwide. Its main goal is to research the growing economic importance of insurance activities in the major sectors of the economy.

Founded in 1965 as a non-profit corporation, the International Insurance Society, Inc., provides a world forum for leading insurance executives, academics and others interested in insurance to share interests and ideas on timely global issues. Today, the IIS is the largest multinational organization of its kind with almost 1000 corporate and individual members from 92 countries. The annual Seminar typically attracts 500 or more insurance executives from around the globe.

Business School student wins international recognition

During the first week of Easter twenty University of Nottingham students attended the 18th session of the prestigious 'Harvard World Model United Nations' conference that took place in The Hague.

Attracting over 2500 students from 257 universities, and representing 57 countries around the world, the conference was the largest and most diverse global University MUN conference.

Over the course of a week the conference engaged all delegates in over twenty eight hours of debate covering a wide range of issues, from the Namibian Independence of 1981 to water scarcity and health. In addition to the debates, the delegates attended various special conference trips, including ones to the Special Court for Sierra Leone and the International Court of Justice. Four of the Nottingham delegates also had dinner with an international diplomat, after being invited to have drinks at the Dutch Foreign Ministry.

The fantastic week culminated with two individuals in the Nottingham team, **Subha Bhattacharya** and **Aishah Namukasa**, being presented with 'Outstanding Delegate' awards, also known as Diplomacy Awards. Subha represented Africare, discussing issues around the refugee crisis in South Africa, water scarcity and health, and food security, while Aishah represented Oxfam International discussing food security, barriers to trade and methods to deal with natural disasters.

The awards confirm Nottingham as being one of the top MUN Universities in the world, with the two individuals recognized as being in the top 2% of delegates at the conference.

Commenting on the event, award winner Subha Bhattacharya, a final year Finance, Accounting and Management student at the Business School and Head Delegate and Organizer of the Nottingham WorldMUN Team, said:

"The whole team performed brilliantly. The experience has been an unforgettable one and we would all like to thank the University, the Alumni Fund, the International Office, the Business School and Law School for sponsoring us and making this conference a success for us all."

Feature

Corporate Social Responsibility and Recession An oxymoron in crisis?

Professor **Jeremy Moon FRSA**, Director, International Centre for Corporate Social Responsibility and Deputy Director, Nottingham University Business School examines the evidence.

If I had a pound for every time some wiseacre at a party (usually academic) pipes up with 'that's an oxymoron, isn't it?' when hearing about my teaching and research interest, corporate social responsibility (CSR) … well you know how the rest goes.

The latest sceptical note on CSR is that it is doomed with the onset of recession. This is, of course, an empirical question but it does also raise wider issues concerning the nature, motivation and means of business social responsibility.

It may be instructive to review other instances of CSR in other recessions. I was un/fortunate enough to have lived through the UK recession in the early 1980s and that in Australia in the mid 1990s (following the Asian financial crisis).

It was striking in both cases that the salience of CSR increased dramatically. This was evident at the level of individual companies who re-assessed their relations with society and developed new strategies for CSR. This was also evident in their propensity to join associations for business responsibility, Business in the Community (BiTC - national in the UK and mainly state-based in Australia), which constitutes another indicator of CSR salience. These associations provided information and networks for their members; offered frameworks for collaborative responses to recession (e.g. unemployment) particularly at the local and regional levels; and represented their business members to local, regional or national governments.

Another key feature of CSR in recession was the new networks that companies operated with in order to achieve more effective and more legitimate responses. These often included local and regional governments (e.g. in local partnerships, local enterprise trusts) as well as with community groups and other non-governmental organisations. Moreover, these partnerships often re-defined CSR in a range of new institutional forms 'between' state and market, in which respective public and private resources were combined in 'marriages a la mode'. Surprisingly, perhaps, the main financial contributions came from governmental organisations. Business brought expertise (often in the form of secondments and partnership boards); spare space and other resources (e.g. for start-up companies); opportunities for on-the-job training and work experience; and business networks, particularly for nurturing new enterprises.

In this context it is worth underlining the wider role of government in encouraging CSR. The UK Secretary of State for the Environment, Michael Heseltine, took business leaders around inner-cities blighted by unemployment, urban decay and riots in order to motivate then to take some responsibility for these communities. He both flattered and invited business to take responsibility: 'Perhaps the very survival of our institutions in this country for so long without revolution owes much to the sense of responsibility of those who enjoyed the power of capital.' The Conservative government made great efforts not only to re-awaken a latent sense of British business responsibility but also to point to US examples of more engaged community involvement. Albeit less flamboyantly, Simon Crean, Australian Labor Party Minister for Employment, Education and Training, performed a similar role in identifying the success of government counter-unemployment policies with business and in encouraging 'good corporate citizenship'. p20

The latest sceptical note on CSR is that it is doomed with the onset of recession. This is, of course, an empirical question but it does also raise wider issues concerning the nature, motivation and means of business social responsibility.

Corporate Social Responsibility and Recession An Oxymoron in Crisis?

p19 What motivations did business give for these new forms of engagement at the very time when their own prospects may have seemed most threatened? As *The Economist* commented, on Marks and Spencer's recognition that a healthy high street depends on healthy backstreets, it 'was making a sensible long term investment in its marketplace. If urban disorders become a regular fact of life, many of its 260 stores would not survive'. Lord Carr, then Chair of the Prudential Assurance Society, put it more bluntly: 'the commercial success of business organizations is affected by the health and prosperity of the communities where they produce or sell their goods and services'. These 'license to operate' motivations were also complemented by an awareness of the need for companies, individually and collectively, to engage with issues of skills development and the reputational advantages that they could also gain from community involvement.

So our short historical tour suggests that:

- CSR may be invigorated by recession,
- the business resources which governments value are less the financial but more those vital to addressing the specific challenges of recession such as knowledge and networks,
- CSR becomes institutionalised with other governmental and societal responses to the problem,
- and companies explain their involvement with reference both to their individual and shared legitimacy as well as more business-related motivations concerning labour market skills and reputation.

Looking ahead, what do we know about CSR in the recession? Our research into CSR and community investment among leading companies, conducted with the Charities Aid Foundation, suggests some uncertainties. Most companies anticipated a re-balancing of economic and social objectives necessary in an uncertain business environment. 53% expect greater integration between their corporate community investment and core business strategies and another 34% were unclear about the prospects.

With respect to the specific question of financial resources: 40% were unsure and the remainder divided more or less equally between those not expecting- and those expecting- a decline in financial resources. Similarly, whereas 45% expect more innovation in stakeholder engagement as a result of the recession another 46% were uncertain about the prospects for future stakeholder engagement.

Interestingly my two histories diverge in the aftermath of the respective recessions. In the UK, CSR went from strength to strength but in Australia there was a tailing off in interest.

The UK BiTC membership grew and its activities expanded. The number of companies explicitly claiming their responsibilities - and doing so through the medium of a CSR report - has increased. The spheres of CSR have expanded from the *community* to the *marketplace* (e.g. ethical supply chains, labelling), the *workplace* (e.g. fair trade, diversity policies), and the *environment* (e.g. product stewardship, energy conservation, waste disposal policies). These developments not only reflect business strategies but also the engagement of successive governments (Labour even appointed Ministers for CSR); civil society e.g. the Fair Trade Movement, international NGOs and investors e.g. through the small socially responsible investment movement and the wider adoption of their investment criteria for social, ethical and environmental risk.

The question before us will be whether the UK CSR movement will continue to consolidate and grow during and in the wake of recession as it did in the previous quarter century? Will it leave government and society to respond to recession? Or will it be re-invigorated in the recession but, thereafter, follow the Australian route and withdraw from social engagement as the recession becomes history?

My own sense is that CSR in the UK is now much more institutionalised than it ever became in Australia in the 1990s. It is more institutionalised within companies (e.g. Board level responsibility, reporting cycles), among companies (e.g. through BiTC), between companies and government (e.g. local and national partnerships) and with civil society (e.g. from partnerships with local community groups to national fair trade agreements, to international multi-sector alliances, compacts and the like).

Given the expansion of UK CSR agendas beyond the community sphere over the last quarter century, one might also expect leading companies to direct their responses to the recession rather more widely than simply on unemployment, training, enterprise development and community development. One might expect CSR to connect with product selection and marketing to meet demands for more economical purchases. These strategies might also be reflected in review of the sustainability of supply chain practices. Companies might also build their strategies for recession into workplace policies, particularly concerning issues of reduced working time and even down-sizing.

On this basis I would predict that CSR in UK is here to stay in both the best and worst of times. ■

Moral hazard and the financial crisis

What went wrong with modern financial risk management?

Kevin Dowd, Professor of Financial Risk Management at the Business School, believes that moral hazard is a much underrated problem and played a central role in the events leading up to the financial crisis.

In *'Moral Hazard and the Financial Crisis,'* a paper he presented to the Cato Institute's 26th Annual Monetary Conference in Washington DC, he argues that moral hazard is fundamental to how the economy works.

Moral hazard is where one party is responsible for the interests of another, but has an incentive to put their own interests first. Kevin argues that many of the moral hazards involve increased risk taking, a topical example being the subprime scandal. If a bank originates a mortgage with a view to selling it on (i.e. securitising it), its incentive to be careful about whom it lends to is seriously weakened: 'we end up in the patently unsound situation where mortgages are being granted with little or no concern about the risks involved,' he says.

Kevin goes on to ask what went wrong with modern financial risk management. At the most superficial level, people all too often make a range of inadequate assumptions. For example, they ignore the fact that correlations tend to radicalise in crises and make assumptions about market liquidity that break down when they are most needed. Risk models can be focussed too much on 'normal' market conditions. There are also problems with valuation models: a market-to-model position can suddenly be revealed to have a market value that is only a fraction of its model-based valuation.

He also comments on the remuneration of senior management who were responsible for firms involved in the crisis: ' instead of the wise stewardship we were led to expect, we discover after the event that they have been raiding the larder and the taxpayer is called upon to replenish it.' This leads him to corporate governance and he argues that the problem lies in the nature of the joint stock company itself, where limited liability allows investors and executives the full upside benefit of their risk-taking, while limiting their downside exposure.

Kevin describes three policy failures, starting with the US housing market (Fannie Mae and Freddie Mac); loose US monetary policy; and state-mandated deposit insurance.

The fourth is financial regulation. He asks if politicised committee group-thinking will produce a set of regulations that work? Modern capital regulation may simply be attempting the impossible. One particular problem is that shocks to the system might be amplified as individuals react to their environment and the environment reacts to them.

Kevin concludes, 'My own take is that the edifice of modern central banking cum financial regulation cum limited liability needs to be dismantled, and 150 years of state intervention needs to be rolled back, but I have few illusions that this will happen.' His message is to welcome measures that rein in moral hazard, helping to reduce excessive risk-taking. 'As the late, great, Milton Friedman might have put it: there ain't no such thing as a free risk.' ■

Risk Appetite: What's it all about?

How much risk should your organisation take in relation to the return it can expect? **Professor Stephen Diacon** of the Centre for Risk and Insurance Studies makes sense of risk appetite.

The answer to this question is captured by what is known as risk appetite, and many organisations are now attempting to set out an explicit statement of their attitudes to this traditional risk/return trade-off. While it may be obvious that the organisation would like to generate as much return or value as possible, it is not so easy to decide how much risk to take in the process.

The concept of risk appetite has been something of a 21st Century phenomenon. Much has been written on the subject in the last few years with government, regulators, consultants, firms, and trade/professional associations all keen to get in on the act and share their views. Unfortunately, the widespread interest in risk appetite has not produced an accepted coherent definition. Furthermore, many of the conventional definitions focus too much attention on the negative aspects of risk-taking and neglect to set it in the context of an organisation's strategic decision-taking. This can be illustrated by looking at some of the definitions that are publicly available. For example, the HM Treasury say risk appetite is the "amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time", and British Standard defines it as "the amount and type of risk an organization is prepared to pursue or take".

In order to clarify the role of risk appetite, the *Association of Insurance and Risk Management in Industry and Commerce* (AIRMIC), in conjunction with Stephen Diacon and Dr Simon Ashby of the University of Plymouth has recently produced an overview of the concept and its practical application[1]. This research provides alternative definitions of risk appetite, discusses their advantages and disadvantages, and provides an insight into the application of the concept amongst UK organisations via an online survey and a series of interviews and case studies.

The benefits of thinking about risk appetite

The establishment of the organisation's risk appetite is part of its overall enterprise risk management programme and complements strategic decision-taking. The concept arises from an explicit recognition that almost all organisations (even PLCs) face a non-linear risk/return trade-off – so that increased levels of performance can often only be generated by taking progressively higher levels of risk. By formulating a statement of risk appetite, an organisation is then able to decide the balance between performance (in terms of its key performance indicators) and risk, as measured by key risk indicators. It also allows an organisation to make explicit decisions about the absolute maximum level of risk that it is prepared to accept. The value of this process is that it can ensure that organisations neither take too much risk in relation to the value that can be created, or too little by being over-cautious. An organisation which establishes a clear understanding of its appetite for risk can enjoy a number of advantages, as summarised in the box "Why Decide Your Organisation's Risk Appetite". → p24

Why Decide Your Organisation's Risk Appetite?

Role of Risk Appetite	Benefits of Risk Appetite
Support strategy setting	Enhanced performance by facilitating the achievement of an organisation's objectives (e.g. improved profits, growth, cost control, etc.) Improved strategic planning by highlighting which risks to take and which to avoid Achieve a balanced risk profile, thereby increasing the organisations capacity to take on risk where this is value adding
Support risk management	Better allocation of risk management resources by targeting them on areas of over or under exposure Improved clarity regarding the benefits of risk management expenditure leading to better board and management 'buy in' Foster a risk aware culture
Set boundaries for risk taking	Enhanced corporate governance leading to happier investors, regulators and rating agencies Decision makers are motivated to make better and more consistent decisions
Support stakeholder value maximisation	Improved management of stakeholder expectations Enhanced organisational performance

[1] AIRMIC (2009) 'Research into the Definition and Application of the Concept of Risk Appetite', June, http://www.airmic.com/en/other/document_summary.cfm/docid/2B301F27-913B-4282-AA342997DE2212C6

p23→

What should a risk appetite statement achieve?

- The lack of a commonly accepted definition of risk appetite causes confusion within many organisations on how to define, express and use the concept. What is needed is one accepted definition that captures the key essentials:

- It should reflect an organisation's *willingness* to take risk. Many organisations see risk as a bad thing and focus on the negative outcomes that can arise. However almost all organisations, especially commercial ones, are in the business of taking risk and will only achieve their objectives (e.g. profit, growth, cost savings) by doing so. Hence a good definition should avoid using potentially negative phrases such as 'tolerate', 'loss' or 'acceptable to bear'.

- It should reflect the pursuit of organisational objectives and reflect the appropriate balance between risk and reward. Effective decision making in a world of risk is key to the achievement of an organisation's objectives and ultimately the maximisation of stakeholder value (i.e. the benefits generated by the organisation for its shareholders, members, customers, employees, etc.). As such, all decisions to increase/reduce an organisation's exposure to risk should be taken in the context of its objectives.

- It should not over-emphasise the importance of one stakeholder group (e.g. shareholders) over any others that have an interest in the organisation (consumers, creditors, employees, etc.). In order to maximise the benefit that can be derived from using the concept of risk appetite, an organisation needs to balance the risk preferences of all its various stakeholder groups.

- It should not preclude the use of qualitative (i.e. soft/subjective) expressions of risk appetite. Not all organisations can express their appetites for risk in a quantitative way – and many argue that it would be a mistake to do so (on the basis that what's not measured doesn't get managed).

- It should recognise that risk appetite can be set and used at all levels within an organisation as well as for specific risk types and events.

The top-down versus bottom-up debate

One issue that has sparked quite a lot of comment is whether an organisation should set its appetite for risk using a top down or bottom up approach. Our research supports the view that, in general, the top-down approach is to be recommended because it aligns better with organisations' strategy-setting processes.

Conclusion

The financial crisis and resultant global economic downturn have placed organisational risk-taking under a spot light. Many commentators have criticised banks and financial services firms for taking decisions which involved excessive degrees of risk in relation to the value created. Clearly the widespread adoption of risk appetite statements, along with standard risk management processes, would have helped to prevent the excesses of the current crisis. Organisations which have a risk appetite statement in place, are more likely to take decisions where the risk involved is justified by the value created. Similarly, going forward, a thorough understanding of the organisation's risk appetite will help managers avoid excessive caution just at a time when value-creating opportunities are emerging. ■

Should Risk Appetite be Top-Down or Bottom-Up?

	Top Down	Bottom Up
Description	Risk appetite is determined by the board and cascaded down the organisation.	Expressions of risk appetite at the ground level (e.g. the risk/control/performance indicator limits that have been specified within specific departments or teams) are aggregated to arrive at an overall appetite for risk.
Advantages	Board is engaged in debating risk issues, thus promoting buy in and helping to integrate risk management and strategic decision making. Board is best placed to balance the views of conflicting stakeholder groups. Board can take an enterprise-wide view of risk.	Ensures that all risks from across the organisation are captured and takes account of any local factors that may affect an organisation's appetite for a specific area of risk. Uses input from local risk experts to arrive at a consensus view of an organisation's appetite for risk. Promotes management buy in at all levels, as they have been involved in setting their organisation's appetite for risk.
Disadvantages	Could be set arbitrarily according to the perceptions and prejudices of board members. Can unnecessarily constrain management decision making where local factors suggest a risk appetite that should be higher or lower than the norm.	Local views may prove illogical and inconsistent and therefore are impossible to aggregate.

Organisations which have a risk appetite statement in place are more likely to take decisions where the risk involved is justified by the value created.

Pro Vice-Chancellor meets Chinese alumni

During a visit to China at the end of May PVC Professor Chris Rudd met with members of the Nottingham Alumni Association: Beijing (NAAB).

Professor Rudd with a group of NAAB members

The informal gathering was one in a series of such events that Professor Rudd had been involved in, having previously visited the Nottingham Alumni Association in Shanghai. As the guest of honour he was welcomed by Ji Xiaojun and ZhanBo -the Chairman and Executive Chairman of NAAB respectively – on behalf of all the members.

Professor Rudd emphasized the important role that the overseas alumni groups play, their value to the university and the high regard in which they are held by the university as a whole. By working in different regions, each alumni group demonstrates the local expertise of its members as well as its overall coherence to the University as a whole. He emphasized that the University wishes to share its development plans with all its alumni from time to time, in the hope that they might help in some way to contribute towards its achievements.

Chairman Ji Xiaojun (far right) greets members at the welcome dinner

The twenty seven Beijing alumni participating in this particular event were mostly new members, who had either returned to China for a year or so, or who were pursuing their careers back in China. They refreshed their memories about the University and reminisced about their time there. They were also able to learn about the university's plans and developments and get updated news about future events. Networking is always important to alumni. Through having direct communication with their peers, each gets to make new friends as well as exchange hints and tips about working and living experiences in Beijing. Through their attendance at this event it was obvious that the information exchange between the University and NAAB had been further cemented.

Nottingham alumnus is the new head of MI6

A University of Nottingham alumnus has been appointed the new chief of MI6, Downing Street has announced.

Sir John Sawers, 53, will head up the overseas Secret Intelligence Service from November, replacing outgoing chief Sir John Scarlett.

Currently one of the country's top diplomats as the British Permanent Representative to the United Nations in New York, Sir John's appointment to MI6 follows a distinguished career spanning more than 30 years.

He graduated from The University of Nottingham in 1976 with a degree in Physics and Philosophy, before taking up a career with the Foreign and Commonwealth Office, working in Yemen and Syria early in his career followed by a posting to South Africa from 1988-91, during the first part of the transition from apartheid.

From 1995-98 Sir John was based in the USA, spending a year as an International Fellow at Harvard University before joining the British Embassy in Washington where he headed the team dealing with foreign and defence policy issues. After this posting he was Foreign Affairs Adviser to Prime Minister Tony Blair, dealing with all aspects of foreign and defence policy and working closely with international counterparts, including during the Kosovo conflict. He also worked on Northern Ireland and the implementation of the Good Friday agreement.

Sir John then served two years in the Middle East, as Ambassador to Cairo 2001-03, and was also the British Government's Special Representative in Baghdad for three months.

From 2003-07 he was Political Director at the Foreign and Commonwealth Office, where he advised the Foreign Secretary and was particularly closely involved in policy on Iran, Iraq, Afghanistan and the Balkans. He was made Britain's Permanent Representative to the UN in 2007 and was knighted in the Queen's Birthday Honours in the same year.

Sir John's appointment as the new 'C' of MI6 was announced on June 16th by David Miliband, the Foreign Secretary, after approval from Prime Minister Gordon Brown.

Mr Miliband said: *"I welcome the appointment of Sir John Sawers as the new 'C'. I look forward to working with him on the challenges we face as a country.*

"International terrorism, the proliferation of weapons of mass destruction and the growth of regional conflict and instability mean that there has never been a time when the skills and dedication of our intelligence agencies, including SIS, have been more necessary to our national security and the safety of our people around the world."

Business School alumnus and transport expert appointed to EU project

Dr.Otto C.Frommelt, who completed his doctoral studies at the Business School in 2008, has been invited to become a Forum Member for "FREIGHTVISION'".

Freightvision is an EU funded project to develop a long-term vision and an adaptive activity plan for 2050, both for transport and technology policy for sustainable long-distance freight transport.

Dr.Frommelt, MBA, has been Managing Director of Volvo Austria GmbH since 2005 and is General Manager for the operations of Volvo Truck Centre, Austria. He is also a scenario planning expert and lecturer at the University of Applied Sciences in Vienna. His doctoral thesis, entitled "Strategy, Scenarios and Strategic Conversation: An Exploratory Study in the European Truck Industry" highlighted both a research gap and contributed to the limited literature on strategic conversation linked to scenario planning as a learning process in practice.

Sustainable freight transport is one of the core goals of the common European transport policy. Moreover, in the coming years the European Union (EU) faces major challenges in the freight sector, firstly both to ensure and increase economic growth and secondly, to deal with an increase of freight transport demand. At the same time, environmental issues such as CO2 emissions, dependency on fossil energy and congestion need to be reduced.

A holistic approach is needed to integrate all aspects of the problem such as infrastructure, vehicles, fuels, interoperability and all types of criteria into the solution eg. research, technologies, policies and pricing. In this situation a foresight process is absolutely essential not only to look into the future, but even more so to create and shape it.

For all these reasons the "FREIGHTVISION'" project has been established and a foresight approach will now bring together both experts and decision makers from research, industry, policy making and society and will create channels for communication. The project is funded by the European Commission Directorate-General for Energy and Transport, within the seventh framework programme, and its objective is to develop a long-term vision and robust and adaptive action plan for transport and technology policy to ensure sustainable long-distance freight transport up to 2050, and which is supported as much as possible by the relevant stakeholders.

On 29 May 2009, Otto was also invited by St. Anne's College (Transport Study Unit), at the University of Oxford, to give a presentation entitled "Scenario theory and the future of the truck industry" as part of a workshop whose aim was to explore ways to strengthen predictions of energy use in transport, as well as to strengthen the practice of scenario building.

Office of Prime Minister of Malaysia

University of Nottingham Malaysia Campus

University of Nottingham alumnus becomes Prime Minister of Malaysia

University of Nottingham Industrial Economics alumnus **Y.A.B Dato' Sri Mohd Najib bin Tun Abdul Razak** has become the new Prime Minister of Malaysia.

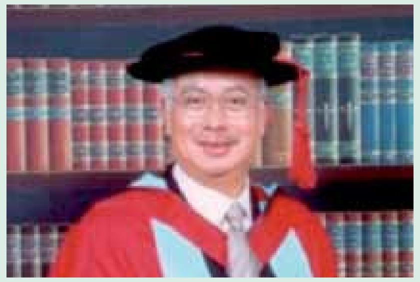
Najib was sworn in on Friday April 3rd, 2009, a week after being declared president of the United Malays National Organisation party (UMNO). He becomes the nation's sixth Prime Minister since Malaysia gained independence from Britain 51 years ago.

Najib graduated in Industrial Economics from The University of Nottingham in 1974 and has been active in Malaysian political life for more than 30 years.

Born in Kuala Lipis, Pahang, in 1953, Najib received his early education in the elite St John Institution in Malaysia. As a teenager, he went to England to attend Malvern Boys' College in Worcestershire and he remained in the country to study at The University of Nottingham.

Najib has scored a string of 'youngest' titles throughout his political career. He was elected as Malaysia's youngest MP at the age of 23 in 1976, and two years later was made a deputy minister (Energy, Telecommunications and Post) — the youngest ever. At the age of 32, he was made Culture, Youth and Sports Minister, again, the youngest cabinet member at the time.

He subsequently held a series of senior posts within the national government and at Bank Negara, the central bank. In 2004 he was made deputy Prime Minister.



As Prime Minister of Malaysia, the 55-year-old follows in the footsteps of his father, the late Y.A.Bhg Tun Abdul Razak, and late uncle, Y.A.Bhg Tun Hussein Onn. He will replace the outgoing Prime Minister, Y.A.B Dato' Seri Abdullah Ahmad Badawi, who has stepped down after five years in power.

Professor David Greenaway, Vice-Chancellor of The University of Nottingham, said: *"I am delighted that a graduate of The University of Nottingham is to hold such an important position. The University has a long history of working closely with Malaysia — two former Kings are also Nottingham graduates, and we were the first British university to establish a campus in the country.*

"I extend my warmest congratulations to Dato' Sri Najib on his new position and wish him, and the people of Malaysia, all the very best for the future."

The University of Nottingham Malaysia Campus (UNMC) — a full and integral part of The University of Nottingham — opened in September 2000, becoming the first overseas campus of a British university in Malaysia and one of the first anywhere in the world.

Najib was the guest of honour at the official opening of the purpose-built 101-acre campus, near Kuala Lumpur, which now has a diverse community of 3,600 students from more than 60 countries.

Professor Ian Pashby, Vice-President and Chief Executive Officer of The University of Nottingham Malaysia Campus, said: *"The whole UNMC community is beaming with pride that one of its own has become the sixth Prime Minister of Malaysia."*

India alumni group goes live!

After many months of preparation, the Nottingham Alumni:India (NA:I) group was launched in Mumbai on 19 January when a relatively informal first meeting took place at 'Shiro', a well known bar and restaurant in the city.

The three group founders – Sonal Jalan, Rahul Modi and Jehangir Damkevala

Pro Vice Chancellor Chris Rudd was there to represent the university, and over the course of the evening more than seventy Mumbai-based University of Nottingham alumni joined the gathering to exchange news and develop ideas about how to make the NA:I an effective networking group, for both professional and social purposes.

The event was the culmination of much hard work and effort by three Business School alumni, Sonal Jalan (BA Management Studies, 2004), Rahul Modi (MA Finance and Investment, 2007) and Jehangir Damkevala (MBA Financial Studies, 2004) all of whom are very committed to making the NA:I a robust and active resource group for its members, and one which can leverage the expertise of a broad range of different alumni and their contacts, to provide them with networking, peer-to-peer consultation and business partnership opportunities.

In order to maximise the depth and breadth of interaction, the NA:I is open to anyone who graduated from the University of Nottingham and not limited solely to Business School alumni. Following the success of the Mumbai event, the intention is gradually to launch active city-based groups across India in places such as Bangalore, Kolkata, Hyderabad and Delhi.

Commenting on the launch of the Mumbai group co-founder Rahul Modi said, *"I'm very excited to be part of this as I was involved in something similar when I was in Nottingham in forming an MA/MSc Society. Many of us will have been absent from the University of Nottingham for several years and may want to get reacquainted for many different reasons, including nostalgia and curiosity. This association is an attempt to reunite those from the Indian community who have studied at Nottingham. Lots of Indians have been a part of this elite school and the NA:I is an attempt to keep alive the spirit of Nottingham in our respective cities."*

And Jehangir Damkevala added, *"The University of Nottingham was home for many of us. We learned many lessons there and received a great education. We matured and made many friends and have many good memories. We now believe that the University of Nottingham could use our support and our involvement in a number of ways."*

Members of the group have already started to give their support by attending recruitment fairs and speaking about their Nottingham experiences with prospective students. For its part, the University is keen to ensure that NA:I members have the opportunity to meet locally with university leaders and senior academics to find out from them, direct, about current and future plans for the institution and its latest research.

But it won't all be serious. As Sonal Jalan commented, *"Parties and fun times have always been a part of our university, so there'll be plenty of opportunity for informal social events too!"*

If you haven't already registered and you're an Indian alumnus/a who is interested in finding out more, and potentially getting involved with NA:I, you can email them at **IndiaAlumni@nottingham.ac.uk**

Expanding entrepreneurial activity in Ghana

As an undergraduate student at the Business School **Chris Skilton** (BA, Finance, Accounting and Management 2008) demonstrated a significant aptitude for developing successful business ideas.

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 schools to run beekeeping businesses and generate income for their schools alongside developing their business skills. Also while an undergraduate, 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.

In 2008 Chris 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. On winning the prize Chris told us, *"I'm really passionate about the idea that business can be used to help people, not just to make money. It can be used to empower people socially as well as financially."*

Over the last year Chris has been true to his word. While simultaneously studying for his Masters in Entrepreneurship at the School, he has used 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. Commenting on this new project Chris writes:

"Over the last year I have been building CEDIS, a micro-finance bank based in Ghana, West Africa. CEDIS means 'shell' in the native language of Twi, and before the introduction of modern coinage shells were used as an early form of currency. Although Ghana is a peaceful and stable country many of its people are extremely poor. In Ghana's Northern Region where CEDIS is based life expectancy is just 45 years and infant mortality rate is over 25%.

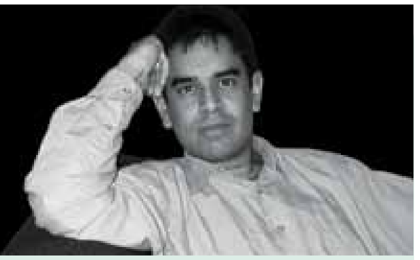
CEDIS supports the creation and expansion of small scale rural enterprise by providing micro-loans at low interest rates with no collateral required. The entrepreneurs use the profits from their businesses to access clean water, build better houses, improve their diets and send their children to school. CEDIS also helps the entrepreneurs set up savings accounts which create long-term security and a pool of capital for expanding their businesses over time.

CEDIS is now partnering with a lending platform called Deki that allows individuals to make loans to a specific person in the developing world. On the Deki website you can browse the profiles of entrepreneurs who are requesting loans, you can choose to lend part, or all , of the amount requested and Deki sends the money to CEDIS who loan the money to the entrepreneur. As the entrepreneur repays the loan the principle is repaid to you and CEDIS keeps the interest to meet running costs. You will also receive updates and messages from the entrepreneur so you can see the difference your loan is making. When the loan is repaid you can either withdraw your money or make another loan to a different entrepreneur."

If you want to make a loan through this CEDIS venture visit the Deki website at **www.deki.org.uk**

Babu's Bit If you'd like to drop Babu a line, please email him at writing@babubasu.com or call him on 0044 (0)115 942 4163

The Disposable Customer



The world is bursting with throw-away items – convenience is key, consumption is king. But, as disposability becomes 'de rigueur', should our customers be throw-away too?

Freelance writer and MBA alumnus **Babu Basu**, is bemused by bad customer service and watches firms almost deliberately discard clientele and the cash they bring in.

Losing the logic

Logic says that when times are tough and customers are few we work hard(er) to find work. Logic suggests, we put more effort into presenting ourselves well and treating potential customers with respect. And, logic states that if we deal with customers who have a problem, we try our utmost to resolve it.

Alas, logic does not talk to everyone.

With over a decade spent working in customer service (and what a long decade that was), I have no romantic notions that the customer is always right. They aren't. However, when things go wrong, companies should be doing their best to put them right. They should, but they're not.

The customer is key

We all hear companies chant the familiar, "The customer is key to our business" and very often see it pasted into their mission statement. But how many companies actually believe it? How many enshrine it within their business processes?

Watch consumer affairs programmes like the BBC's 'Watchdog' and you'll be overwhelmed by firms that deliver outstandingly bad service. Organisations with ironically named 'help lines' can keep customers waiting for over two hours with recorded messages. Two hours before a human being is able to talk to them! That's more than enough time for customers to take their trade elsewhere.

I understand that things go wrong and technology can let you down. Sometimes freak weather or staff illness can prevent people from manning the phones. But, when a company regularly makes customers wait for unreasonable amounts of time, it shows a total disregard for the customer and a limited understanding of how business actually works.

Fans, rocket science and the marketeers

Marketing professionals will tell you that the brand is everything. Of course it is important, but what many marketers don't tell you is that reputation and customer service can make or break a brand.

Put simply, companies with a 'how much can we get away with' mantra, will fail to win our hearts and our wallets. It's not rocket science, yet many companies fail to grasp the concept much less understand it.

Directors who view their customer service department as a 'necessary evil' are missing the point. A good customer service department defends and creates your brand and wins back customers. It can become a place where customers are turned into fans – people who will rave about your service or product to all who will listen. Fans give you free advertising and, assuming you have enough of them, will help to make you very successful indeed.

An essential education

Customers are essential to our businesses, yet this is not reflected in the syllabus from many business schools. It puzzles me why MBA courses don't have Customer Service modules. If you can teach marketing, entrepreneurship and consulting, you can teach customer service. I would even go so far as to say that customer service should be a core element in an MBA programme. After all, finding and keeping custom is at the very core of our businesses – and if it's not, it should be.

Where are they now?

Sami Highly Commended

Dr Sami Farooq, a recent PhD graduate of the School and supervised by Prof. Chris O'Brien, was awarded a 'Highly Commended Award Certificate' by Emerald for his thesis entitled 'Manufacturing technology selection: a supply chain perspective'.

There was no outright winner in Operations Management this year but Sami's was one of two that were 'highly commended'. Sami says *"I am grateful to the University of Nottingham for supporting my PhD education and providing me an opportunity to pursue my research ambitions. I would like to thank all the people in the Operations Management Division for their kind support over the years and for creating a healthy and challenging research environment. Last, but not the least, many thanks to my PhD supervisor and mentor Prof Chris O'Brien for being always there for me"*. Sami is now an Assistant Professor at the Centre for Industrial Production at Aalborg University in Denmark.

Advertising guru establishes scholarship awards

John Bartle (Industrial Economics,1965) has generously established two new needs-based scholarship awards for UK undergraduates who are studying industrial economics.

The scholarships, worth £2,500 per annum each, will be awarded to successful applicants for the first year of their study, and the award will be available to first year undergraduates for each of the next three academic years.

John Bartle was one of the eponymous founding partners in the famous advertising agency Bartle Bogle Hegarty, the company responsible for commercials such as Levi's 'Laundrette', and Levi's 'Flatbeat' featuring Flat Eric, a small yellow puppet, as well as the 'Vorsprung durch Technik' campaign for Audi and 'The Axe (Lynx) Effect' for Unilever.

Fledgling Serbia alumni group

Mihajlo Popesku (MA Marketing, 2008) has returned to Belgrade where he is now working as a marketing consultant. He writes to tell us that there is a fledgling alumni group in Serbia and that "...at the moment ...we are gathering once in a month."

"The group is not so big, there is less than 30 people. Our activities are little bit slowed down due to the fact that members are working full hours and I am serving in the army. On the other hand, Serbian alumni are doing good word-of-mouth promotion of Nottingham University. I myself helped one of the best students from my old university to organize and apply for the Masters studies at Nottingham. I am proud to say that she got an unconditional offer... Kind regards! / SrdaĐni pozdravi! "

Any Business School alumni in Serbia who wish to be put in touch with Mihaljo, and get involved in the Nottingham Alumni: Serbia group, should initially contact Hilary Vaughan-Thomas in the School's alumni office.

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

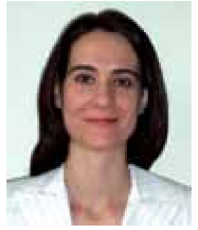
You can also keep in touch through the alumni website at
www.nottingham.ac.uk/business/alumni
or via our social networking groups on
facebook LinkedIn twitter

Alumni in Almaty

Ella Baybikova (MBA, 2008) is now living in and working in Almaty, Kazkhstan.

She is eager to hear from any other Nottingham alumni who are also active in the area, or planning to visit.

Investing in CSR proves a valuable asset for Valeria



Valeria Piani (MA CSR, 2008) is putting CSR to good use.

I am now working as Clearinghouse Manager for the United Nations-backed Principles for Responsible Investments, on investors' collaborative engagement activities with companies on environmental, social and governance issues. Having a solid academic background in CSR was an invaluable asset during the recruitment selection and it is still helping me every day to carry out my job in a professional and efficient way.

Developing relations for BP

Bojana Milutinovic (MSc Operations Management, 2008) is currently working for BP (Beyond Petroleum) as a Procurement and Supply Chain Specialist.

Bojana says "My main goals are to drive value and be responsible for various third party relationships that BP has with contractors and vendors. I have excellent opportunities for further development and success in my career."

Stan takes on fatherhood

Congratulations to **Stan Grafski** (MBA in CSR, 2004) who became a father for the first time on 9 October 2008 with the arrival of baby son, Daniil.

Stan confirms that he's taking an active role in little Dania's life and is currently being kept very busy with feeding and bedtime routines. In between all this fun and games he wrote to update us on what he's currently doing workwise:

"I am the Executive Director with GlobalCom Russia (www.gcpr.ru), a Russian and CIS partner of GlobalCom PR Network (www.gcpr.net) - a leading international group of independent PR and corporate communications agencies dealing in over 60 countries around the globe. Apart from PR, I provide advice to international clients in Russia/CIS on the issues of start-up and expansion. I also offer fully-fledged legal support, corporate communications and PR, GR and political outreach, competitive intelligence, debt recovery, business development and liaison. Check the Expertise section on my site www.grafski.com..."

Stan is very interested in setting up a Moscow-based Nottingham Alumni networking group and would love to hear from any other School alumni who are based in, or near, the city.

And so does Jehangir!

Jehangir Damkevala (MBA Finance, 2004) writes...

It's with great pleasure that Shernaz and I share this picture of our baby girl with you. We have named her "Ushta" from our Avesta Texts (meaning "Illumination, everlasting happiness and good fortune"). She was born on April 27, 2009.

Former Business School professor appointed Dean at University of Nottingham Ningbo, China

Professor Chris O'Brien, formerly Head of the Operations Management Division at the Business School, is one of four senior academics to have been appointed as Deans at The University of Nottingham Ningbo, China; Professor O'Brien has been appointed Dean of the Faculties of Social Sciences.

Together with his colleagues he will help to shape teaching, learning and research at the pioneering campus - the first of its kind to be set up inside China - as it enters its next phase of planned growth and development.

Professor O'Brien will report to Professor Roger Woods, Provost and Chief Executive Officer, who took the helm at The University of Nottingham Ningbo in February this year.

Professor Woods said: *"All four of the new Deans are outstanding academics in their own right, with many years of experience in higher education and senior management. I'm delighted that they will be playing a key part in The University of Nottingham Ningbo, China as it expands and diversifies in the years to come."*

The new appointments build on the growing success of the University's award-winning Ningbo campus, which is home to a thriving community of international staff and 3,700 students studying for University of Nottingham degrees in a broad range of subjects.

The University was the first foreign higher education institution in the world to establish a campus inside the People's Republic, introducing degree programmes taught entirely in English in 2004. All degrees are delivered to the same specification as Nottingham UK degrees, at a campus which is a full and integral part of The University of Nottingham.

The next phase of its growth will see a significant expansion in student numbers, an increase in postgraduate opportunities – including the introduction of an MBA programme - and ambitious research projects that draw on the University of Nottingham's established areas of expertise.

Professor Christine Ennew, Professor of Marketing at Nottingham University Business School and Pro-Vice-Chancellor for Internationalisation, said: *"The appointment of senior academics from the UK campus to key leadership roles at the University of Nottingham Ningbo, China will provide Professor Roger Woods with an experienced senior management team to drive forward our ambitious expansion plans."*

Many Nottingham-based British students now study for part of their degrees at The University of Nottingham Ningbo, China. The student body is highly accomplished and extremely diverse, with undergraduates from more than 30 countries mixing with their Chinese fellow students and enjoying a rapidly maturing social life on and off campus.

The campus provides an attractive living and working environment and is located close to the centre of Ningbo, a dynamic coastal city in south-eastern China with a population of five million people. The University of Nottingham Ningbo, China is also helping to foster research and industry links between China and the UK, with the opening of research centres in the fields of global finance, globalisation and sustainable development. CSET, the Centre for Sustainable Energy Technologies, has won two awards for sustainable design in 2009 including an award at MIPIM, the world's premier property convention held in Cannes.

New Careers Adviser

The School is pleased to welcome **Gillian Murchie** as its new Postgraduate Careers Adviser, who will be working alongside Julie Blant and Anton Varela.

Gillian is a Business graduate who has held roles in operations, recruitment and selection and marketing, primarily in large corporate environments before she moved into the Higher Education careers guidance field some 12 years ago.

Commenting on her new role, Gillian said, *"The content of the guidance I've delivered over the years has been diverse, ranging from career choice, career change and career development issues, specific occupational queries, job search strategies and application skills, interview techniques, gaining work experience, postgraduate study/funding and much more! As a result I have a high level of occupational knowledge across a variety of industry sectors. In addition to providing individual careers advice and guidance I have been module leader on taught career management programmes at undergraduate and postgraduate level. I am also qualified to provide support with psychometric assessments. I'm now very much looking forward to working with, and supporting, Nottingham University Business School postgraduate students and alumni in furthering their careers."*

Staff highlights round up

Andrew Grainger, a new Lecturer in the Operations Management Division, was awarded the Palgrave Macmillan Prize for best PhD Thesis (2005-2008) in Maritime Economics and Logistics for his thesis titled 'Trade Facilitation and Supply Chain Management: a case-study at the interface between business and government'. His PhD was done at Birkbeck College, University of London. The prize was presented by an international jury at the Erasmus University, Rotterdam. Andrew joined the Operations Management Division in the Business School in January.

Suzana Grubnic has been invited to guest edit a Special Issue of Accounting, Auditing and Accountability Journal (3*) with Professors Amanda Ball and Markus J. Milne. The title of the call for papers is: Climate Change, Greenhouse Gas Accounting, Auditing and Accountability.

Rob Lambert was invited to the Foreign Office in late January to brief ministers, civil servants and policymakers as part of the UK Government's day-long 'Antarctica Tourism Workshop'. Topics on the agenda included geo-politics, environmental management, resource use, and sustainable tourism, in an attempt to plan for Britain's wider role in Antarctica over the next 50 years.

Mark Learmonth has been appointed to the editorial board of ORGANIZATION.

Sue Tempest was recently invited to present and participate in a workshop under the EC's Global Review of Innovation Intelligence and Policy Studies programme to consider product, service & social innovation for an ageing society.

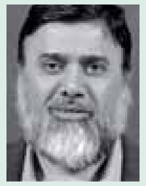
Peter Swann has been appointed to the Scientific Committee of the "Centro di ricerca in Scienze cognitive e della comunicazione" at Universita' Cattolica of Milan from 2008-2011. (Centre for Research in Cognitive Sciences and Communications)

Deniz Usbasaran and **Andy Lockett** have been invited to join the editorial boards of the Strategic Entrepreneurship Journal and the Journal of Business Venturing.

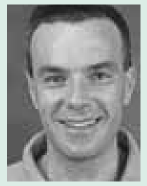
Chengqi Wang has obtained an Inter Campus Research Grant (£14,000) from UNNC (jointly with Dr Agyenim Boateng at UNNC) for a project entitled 'A study of cross-border M&As by Chinese firms: an analysis of strategic motives and performance'. The project will run for two years.

Margaret Woods is a co-editor of a book *"International Risk Management Systems, Internal Control and Corporate Governance"*, Oxford, Elsevier. This book has been nominated for the Kulp Wright Award from the American Risk and Insurance Association for the most influential book on risk and insurance published in 2007.

Margaret was invited to be the keynote academic speaker at a plenary session on bank risk that took place at the national auditing conference in March. She also took part in an Australian Broadcasting Corporation documentary on the banking crisis, discussing her research on the weaknesses in risk disclosures.



Shahid Ebrahim has been selected as an editorial board member of the Islamic Accounting and Business Research (JIABR) Journal published by Emerald.



Professors Paul Fenn and **David Paton** are part of a successful funding bid entitled "Teaching Resources for Undergraduate Economics" to the HEFCE/JISC Open Educational Resources Programme. The total amount funded by HEFCE is £218,152.

George Kuk was invited as a conference speaker at the SmartCities Conference, Edinburgh on the 2-4th March 09. The conference was part of a major inter-reg project promoted under the name of SmartCities and as part of the venture SCRAN (the Smart Cities (inter)Regional Academic Network).

Staff vs UG Students Cricket Match Tuesday 5th May 2009

The form book was adhered to, the worm wasn't able to turn and David's stone didn't quite hit the mark against an oversized Philistine. Yes, the final year UG students completely outplayed a staff team weakened by the presence of several key players.

The students, ably led by Yaser Shareef, were out for revenge after their surprising failure to win the staff-student match last year (okay, only because the match was abandoned due to rain). Having elected to bat, the UGs started rapidly, moved things up a gear mid-innings and accelerated towards the end. Professor Bruce, who had been persuaded to don his whites after a long absence from the Staff Team, fully justified his inclusion by taking the only wicket to fall. The other staff bowled valiantly, particularly Dr Chesney (making a most impressive debut), Shi Na Li, Jim Devlin and Allister Smeeton but with no reward. Indeed without the contributions of our three guest players (Ritesh Ladha, Rahul Babani and Aauyish Jain, the latter doubling as a very able wicket keeper) the outcome could easily have been even worse.

One champagne moment for the staff was a full length dive on the boundary by captain Ian Gregory-Smith. The ball had been hit like a rocket and seemed a certain six before IGS's salmon-like leap to make the interception. Nonetheless when the scorers (Jackie Andrews and Samantha Watson) caught their breath and tallied up the notches, the students had reached 206 for 1 in just 20 overs. The tea, provided by Alyson McLintock and her daughter, was delicious, substantial and appreciated by all.

And so to the staff reply. After the loss of an early wicket, Ritesh (42), Aayush (13) and Paton (27 n.o.) steadied the ship, but the target was always an aspirational one. Several renowned academics perished for ducks, golden or otherwise. But there was one clear highlight. Previously Dr Smeeton had batted 5 times for the staff and managed to accrue a grand total of zero runs. On this occasion his first ball was squeezed to square leg, a single was risked and the crowd roared its appreciation and delight at the breaking of his duck. Despite order being restored when Allister's timbers were disturbed by the very next ball, the record of that run can never be deleted from Jackie Andrews' scorebook. After a final flourish from IGS (23) and Ritesh, the staff were all out for 99 giving victory to the students by a record 107 runs.

Professor Devlin presented the brand new Staff-Student Cricket Cup to the winning team and the staff team retreated to the Stick and Pitcher to lick their wounds.

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To discuss your organisation's individual requirements, please contact:

Dr. Allister Smeeton
Corporate Development Manager
Tel: +44 (0) 115 8466658
Email: allister.smeeton@nottingham.ac.uk

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