“Education 2020: Challenges of Management Education for the Near Future

Implications, Imperatives and Strategic Bets for Business Schools

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AGENDA FOR THIS SESSION

1. The New Global Context
   Reflections on Strategic Thinking for Business Schools: positioning & differentiation

2. The new business education challenges and opportunities

3. Examples

4. Q&A

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Old World

New York

Frankfurt

London

Paris

Singapore

Kuala Lumpur

Shanghai

New World

Hong Kong

Singapore

Kuala Lumpur

Shanghai
The “OTHER” world
A technology map of the world

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The World According to Peace

Considers domestic and international conflict; measures of safety and security; and measures of militarization

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Three key thematic categories.

Measures of ongoing domestic & international conflict (5/24 FACTORS)
1. Number of external and internal conflicts fought: 2001-06
2. Estimated number of deaths from organized conflict (external)
3. Number of deaths from organized conflict (internal)
4. Level of organized conflict (internal)
5. Relations with neighbouring countries

Measures of societal safety and security (10/24 FACTORS)
1. Level of distrust in other citizens
2. Number of displaced people as a percentage of the population
3. Political instability
4. Level of disrespect for human rights (Political Terror Scale)
5. Potential for terrorist acts
6. Number of homicides per 100,000 people
7. Level of violent crime
8. Likelihood of violent demonstrations
9. Number of jailed population per 100,000 people
10. Number of internal security officers and police per 100,000 people

Measures of militarization (9/24 FACTORS)
1. Military expenditure as a percentage of GDP
2. Number of armed services personnel per 100,000 people
3. Volume of transfers (imports) of major conventional weapons per 100,000 people
4. Volume of transfers (exports) of major conventional weapons per 100,000 people
5. UN Deployments 2007-08 (percentage of total armed forces)
6. Non-UN Deployments 2007-08 (percentage of total armed forces)
7. Aggregate number of heavy weapons per 100,000 people
8. Ease of access to small arms and light weapons
9. Military capability/sophistication
A demographic view of the world

Two individuals seeking Asylum in Europe

200 million migrant workers in the world today
Corruption Perceptions Index

CPI INDEX
- 0 - 10.0
- 0.0 - 8.0
- 7.0 - 2.0
- 0.0 - 2.0
- 1.0 - 5.9
- 6.0 - 0.9
- 12.0 - 5.5
- 7.0 - 2.0
- 8.0 - 1.8
- No data

<table>
<thead>
<tr>
<th>Name</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARLOS SLIM (71)</td>
<td>74</td>
<td>53.5 Bill</td>
</tr>
<tr>
<td>BILL GATES (55)</td>
<td>56</td>
<td>53.0 Bill</td>
</tr>
<tr>
<td>WARREN BUFFET (80)</td>
<td>50</td>
<td>47.0 Bill</td>
</tr>
<tr>
<td>BERNARD ARNAULT (62)</td>
<td>41</td>
<td>---------</td>
</tr>
<tr>
<td>LARRY ELLISON</td>
<td>39.5</td>
<td>---------</td>
</tr>
<tr>
<td>LAKSHMI MITTAL (60)</td>
<td>31.1</td>
<td>28.7</td>
</tr>
<tr>
<td>AMANCIO ORTEGA (74)</td>
<td>31</td>
<td>---------</td>
</tr>
<tr>
<td>EIKE BATISTA (53)</td>
<td>30</td>
<td>---------</td>
</tr>
<tr>
<td>MUKESH AMBANI (53)</td>
<td>27</td>
<td>29.0</td>
</tr>
<tr>
<td>CHRISTY WALTON</td>
<td>26.5</td>
<td>---------</td>
</tr>
</tbody>
</table>

405.5

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Latin America in Figures (2011)

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP (US$)</th>
<th>POP (Mill)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil (8)</td>
<td>2,194,000,000</td>
<td>198.7</td>
</tr>
<tr>
<td>México (12)</td>
<td>1,560,000,000</td>
<td>111.2</td>
</tr>
<tr>
<td>Argentina (24)</td>
<td>709,700,000</td>
<td>41.0</td>
</tr>
<tr>
<td>Colombia (29)</td>
<td>467,900,000</td>
<td>43.6</td>
</tr>
<tr>
<td></td>
<td>405,000,000</td>
<td>0.00001</td>
</tr>
<tr>
<td>Venezuela (35)</td>
<td>369,000,000</td>
<td>26.8</td>
</tr>
<tr>
<td>Peru (44)</td>
<td>300,700,000</td>
<td>29.5</td>
</tr>
<tr>
<td>Chile (46)</td>
<td>281,000,000</td>
<td>16.6</td>
</tr>
<tr>
<td>Ecuador (65)</td>
<td>114,600,000</td>
<td>14.5</td>
</tr>
<tr>
<td>Bolivia (91)</td>
<td>48,000,000</td>
<td>9.6</td>
</tr>
<tr>
<td>Uruguay (92)</td>
<td>47,800,000</td>
<td>3.49</td>
</tr>
<tr>
<td>Panama (96)</td>
<td>43,480,000</td>
<td>3.36</td>
</tr>
<tr>
<td>Paraguay (108)</td>
<td>30,940,000</td>
<td>6.99</td>
</tr>
</tbody>
</table>

Forbes Richest in the World 2010-11

405.5

Contribution to Global Growth (2006-2020, %)

8/14 players from Emerging Economies
14 countries = 72% of total world growth
Technological Parks or Cities of Knowledge

Low cost of labor competitors
Map of worst terrorist attacks worldwide: 100 or more fatalities

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Colombia faces a higher risk of terrorism than any other country, according to an Index complied by the World Markets Research Centre, a provider of country intelligence. Along with Israel, Colombia is given an “Extreme” risk rating. The USA is rated fourth riskiest, while Britain ties for tenth place. According to the index, North Korea, is reckoned to be the least likely place for a terrorist attack.

Global Spread of Infectious Diseases

- Impact of Air Travel on Global Spread of Infectious Diseases
- Forecasts of the Next Pandemic Influence

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A NEW GLOBALLY INTERDEPENDENT, COMPLEXITY INCREASING KNOWLEDGE ECONOMY

The new economy
Geo graphic
Geo political

Geo technological
Geo energetical
Geo demographic
Geo economic
Geo psychological
Geo biological

Geo spiritual ????

Increase in
Globalization
Complexity
Inter-dependence
Opportunities
Challenges

NEW
Knowledge
Skills/competences
rules of competition

NEW-NEW-NEW
WE CAN NOT THINK OF A BETTER TIME TO INVEST IN EDUCATION

Markets and business dynamics are increasingly demanding
A reconfiguration of the old business AND BUSINESS EDUCATION paradigm

<table>
<thead>
<tr>
<th>ECONOMIC INVESTMENTON CAPITAL</th>
<th>KNOWLEDGE BASED INNOVATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHYSICAL EFFORT AND MOTIVATION</td>
<td>PH E AND M ++ TALENT AND KNOWLEDGE</td>
</tr>
<tr>
<td>LOCAL</td>
<td>GLOBAL/REGIONAL</td>
</tr>
<tr>
<td>JOB CREATION</td>
<td>ENTREPRENEURSHIP AND WEALTH CREATION</td>
</tr>
<tr>
<td>COST</td>
<td>VALUE ADDED</td>
</tr>
<tr>
<td>MADE BY</td>
<td>DESIGNED AND CREATED BY</td>
</tr>
<tr>
<td>ECONOMIC PROFITS</td>
<td>ECONOMIC, SOCIAL AND ENVIRONMENTAL</td>
</tr>
<tr>
<td>PHILANTROPY AND CHARITY</td>
<td>SUSTAINABLE WEALTH CREATION</td>
</tr>
<tr>
<td>GOVERNMENT FUELED APPROACHES TO SOCIAL DEVELOPMENT</td>
<td>PARTNERSHIP BASED SUSTAINABLE FUTURES</td>
</tr>
</tbody>
</table>

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**Education Scenarios**

**Innovative/Differentiated Education**

- Exchanges, Dual Degrees
- Elective courses
- Multicultural programs
- Andragogics
- Internships

**BLUE OCEAN EDUCATION**

**Domestic Mkts**

- Traditional Programs

**STRATEGIC BETS**

**Global Mkts**

- Distance Learning
- Exec Education
- Program migration

**RED OCEAN EDUCATION**

**Traditional Education**

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**Strategy, Innovation & Learning**

- LOW Consensus
- HIGH Consensus

- LOW Certainty
- HIGH Certainty

- LOW Management
  - Ambiguity, Complexity, Uncertainty
- HIGH Management
  - Known Comfort, Business as usual

- Traditional Knowledge and Skills
- Risk Management Dilemmas, Paradox, Predicting
- Conservative thinking and Performance, Leadership & Management

- LOW VL
- HIGH VL

---

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The new business education challenges and opportunities

1. New context for business education:
2. From MBA to MBD
3. The school as an engine for sustainable development
4. From teaching plus designing and delivering learning dynamics
5. New SKILLS:
   1. Ability to make the complex simple
   2. Rapid design capabilities
   3. Management of complexity and uncertainty
   4. Sense of urgency
   5. Ethics
   6. Ability to execute
   7. Leadership across cultures
6. Positioning and differentiation

EXAMPLE 1. INTERNATIONAL EDUCATION

<table>
<thead>
<tr>
<th>InternationalTraditional Activities</th>
<th>Potential Future initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Student exchange</td>
<td>1. Wealth creation</td>
</tr>
<tr>
<td>2. Faculty exchange</td>
<td>trans-border new ventures</td>
</tr>
<tr>
<td>3. Staff exchange</td>
<td>trans-border CSR and PRME</td>
</tr>
<tr>
<td>4. Joint research</td>
<td>2. Peace &amp; Prosperity through international education</td>
</tr>
<tr>
<td>5. Joint case writing</td>
<td>3. International Education at the base of the pyramid</td>
</tr>
<tr>
<td>7. Course migration / joint courses</td>
<td>4. Development of culture consonant know how, judgment and passion</td>
</tr>
<tr>
<td>8. Double/dual degrees (B, M, D)</td>
<td>5. Culture consonant design skills</td>
</tr>
<tr>
<td>10. Joint conferences</td>
<td>7. STRATEGIC BETS......??</td>
</tr>
<tr>
<td>11. Joint executive education</td>
<td></td>
</tr>
<tr>
<td>12. Faculty development programs</td>
<td></td>
</tr>
<tr>
<td>13. Career center double postings</td>
<td></td>
</tr>
<tr>
<td>14. Joint faculty appointments</td>
<td></td>
</tr>
<tr>
<td>15. Board of directors exchange</td>
<td></td>
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</tbody>
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Strategy, Innovation & Learning

SOB: From Ideas to Implementation

Country, Regional and Global Challenges

- Sustainable Wealth Creation
- International Competitiveness (I,O)
- Research for technological Innovation (NVC)
- Democracy, community/regional development =>competitive society
- Quality on higher education management systems

Strategic Initiatives

- Corporate Social Responsibility + Sustainable Development
- TBNVC (Incub + Accel), Family Business Inst.
- Base of the Pyramid efficient markets.
- New and more robust education methods
- Strategic International Alliances

WE WANT TO BE
Socially Responsible
Innovation Driven
Differentiated
Institution

WE WANT TO ACCOMPLISH
Wealth Creation and Employability
Knowledge Economy New Companies
Culturally Consonant International Competitiveness
Well Rounded Citizens
Robust Democracy

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Welcome to a world of complexity, uncertainty and opportunities

Thanks/Gracias/Merci/Arigato/Grazie

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