



A PRACTICAL CASE STUDY: WHAT IS IESE'S SECRET?

# 50 YEARS OF GRATITUDE

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If you achieve something difficult, it is only fair to thank those who made it possible. There are hundreds of people who have generously contributed their efforts and enthusiasm to help build the outstanding institution that IESE is today. This article is a small tribute to all of them.

## "WE ALSO MANAGED TO FORGE ALLIANCES WITH INSEAD, LBS AND OTHER LEADING BUSINESS SCHOOLS IN EUROPE TO JOINTLY ORGANIZE PROMOTIONAL EVENTS UNDER THE SLOGAN 'YOUR MBA IN EUROPE'."

**M**y first contact with IESE was back in 1968, ten years after its foundation. Everyone I have taught in recent years will have heard me say "nostalgia devaluates us as people." We should focus on the future instead. But if there is anything of value in looking to the past, it is gratitude. If you achieve a difficult goal, it is fair to thank those who made it possible. And this sort of gratitude is not exactly a dime a dozen. IESE's outstanding success is the fruit of many people's ideas and their capacity to turn them into reality, and I would like to offer a few words of gratitude to some of them here.

On my first visit to IESE, Prof. Lorenzo Dionis showed me the small campus and told me, among other things: "One day we'll be teaching the MBA program in English." I couldn't speak English, and that really impressed me. I was hired as a research assistant to Prof. Miguel Á. Gallo. I could become a professor if I earned a doctorate degree in the United States. I left a better-paying job to try and make that dream come true.

A few days after I was hired, Prof. Dionis introduced me to Prof. Félix Huerta, whose office was next door. He insisted on the issue of English and the U.S. doctorate as prerequisites for my making it at the school. Years later, with a Ph.D. from Harvard under my belt and prematurely appointed associate dean by that incredible boss, Prof. Fernando Pereira, I submitted a proposal to the board that IESE offer the MBA program in English, the goal shared by Profs. Dionis and Huerta.

Prof. Harald Burmeister was even more enthusiastic than I was and spurred me on. The Harvard-IESE Committee was in stitches at the idea, though. "IESE should be the leading Spanish-speaking school in the world; you don't need to dabble in English." I naively pointed out that if we managed to be the leading school in the English-speaking world, we would also be the leading school in the Spanish-speaking world.

Profs. Pereira, Pérez López, Faus and Sanllehí, all board members, gave the green light. There would be two tracks, one in English and the other in Spanish, because some of the professors with clout were not about to learn English. In 1980, IESE began offering the world's premier bilingual MBA program.

IESE's dean at that time, Prof. Juan A. Pérez López, told me, "Now, you will be in charge of selling this because we cannot afford to fail. I'll teach all the classes I have to in English." We hired Nicola Hijlkema, an Estonian who left the **London Business School (LBS)** to help IESE in that reckless venture.

We also managed to forge alliances with **INSEAD**, **LBS** and other leading business schools in Europe to jointly organize promotional events under the slogan "Your MBA in Europe." We drew audiences of 300 or 400 candidates in cities includ-

ing London, Paris, Munich, Brussels, Madrid, New York and San Francisco. Each school took a speaker, an alum and a senior manager, to sell the idea of "Your MBA in Europe" (and indirectly their own school).

In Paris I convinced Jaume Llopis, then managing director of Moulinex, one of France's most famous companies, to come with me. I chose Llopis, now professor in the Department of Strategic Management, because I thought that he was a good salesman and everyone knew Moulinex. Llopis sold me a microwave oven on the way there and another on the way back. I don't know how he did it. The one that works really well still survives in my country house.

When MBA alumni sit next to me on a plane, I ask them what they sell and when they're coming back. But I want to avoid falling into the same trap I fell into with Llopis. My affection for our alumni and their skill as salespeople does not convince me to buy, say, a truck on the way there and another on the way back!

From those promotional trips, portable stand in hand, I fondly remember a pregnant Andrea Christensen (MBA '83) helping out with her enterprising energy in Munich. Christensen, CEO and president of the doll, toy and children's fashion company, **Käthe Kruse Puppen**, is now a member of IESE's International Advisory Board.

I remember another early IESE alumna, Teresa Gener (MBA '86) enthusiastically manning the booth at an event in Brussels. Gener is now the school's director of human resources. And another graduate of the MBA class of '86, Pedro Goenaga, came to help us sell the program in San Francisco while on exchange at **The Wharton School** in Pennsylvania. Goenaga is now partner in **Russell Reynolds Associates** and head of its Spain office.

Our first courageous MBA graduates deserve our gratitude for placing their trust in IESE. Then the time came to "sell" them to the market. Pérez López reminded me bluntly: "We have to place our products." I decided to go to Wall Street. Why not start at the top? I don't know what I must have said to some **Harvard** colleague to open the door to **JPMorgan**, but there I went, and I didn't have to fake my enthusiasm.

This leads me to express another debt of gratitude, this time to Cynthia Muller (today with **Morgan Stanley** in London), who took the bait. I couldn't believe it. Job offers for our MBA graduates in New York, on Wall Street. Today it's common, of course. But what happened next is truly worth remembering.

In 1978, Deng Xiaoping, then leader of China's communist party, decided to open up the country's economy. So, in 1979, Prof. Dionis went there and again in 1980 to organize the first

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program in China for IESE alumni. Profs. Roig and Dionis identified the opportunity that China is today 30 years ahead of time (see page 12 of the first issue of IESE's Alumni Magazine, 1980). If there are gurus today stating that the world isn't flat, what must it have been like back then?

### ONE OF THE FAMILY

IESE has to be one of the schools with the greatest affection for its alumni. You could already tell this just by walking around the school almost 40 years ago. People always commented on it. But Prof. Pereira was the one who organized it, like so many other things, when he had to bring order to that orgy of entrepreneurship that was IESE.

In 1977, Catalonia's regional government, the Generalitat de Catalunya, was reestablished with Josep Tarradellas at the helm. "You're Catalan, so go there and tell this gentleman what IESE is," Pereira ordered me. And of course I went, but I took three alumni along with me: Francisco Sanllehí, a great businessman who was our general secretary and helped in admissions, along with Alberto Parera and Luis M. Roger, president and vice president of the Alumni Association respectively. Parera, Roger and Sanllehí were always willing to help any way they could.

We went to the Palau de la Generalitat, the seat of the Catalan government, and explained IESE's mission to President Tarradellas in Catalan and invited him to the Alumni Assembly a few weeks later. President Tarradellas came to the assembly and was seated at the head table next to Profs. Pereira, Sanllehí, Parera, Roger and myself.

He took in the atmosphere and whispered to me, "I was going to say a few words, but this is an extremely moving event and they want to listen to Mr. Pereira." He limited himself to congratulating the participants, telling them that he was proud that there was an institution like IESE in Catalonia, and then gave the floor to Prof. Pereira.

He was rewarded with a robust round of applause from an audience with many people from other regions in Spain. Economics Professor Juan J. Toribio, now at IESE's Madrid campus had brought Enrique Fuentes Quintana, the intellectual author of the Spanish tax reforms of 1978, to tell us about the Moncloa Pacts. The Moncloa Pacts were agreements made between the government, political parties and trade unions that were intended to create the conditions necessary for the consolidation of democracy.

### FACULTY SUPPORT

The day I was named associate dean of IESE in 1978 I got two surprises: one worrisome and the other encouraging. The

troublesome one was the school's financial situation. There were times when money was so tight at IESE that it needed bridging loans to cover payroll for a few months until the tuition fees from the next graduating class came in.

Some banks and savings and loans institutions believed in IESE, like the Caja de Barcelona, which had not yet merged into "**la Caixa**." We owe Eusebio Díaz-Morera, head of Caja de Barcelona at that time, a huge debt of gratitude for trusting in IESE during those difficult times.

And the surprise that bolstered my spirits was finding out about the financial support that the professors gave IESE. During its first quarter century, the school's faculty contributed part of their salaries to ensure the institution's survival. That is momentous motivation.


We had a moral pact with IESE to donate 25 percent of our income from consultancy or membership on company's boards. There were professors like Leopoldo Abadía, Miguel Á. Gallo, Juan Farrán, José A. Mustienes and Lorenzo Dionis who donated the equivalent of their IESE salary or more.

Yet there were also young professors like Vázquez-Dodero, Velilla and Lucas who must have cheated and given more than 25 percent. Isn't that worth our gratitude? How can we repay such outstanding men including José M. Rodríguez, José Ocariz, Pere Agell, Fernando Pereira and others like them for their generosity? Many people aren't even aware of their crucial contribution to the school today.

I have certainly failed to mention many people who deserve our gratitude, but what comes to mind are the many **Harvard** professors who generously supported both IESE and the international projects that IESE embarked on in Latin America from its earliest days. In 1971, three recent MBA graduates showed up at my house in Cambridge, Massachusetts, led by Manolo Casas (MBA '71), now with the **Santander** banking group in France.

I was a poor and fragile doctoral student at **Harvard** with dim chances of survival. "We've graduated from IESE and we've come to **Harvard** to get our degrees validated here. What office do we have to go to?" I was dumbfounded. For many **Harvard** professors, IESE meant nothing to them. But I went with them to the office of Frank Folts, a retiree but the man who launched **Harvard's** first executive education programs (until World War II, **Harvard** only offered an MBA).

Folts did know about IESE and was a big fan of the founders' work. He wrote them a letter on "Harvard letterhead", which carried far more weight than a validation of their degrees. Ralph Hower, Charles Christenson, Harry Hansen (who spent a year at IESE), Wickham Skinner, Richard Dooley, Robert Sto-



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baugh and so many other **Harvard** professors generously supported IESE, in contrast to the gurus of today who state their fees before they even let you talk.

Soon after he earned his MBA in 1977, Juan C. Grijelmo managed to launch a PADE general management program in Bilbao, and Juan M. Elorduy, who had been in the Spanish government during the 1950s, went to lead it. Those were difficult years in Spain's transition to democracy, and more than one of the program's participants in the Basque Country had received threats.

During those tumultuous years of Spain's transition to democracy, IESE launched its MBA in English, its Executive MBA in Madrid, many programs and schools in Latin America, **AESE** in Portugal, the **Instituto San Telmo** in Seville and a host of programs in cities around Spain. This was perhaps one of the most practical lessons in leadership.

There are hundreds of people who generously contributed their efforts, enthusiasm, ideas, influence and money to build the outstanding institution that IESE is today. Hopefully we will set the record straight in a book one day. And Prof. Josep M. Rosanas's idea of producing this special edition of the IESE Alumni Magazine, helps us to express our gratitude to some of those who made it possible for us to be celebrating 50 years of IESE.