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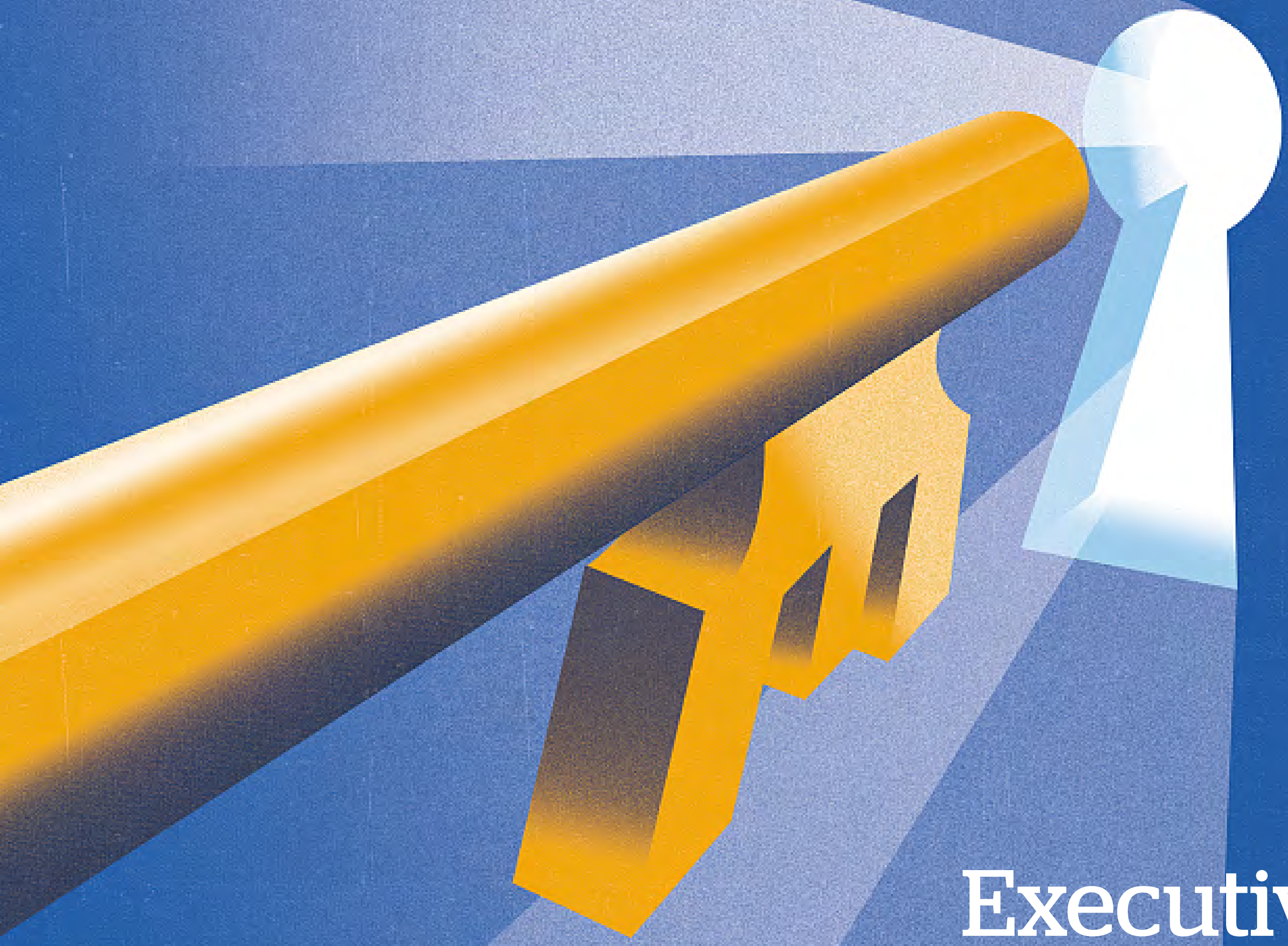
May 14 2012



Executive education rankings 2012

www.ft.com/business-education/execed2012

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PHOTOS: SIMON DE TREY-WHITE; VANCE JACOBS; TYRONE TURNER

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from the editor
DELLA BRADSHAW

A new age-old problem

→ **Managers are retiring later, but business schools are not providing appropriate programmes**

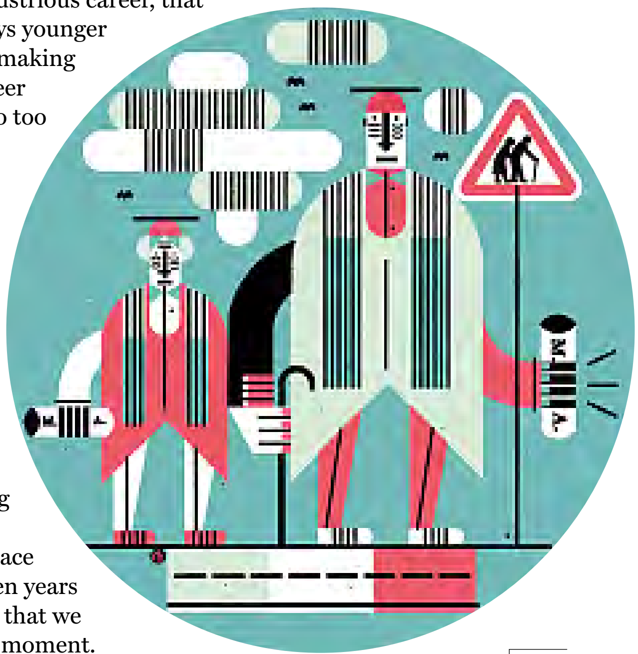
I notice that one song the UK's living legend Sir Paul McCartney never sings anymore is "When I'm 64". That's the one with the lines: "Will you still need me, will you still feed me when I'm 64?"

As he approaches his 70th birthday, it seems pretty obvious that the recently remarried and sprightly ex-Beatle has few concerns regarding the former. And with personal wealth in excess of £500m, where the next meal will come from can be no real concern either.

Of course, 64 used to be the age around which most executives retired, but managers nowadays concede that they will have to work into their late 60s, and possibly until they are 70. Just what they will do, and how they will do it, is proving increasingly perplexing, however.

Of course, if it just meant tagging a couple of extra years on to the end of an illustrious career, that would be fine. But these days younger and younger managers are making it to board level, and as career advancement accelerates, so too does business innovation.

Not only will we all have to work longer, but the speed at which the nature of our jobs change is increasing. As career consultants like to impress on us, many of the industries graduates are moving into today did not exist 20 years ago – hedge funds, areas of biotech and healthcare and, of course, anything that involves the internet.



It is also likely that the pace of change will accelerate. Ten years from now there will be jobs that we cannot even imagine at the moment.

So what does this mean for today's managers approaching their 50th birthdays? With corporate and state pension pots depleted in most developed countries, early retirement, it seems, is no longer an option. Instead these managers face another 20 years of work, possibly in a very different job to the one they do today.

Just as important, how will employers deal with these issues, or with reskilling their workforce?

The obvious answer has to be some kind of executive short programme, either a corporate course in industries that are changing rapidly – publishing or retail, for example – where companies will need experienced managers to reshape the business, or an open-enrolment programme to develop personal skills or provide industry updates.

Managers in their 50s face another 20 years of work, possibly in a very different job to the one they do today

What are business schools doing to address this need? Very little, it would seem. It has been two decades since business schools started talking about lifelong learning, but few have adopted policies to make it happen. Wharton at the University of Pennsylvania, which along with the Haas school at UC Berkeley is introducing regular updates for MBA alumni, seems to be further along that route than most.

At Harvard University, Rosabeth Moss Kanter, 69, has developed the Advanced Leadership Fellowship, which selects highly experienced (for which read mature) people from all walks of life to try and address some of the world's big problems by applying their expertise together with the latest thinking from the university. But this will still only occupy the time and minds of a handful of the world's elite academics and practitioners.

Most business schools, with the exception of executive education specialists such as IMD in Switzerland and Ashridge in the UK, are essentially degree machines, targeting those under the age of 30. Indeed, I suspect the rush by top schools such as London Business School, Duke University in North America and Hong Kong University of Science and Technology to launch pre-experience masters in management degrees means that the average age of students on postgraduate degree programmes is actually coming down. Most of this push towards increased numbers of degrees is fed by the need for course fees. This ignores the fact that the big advantage of the more mature managers is that they – or their companies – can afford to pay more. This is been clear for a while now with executive MBA programmes, which target people in their 40s and 50s and charge $150,000 upwards.

Perhaps Global EMBA programmes are the answer. Dave Wilson, president of the Graduate Management Admissions Council, thinks they may be. His suggestion, however, is that the GEMBA may need a change of name to Geriatric EMBA.

If business is changing the way it operates every 10 years or so, should management education do the same? According to Tom Robertson, dean of Wharton, alumni are just as keen to learn from fellow alumni as from Wharton professors, according to recent research conducted by the school. Is this the future? Ten years from now, what will executive education look like? Perhaps it will be something we cannot even imagine today. B

Topping up

MBA alumni from both the Wharton school and UC Berkeley in the US now have the option to return to business school for short courses throughout their lives as part of the deal.

PHOTO: ED ROBINSON; ILLUSTRATION: RAYMOND BIESINGER

upfront

Half of the schools in the combined ranking (right) are European

→ Poll: schools compete for clients who switch even when satisfied

Essec in France has teamed up with Elle magazine to teach a short programme for women. The course includes self-marketing, communicating with colleagues, preparing for maternity leave and return to work

Business schools looking to increase their share of the lucrative executive education market have cause for optimism. An FT poll reveals that more than half of commissioning organisations and participants would consider switching schools for future programmes – despite nearly three-quarters liking previous providers enough to use them again.

In a survey completed by more than 1,000 participants and clients who undertook programmes in 2011, 52 and 57 per cent respectively said they would re-evaluate their course providers in future. Their reasons vary significantly.

Reputation is the most important factor for participants, mentioned by 48 per cent as a reason why they would attend a different school.

While faculty quality was indicated by 59 per cent of commissioning companies as a reason for potentially changing their provider, 44 per cent cited the importance of cost. Only a quarter of clients, however, said they selected a school on the grounds of price. - **Adam Palin**

→ Simply the best

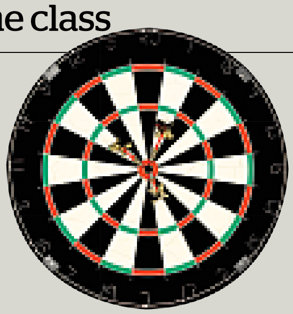
The 13th annual FT ranking of customised executive education programmes marks a remarkable achievement for one business school. Headquartered in the US state of North Carolina, Duke Corporate Education has topped the ranking for the 10th consecutive year.

The school is ranked among the top five performers in 11 out of 15 criteria, and at number one five times. Duke CE's core strength lies in its preparation, programme design, and the teaching methods and materials of its programmes. The school has topped the ranking for these three criteria for the past six years.

HEC Paris retains its place at Duke CE's heels, and is ranked second for the fourth year in a row. However, the gap between the top two has grown slightly in 2012 following the strength of Duke CE's performance. - **Laurent Ortmans**

PHOTOS: DREAMSTIME; ALAMY; GETTY

→ Top of the class



Aims achieved
(Open ranking) IMD (Switzerland)

Faculty
(Open ranking) Thunderbird School of Global Management (US)

Overseas programmes
(Customised ranking) Duke Corporate Education (US/South Africa/UK/India)

Women participants
(Open ranking) Joint: Boston University School of Management (US) and Universidad Externado de Colombia (Colombia)

TOP 50

→ FINANCIAL TIMES EXECUTIVE EDUCATION 2012
The top 50 schools*

Rank	School	Custom Rank	Open Rank
1	Iese Business School	3	4
2	HEC Paris	2	9
3	IMD	7	1
4	Harvard Business School	9	2
5	Esade Business School	4	12
6	Center for Creative Leadership	6	14
7	University of Oxford: Saïd	12	15
8	Fundação Dom Cabral	8	17
9	Thunderbird School of Global Management	21	3
10	Insead	16	10
11	University of Chicago: Booth	21	6
12=	IE Business School	10	24
12=	Stanford Graduate School of Business	20	11
14	University of Pennsylvania: Wharton	17	20
15	London Business School	27	8
16	ESMT - European School of Management and Technology	24	13
17	University of Virginia: Darden	32	5
18	Cranfield School of Management	15	24
19	Columbia Business School	19	23
20	Ashridge	11	35
21	University of Western Ontario: Ivey	30	18
22	Boston University School of Management	5	48
23	Northwestern University: Kellogg	36	22
24	UCLA: Anderson	33	26
25	SDA Bocconi	23	32
26	IAE Business School	25	38
27	Insper	29	32
28	University of Michigan: Ross	55	16
29=	Ceibs	39	29
29=	ESCP Europe	31	37
31	Queen's School of Business	44	27
32	University of Toronto: Rotman	58	19
33	Edhec Business School	26	49
34	Stockholm School of Economics	34	42
35	MIT: Sloan	60	21
36	Henley Business School	38	39
37	York University: Schulich	40	36
38	University of St Gallen	51	30
39	EMLyon Business School	28	52
40	MBS - Mt Eliza Executive Education	46	31
41	Australian School of Business (AGSM)	42	44
42	Vlerick Leuven Gent Management School	45	41
43	University of Pretoria, Gibs	42	47
44	Aalto University	50	42
45	Incae Business School	54	46
46	Católica Lisbon School of Business and Economics	48	51
47	Nova School of Business and Economics	48	53
48	Tilburg University: TiasNimbas	46	56
49	NHH	69	40
50	Grenoble Graduate School of Business	53	58

Footnotes
* This table is compiled from the scores underlying the Financial Times Executive Education 2012 open enrolment and custom rankings, rather than the printed rankings; both sets of data are given equal weight, but the overall result is therefore not equal to the average of the two printed figures for each school.

→ Management without borders

A class in Ethiopia about improving care for people with HIV

Executive education programmes usually involve expensive faculty, prestigious facilities and highly paid executive students. The Center for Creative Leadership is turning this on its head by taking the principles of management development and applying them to projects in the poorest communities, for the 2.5bn people who live on less than $2.50 a day.

This month, CCL will open the Addis Ababa, Ethiopia, office of its Leadership Beyond Boundaries project, which works across Africa and in India. It has slashed the price tag on training by replacing expensive faculty with locally trained recruits, and flashy teaching materials with workbooks, audio toolkits and radio programmes in local languages.

The aim is to develop affordable and accessible short programmes, says Steadman Harrison, CCL's Africa regional director. "We're meeting community needs on their own terms."

He cites a project in Mumbai, where CCL works with local women and midwives to improve maternal health. Leadership is a "lever" for improving these seemingly endemic problems, he says. Another project in the Gambia aims to teach young women about HIV/Aids. - **Della Bradshaw**

Value for money
(Customised ranking)
HEC Paris (France)

See keys (p25/27) and methodology (p28) for criteria

Pieces of the action

→ The short-course market is fragmenting. By Della Bradshaw

When Yasirah Sakadavan launched a management programme for her colleagues at Absa, the South African financial services company, she harboured a secret ambition: that the programme, though designed for a South African audience, might be taught to the bank's managers across Africa. "We wanted a programme with long-term sustainability that would make a contribution to the continent," she says.

However, the human resources specialist did not envisage that Barclays, Absa's parent company, would like the programme so much

59%
of commissioning companies and participants responding to the FT executive education survey cited "flexibility" as the principal advantage of online learning

The Ivey school's Carol Stephenson on a recent visit to London

they would take it global. Although the pilot started small in South Africa last November, with just 33 managers, by the end of this year it will be taught in 13 African countries. In 2013, the programme will be extended to Barclays' executives in Europe and beyond.

The extraordinary economic growth in developing economies means they are often leading the way in programme commissioning – as in the case of Absa. The result is that, after a three-year hiatus, business schools are now clawing back business from cash-rich corporations and are rebuilding their portfolio of programmes.

In Europe, Spain's Esade school has seen business increase 10 per cent in the past year, with growth coming largely from Latin America, while at London Business School Sabine Vinck, associate dean for executive education, reports: "We're delivering more of our programmes in China, India and the Middle East."

In India, demand for executive programmes is growing rapidly, says Deepak Chandra, deputy dean of the Indian School of Business in Hyderabad. "The rate of economic growth requires high-quality talent. The availability of quality education in the past was not adequate."

> "[The Chinese] are eager about doing business the western way"
> CAROL STEPHENSON, DEAN, RICHARD IVEY SCHOOL OF BUSINESS, ONTARIO

Even in the US, where executive programmes have traditionally been delivered locally, it is a similar story. Mike Malefakis, associate dean for executive education at Columbia Business School, reports that up to 65 per cent of the school's executive business is from outside the US, with growth driven by countries such as Brazil and China. "I think there was a period ➤

ILLUSTRATION: NICK LOWNDES; PHOTO: JOHN WELLINGS

introduction

> **"We make the distinction [between customised and open-enrolment courses] less and less"**
>
> DOMINIQUE TURPIN, PRESIDENT OF IMD, SWITZERLAND

when the larger US schools were a little behind the game. We were adapting MBA teaching for executive education. Now we understand we have to be much more proactive. The challenge is how we get ahead of the game."

Duke Corporate Education – which designed the Absa programme – has seen growth of 30 per cent over the past year, with 50 per cent of new business coming from outside the traditional regions of the US and Europe, says Mike Canning, the chief executive. "We're growing fast in Asia and Africa. It is not only that there is hope there, but there is an economic underpinning."

While business has come back across the sector – though Canning admits that for Duke CE it will be another year before the "glory days" return – it has come back in a different way. Competition is increasing from unlikely sources, as non-governmental organisations and publishing companies join management consultancies and corporate universities in taking on business schools, all desperate for a slice of the action.

There is also increasing competition from business schools in the emerging markets, says Malefakis.

"Emerging market schools are qualitatively different from three or four years ago. There are wonderful schools in China and Brazil that are going to be true competition. I think a lot of US schools did not understand how fast this could happen. Much of the innovation is coming from emerging markets," he says.

The result is an extraordinary

> **53%**
> of companies and 47 per cent of participants responding to the FT executive education survey cited a "lack of interaction with fellow participants" as the main disadvantage of online learning

Dominique Turpin of IMD (above); Thomas Robertson of Wharton (below)

fragmentation, says Vinck. "None of us has more than a 0.5 per cent share of the market. What we all have to be clear about is our identity."

While some providers have clear identities, such as Duke CE, which specialises in company programmes, or the Center for Creative Leadership, which focuses on just one sector of the market, many business schools are struggling to find their niche as they juggle degree and non-degree programmes.

In Switzerland, Dominique Turpin, president of IMD, believes his school is increasingly clear about its role. "IMD is trying to position itself as a specialist in global executive education," he says. It has recently opened an office in Singapore and has plans to open two more in Rio de Janeiro and Beijing.

Not only do clients come from different regions of the world, they now come from different sectors as well. Two particular growth areas in developing economies are government and state-owned enterprises. Canada's Ivey school at the University of Western Ontario, for example, ran a year-long programme for the Agricultural Bank of China. "They're very eager about doing business in the western way," says Carol Stephenson, the dean.

Other schools, such as Ashridge in the UK, are also seeing government business grow globally.

At ISB in Hyderabad, 30 per cent of the $12m-$13m of annual business is with the government. The school has recently signed a partnership deal with the Institute of Business Administration (IBA) in Karachi for open-enrolment and customised programmes to be taught in Pakistan, to support the thawing relationship between the governments of the two countries. "This relationship is our first and small step to align us with this objective," says Prof Chandra.

Open-enrolment programmes are also making a comeback at schools such as Ivey and Wharton. "The trend to customised education has now reversed," says Thomas Robertson, dean of the Wharton school at the University of Pennsylvania. While only 35 per cent of Wharton's business used to be open-enrolment programmes, that has now risen to 45 per cent.

Others, such as Prof Turpin at IMD, believe the distinction between open-

> **Open enrolment is making a comeback: "The trend to customised education has reversed"**
>
> THOMAS ROBERTSON, DEAN OF THE WHARTON SCHOOL, US

enrolment programmes and customised ones is disappearing. "In terms of marketing and sales we make this distinction less and less."

The Absa programme in South Africa highlights a further trend: the need to train middle managers – tomorrow's top executives. HR specialist Sakadavan believes this move is inevitable. "Programmes used to focus very heavily on their executives and on female leadership. There was a real need to develop something for the needs of middle managers." After all, she adds, "Leaders are becoming younger and younger." B

PHOTOS: CHARLIE BIBBY; DANIEL LYNCH

View profiles of top deans at www.ft.com/deans

Meet the dean

→ Kai Peters aims to raise Ashridge's profile as a seat of applied learning

Actors Russell Crowe and Anne Hathaway may not have the sort of management profile usually associated with business education, but in April they were seen striding through the woods surrounding Ashridge, the UK school, where they were filming the 2012 version of *Les Misérables*.

For Kai Peters, chief executive of Ashridge for eight years, it is par for the course. Film shoots, tours, weddings and conferences are part of the package. Ashridge, near Berkhamsted, Hertfordshire, arguably has the most impressive buildings and grounds of any business school, though this comes at a price.

Annual maintenance of the gothic buildings, designed by James Wyatt in the early 19th century and previously home to monks, princesses and Dunkirk evacuees, runs to £2m. In recessionary times it is a cost that would make most deans shudder.

Prof Peters, 49, says he could see "a precipice" when income dropped from £39m in 2008 to £32m in 2009.

"The first five years [of his appointment] were easy; the second five years have been hell," he says. "[In the recession] our clients all said, 'We love you to bits, but we're just postponing.'"

One of the best-connected and most plainly spoken deans, Prof Peters is candid about the school's problems, and the consequences. Ashridge had to lay off 100 people, including about 20 faculty.

The school has turned a corner and expects to bring in £36m this year. Prof Peters is recruiting again.

The question is how to grow degree programmes without losing their intimacy

Faculty at Ashridge are different from those at more traditional schools. Indeed, experience counts as strongly as academic references. This might be said of Prof Peters, too, one of the few deans not to have a doctoral degree – he holds an MBA from Rotterdam School of Management in the Netherlands, where he went from student to professor and then dean. But he also owns, and was managing director of, a German publishing company and has worked with IBM and Volkswagen, managing educational activities.

He has an international pedigree that reflects the global outlook of teaching at Ashridge, where nearly 70 per cent of business is outside the UK. German by nationality, Prof Peters moved to Canada aged four and lived there for 23 years before moving back to Germany for two years and then to the Netherlands. He came to the UK in 2003.

Prof Peters' interest in publishing influences his attitude to management education. When selecting faculty, he looks for professors who write – not for academic peer-reviewed journals but for applied journals, such as Harvard Business Review, where Ashridge faculty probably publish more often than their counterparts from other top European schools.

On video

Kai Peters talks with FT business education editor Della Bradshaw about value for money in the sector. Is the cost of courses justified? Go to www.ft.com/business-education/execed2012

Getting the message across to managers is part of Prof Peters' mission, in particular raising awareness of Ashridge's brand outside the corporate world. Its low profile has restricted the growth of its degree courses – especially the full-time MBA, which has regularly enrolled fewer than 20 students, and its masters programmes, which specialise in coaching. The big question is how to grow these programmes without losing the intimacy for which they are noted.

This year, the school will combine teaching on its full-time MBA and executive MBA. It can do this because the MBA is targeted at more mature managers than the usual 27- or 28-year-old. The average age of full-time MBA participants is 36, while that of masters students is 46.

"I would like to build up some of these scaleable activities," concludes Prof Peters. – **Della Bradshaw**

Kai Peters' international pedigree reflects the school's global outlook

on management

SIMON CAULKIN

Losing their grip

→ Shareholders seem to have lost control of our companies – but did they ever really have it?

The epicentre of the seizure that has put western capitalism on life support is a crisis of corporate ownership. As former US Federal Reserve chairman Alan Greenspan lamented, shareholders not only failed to restrain the vaulting ambition of the bankers in the crunch of 2008, even though it was in their interest, they egged them on. They have been no more effective in braking managerial pay. Overall, sums up Will Hutton, chairman of the Ownership Commission, the UK has done a poor job of stewarding its assets, harming the performance of the economy as a whole.

But the central plank of today's corporate governance, that shareholders own companies and should therefore dictate the behaviour of managers, was never as robust as presented. It can no longer bear the weight of reality, which is why attempts at reform, from regulating the banks to reining in executive pay, fall through.

Shareholders in UK companies are overwhelmingly foreign based or short term. Just 30 per cent are British and in it for the long haul. Average holding periods, down to seven months from seven years in the 1970s, are still heading south: high-frequency trading accounts for 70 per cent of equity order volume in the US and 40 per cent in Europe, according to the Bank of England. Where ownership and interests are so divergent, expecting shareholders (what shareholders?) to exert control is hopeless. Ownership has been emptied of meaning.

In any case, theory on the subject is as rickety as the practice. According to two law professors writing in that fiery leftwing organ Harvard Business Review, "the law provides a surprisingly clear answer: shareholders do not own the corporation, which is an autonomous legal person". As the late London Business School professor Sumantra Ghoshal pointed out, shareholder ownership is simply incompatible with limited liability: it's one or the other, not both. Legally, directors must take account of shareholders' interests, but their fiduciary duty is to the company. Shareholders own shares, which give them voting and other rights, but not ownership of the company's assets. In short, says Charles Handy, the eminent UK business philosopher, shareholders no more own companies than a punter on the 2.30 at Epsom owns the nag he is betting on. Shareholders should have few qualms surrendering their claim.

A final accounting for the era of shareholder capitalism – broadly from the late 1970s to today – still awaits, but it is already clear the balance sheet is ugly.

We have a good idea why shareholders have done worse under shareholder capitalism than when managers were supposedly feathering their own nests. As the FT's Martin Wolf acutely observed earlier this year, the chief failing of the brilliantly successful limited liability company form is that "it is not effectively owned. This makes it subject to looting." The culprits have been top managers and short-term shareholders, acting out the roles allotted them by the comedy of ownership.

> **Shareholders no more own companies than a punter at Epsom owns the nag he is betting on**

Flash back to the 1970s, when the feeling that shareholders were being short-changed by complacent managers was cast by free-market theorists as a "principal-agent problem". It arose, they said, because managers – 'agents' hired by shareholder 'principals' to run the company – were putting their own interests first. The answer was to pay them at least partly in equity, thus aligning principals' and agents' interests.

Not surprisingly, managers had few objections and despite the shakiness of its central ownership premise, agency theory became the basis of governance. Doing what their incentives told them to, chief executives have cumulatively reshaped not just their companies but the whole economy. To lever up the share price (and their own salaries), they bought back their own shares, did deals and financially re-engineered their companies. They cut spending on research, so innovation stalled, exported jobs and functions, and dumped pensions. In the final paroxysm of self-interest, the banking crisis, shareholder value turned negative – the average real return on UK equities since 2007 is -1.5 per cent, according to PwC.

In his article, Wolf confessed he had no cure for the problem of corporate ownership. But the answer is staring us in the face. The first step to restoring management to its proper stewardship role is to abandon the myth of shareholder ownership. Amend governance codes to reflect the clear implication of companies' acts – the company is the principal, not the shareholders. Shareholders, closely followed by workers, customers and society as a whole, would be the first to benefit. B

Power balance

In *Power, Inc.* David Rothkopf shows how the shifting balance of power between religions, states and corporations has shaped history over a millennium. First religion then the state dominated – but does the corporation now have the upper hand?

PHOTO: ED ROBINSON; ILLUSTRATION: ANDREW BAKER

dean's column
JORDI CANALS

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History lesson

→ Germany's postwar chancellor is a powerful example of good leadership

Observers who complain about the current state of the European Union would do well to look back to the years after the second world war, when Europe had been ravaged, millions of lives lost, aspirations shattered, rationing was common across the continent and the menace of a belligerent Soviet Union loomed. The case of Germany was even more dramatic: it was defeated, divided and had been annihilated physically and emotionally. By any measure, those were circumstances worse than today's.

Yet Germany flourished and by the end of the 20th century it was unified, one of the world's most prosperous nations and a clear leader in Europe. Under the government of Konrad Adenauer – the first chancellor of the new West Germany from 1949-63 – the country matched prewar gross domestic product by 1951 and tripled its income between 1949 and 1963. Time Magazine made Adenauer its man of the year in 1953, calling Germany "a world power once again".

Winston Churchill (left) and Konrad Adenauer

Adenauer played a key role in the recovery. His actions remind us how good leaders can open up new ways through example.

Adenauer held fast to certain core ideas about the world, society and humanity. He was convinced of the power of individual freedom, private ownership, fairness and the social market economy. These ideas sprang from his Christian roots and experiences as a player in the German drama. But he also realised that economic and social progress depended on citizens' engagement. He paved the way to the notion of co-determination of capital and labour in large German companies (*Mitbestimmung*), a controversial law passed in 1951, with the support of the unions. This brave move led to the unions renouncing the goal of state ownership, an objective they shared with the Social Democratic Party (the opposition to Adenauer's Christian Democrats). A few years later, the Social Democrats abandoned Marxism, helping to modernise socialist parties across Europe. Adenauer believed in free enterprise, but understood that wealth creation had to be shared fairly.

Adenauer understood important decisions mean difficult choices

He had a view about the political design of West Germany and its relations with East Germany, and worked hard to achieve his desired outcome. He understood that important decisions mean difficult choices. We may not agree, but what we expect from political leaders is to make their choices clear.

Some historians argue that Adenauer postponed the reunification of Germany unnecessarily – the USSR was apparently willing to offer it in exchange for German neutrality – for the sake of West Germany's success. Adenauer observed that the USSR had a history of violence across eastern Europe and its word was unreliable. He also preferred a free, prosperous West Germany seeking peace with France and integrated within western Europe, rather than a united but neutral Germany under the Soviet Union's oversight. He reminds us of the importance of making choices, the courage necessary to do so, and the need to explain the implications of different options. In an era of hyperconnectivity, Twitter and mass marketing, political and business leaders seem to have forgotten the importance of arguing and persuading clearly.

He believed that the division of Germany was the outcome of east-west tension, not its cause. For this reason, he thought that the best way to reunite Germany was to work with France and reunite Europe. He was aware that dwindling Allied determination had allowed the USSR to swallow up much of eastern Europe. Adenauer became a staunch pro-European; he believed a strong Europe was the best medicine for the recovery of both his country and the continent. He was right.

In today's politically divided EU, it is time to remember that good leadership makes a difference – leadership that uses a long-term perspective to address problems, that lucidly presents options to citizens, that puts national interests on a level with Europe's, and that has the courage to follow through on decisions.

These are not extraordinary qualities. What made them extraordinary in Adenauer's case was that he displayed them in the gloomiest of contexts. His actions quickly generated trust among his citizens and in western European countries, and West Germany became the driver of Europe's recovery after the war. People like Adenauer are today more relevant for Europe and the world than ever. B

About the columnist

Jordi Canals is dean of Iese business school. He is the author of *Building Respected Companies* (Cambridge University Press, 2010), on the role of companies after the financial crisis.

PHOTOS: KEYSTONE; CHARLIE BIBBY

Fresh outlook: Rajeev Chopra at Philips Electronics India's offices in Gurgaon near New Delhi

PHOTO: SIMON DE TREY-WHITE

Lightbulb moment

As chief executive of Philips Electronics India, Rajeev Chopra could not imagine going back to business school – until the company suggested it. So was it a good idea? By **James Fontanella-Khan**

Rajeev Chopra was always too busy to go back to school. Since he finished his MBA at Tulane University's Freeman School of Business in New Orleans nearly 25 years ago, a fast-lane corporate career has taken him through several multinationals.

So when it was suggested that the managing director and chief executive of Philips Electronics India should sign up for an executive training course, he was a little taken aback. The 49-year-old, who joined the company nearly a decade ago as a senior director before taking up his current post in 2010, was worried about being away from work for several weeks to return to business school for an advanced management programme.

"The company encourages you to keep updating yourself," says Chopra. "Honestly, if Philips had not encouraged me I would have thought twice about taking five weeks off. It's not easy to take five weeks off unless you have an employer who is encouraging you to do that. I can think of many companies that would say no." ➤

Chopra, who has 25 years of experience in the consumer, electronics and information technology sectors, having worked at multinationals such as Reckitt Benckiser, Hewlett-Packard, Microsoft and Cisco Systems, had other concerns as well. "I had questions in my mind about whether I'd be able to adjust to living on campus, doing homework," he says.

Once convinced, though, that going back to business school would be a life-changing experience, he focused on looking for the best course. "There were many recommended courses; most were at European universities. But I went through the various programmes and chose Wharton."

Chopra picked the Wharton School of the University of Pennsylvania because it offered what he was looking for: thought-provoking courses led by star lecturers. "I wanted to get up to speed with the current areas of thinking in my [field]," he says. "We've all read many books in our lives, but what is the current thinking?

"A lot of the people whose textbooks I had read were faculty members at Wharton," he says. "It's nice to read their work and have them in your classroom."

In particular, Ram Charan, the noted management author of *Leadership in the Era of Economic Uncertainty* and *Execution: The Discipline of Getting Things Done*, was the big name that led Chopra to pick Wharton over its competitors.

Once Chopra had selected the school and put in place a team to take care of day-to-day business at Philips during his absence, he was able to focus almost entirely on the course. "The most difficult thing was getting over the jet lag. I didn't feel strange at all going back to school once I arrived," he says. "Everything was taken care of."

"The perspectives you gain, you tend to apply directly or indirectly. In scenario planning you try to figure how things will evolve in two or three years"

Having five-star service on the ground at the school made the learning experience much richer, he says. It was not like going back to college and having to wash your own clothes and cook for yourself.

"That's a big plus," says Chopra. "You don't have to run around looking to organise things. If you wanted baseball tickets or a train ticket over the weekend you just had to drop in a word and it was organised for you."

This meant the five-week course was the only thing Chopra and about 40 classmates had to focus on. Part of the course was a revision of basic finance, which many of those attending the programme were fairly familiar with, although most welcomed the refresher.

The speed of the classes was impressive, however, says Chopra. "Every day felt more like a week… it was incredibly intense: we started at 9am and finished at 7pm, then we often had reading to do overnight."

Half of the course was based on lectures, while the remaining part was focused on role play and working with other executive students. "You finished class and then would get into a group with which you got a chance to interact, creating real-life situations that you could find yourself in at work."

Studying alongside other executives, many operating in sectors varying from banking to heavy industry, enriched Chopra's overall experience. "Spending time interacting, you keep picking up from your classmates," he says.

PHOTOGRAPHS: SIMON DE TREY-WHITE

Back home: Rajeev Chopra shares his new knowledge with staff (left) at Philips' Gurgaon offices (below right), whose products include lighting (below)

The high point of his experience back in school was spending class time with Charan. "We had a session with Ram Charan that helped you think in a different way about things. I realised I needed to build skills in different areas. He spoke about having to anticipate things and how things are going to pan out."

Back in India, Chopra has been putting into practice much of what he learnt at Wharton, and he also spends time sharing his new knowledge with younger managers at Philips.

"I try to apply some of the techniques I learnt on the course. We had a session on scenario planning," he says. "I've applied that a few times. The perspectives you gain, you tend to apply directly or indirectly. In planning you try to figure how things will evolve in two or three years."

One of the less obvious things Chopra learnt during his time at Wharton was creating time to read. "Ram Charan spoke about how to catch up with your reading," he says. Charan explained how he speed-read the Financial Times, selecting and absorbing just what he needed. "It helps to read more. I used to read a lot, but

somewhere 10 years ago that habit went," says Chopra. "One of the outcomes of Wharton is that this habit has returned. When we were done I came back with 30-40 course books. Over the past year I've been reading a lot."

The overall experience was rewarding for the Philips executive. "I found 80-85 per cent of the course had great relevance," he says. "The 15 per cent that didn't is probably because it was in areas that didn't interest me all that much.

"It's difficult if you're tailoring a course to cater to a cross-section of people. If you have 80-90 per cent of the programme that's good for you, the job is done," says Chopra.

The executive training course is not only about learning but is also a very good networking opportunity, he says. After meeting some 40 senior executives from around the world, including four Indians and 10 from Europe, half a dozen from Latin America and the rest from North America, Chopra has built a global network of contacts.

Remaining in touch has been a challenge, however. Wharton organises regular get-togethers in different regions of the world that allow former students to stay connected. "There's one this summer in Jakarta, for example – I am trying to work out if I can go. It's a networking opportunity for those who have been through similar stuff," says Chopra.

Social media services have also helped to keep the learning and networking process alive since the course. "I am in touch with some of them through email," he says. "Some of them came to India. It's all become easier courtesy of LinkedIn. We've set up a LinkedIn group with about 40 of us in it."

So what would Chopra's advice be to senior executives who share his initial concerns about taking time out from demanding roles?

"I would strongly encourage other executives to do this course. Once you get there you realise that it's not such a big deal getting away. I managed pretty well – also thanks to my team in India, which gave me the space to focus on my coursework." B

rankings

Past school and course rankings at www.ft.com/rankings

ILLUSTRATION: NEIL WEBB

Polished performers

→ Which schools made it to the top in the rankings of customised and open programmes?

Quality shines through

ILLUSTRATION: NEIL WEBB; GRAPHICS: RUSSELL BIRKETT

Businesses seek out the best

→ Demand for customised programmes continues to grow. By **Laurent Ortmans**

The FT ranking of customised executive education programmes – development courses tailored to individual company needs – includes a record number of 70 business schools this year, compared with 65 in 2011. Of these 70 schools, 59 have featured in the rankings for the last three years.

This growth is an indicator of the growing demand from corporations for customised programmes run by the world's top business schools. The number of programmes provided by these schools rose 15 per cent to around 6,200 in 2012. A quarter of these are new programmes for new clients. The average number of programmes at European schools increased from 97 in the 2010 rankings to 108 in 2012, while in North America, the figure rose from 77 to 99. The number for schools elsewhere dipped from 110 to 107.

The number of companies that have commissioned programmes at these schools has increased by 10 per cent to around 4,000 during the past three years. The number of clients has increased by 14 per cent in North America to 1,200, by 9 per cent in Europe to 1,900, and by 7 per cent to 900 in the rest of the world.

One of the biggest growth areas for executive training is in emerging

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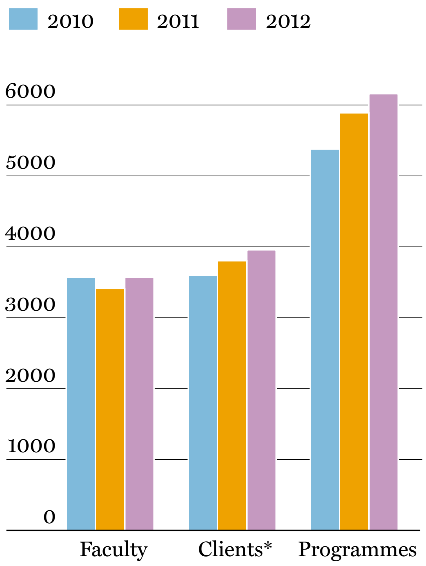
Expanding economically

Number of full-time faculty, clients and programmes



Source: FT * Client organisations

economies, particularly in South America, Asia and the Middle East, but companies there often turn to established schools outside their region.

Worldwide, the number of programmes taught outside the schools' own regions has grown by more than 40 per cent in two years. These programmes now account for nearly 15 per cent of all customised programmes, with two-thirds being offered by European schools.

The good news looks set to continue. Some 40 per cent of clients aim to increase executive training spending over the next three years, while just 10 per cent say they will cut their budgets.

It is also clear that business schools are usually meeting this increased demand without increasing their permanent overheads, such as standing faculty, instead using outside faculty or corporate practitioners. Overall faculty size has remained constant. Ⓑ

6,200

The number of courses run by the 70 business schools in the 2012 customised programme ranking – up 15 per cent on last year

Europe gets the cream

→ Schools lead US rivals on open-enrolment programmes

More European schools than ever feature in the top 10 of the 2012 ranking, hinting at a shift in the transatlantic balance. The International Institute for Management Development, better known as IMD, in Lausanne, Switzerland, heads the table of 65 business schools offering open-enrolment programmes. It is up three places from 2011.

Open enrolment programmes are typically short, intensive executive leadership development courses. The FT ranking is based on 16 criteria, 10 of which are compiled from a survey of the participants, and six from a survey of the schools.

IMD dethrones Spain's Iese Business School, which drops to fourth place, while US institutions Harvard Business School, second, and Thunderbird School of Global Management complete the top three. The University of Chicago in the US and Insead in France also performed very well in 2012, jumping 10 and eight places respectively to enter the top 10 in sixth and 10th positions

IMD has ranked consistently near the top in the last five years. This year it has beaten its previous best placing of second in 2009 thanks to the high scores given by the participants. Notably, the school tops the ranking for the quality of participants, the level of follow-up offered to participants after they have returned to work and the quality of the facilities. Martin Kaufmann, a general manager at Aveda Corporation, who attended a course in March 2011, commented that "the participant engagement and interaction were very high, and faculty and participants were of the highest calibre, all in a very effective, personal and pleasant setting".

Participants value highly IMD's focus on empathy

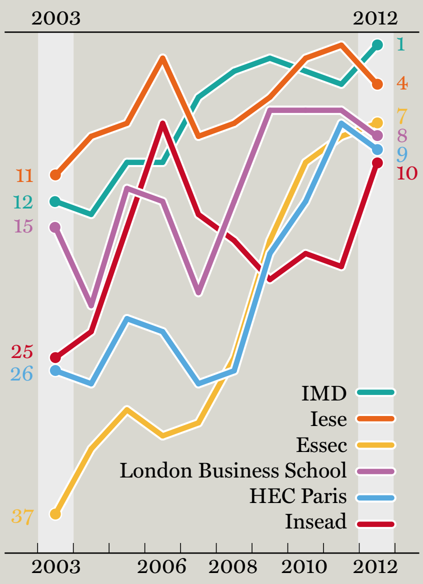
While IMD scores well on the other criteria in the survey – it is among the top 10 in each of these – it is clear from responses to the FT that participants value highly IMD's focus on empathy and the emotional intelligence aspect of leadership. "The focus was on emotions and personal development more than on business cases. I learned a lot about myself," says one participant

IMD is the second European school after Iese to reach the top spot and the fourth new number one school in four years, showing how competitive open-enrolment executive education is.

The top spot used to be the preserve of US schools. Apart from Harvard, which was ranked top seven times, US schools tend to score lower for international participants, the number of programmes run outside their country or regions and the quantity of programmes taught in conjunction with other business schools. Nonetheless, US schools remain very successful, with 11 ranked among the top 25. – **Laurent Ortmans**

The rise of Europe's elite schools

FT ranking position



Source: FT

Financial Times Executive Education 2012

→ The top 70 customised programmes

2012	2011	2010	3 year		Country	Corporate survey									
						Preparation	Programme design	Teaching methods	Faculty	New skills & learning	Follow-up	Aims achieved	Facilities	Value for money	Future use
1	1	1	1	Duke Corporate Education	US/South Africa/UK/India	1	1	1	1	3	4	3	2	2	8
2	2	2	2	HEC Paris	France	3	2	3	2	1	1	1	10	1	3
3	7	15	8	Iese Business School	Spain	7	11	8	10	15	7	14	8	15	6
4	5	3	4	Esade Business School	Spain/Argentina	13	12	13	14	16	11	11	9	12	10
5	8	17	10	Boston University School of Management	US	2	3	2	3	8	14	4	5	3	2
6	10	6	7	Center for Creative Leadership	US/Belgium/Singapore/Russia	10	13	5	5	7	23	5	1	10	4
7	5	5	6	IMD	Switzerland	9	18	4	12	11	16	6	6	13	23
8	3	8	6	Fundação Dom Cabral	Brazil	5	8	10	8	4	2	9	3	5	7
9	4	3	5	Harvard Business School	US	4	20	7	6	2	38	2	7	6	16
10	19	18	16	IE Business School	Spain	8	7	12	13	10	3	15	22	9	14
11	20	16	16	Ashridge	UK	18	9	15	17	20	12	17	25	19	30
12	17	21	17	University of Oxford: Saïd	UK	11	6	11	11	5	10	10	29	8	21
13=	15	12	13	Babson Executive Education	US	14	5	9	4	6	24	12	17	11	11
13=	16	29	19	University of North Carolina: Kenan-Flagler	US	6	4	6	7	13	20	16	4	4	17
15	12	7	11	Cranfield School of Management	UK	17	16	18	23	27	18	21	31	20	24
16	9	8	11	Insead	France/Singapore/UAE	19	27	16	15	22	31	18	20	25	29
17	11	10	13	University of Pennsylvania: Wharton	US	27	28	24	20	14	13	7	23	24	22
18	13	11	14	Ipade	Mexico	12	19	14	16	9	48	13	13	7	20
19	17	25	20	Columbia Business School	US	21	14	22	19	17	15	23	42	16	37
20	32	42	31	Stanford Graduate School of Business	US	16	10	19	21	18	39	8	26	33	32
21=	21	24	22	Thunderbird School of Global Management	US	24	15	21	18	28	55	19	27	17	39
21=	22	22	22	University of Chicago: Booth	US/UK/Singapore	25	26	27	25	21	22	20	12	14	13
23	37	23	28	SDA Bocconi	Italy	23	24	23	29	19	6	29	56	22	19
24	23	34	27	ESMT – European School of Management and Technology	Germany	28	17	25	26	35	8	26	15	34	25
25	24	18	22	IAE Business School	Argentina	22	31	20	28	23	52	28	11	31	15
26	-	43	-	Edhec Business School	France	20	21	29	24	12	45	22	14	23	5
27	29	30	29	London Business School	UK	33	32	31	30	34	51	31	34	41	26
28	35	38	34	EMLyon Business School	France	26	29	28	27	25	26	33	62	35	34
29	24	13	22	Insper	Brazil	15	34	26	32	31	21	35	19	26	12
30	27	27	28	University of Western Ontario: Ivey	Canada/China	31	23	17	9	36	67	27	18	21	33
31	32	27	30	ESCP Europe	France/UK/Germany/Spain/Italy	32	33	34	40	24	42	30	38	38	18
32	29	50	37	University of Virginia: Darden	US	29	35	32	22	32	32	24	21	30	57
33	36	57	42	UCLA: Anderson	US	36	37	37	33	30	27	43	33	18	38
34=	28	25	29	Kelley Executive Partners at Indiana University	US	34	38	33	38	41	5	48	28	29	52
34=	38	40	37	Stockholm School of Economics	Sweden/Russia/Latvia	38	30	41	37	38	19	25	30	28	50
36	32	18	29	Northwestern University: Kellogg	US	37	22	43	35	29	62	32	35	27	40
37	40	-	-	Politecnico di Milano School of Management	Italy	30	39	40	39	26	9	34	43	39	35
38	44	46	43	Henley Business School	UK	43	25	30	31	39	29	37	59	50	42
39	56	59	51	Ceibs	China	44	45	44	45	37	65	49	37	40	36
40=	41	53	45	York University: Schulich	Canada	41	40	45	34	50	30	45	58	42	49
40=	51	47	46	University of Texas at Austin: McCombs	US	48	41	39	51	33	40	44	24	47	43
42=	31	35	36	Australian School of Business (AGSM)	Australia	35	46	38	36	43	33	39	57	46	59
42=	-	38	-	University of Pretoria, Gibs	South Africa	42	54	54	46	54	63	42	41	49	1
44	46	52	47	Queen's School of Business	Canada	55	56	42	41	42	25	46	39	32	54
45	49	51	48	Vlerick Leuven Gent Management School	Belgium	51	42	48	47	52	57	36	48	44	44
46=	51	36	44	Melbourne Business School, Mt Eliza	Australia	49	49	49	43	48	34	41	55	52	45
46=	46	47	46	Tilburg University: TiasNimbas	Netherlands	50	43	52	50	45	43	59	61	36	31
48=	45	43	45	Católica-Lisbon School of Business and Economics	Portugal	45	55	50	48	56	44	47	40	51	28
48=	-	-	-	Nova School of Business and Economics	Portugal	40	44	36	55	46	35	52	36	53	65
50	55	56	54	Aalto University	Finland/Singapore	60	50	46	53	40	68	38	47	37	55
51=	42	32	42	Rotterdam School of Management, Erasmus University	Netherlands	56	47	47	60	53	64	53	67	56	47
51=	48	40	46	University of St Gallen	Switzerland	39	53	58	57	58	54	58	16	67	48
53	59	55	56	Grenoble Graduate School of Business	France	58	63	63	54	47	36	56	53	55	51
54	-	-	-	Incae Business School	Costa Rica/Nicaragua	46	36	35	44	44	70	40	44	43	68
55	50	-	-	University of Michigan: Ross	US	53	52	55	42	55	58	50	32	54	70
56	-	36	-	Universidad Adolfo Ibáñez	Chile	54	61	53	56	64	53	61	66	58	9
57	63	62	61	USB Executive Development	South Africa	52	58	60	59	59	28	54	45	45	53
58	62	54	58	University of Toronto: Rotman	Canada	61	59	51	49	51	59	51	50	48	58
59	43	45	49	Warwick Business School	UK	57	48	56	52	57	60	55	52	66	41
60	54	33	49	MIT: Sloan	US	47	60	62	61	49	69	57	65	68	63
61	58	65	61	Macquarie Graduate School of Management	Australia	65	51	57	62	60	66	60	60	57	60
62	60	59	60	Eada	Spain	66	65	61	64	61	47	64	64	63	56
63	57	58	59	Irish Management Institute	Ireland	63	62	66	63	69	46	63	54	64	62
64	65	-	-	University of Porto Business School	Portugal	59	57	59	58	65	50	62	49	60	66
65	53	49	56	University of Cape Town Graduate School of Business	South Africa	64	64	70	68	66	56	69	70	61	46
66	61	61	63	BI Norwegian Business School	Norway	67	67	64	67	63	61	65	46	62	61
67	-	-	-	National University of Singapore Business School	Singapore	68	70	68	65	68	49	66	51	65	69
68	-	-	-	Yonsei University School of Business	South Korea	62	68	65	66	62	17	68	63	59	67
69	-	64	-	NHH	Norway	70	66	67	69	67	37	70	68	69	27
70	64	63	66	Nyenrode Business Universiteit	Netherlands	69	69	69	70	70	41	67	69	70	64

Business school survey

International clients	International participants	Overseas programmes	Partner schools	Faculty diversity	Total responses‡	Custom revenue ($m)†	Rank in 2012
7	6	1	5	15	35 (3)	-	1
30	14	28	26	10	56 (3)	-	2
5	5	8	1	1	56 (3)	-	3
4	9	6	7	13	31 (3)	19.1*	4
33	30	61	36	26	29 (3)	-	5
35	2	37	27	46	32 (3)	-	6
11	3	34	57	2	44 (3)	-	7
55	45	51	33	38	29 (3)	58.2	8
2	16	63	27	29	45 (3)	143.8***	9
29	36	28	40	7	64 (3)	8.3*	10
21	1	3	4	8	35 (3)	39.1**	11
19	22	9	12	32	41 (3)	15.5**	12
33	30	47	14	37	22 (3)	-	13
66	41	40	57	44	19 (3)	18.7**	13
20	4	2	6	19	52 (3)	-	15
9	7	17	23	3	35 (3)	-	16
14	12	16	2	36	32 (3)	-	17
40	65	63	27	62	28 (3)	-	18
15	43	27	21	18	17 (3)	-	19
27	32	23	51	21	19 (3)	-	20
3	53	36	45	12	27 (3)	-	21
12	23	49	45	47	28 (3)	-	21
31	35	41	3	23	50 (3)	-	23
54	21	23	45	9	44 (3)	8.2*	24
8	24	44	19	33	47 (3)	3.8*	25
63	44	31	45	56	17 (2)	-	26
10	10	4	17	11	35 (3)	-	27
37	17	5	11	14	31 (3)	-	28
18	66	39	40	50	23 (3)	-	29
46	39	59	57	20	21 (3)	-	30
28	11	38	33	21	48 (3)	-	31
60	8	35	51	64	24 (3)	12.7**	32
43	29	22	45	17	19 (3)	-	33
56	26	10	22	41	19 (3)	-	34
32	20	20	13	68	41 (3)	9.7	34
42	15	19	16	43	33 (3)	-	36
38	58	54	32	65	27 (3)	6.7	37
23	47	12	57	55	38 (3)	-	38
17	60	63	17	4	26 (3)	-	39
50	61	46	53	5	27 (3)	-	40=
15	64	42	23	63	16 (3)	-	40=
58	55	63	44	6	24 (3)	-	42=
51	40	26	9	52	25 (2)	-	42=
52	51	43	45	25	21 (3)	-	44
41	18	18	57	28	39 (3)	8.6*	45
59	34	52	8	57	42 (3)	-	46
65	27	21	15	48	41 (3)	-	46
49	63	63	57	54	40 (3)	4.8	48
22	49	50	57	16	19 (2)	2.2*	48
53	28	7	57	66	28 (3)	3.9	50
25	13	11	10	39	35 (3)	-	51
48	37	14	57	30	47 (3)	3.1	51
46	46	15	40	27	38 (3)	3.1*	53
36	50	58	57	39	7 (1)	-	54
13	56	31	53	51	20 (2)	-	55
26	25	53	36	53	13 (2)	-	56
45	69	63	53	66	23 (3)	-	57
57	48	60	40	49	16 (3)	-	58
67	59	45	57	35	22 (3)	-	59
1	19	23	53	59	19 (3)	17.5*	60
39	68	63	57	45	25 (3)	3.3**	61
44	42	62	31	34	45 (3)	-	62
61	52	31	27	42	29 (3)	2.7**	63
64	54	57	20	68	30 (2)	2.4*	64
6	38	12	36	31	25 (3)	-	65
68	62	30	23	60	50 (3)	18.4*	66
24	33	56	33	24	21 (1)	-	67
70	70	63	57	70	22 (1)	3.6*	68
69	67	48	57	61	23 (2)	12.2	69
62	57	55	39	58	36 (3)	9.8**	70

Key: customised programmes

The first 10 criteria are based on feedback from executive education purchasers; the next five from each business school. These criteria are presented in rank form, with the leading school in each column ranked number one. The last two criteria are for information only, and do not contribute to the ranking.

Figures in brackets show the percentage each criterion contributes to the overall ranking weight. The weighting accorded to the first nine criteria is determined by the level of importance that clients attach to each.

Preparation (8.4) The level of interaction between client and school, the extent to which purchasers' ideas were integrated into the programme, and the effectiveness of the school in integrating its latest research.

Programme design (8.4) The flexibility of the course and the willingness of schools to complement their own faculty with specialists and practitioners.

Teaching methods and materials (8.0) The extent to which teaching methods and materials were contemporary and appropriate, and included a suitable mix of academic rigour and practical relevance.

Faculty (8.5) The quality of teaching and the extent to which teaching staff worked together to present a coherent programme.

New skills and learning (8.4) The relevance of skills gained to the workplace, the ease with which they were implemented, and the extent to which the course encouraged new ways of thinking.

Follow-up (6.7) The extent and effectiveness of follow-up offered after the course participants returned to their workplaces.

Aims achieved (8.6) The extent to which academic and business expectations were met, and the quality of feedback from individual participants to purchasers.

Facilities (7.0) Rating of the learning environment's quality and convenience, and of supporting resources and facilities.

Value for money (8.0) Purchasers' rating of the programme's design, teaching and materials in terms of value for money.

Future use (8.0) The likelihood that clients would use the same schools for future customised programmes, and whether they would use the school for the same programme.

International clients (5.0) The percentage of clients with headquarters outside the business school's base country and region.

International participants (3.0) The extent to which customised programmes have participants from more than one country.

Overseas programmes (4.0) The international reach of the school's customised programme teaching.

Partner schools (3.0) The quantity and quality of programmes developed or taught in conjunction with other business schools.

Faculty diversity (5.0) The diversity of faculty according to nationality and gender.

Total responses The number of individual surveys completed by clients of the school. Figures in brackets indicate the total number of years of survey data included in the ranking.

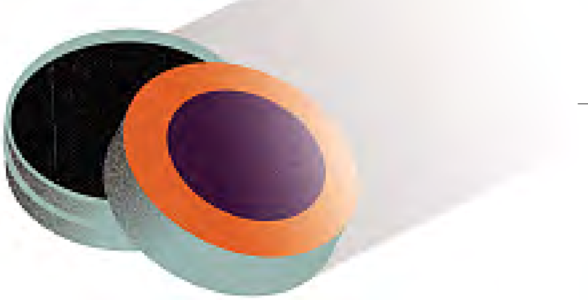
Custom revenues Income from customised programmes in 2011 in $m, provided optionally by schools. Figures are based on average dollar currency exchange rates for 2011.

Footnotes: †These data are provided for information only. For schools whose main headquarters are outside the US figures are based on average dollar currency exchange rates for 2011. ‡The first figure refers to the number of individual surveys completed by clients of the business school. The figure in brackets indicates the total number of years of survey data included in this ranking. Data are retained for those schools that participated in the 2011 or 2010 ranking but were unranked in that year. *Includes revenue from food. **Includes revenue from food and accommodation. ***Aggregate total for open and customised programmes. Although the headline ranking figures show changes in the data year to year, the pattern of clustering among the schools is equally significant. About 340 points separate the top school, Duke Corporate Education, from the school ranked 70th. The top 14 business schools, from Duke CE to UNC: Kenan-Flagler, form the top group of custom providers. The second group is led by Cranfield School of Management and the third by Grenoble Graduate School of Business. The top and bottom schools in the second group are separated by 129 points; in the third group there is a 90-point gap between top and bottom.

Financial Times Executive Education 2012

→ The top 65 open programme providers

2012	2011	2010	3 year	School	Country	Preparation	Course design	Teaching methods	Faculty	Quality of participants	New skills & learning	Follow-up	Aims achieved	Food & accommodation	Facilities
						Participant survey									
1	4	3	3	IMD	Switzerland	5	6	6	5	1	3	9	1	4	1
2	2	4	3	Harvard Business School	US	6	8	2	6	2	7	11	2	6	7
3	2	5	3	Thunderbird School of Global Management	US	2	1	1	1	4	6	21	6	29	11
4	1	2	2	Iese Business School	Spain	22	21	19	19	31	8	4	12	14	3
5	5	1	4	University of Virginia: Darden	US	3	2	4	2	12	5	16	3	2	2
6	16	20	14	University of Chicago: Booth	US/UK/Singapore	1	3	3	3	11	2	13	7	3	13
7	8	10	8	Essec Business School	France/Singapore	7	10	7	18	14	4	2	8	24	5
8	6	6	7	London Business School	UK	8	13	17	14	6	17	6	9	5	9
9	7	13	10	HEC Paris	France	14	14	14	11	15	11	8	11	25	22
10	18	17	15	Insead	France/Singapore/UAE	21	16	12	13	5	20	26	14	35	19
11	12	12	12	Stanford Graduate School of Business	US	16	15	22	12	3	16	23	5	1	17
12	20	23	18	Esade Business School	Spain/Argentina	25	26	25	28	27	10	1	23	17	8
13	15	21	16	ESMT – European School of Management and Technology	Germany	9	25	5	17	18	27	7	13	15	4
14	9	7	10	Center for Creative Leadership	US/Belgium/Singapore/Russia	12	4	8	8	17	12	12	10	19	20
15	10	15	13	University of Oxford: Saïd	UK	18	18	16	16	9	15	17	15	18	10
16	-	21	-	University of Michigan: Ross	US	17	5	9	7	13	14	29	25	9	33
17	10	9	12	Fundação Dom Cabral	Brazil	15	11	15	23	39	9	19	20	13	6
18	17	10	15	University of Western Ontario: Ivey	Canada/China	20	12	18	10	23	31	28	19	11	21
19	24	28	24	University of Toronto: Rotman	Canada	4	7	10	9	24	1	27	4	21	65
20	21	19	20	University of Pennsylvania: Wharton	US	13	24	20	22	7	25	18	21	8	15
21	12	8	14	MIT: Sloan	US	10	27	13	4	8	13	45	17	23	34
22	14	13	16	Northwestern University: Kellogg	US	19	17	26	29	16	34	31	26	7	14
23	22	18	21	Columbia Business School	US	34	20	27	21	10	32	22	24	45	35
24=	19	15	19	IE Business School	Spain	37	37	44	35	25	22	10	32	36	18
24=	27	28	26	Cranfield School of Management	UK	32	19	28	20	21	24	3	18	27	23
26	23	24	24	UCLA: Anderson	US	23	9	11	15	20	19	20	16	28	16
27	26	26	26	Queen's School of Business	Canada	27	31	30	30	37	43	15	28	16	24
28	29	-	-	Kaist College of Business	South Korea	11	29	24	32	33	18	5	31	40	12
29	28	24	27	Ceibs	China	24	41	37	37	35	23	33	44	41	28
30	36	40	35	University of St Gallen	Switzerland	26	39	21	33	38	35	36	22	22	31
31	33	38	34	Melbourne Business School, Mt Eliza	Australia	33	32	31	24	28	41	24	30	42	45
32=	32	30	31	SDA Bocconi	Italy	46	36	41	38	42	38	14	40	32	25
32=	30	42	35	Insper	Brazil	36	23	23	25	57	33	47	43	33	44
32=	44	55	44	Universidad de los Andes	Colombia	28	34	35	44	41	21	48	36	47	30
35	40	39	38	Ashridge	UK	38	42	46	34	19	47	39	42	31	40
36	43	44	41	York University: Schulich	Canada	30	33	32	31	29	36	51	38	30	63
37	37	31	35	ESCP Europe	France/UK/Germany/Spain/Italy	44	43	45	47	30	30	25	39	50	29
38	31	31	33	IAE Business School	Argentina	39	45	52	45	44	50	40	45	26	27
39	42	33	38	Henley Business School	UK	43	30	36	36	26	29	49	33	38	49
40	45	43	43	NHH	Norway	49	22	43	40	55	28	34	27	10	46
41	37	36	38	Vlerick Leuven Gent Management School	Belgium	41	40	38	42	46	45	37	41	43	42
42=	46	47	45	Aalto University	Finland/Singapore	31	35	40	46	50	26	50	34	46	37
42=	48	46	45	Stockholm School of Economics	Sweden/Russia/Latvia	45	44	42	39	62	40	32	29	39	56
44	51	56	50	Australian School of Business (AGSM)	Australia	47	38	34	26	32	49	54	46	44	58
45	34	33	37	Wisconsin School of Business	US	35	28	33	27	51	44	42	35	12	60
46	35	36	39	Incae Business School	Costa Rica/Nicaragua	51	57	48	48	22	42	56	49	48	32
47	49	50	49	University of Pretoria, Gibs	South Africa	29	47	39	43	49	46	41	50	20	36
48	-	44	-	Boston University School of Management	US	42	46	29	41	34	48	61	37	51	62
49	40	40	43	Edhec Business School	France	50	51	47	50	43	37	30	47	58	26
50	53	49	51	Nyenrode Business Universiteit	Netherlands	48	48	49	52	58	39	35	48	49	53
51	54	52	52	Católica-Lisbon School of Business and Economics	Portugal	40	50	57	54	53	57	44	57	37	39
52	50	48	50	EMLyon Business School	France	56	53	51	49	52	56	52	51	64	38
53	64	-	-	Nova School of Business and Economics	Portugal	58	52	55	51	61	55	46	58	34	61
54	54	54	54	Lagos Business School	Nigeria	54	55	58	53	60	58	38	52	52	54
55	56	53	55	Wits Business School	South Africa	55	56	50	55	54	53	65	54	55	57
56	52	59	56	Tilburg University: TiasNimbas	Netherlands	52	54	53	57	64	60	59	53	54	52
57	62	-	-	Esan	Peru	63	58	59	56	59	54	53	59	63	51
58	57	50	55	Grenoble Graduate School of Business	France	65	65	60	64	48	61	57	62	59	41
59	61	-	-	Solvay Brussels School of Economics and Management	Belgium	57	49	56	58	40	62	60	55	61	48
60	62	-	-	Universidad Externado de Colombia	Colombia	53	64	64	62	47	51	55	60	60	43
61	-	-	-	University of British Columbia: Sauder	Canada	61	60	62	63	45	64	43	61	53	47
62=	59	58	60	Centrum Católica	Peru	59	62	61	59	63	52	64	63	62	59
62=	60	57	60	USB Executive Development	South Africa	62	59	54	60	56	59	62	56	56	64
64	-	-	-	National University of Singapore Business School	Singapore	60	61	63	61	36	65	63	65	57	50
65	65	60	63	Eada	Spain	64	63	65	65	65	63	58	64	65	55



Business school survey

Women participants (%)	International participants	Repeat business & growth	International location	Partner schools	Faculty diversity	Open revenue ($m)†	Rank in 2012
17	4	29	41	27	2	-	1
21	2	11	24	12	31	143.8***	2
41	32	50	1	44	6	-	3
45	21	13	2	1	1	-	4
25	36	8	54	53	59	5.6**	5
22	29	15	48	20	46	-	6
44	30	46	7	39	20	15.3	7
23	3	37	63	34	7	-	8
35	10	16	14	25	10	-	9
22	1	6	23	14	4	-	10
26	11	25	27	18	32	-	11
41	9	3	6	5	14	12.9*	12
23	34	4	43	25	3	7.6*	13
39	25	19	12	43	52	-	14
24	5	55	10	15	19	9.8*	15
33	24	35	4	22	35	-	16
34	37	14	15	7	41	11.4*	17
37	23	5	16	53	21	-	18
45	50	30	30	44	39	-	19
29	28	42	37	30	44	-	20
18	17	47	57	34	51	9.8	21
34	15	36	57	4	34	-	22
31	14	41	29	27	13	-	23
38	18	17	18	10	8	13.0*	24=
28	38	23	62	47	49	-	24=
42	44	65	55	53	30	-	26
40	49	20	22	40	18	-	27
5	64	45	11	44	63	-	28
32	43	7	34	11	5	-	29
25	41	54	20	15	24	18.1	30
18	39	40	56	24	40	-	31
39	42	62	50	30	26	-	32
37	64	10	63	53	42	-	32
41	20	61	19	9	56	-	32
33	26	44	49	53	12	6.2**	35
41	40	53	28	17	9	-	36
43	12	63	20	23	28	-	37
27	19	12	13	8	38	9.4*	38
34	35	60	25	53	47	-	39
27	52	59	26	53	55	5.0	40
29	53	43	47	2	28	10.8*	41
45	63	32	36	53	60	4.4*	42
48	58	2	44	42	61	16.2	42
37	55	27	61	47	11	-	44
40	61	34	63	53	65	-	45
35	7	31	5	34	22	-	46
39	54	48	45	53	36	-	47
49	27	51	40	53	37	-	48
18	6	64	3	47	62	-	49
25	51	24	53	47	58	9.1**	50
43	48	38	39	18	50	5.6*	51
34	22	26	9	12	15	-	52
38	45	49	8	53	23	2.1*	53
28	56	18	52	27	45	3.9*	54
42	60	21	38	30	54	-	55
34	57	39	35	33	43	-	56
44	62	28	32	3	57	15.6	57
42	8	1	17	21	33	5.8*	58
29	31	58	50	47	53	4.1*	59
49	47	57	46	47	27	2.7	60
46	33	22	57	53	48	-	61
48	59	52	42	6	16	3.7	62
35	46	33	33	34	64	-	62
29	16	9	57	34	17	-	64
43	13	56	31	40	25	6.4	65

Key: open enrolment programmes

The first 10 criteria are based on feedback from course participants, the next six from each business school. These criteria are presented in rank form, apart from women participants (a percentage). The leading school in each column is ranked number one. Revenue data are provided for information only and are not part of the ranking.

Figures in brackets show the percentage each criterion contributes to the overall ranking weight. The weighting accorded to the first 10 criteria is determined by the level of importance that participants attach to each.

Preparation (7.6) The provision of advanced information on content, and the participant selection process.

Course design (8.5) The flexibility of the course and appropriateness of class size, structure and design.

Teaching methods and materials (8.3) The extent to which methods and materials were contemporary and appropriate, and included a suitable mix of academic rigour and practical relevance.

Faculty (8.8) The quality of the teaching and the extent to which teaching staff worked together to present a coherent programme.

Quality of participants (7.9) The extent to which other participants were of the appropriate managerial and academic standard, the international diversity of participants and the quality of interaction among peers.

New skills and learning (8.8) The relevance of skills gained to the workplace, the ease with which they were implemented, and the extent to which the course encouraged new ways of thinking.

Follow-up (7.3) The level of follow-up offered after participants returned to their workplaces, and networking opportunities with fellow participants.

Aims achieved (8.6) The extent to which personal and professional expectations were met, and the likelihood that participants would recommend the programme.

Food and accommodation (6.7) Rating of the quality of food and accommodation.

Facilities (7.5) Rating of the learning environment's quality and convenience, and of supporting resources and facilities.

Women participants (2.0) The percentage of female participants.

International participants (3.0) Amalgamation of the percentage of participants from outside the business school's base country and region.

Repeat business and growth (5.0) Amalgamation of growth in revenues and percentage of repeat business.

International location (3.0) The extent to which programmes are run outside the school's base country and region.

Partner schools (3.0) The quantity and quality of programmes taught in conjunction with other business schools.

Faculty diversity (4.0) The diversity of faculty according to nationality and gender.

Open-enrolment revenues Income from open programmes in 2011 in $m, provided optionally by schools. Figures are based on average dollar currency exchange rates for 2011.

Footnotes: †These data are provided for information only. For schools whose main headquarters are outside the US, figures are based on average dollar currency exchange rates for 2011.
*Includes revenue from food. **Includes revenue from food and accommodation. ***Aggregate total for open and customised programmes. Although the headline ranking figures show changes in the data year to year, the pattern of clustering among the schools is equally significant. Some 280 points separate the top school from the school ranked 65th. The top 15 schools, from IMD to University of Oxford: Saïd, form the elite group of providers of open enrolment programmes. The second group runs from University of Michigan: Ross to EMLyon Business School, ranked 52nd. Some 140 points separate these two schools. The third group is headed by Nova School of Business and Economics.

Find interactive rankings online at www.ft.com/rankings

Methodology

→ How the executive education programme rankings were compiled. By **Adam Palin**

The FT's 13th annual ranking of executive education programmes – non-degree programmes for working managers and corporations – ranks business schools in three categories. The first is for those that teach open-enrolment programmes; the second for customised programmes; and the third a combined ranking of the top 50 schools in the field (see p7).

Customised programmes are tailored by schools to the specific needs of commissioning organisations. Open-enrolment programmes are offered to employees of any company and address a specific topic or managerial level.

Schools must meet strict criteria to participate. They must be internationally accredited and have earned revenues of at least $2m in 2011 from their open or customised programmes respectively. For schools to be eligible for the open-enrolment ranking, a 20 per cent rate of response to the FT questionnaire is required among participants, with a minimum of 20 responses. At least five clients must complete the survey for each school to remain eligible for the custom ranking. This year, 79 schools took part in the customised ranking and 71 in the open programme ranking.

The final ranking of 70 providers of customised programmes is compiled using data from the participating business schools and organisations that commissioned courses in 2011. These clients, nominated by the school, complete an online questionnaire about their tailored programme.

Clients are asked to categorise their programme as principally strategic, general or functional in design, defined as follows. Strategic: designed to influence the direction of the company and delivered to top management. General: delivered to management on operational aspects of a company. Functional: related to a specific function, such as marketing.

Client responses are weighted accordingly, with strategic programmes carrying the largest weighting. Responses are also weighted depending on the seniority of the individual responsible for specifying the programme, the size of their organisation and the number of business schools from which that client has purchased customised programmes in the preceding three years.

This year, 942 business school clients – almost half of those nominated – completed the FT questionnaire, rating their programme across a range of indicators on a 10-point scale. Their answers directly inform the first 10 of the ranking's criteria – from course preparation to the likelihood of repeat business – which together account for 80 per cent of the ranking's weight.

> This year, 942 business school clients – half of those nominated – completed the FT survey

The remaining customised ranking criteria are calculated from data provided by schools and broadly measure schools' international diversity, in terms of course provision and nationality of clients and participants, in addition to faculty diversity.

The open-enrolment ranking of 65 schools is similarly compiled using data from participating schools and individuals that completed the programmes.

Schools submit one or two general management programmes of at least three days in length, and one or two advanced management programmes of at least five days. Individuals who took part in these nominated programmes in 2011 are invited to answer the FT survey.

Approximately 6,300 participants responded, rating selected elements of their programme on a 10-point scale. Data provided by advanced and general-level participants are collated separately, with the results combined using a 50:50 weighting to calculate the first 10 ranking criteria. As in the customised ranking, these criteria – which include the quality of fellow participants and of school facilities – account for 80 per cent of the ranking's weight. School data are used to calculate the remaining criteria.

For both customised and open rankings, data collected in the preceding two years are used, where available, to calculate criteria informed by client and participant responses. If a school has participated for the past three years, the weighting is 40:33:27, 2012 data carrying 40 per cent. If two years of data are available, the weighting is 55:45, with 2012 data worth 55 per cent.

The weighting for each of the first 10 criteria in both rankings is determined by the level of importance clients and participants attach to each criterion in their 2012 surveys. Ranking weightings for these criteria may vary, therefore, from year to year. The weightings for criteria calculated from school data are determined by the FT and remain unchanged from previous rankings.

A weighted Z-score – a formula to reflect the range of the points – is calculated for participating schools for each criterion. These scores are added together, giving a total according to which schools are ranked in descending order for customised and open rankings.

The combined overall ranking of the top 50 schools is calculated according to an equal weighting of the total Z-scores for schools that feature in both rankings. It is not equal, therefore, to the average of the two printed figures for each school.

Judith Pizer of Jeff Head Associates acted as the FT's database consultant

Online

View an interactive ranking with this year's results along with tables of FT business education rankings dating back to 2003. Go to **www.ft.com/rankings**

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Keeping up in a changing world

report

Frank Waltmann of Novartis; (top) Joanna Barsh of McKinsey

PHOTOS: ANDREAS FROSSARD; GETTY; DREAMSTIME

Meet the competition

→ How publishers, consultants and corporate universities are taking on the business schools

Wise words

➔ Specialist publishers are offering much more than course materials. By Rebecca Knight

Publishing companies' business education products traditionally have taken the form of the printed – or digital – word: journals, encyclopaedias, self-help books and training manuals aimed at employees looking for that next promotion or just to improve how they do their jobs. But publishers are expanding their range.

Leveraging their business libraries and connections with authors and management experts, several publishing and media companies – including Wiley and the Pearson group – have recently entered the business education market with short online courses targeted principally at mid-level executives. Meanwhile, Harvard Business Publishing, which has offered specialised courses and online management education tools for many years, is expanding its offerings (see page 34).

"We can do things with greater immediacy," says Kevin Kelly, director of the Wiley Learning Institute, a new joint venture within John Wiley & Sons, the academic publisher. The institute provides professional development through workshops and online learning labs. "The technology supports a faster turnaround and companies today are demanding that," says Kelly.

Publishers insist their goal is to partner with, rather than compete with, business schools. The bulk of publishers' offerings are short, e-learning courses, usually delivered through existing technology platforms. They involve very little, if any, classroom time and are a different proposition from the high-contact, week-long courses run by business schools, or even a one or two-year MBA programme.

> "Education is recognised… as a market we have permission to play in"

Publishers' courses, however, have advantages: they are more affordable, the classes are shorter, and because they are conducted online, they can be done at a time of the student's choosing. These selling points could help them to gain ground in the market occupied by business schools for brief general management programmes.

For now, business schools do not appear to be too concerned that publishers will tread on their territory. Some, however, including Dan LeClair, director of knowledge services at the Association to Advance Collegiate Schools of Business International, the industry body, have doubts about the quality of the programmes.

"When done well, the content can complement the management education and development provided by better schools," he says, but adds: "Sometimes they provide content without context, though management is very much contextual. Sometimes they don't recognise and build on connections to other fields or industries. Often there is no individualised feedback or reflection built into the courses."

The speciality of the Wiley Learning Institute is "just-in-time" learning on a range of subjects. It also provides support mechanisms to help managers make use of what they have learned, including professional coaching, online communities and other online content.

Wiley's focus at the moment is on training in the higher education market, but it plans to launch management education within the next six to 12 months. The company has partnerships with more than 800 professional societies.

"If you're a professional who has 90 minutes, or half a day, and wants to know more about strategic planning, you come to us," says Kelly. "We have terrific authors who can put together instructionally sound programmes that will be interactive and immediately applicable. People don't have time for much else. They want to be able to learn it one day and go back out into the trenches the next day and put that information to use."

Pearson, the publishing company that owns the Financial Times, is also making moves into instruction. Last year it launched the Financial Times Non-Executive Director (NED) Certificate, an accredited training programme targeted at current and aspiring non-executive directors. The programme, which includes two-and-a-half days of compulsory workshops and about 150 hours of online learning, covers topics such as board structure and performance, audit and financial reporting, and risk management and internal control. ➤

Paul Rossi of The Economist says its courses add value

PHOTO: VANCE JACOBS; DREAMSTIME

Quick change: Kevin Kelly of the Wiley Learning Institute says the technology allows a swift response to companies' needs

"If you have 90 minutes, or half a day, and want to know more about strategic planning, you come to us"

"We saw there was a gap in the market for formal education of non-executive directors," says Steve Playford, managing director of the Financial Times Non-Executive Directors' Club. "The financial crisis brought the issue to a head."

So far about 120 people have taken the course, which uses the content and technology platforms of four Pearson companies, including the FT and Edexcel, Pearson's awarding body.

"If you use the right companies, you can be successful in the business education space. We have built a robust, credible product," says Playford.

Last year, The Economist, which is 50 per cent owned by Pearson, launched Economist Education, a series of online courses about emerging markets. The courses, which are about four hours long, use the magazine's editorial content with input from professors and consultants.

Paul Rossi, managing director of the Americas at The Economist, says the courses have two target audiences: Fortune 1000 companies looking to augment internal training programmes for employees around issues of globalisation, and individual customers who are considering enrolling in a formal graduate business programme.

"We are always looking for new areas to take the brand," he says. "Education is recognised by our customers as a market that we had 'permission' to play in. It's a place where we add value."

Rossi says Economist Education complements business school teachings. As evidence, he points to the University of Virginia Darden School of Business, which is trialling the courses as primers for its MBA students. "It's to make sure that all their students are at the same level of understanding of international markets before the official classes begin," he says.

As the old model of publishing comes under pressure in the digital age, Kelly, of the Wiley Learning Institute, says the move into management instruction makes sense. "Think about Darwin's phrase," he says. "It's the ones that adapt who survive." Ⓑ

Centre ground

→Harvard Business Publishing is targeting middle managers

Most management education and professional development programmes largely overlook mid-level managers, says Ray Carvey, executive vice-president of corporate learning at Harvard Business Publishing (HBP.)

"They're the ones who get all the work done," he says. "Because of the recession, and companies making do with less, there is tremendous pressure on these folks."

To ease their burden, the company has introduced a new programme called Breakthrough Leadership, based on the research of Linda Hill, a professor at Harvard Business School, and Kent Lineback, the business author. The programme involves online material, live case discussions, online study-group discussions and videos of expert commentary. "It is aimed at the sweet spot in the market place of middle managers," says Carvey.

Indeed, the programme also represents the sweet spot of HBP: education products that blend online course material – much of it based on research by the school – with live, classroom-style workshops and discussions on common business issues. In the last financial year, HBP contributed $135m to Harvard Business School's coffers.

"Harvard Business School provides an extremely high-touch [offering] and we try to be a high-tech complement," says Carvey, adding that participants who take a class at HBS expect a certain kind of community and day-to-day interaction with faculty.

"We're never going to replicate the classroom. But we can take a little bit of it, and help companies leverage their dollars and get the same kind of learning. It's a different level of experience."

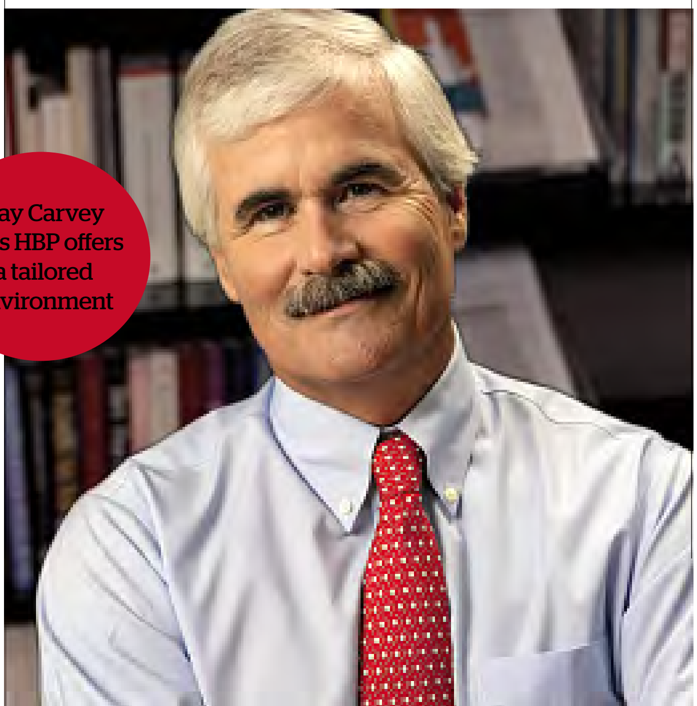
The company's flagship product, Harvard ManageMentor, is a learning tool targeted at general managers who need a quick brush-up on, for example, budgeting, time management or giving a performance review. It includes videos, social media tools, expert commentary and other interactive elements. The lessons last between eight minutes and two hours depending on the amount of time the manager has to spare.

"We went from an academic perspective to a real customer-focused one"

Harvard ManageMentor is used by hundreds of companies around the world. "Companies were telling us how they wanted to learn, so we went from an academic perspective to a real customer-focused one," says Carvey. "We go in and help them solve their problems using the best content and means to support that. It is a tailored continuous learning environment."

Another product, Leadership Direct, is designed to cultivate the management skills of high-potential leaders. The classes focus on topics such as "global mindset" and "leading teams". Many of the courses are delivered virtually by HBS faculty via Telepresence or WebEx. Programmes typically involve 50 participants per cohort, and cost $3,000-$6,000 a person.

HBP customises the course material for the company and the specific objectives it wants to achieve, says Carvey. "A company comes to us because it has some sort of strategic initiative it wants to execute from top to bottom. This is an effective method to scale learning," he says. "I don't think it's meant to, nor does it, replicate the kind of experience you would expect on campus." – **Rebecca Knight**



Ray Carvey says HBP offers a tailored environment

Insider training

→ In-house education is getting serious, writes **Haig Simonian**

For many aspiring corporate leaders, an MBA from an august business school or completion of an external advanced management programme are achievements proudly displayed.

In reality, however, most executives' business education takes place on their employers' premises, as many big companies operate extensive internal "corporate universities", "learning centres" or "academies".

To demonstrate that corporate education need not play second fiddle to academic alternatives, 15 of Europe's best-known multinationals have had their internal programmes accredited by the European Foundation for Management Development (EFMD), a networking platform for companies and business schools.

The number of participating companies remains small, partly because selection criteria are stringent. But members include big names such as Allianz, Deutsche Bank, Siemens and Volkswagen from Germany, French energy companies EDF and GDF Suez, and Spain's Santander Group.

Three of the 15 in EFMD's Corporate Learning Improvement Process (Clip) are Swiss. That such a high number comes from a small country testifies to Switzerland's disproportionately large number of multinationals. It also shows, perhaps, the broader relevance of management education in Switzerland, home, after all, to both IMD, the business school, and the executive education programmes of the University of St Gallen.

The participation in Clip of Novartis, Credit Suisse and Swiss Re is particularly relevant as an impartial testimonial to the scheme. Unlike their French, German or Spanish counterparts, the Swiss do not have a big domestic talent pool to draw on, meaning recruitment and training are highly international. And given the country's size, there is no automatic bias to any particular domestic seat of learning. So Swiss interest in accreditation arguably carries special weight.

"We want to emphasise the involvement of our top people" – William Wolf

The motive for the companies involved, irrespective of origin, is to ensure internal training meets expectations and holds its own against external alternatives. Allocating resources between internal and external options has always been tough; now, with budgets stretched, the choices are even harder. Clip reassures corporate education heads that their internal courses are up to scratch.

"We do send executives to business school and bring in individual experts. But our people prefer to attend internal courses," says Frank Waltmann, head of learning at Novartis, the pharmaceutical group.

Prisca Peyer-Ehrbar, head of the academy at Swiss Re, the reinsurer, echoes this. "We do send people for MBAs and shorter courses. But we really prefer to invest in building our talent internally."

Most business education takes place on employers' premises

"Generally, we are moving to a model of using our leaders of today to teach those of tomorrow," explains William Wolf, global head of talent development at Credit Suisse, the bank, and previously a partner responsible for talent development at McKinsey, the consultancy, in Washington DC. "We want to emphasise the involvement of our top people and do a lot more of that."

In-house education has three advantages, they say. First, it instils corporate culture and know-how that cannot be replicated externally. Second, it avoids concerns about confidentiality, especially intellectual property. The third factor is convenience. Multinationals may offer executive education across their international networks,

Home ground: Frank Waltmann, head of learning at Novartis, pictured in front of the Gehry building on the company's campus in Basel, says "our people prefer to attend internal courses"

PHOTOS: ANDREAS FROSSARD; DREAMSTIME

Past school profiles are available on www.ft.com

rather than just at headquarters. But wherever courses are held, corporate premises are generally preferred to off-site locations.

Novartis, for example, by far the biggest of the three Swiss Clip participants, operates a "two-pillar" corporate education system, says Waltmann. "There is a core portfolio, involving about 20 programmes in what we call a 'leadership pipeline model', aimed at the top 10-15 per cent of employees. Then, since 2008, we've been creating what we call 'Novartis corporate universities' in key growth markets."

The "corporate universities", currently operating in China and Russia and planned for India and Latin America, are more commercially focused and concentrated on their home markets. But in both cases, teaching is always in-house.

Waltmann says employees' preference for internal courses reflects the fact that "they tend to be more flexible, convenient and time efficient".

That does not exclude bringing in outside experts, or offering external courses where appropriate. Big groups distinguish between "company-specific" programmes, where internal resources are preferred, and "generic" subjects, such as languages or certain information technology functions, where adequate external options exist.

But even topics involving outsiders are tailored to company needs, says Peyer-Ehrbar of Swiss Re. "We design the bulk of our courses ourselves, and we do also depend on external faculty. But I never bring in an external product 'as is', whether it is an individual professor or a business school." Waltmann agrees: "We customise the content."

Cost, of course, plays a part – though it is mentioned surprisingly seldom. As a rule, in-house training is cheaper than external alternatives. But more important – notably at Credit Suisse, battered, like other big banks, by the credit crunch – is the extra flexibility internal options provide. Every year, about 25 of the company's bankers attend business school courses, primarily at Columbia and Harvard universities. But the majority are educated internally. "We want to keep costs as variable as possible in our training and development functions", says Wolf.

Accreditation is very valuable. An external seal of approval may reassure some managers they are not being fobbed off with second best. In the case of Novartis's Chinese corporate university, the externally accredited training has even generated enough buzz outside the company to be a positive factor in recruitment, says Waltmann.

But the prime benefit of external accreditation lies in making corporate heads of learning reflect hard on their programmes. Participation in Clip requires taxing assessments every five years. "The EFMD auditors speak to everyone from the chief executive down to ensure what you are saying is correct and cohesive. It's huge," says Payer-Ehrbar. The process not only helps to build the brand externally, but also adds credibility to executive education within the company, she adds.

Benchmarking is the other big benefit adduced by all concerned. Participating companies learn from the EFMD's experts how their programmes stack up, and can compare and contrast their offerings, picking up best practice along the way. "It's diagnostic. It's extremely helpful, and it comes at a reasonable cost," concludes Waltmann. B

Think big

Novartis has capacity for up to 7,000 employees a year, attending courses lasting between one day and a year. Credit Suisse provided a staggering total of 83,000 training days last year, while Swiss Re, with only 10,800 staff, says around 90 per cent of them have attended training at its academy.

Leading questions

→ Management consultancies are rethinking how to train top managers. By **Alan Rappeport**

Joanna Barsh of McKinsey stresses the importance of knowing how to inspire others

As companies grapple with the aftermath of the recession, many are turning to consultancies rather than business schools for executive leadership training. The economic fabric underpinning companies across most industries has shifted in the past few years amid deep cost-cutting and mergers, making it more important for executives to develop leadership skills beyond operational know-how.

Management consultancies are increasingly drawing on fields such as philosophy, psychology, evolutionary biology and even neuroscience as they look for creative ways to help corporate executives become more effective.

Traditionally, companies sent executives or promising employees to prominent universities for leadership "boot camps" or executive MBAs. But with greater demand for results and real-world experience, recently companies have been turning to the consulting world to groom their top talent.

"Two decades ago, leadership was about creating a leadership statement, putting teams together and telling them to go," says Joanna Barsh, a director at McKinsey's Centered Leadership programme. "That's the activity of leadership, but what we're teaching is being part of leadership and knowing how to inspire others and find what is meaningful to them."

73% of companies and 68 per cent of participants told the FT executive education survey they wanted less than 20 per cent of future courses to be conducted online

The programme began in 2008, after Barsh co-authored a book on women's leadership. That evolved into a general training programme for people inside the consultancy and, more recently, into a series of programmes the consultancy offers to companies. The training usually consists of small groups of employees, from middle managers to top executives, who work on running meetings, handling argumentative conversations and becoming better at negotiations.

Barsh says the programme draws on research from a variety of academic fields and sometimes delves into the "touchy-feely" realm, asking executives to gain a better measure of their intentions so that they can understand what triggers conflict.

"What we're teaching is how to inspire others and find what is meaningful to them"

According to Amy Fox, chief executive of Mobius Executive Leadership, new methods of training are of growing importance because companies are changing so fast. "Mergers and acquisitions often fall apart because relationships get frayed and you can't bring two organisational cultures together."

Critics of leadership training programmes argue that their goals can be nebulous and it is often impossible to measure the return on investment. Moreover, offerings from consultancies do not come with the credentials or prestige of a university programme.

Mobius tries to tailor courses to a corporate "mandate" or business "imperative" so that the results are evident, with most companies looking for better team dynamics. Research by Mobius suggests that the advent of social media has made traditional leadership styles obsolete, and that executives are adapting to more transparent and inclusive corporate cultures.

Boston Consulting Group takes a results-driven approach, promoting "adaptability" as a leadership ideal. BCG finds a high correlation between executives who can adjust to change and market capitalisation growth.

PHOTOS: GETTY; BLOOMBERG

The group measures success by the way executives learn skills such as the capacity to sense and respond, process information, create freedom within a framework and create "boundary fluidity" within teams.

Roselinde Torres, a New York-based senior partner at BCG, says executives are racing up the corporate ladder much faster than they did 20 years ago. Hence they have more limited experience and need to gain leadership skills. BCG's programmes range from one-on-one coaching to courses that run six weeks or six months. The firm also encourages executives to take "immersion" sabbaticals, where they work for a year or more at a non-governmental organisation, a government agency or spend time abroad.

Roselinde Torres, senior partner at Boston Consulting Group

"We try to ensure the learning experience is grounded in the strategic agenda of the company," says Torres. "It's not just going off to school."

She adds that executives in Europe and Asia are often more adaptable, while their US counterparts cling to the notion of the "heroic" chief executive.

Kathy Woods, a senior partner in Korn/Ferry's leadership talent and consulting group, acknowledges that some executives are resistant to outside coaching or leadership training. However, she says those who are resistant to change tend not to be strong candidates.

Companies come to Korn/Ferry to "deepen the bench" of potential chief executives. The group mixes individual coaching with course modules. It often helps companies improve collaboration as they roll out international strategies, change the role of marketing in an organisation or become better at hiring internally. B

More online

How Estée Lauder turned to search and consulting group Korn/Ferry to train staff for the cosmetics market in Asia. www.ft.com/business-education

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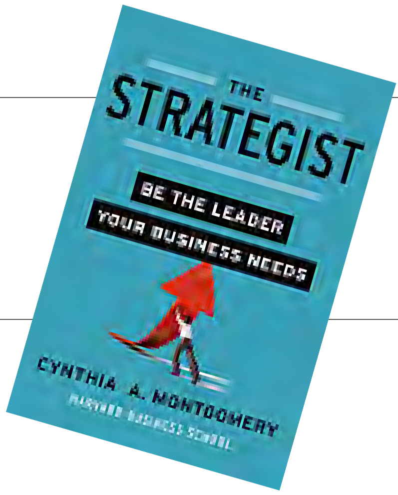
Women on the way to the top



review

books

Style and substance

→ Gucci's revival shows strategy must be matched with execution. By Philip Delves Broughton

Just as ancient theologians once debated how many angels could dance on the head of a pin, so today business executives thrash around the futile question of what matters more – strategy or execution? It is a ridiculous question because the answer is obviously both. A good strategy poorly executed is as worthless as a bad strategy well executed.

It takes a bold, or perhaps shameless, writer to venture once more into this particular breach, but Cynthia Montgomery, professor of business administration at Harvard Business School, does just this. But we should thank her, because in a brisk 158 pages, she offers a clear summary of how to think about the overlap between strategy and execution. In terms of basic usefulness, *The Strategist: Be the Leader Your Business Needs* outshines books several times its length.

Montgomery quotes the German military commander Helmuth von Moltke, who noted that no plans survive contact with the enemy, and that strategy should therefore be viewed as a system of decision making, of "penetrating the uncertainty of veiled situations to evaluate facts, to clarify the unknown, to make decisions rapidly, and then to carry them out with strength and constancy".

She uses a few case studies to make her point, notably Gucci, Ikea and Apple. Gucci was a fabled but dysfunctional and failing family business in 1995 when Domenico de Sole, a tax lawyer, became its chief executive. Many inside and outside Gucci had forceful ideas about what the company should do. But de Sole started by examining where it was to start with. That is the beginning of any strategy. Before you dream of the future, it is worth taking a harsh inventory of where you are.

Tom Ford's design revamp was crucial to Gucci's revival

PHOTO: REUTERS

De Sole noted that Gucci's traditional high-end leather goods were not selling as briskly as its seasonal items, so the company implemented a plan to become "fashion-forward, high quality and good value". This involved reinventing the design process, promoting a young designer, Tom Ford, and revamping production, the supply chain, marketing and retail.

The strategy, like every great strategy, says Montgomery, was a "system of value creation, a set of mutually reinforcing parts". Everything the company did reinforced its new focus.

As De Sole said later, Gucci's revival was the fruit of "a lot of little things. We were very aggressive in establishing priorities, and needed to act decisively, quickly."

Action and decisiveness are vital to a successful strategy. Implementation always involves sacrifice – yes/no decisions that lead to the abandonment of pet projects, people, dreams or long-held assets. Montgomery teaches mid-career executives at Harvard and writes that many of them say how hard it is to kick off the old in pursuit of the new, but once they have made the choice and taken the necessary actions they feel a great sense of liberation. Taking on new challenges is always more invigorating than managing the same old problems.

> Gucci's strategy was a system of value creation, a set of mutually reinforcing parts

She says external strategists can be helpful in defining a path to the "profit frontier", where you have a wider gap than your peers between your costs and your customers' willingness to pay. But ultimately it is the corporate executive who must take responsibility for building that set of mutually reinforcing actions that enable any strategy to work. It is an open and ever-changing process that requires "continuous, not intermittent, leadership". Ⓑ

Too much information

→ Windows 8's mobile-style interface can be confusing for PC users to navigate. By **Chris Nuttall**

Where to start? I have been trying to change the habits of a computing lifetime in a trial run with a new version of Windows on a laptop. The start button has always been central to my computing experience, like the ignition key in a car. Remember Windows 95? At the bottom left of the screen sat a Windows symbol and the word "Start". Microsoft even pointed the way with the Rolling Stones' "Start Me Up" in its commercials.

Start is still there in the current Windows 7 – run your cursor over a circular logo and the word "Start" pops up. Click it and the familiar menu appears.

But Windows 8 has left me disoriented – the Start button has disappeared. I have been trying the Consumer Preview of the new operating system (OS), which anyone can download ahead of its full release later this year.

In the context of the challenges to the established order of computing on a desktop PC or laptop, this is the most crucial release yet of the dominant OS.

Understanding the new version is easier if you are used to smartphones or tablets, which indicates how topsy-turvy things are in this post-PC world Apple likes to talk about, where our daily computing seems to start on those smaller, more mobile devices.

Windows 8 is the first combined version of the OS. It is designed for both tablets and regular PCs, and for the first time is compatible with ARM-based processors, which dominate the smartphone and tablet world, as well as the usual Intel chips.

I can understand Microsoft has to hedge its bets on the future of devices and has been slow to respond to Apple's iOS and Google's Android as tablets and smartphones have taken off. But it risks being increasingly irrelevant if it fails to come up with a better way of working for us across both worlds.

In trying to cater for the two experiences, Microsoft risks not doing the best of jobs for either category. That was certainly the case in my early trial.

There is no easy way of putting the Consumer Preview on a tablet right now and most screens are not optimised for it. While I dabbled with Splashtop's Win 8 Metro Testbed app, which mimics Windows 8 on ➤

→ Take your desktop on the road: apps bring Windows favourites to tablets

CloudOn (iPad, free)

Windows 8 is expected to be accompanied by a version of Microsoft's Office specially designed for touch and tablets. But there are already ways to use this familiar suite on mobile devices. CloudOn's free iPad and Android app allows online connection to authentic versions of Word, Excel and Powerpoint for creating and editing documents in the cloud. They can be saved and opened from online storage services Dropbox and Box. The menus, though small, respond accurately to touch.

OnLive Desktop (iPad, Android, free)

OnLive is known for its console-quality cloud gaming, but its new Desktop app serves up a touch-enabled Windows 7 desktop on Android tablets and the iPad with Word, Excel and Powerpoint icons to tap and open fully featured programs. Others are also provided, including Paint, Calculator, Internet Explorer and Adobe Reader. OnLive offers 2Gb of free storage for your files, while monthly subscription plans offer more space and faster speeds.

Splashtop Win 8 Metro Testbed (iPad, $49.99)

Splashtop apps offer remote control of a desktop PC or laptop and this pricey Win 8 Testbed version requires you first to install the Consumer Preview of Windows 8 on one of your machines. You then access it remotely, with the iPad app giving a full-screen view of your desktop, effectively turning the iPad into the Windows 8 tablet yet to appear in stores. Splashtop has enabled touch, meaning tapping on Windows tiles and swiping rough menus transforms the experience.

PHOTO: ED ROBINSON; ILLUSTRATION: NICK LOWNDES

an iPad, I ended up installing the OS on an Asus Zenbook X31E laptop provided by Intel as a sample of the new thin ultrabook category it is promoting.

Unfortunately, this has an awful keyboard that kept missing letters as I typed. Worse still for Windows 8, its trackpad was unable to mirror key touch gestures of the operating system, such as swiping up and down. The lack of specific driver software for the Asus may be to blame, but it contrasted sharply with the gestures I can use smoothly on the trackpad of a MacBook Air in Apple's operating system.

Windows 8 opens with a start screen rather than a start button. It is a mosaic of coloured tiles representing different options, applications and information services. Typically these are for photos, music, videos, games, books, shopping, social network messages, weather, stock prices, maps and services such as email, calendar and remote storage.

This "Metro" interface will be familiar to users of Windows Phone 7 smartphones. Its big square buttons can be pushed easily by fingers, in contrast to the menus and lists we are used to accessing with a mouse. While the tile mosaic can be personalised, it looked confusing – like sitting down at a desk covered with papers, rather than a clean desktop.

Microsoft seems to assume people want these distractions of tweets, headlines and stock information when they sit down at a computer. In practice, I prefer this on a mobile device when I am on the go and catching up with things.

> In trying to be post-PC, Microsoft is in danger of leaving behind the needs of traditional users

Another problem is that bringing Windows 8 fully to life in the way Microsoft envisages – the tiles are "live", showing current information – requires the user to sign up for its services, such as Windows Live, Xbox Live, SkyDrive and Hotmail.

I found I could get to a clean, familiar Windows desktop by clicking on one of the tiles, but then finding my applications without the Start button was a problem.

A new feature called Charms – pop-up sidebars – was little help either. These are context-sensitive, so they offer features such as search that are pertinent to what you are doing at the time rather than the global overview that Start provides.

I finally got my bearings when I found that right-clicking in the bottom left of the screen in the tiled Metro view brought up a bar with a view of "All Apps", a full screen list of every program and service.

Many users have criticised the complexity of navigating Windows 8's radical look, and this is clearly getting in the way of appreciating its new features. In trying to be post-PC, Microsoft is in danger of leaving behind the needs of traditional users. Ⓑ

ILLUSTRATION: NICK LOWNDES

LISA GOLD SCHIER

Female focus

→ Studying with women who are aiming high

When I signed up for the Women Emerging in Leadership course at Darden School of Business, I was looking for the intensity of being immersed in a programme for a week. I wanted to be away from home and work, and to develop relationships with female role models.

During the course at the University of Virginia school, some of us would go for a run at 5.30am and then do a mini-bootcamp before meeting for breakfast at 8.30am. We would work until 7.30pm most days. The course emphasised the value of wellness and I liked its approach to creating a work-life balance.

My overriding wish was to learn from others in leadership roles. I wanted to understand which leadership attributes other women had deployed. A few months previously, I had completed a leadership course with peers in the financial services industry, but I wanted to build on these skills, absorbing external perspectives. My group was so diverse – some were from financial backgrounds, others from the military, fundraising, tech and non-profit organisations. A mixture of case studies and role-playing made it feel like we were experiencing real-world situations.

It was important for me to go on a women's leadership course – there are not enough women in top positions and they face unique challenges. I saw it as an opportunity to learn how other women deal with such things. For example, women tend to have mentors, not sponsors. Sponsors are people within your organisation who believe in your abilities and actively advocate for you. While most of us did not acknowledge having formal sponsors, we learned that many of us had informal ones and that we need to do more to cultivate these relationships.

Women tend to be very good at pointing out their faults. This course made us focus on the positives. One valuable lesson was the self-reflection exercise – we had to ask friends, family and colleagues to identify times when we were at our best. I discovered that people see me as a confident leader who can get results, someone who can bring a group together to form consensus. I did not think people would point out that they enjoy my sense of humour – that was nice.

The course made me think about how others perceive you and how I want to be perceived. I learnt that people will take different things from my leadership style – learning to consider my audience was perhaps one of the most important lessons. Now, when leading meetings, I try to understand the differing personalities and I will provide more opportunities for all to have input.

I had hoped to make contacts and I did. We are connected through LinkedIn [the professional networking website], as well as having shared our contact details. We ended the week with an exercise where we had to tell the class about two things we needed help with – one in work and one in life. I am not a good cook, so I asked for easy recipes that would make me look like I had thrown together something fantastic. I also asked for advice on better utilising networks such as LinkedIn.

I was slightly worried about being away from my family – my 10-year-old son was asking why I had to go away for a week. But it was important to gain this experience.

I was a little concerned that because it was a small group of 11, I might not find people there I could learn from. My husband suggested that my interactions might be more intense and hence more productive – which turned out to be true. The size of the group was not as important as the interactions between the group and the professors. The format was extremely effective.

Another benefit of the format was how well we got to know the professors. Coaching sessions with them were invaluable. It was particularly rewarding that the professors and my classmates all took an interest in each other as individuals and as leaders. We have now developed a new network of friends and mentors. Ⓑ

As told to Emma Jacobs

Varied career

Lisa Gold Schier lives in Washington DC, and is a senior vice-president at the American Bankers Association, an industry trade group. The 45-year-old is originally from Pennsylvania and previously worked at US Bank, a retail bank, in various divisions. Her current career is very different from her early one – after studying exercise physiology at Pennsylvania State University she worked at a rehabilitation centre before finding her way to mortgage banking.

A women's leadership course was important to me – there are not enough women in top positions

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