here is an active debate about the extent to which business should be engaged in environmental and social issues. Some argue that business is inevitably driven by market and financial pressures that run contrary to these considerations. Key to this debate is whether public policy can be framed to promote rather than undermine private solutions to public problems. In general, regulation and taxation are viewed as raising the costs that businesses incur, either directly through compliance or indirectly through their effects on labour and capital costs. However, it is possible for regulation and taxation to be structured to be pro-market rather than anti-market.

In relation to the environment, attention is increasingly turning to the way in which incentives can be framed to encourage companies to find innovative solutions. Instead of simply discouraging activity, well designed programmes can promote organisational innovations that extend the boundaries of corporate activity. The public sector may be the appropriate instrument for framing environmental policy but it is frequently not the instrument for its delivery.

Likewise, it is increasingly appreciated that governments are often not good vehicles for delivering solutions to social problems. The disillusionment that some people have expressed about large government and international agency aid programmes has prompted a search for alternative micro private and not-for-profit responses. Microfinance is the best known example of this, but there are many others that have received less attention.

Organisational innovation to address environmental and social issues is one of the most important aspects of the interface between the public and private sector. With its expertise in business taxation, economics, finance, organisational theory, strategy and structure as well as social entrepreneurship, and science and civilisation, the Said Business School is exceptionally well placed to address these questions. What will emerge is not the standard polemical response that is driven by ideology rather than insight, but carefully researched analysis that will bear directly on both business practice and public policy. It is an important agenda and one to which a business school that is part of one of the major universities of the world should be contributing.
As the world grows increasingly complex, solving society’s biggest problems sometimes seems impossible. Just look at current attempts to deal with climate change. However, such responses are only to be expected, say the authors of *Clumsy Solutions for a Complex World*, a new book edited by Marco Verweij and Michael Thompson, associate fellows with the James Martin Institute for Science and Civilization (JMI) at the Saïd Business School. To get to grips with the most challenging problems, they argue, whether at an organisational or societal level, a new “clumsy” approach to problem solving is required.

“Clumsy” may sound like an unscientific term, but the concept is founded on some serious social science, says Steve Rayner, director of the James Martin Institute and co-author of several chapters of *Clumsy Solutions*. The book builds on research conducted at the JMI and focuses on finding effective solutions for complex social problems, ranging from gun control to dwindling water supplies.

HOW DO YOU SOLVE A PROBLEM LIKE CLIMATE CHANGE?

BY: STEVE COOMBER

GETTING TO GRIPS WITH THE INTRACTABLE PROBLEMS OF THE TWENTY-FIRST CENTURY REQUIRES A FRESH APPROACH, ARGUES STEVE RAYNER.
At one end of the scale, are problems to operate effectively. The stuff that gets "People are certain that they know exactly or potential solutions," Rayner explains. "People are certain that they know exactly what is wrong, and what the answer is, but put them together in a room, and they disagree fundamentally with each other."

Problems come in several flavours. At one end of the scale, are problems where there is a lot of information and a lot of forgiveness in the event of a mistake. Standard decision science tools can be employed to solve such comparatively tame problems. However, as knowledge about a problem become less certain or the stakes grow higher, the problem becomes trickier.

Here, solutions often employ clinical consultancy, increasingly using expert judgement alongside objective problem solving methods. Finally, we move beyond simply nasty problems, to truly wicked problems, where either the degree of uncertainty means that it is not possible to characterise the problem, or the price of failure is extremely high.

Take nuclear energy. Choosing suppliers for components in a new nuclear power station is a fairly straightforward decision. Tougher is the question of whether a passively safe reactor design is the right option. Whether to opt for nuclear power in the first place is a wicked problem.

Alongside wicked problems, Rayner and his colleagues employ another important concept – "uncomfortable knowledge". Information overload means that organisations need to filter information in order to operate effectively. The stuff that gets filtered out is the uncomfortable knowledge. The filtering, however, also constrains the way individuals within organisations are able to deal with wicked problems.

"A robust outcome incorporates a variety of insights. So you must bring together all the parties to the contradictory certitude, in the knowledge that each of them probably has some important insight not accessible to the other viewpoints," says Rayner. "We need to identify what the uncomfortable knowledge is, and construct ways to get that type of information past the organisational filters."

To explain how problem solving is restricted by organisational context, the book outlines several forms of social organisation that shape the way we view the world, and thus colour the solutions we come up with. These forms of organisation vary along two dimensions – group and grid – which measure how embedded individuals are within a group and the extent to which they are constrained by hierarchy.

Using these measures, three voices emerge strongly in debates about public policy and organisational strategy, Rayner says: the voice of individualism, where there is low group or grid, and thus no constraint; the voice of egalitarianism, which is strong on group, and therefore networks, but not on the hierarchical rules governing social relations; and the voice of hierarchy, which scores highly for both group and grid.

Each of these voices takes a distinct, predictable approach towards problem solving. "When things go wrong, organisations usually advocate more of what is not working," Rayner says. "In a hierarchical organisation you will hear, 'we need to define the rules more clearly... we need to establish clear lines of responsibility'. In the individualistic mode, people say, 'we've got to get the rules off our backs and allow people's individual creative capacity to flourish'. In an egalitarian setting it is about getting more people involved, more participation."

Climate change is a good example. With the market driven individualistic approach, people are sceptical about whether climate change is happening. Even if it is, they say, the best way to deal with it is to allow individual firms and the market to sort it out. The hierarchical approach prefers to build international institutions to manage the situation. It may advocate an apparently individualistic market solution through carbon trading, but it is still a top down regulatory response. Finally, the egalitarian response frames climate change as a problem of over consumption. We should all be consuming less and so carbon rationing, individual carbon credits, travel restrictions and other similar measures curtailing consumption are required.

Each constituency is convinced that its viewpoint is the correct one, and offers a plausible diagnosis and, within that context, an appropriate solution. Yet the three solutions are fundamentally incompatible. And so it is with many complex problems.

So where does "clumsiness" come in? Proponents of the clumsy solution argue that any solution must, at the very least, entertain the viewpoints of all three positions. Each is valuable in its own way. The egalitarians are the "societal canaries", sounding the alarm and alerting us to potential dangers. The hierarchists are society's gardeners, keeping things under control and in their place. The individualists are the innovators. A sustainable clumsy solution must mix all three ingredients.

The clumsy solutions approach to problem solving is highly relevant for organisational as well as broader societal problems, Rayner stresses. Some organisations stumble unconsciously on clumsy solutions. However, Rayner advocates promoting clumsiness consciously through activities such as scenario planning taking account of multiple stakeholders.

If the authors of Clumsy Solutions are right, organisations should be wary of that triumphant moment when they arrive at an apparently neat answer to a thorny problem – they need to look for a clumsier solution.
SOCIAL, ENVIRONMENTAL AND ECONOMIC CONCERNS ARE CONVERGING. LET THE CORPORATION WHO FAILS TO TAKE SUCH CONCERNS SERIOUSLY BEWARE!
The track record of most governments is distinctly mixed when it comes to tackling issues such as poverty, inequality and global warming. The Doha round of trade negotiations, intended to address poverty and inequality, were formally suspended by the World Trade Organisation in July 2006; and the Kyoto Protocol of 1997 aimed at getting agreement among industrial nations to cut production of greenhouse gases, has still not been ratified by the US and Australia.

Business too has tended to drag its feet. Corporations care about reducing emissions and eliminating poverty, as long as the cost to them is not too high. However, “Consumption patterns are changing,” says Alex Nicholls, lecturer at the Skoll Centre for Social Entrepreneurship and editor of a new book entitled Social Entrepreneurship: New Models of Sustainable Social Change. As consumers pay more attention to how their goods are produced, social, environmental and economic priorities are converging, and corporations who fail to take such concerns seriously may soon be at a competitive disadvantage.

“CEOs of many major corporations are aware that there are significant changes in the marketplace, reflecting an emerging set of ethical and environmental values,” says Nicholls, “but they need to try to understand these changes better; if they don’t their businesses will be in trouble. The ‘social’, broadly defined, is much more significant to corporations now than probably it has ever been.”

James E Austin, Herman B Leonard, Ezequiel Reficco and Jane Wei-Skillern, all of Harvard Business School, who contribute a chapter on corporate social entrepreneurship to the book, make a compelling case for incorporating social entrepreneurship into conventional businesses in order to generate both economic and social value. By this they mean that corporations can combine innovation and market orientation with strategic initiatives focused primarily on social or environmental value creation. To begin with, such innovations are likely to be the product of partnerships or alliances with existing social entrepreneurs. But, over time, companies should aim to develop their own social “intrapreneurs” to act as champions for social entrepreneurship.

The motivation for companies to get involved, they say, is both push and pull. On the “push” side, results from a number of global surveys, such as the Corporate Social Responsibility Monitor by GlobeScan, the stakeholder research firm, show a groundswell of support for the view that large corporations should be held responsible for helping solve social problems like crime, poverty and lack of education, as well as for ensuring that their supplies have been produced in a socially and environmentally friendly manner. Companies that are seen to be irresponsible should expect stakeholders to punish them. In the case of the GlobeScan survey, 58% of those individuals surveyed in the OECD countries said they had considered meting out punishment in such circumstances. “Punishment” might involve boycotting products and services, or switching to those offered by another company. Investors may refuse to invest in a company’s stock. Employees may leave and go to work elsewhere.

On the “pull” side, there are clear benefits to companies who behave responsibly. There is evidence, for example, that consumers will exhibit a positive preference towards more socially responsible firms. The same GlobeScan survey showed that, in North America, nearly 80% of consumers were willing to pay 10% more for a product produced and delivered in a socially and environmentally responsible way. Even in emerging markets, over 60% of consumers surveyed said the same.

Incorporating social entrepreneurship into a business is not something to be undertaken lightly. It requires strong leadership, a clear strategy, and a redesign of existing structures and systems. Austin and his colleagues stress. The social entrepreneurship approach must be integrated into the entire business to be effective and there will be a constant struggle to maintain a profit maximising strategy whilst focusing on social or environmental value creation. However, as renewable energy companies have proven, the two do not have to be mutually exclusive.

However, a company that successfully positions itself as more socially responsible than its competitors can gain a powerful competitive advantage in the marketplace. Whilst corporate social entrepreneurship will always be a restricted subset of the larger social entrepreneurship movement limited in its actions by the profit motive, there is still much a company can do to address pressing global problems whilst enhancing its market position. This is the basic proposition of corporate social entrepreneurship; that creating social value creates business value. Let the irresponsible corporation beware!
“WE HAVE DESIGNED ‘WHAT NEXT?’ FOR PEOPLE WITH PASSION AND ENERGY WHO WANT TO USE THEIR BUSINESS EXPERTISE AND LEADERSHIP SKILLS TO BENEFIT SOCIETY – AND HAVE FUN DOING IT!”

BY: ELIZABETH PARIS

BEYOND THE BUSINESS CARD
There are a number of reasons commonly cited for not wanting to swap the business card for a set of golf clubs or a pair of gardening gloves. Executives miss the social and professional interaction with their peers. They miss the buzz of organisational life. Equally, they regret not having an opportunity to use the expertise accumulated over a successful career. Then there is the lack of a challenge.

Another strong driver for wanting to remain in organisational life is the desire to make a difference to people’s lives and improve society, at the same time maintaining a sense of professional identity.

Becoming a non-executive director or assuming some other senior leadership role in an organisation provides an opportunity to fulfil these needs. Plus it often allows executives to exercise autonomy over when, where and how they work. The satisfaction that can be derived from this type of continued responsibility is clear from the comments of those who have managed to carve out a portfolio of roles, often a combination of board positions, consultancy and voluntary work. “I now realise I miss the complexity of corporate finance transactions, so mentoring university spin-outs should satisfy that need and also allow me to assist young people in business,” says Tony Buckland, former CEO of Deutsche Trustee Company.

One initiative in this area is the What Next? programme launched in the UK by Common Purpose and targeted at experienced leaders, who are either within a few years of leaving their current role, or downsized middle managers of large multi-nationals, wish to continue making a contribution to business life and society.

The challenge for business and society is to make it easier for these people to pass on their wisdom, skills and knowledge.

Unfortunately, this is not always as simple as it should be. The difficulties stem both from a lack of imagination on the part of organisations, and the psychological barriers to be overcome by the leaders themselves. All too often, once the business card is handed back, talented individuals feel far from in-demand. “Away from the structured environment in which your seniority is respected, it is so easy to lose confidence,” says Barbara Walsh, former CEO of an NHS Trust. “Why does everyone assume I just want to retire?”

Yet, for both applicant and recruiting organisation, cross-sector appointments require a willingness to move beyond commonly accepted practice for the benefit of the organisation. “The priority for any non-executive is not to support the CEO, or fellow board members, or staff – the priority should be to uphold the needs of the people the organisation serves,” points out Zenna Atkins, who holds multi-sector board positions. The priority for the board is to appoint the non-executives who will best serve those interests, regardless of the sector they come from.

The employer who encourages a senior executive in the transitional stages of their career to take on new roles that offer access to influential networks and diverse power structures, is also investing in the future of the organisation. Those senior executives leave full-time employment and become ambassadors for their former organisations, whether in an informal or part-time advisory capacity. Everyone reaps the benefits as they broaden their reach and influence.

For organisations, the message the programme conveys is that by adopting innovative approaches to the shortage of senior leadership talent, it is possible to gain a competitive advantage over less forward thinking organisations. Meanwhile, for senior leaders, the message is that there is an alternative to a life of leisure. For the brave, the passionate and the energised, there are roles that offer fulfilment across a broad spectrum of organisations.

Elizabeth Paris serves as sector consultant to the Saïd Business School and is programme director of What Next?

WHAT NEXT?

What Next? is an intensive five-day programme for experienced leaders who are considering a change of direction, or who are within a few years of leaving their senior roles, and are wondering what to do next. What Next? combines Saïd Business School’s reputation for academic rigour with the Common Purpose approach to diversity and challenging insight.

For anyone preferring to put their energy and leadership experience to work in society, rather than just step back from professional life, this programme offers both inspiration and practical first steps. It is fast moving and challenging, blending visits, action learning groups and contributions from external specialists.

What Next? will begin in March 2008. For further information email elizabeth.paris@commonpurpose.org.uk or visit www.sbs.oxford.edu/whatsnext
THE POWER OF ONE

BY: SARAH BARRELL

ALUMNUS PETER BISANZ TALKS TO WORLD LEADERS ABOUT HOW FAITH AND RELIGION COULD UNITE THE GLOBE.

“I WANTED TO DO SOMETHING ABOUT THE FEARFUL MESSAGE PROPAGATED BY THE WESTERN MEDIA. SO I QUIT HOLLYWOOD AND WENT TO OXFORD.”

In the foyer of a Manhattan hotel, Peter Bisanz (MBA class of 2004/05) sits dressed in the “New York uniform” of all black. It’s Fashion Week and the place is buzzing with similarly clad go-getting young things; but while most clutch cell phones, Bisanz fingers Buddhist rosary beads. A few years ago while working as a Hollywood film producer, Bisanz would probably have felt comfortable here. Today he is anything but. “It’s hard coming from America where we have so much,” says Bisanz. “These benefits come with a responsibility. I disagree with what our government is doing in the East and that, to a large extent, is why I’m making this film.”

The film in question is a feature-length documentary called One. Directed by Bisanz under the flag of his non-profit company, Entropy Films, One is a series of interviews with high profile world leaders from politics, religion, culture, arts and science, which aims to highlight how faith and religion could play principal roles in uniting rather than dividing the globe. The subject matter may be far from Hollywood but Bisanz’s roster of interviewees is certainly star-studded, including Archbishop Desmond Tutu, Ela Gandhi...
as Production Coordinator for Paramount Pictures’ Academy Awards Campaign in 1998. “During my MBA I fired off a random email to the Dalai Lama volunteering my services. I was ready to do anything: chop wood; carry water, whatever but because of my experience I was invited to work as a film maker for the Secretary of the Information and International Relations Department (DIIR).”

“I never would have had the confidence to work with the Tibetan government if it hadn’t been for my time in Oxford,” explains Bisanz. “The MBA programme gave me not only the developmental models to work with but the confidence to put myself into super challenging, culturally different environments and deal with foreign governments at the highest level,” he says. The documentary was initially conceived with the DIIR “as a sort of surprise birthday present for the Dalai Lama,” but Bisanz now hopes that the film will be distributed as widely as possible. Shot with the same high definition camera used for the latest “Star Wars” movies, Bisanz intends One for Academy Award consideration. Impressive considering he had no commercial backer – Bisanz raised the money for the film himself, aided by Creative Visions, a not-for-profit arts funding organisation.

“Again, this wasn’t something I could have contemplated without my MBA experience at Saïd. I met such inspirational people there. So few schools have the brand and the alumni that Oxford does. It gave me not only the confidence to proceed with ambitious projects but the ability to network and raise the money to do it myself.”

One man, One movie: one very big idea.
NOT JUST FOR PROFIT

BY: VINAY MENON

S RAMADORAI, CEO OF TATA CONSULTANCY SERVICES, PUTS COMMUNITY WELL-BEING AT THE CENTRE OF HIS CORPORATE STRATEGY. IT’S AN APPROACH THAT HAS SEEN THIS IT SERVICES GIANT GROW FROM STRENGTH TO STRENGTH.

A recent study by Deloitte involving 250 company directors and senior managers in Asia, Europe and America, and entitled “In the Dark”, threw up a disturbing trend. An overwhelming majority of those interviewed cited financial indicators as their preferred benchmark of performance, saying they paid less attention to non-financial drivers of success such as customer satisfaction, product and service quality, and innovation.

As the report points out, “Traditional financial measures fail on many fronts. They are not well designed to capture the quality of the company’s relationship with such crucial constituencies as customers, employees and suppliers. They shed little light on the key source of future revenue and profit in a firm: the state of product innovation. And they provide scant evidence of the effectiveness of the board and top management – that is the efficacy of governance and management processes.”

Subramaniam Ramadorai, the Chief Executive Officer of Tata Consultancy Service, India’s largest information technology firm is not one of those leaders operating “in the dark”. Ask him what keeps him awake at night and the head of the $2.5 billion IT services giant says it’s just as likely to be concerns about customer satisfaction or employee commitment as worries about quarterly results and financial ratios.

So how does Tata Consultancy Services (TCS) measure its corporate health? “For starters,” says Ramadorai, “we make it a point not to view our involvement with issues such as CSR as a mere statistical or public relations exercise. The concept of incorporating community well-being into the company’s strategy is in the DNA of all companies within the Tata Group,” he says.

Indeed, there are few commercial organisations who can trace their social commitment further back in their history. It was in 1892 that Jamsetji Tata first set up the J N Tata Endowment Scheme, designed to help impoverished young Indians realise their potential as future leaders. Over the years, the scheme’s beneficiaries have included former president K R Narayanan and scientist Raja Ramanna. The scheme laid down the foundations on which the Tata family has since built an ongoing programme of philanthropy.
Jamsetji’s sons Dorabji and Ratan Tata, for example, bequeathed the bulk of their personal fortunes, and even their ownership stakes in the Tata group, to two giant philanthropic trusts set up in their names. Over the years, other family members have done the same, creating a collection of trusts that support institutions ranging from the Tata Energy Research Institute (one of the first international organisations for leukaemia research).

Tata trusts now control 65.8% of the shares in Tata Sons, the holding company for the Group. That means that for each Tata enterprise, a large percentage of the profits are bound for philanthropy – the companies pay dividends to these trusts as shareholders, which are then ploughed into philanthropy. In addition, each Tata company has to pay for the CSR activities it carries out in keeping with the Group’s overall philanthropic principles. One rough estimate puts the total value of CSR activities from trusts and companies at around 30% of the Group’s profit after tax.

From the outset, Tata businesses have seen their own health as essentially linked to the health of the nation. For this reason, the Group expects no special praise for its activities. As Clive Cook, author of The Good Company, spells out in his book: “It (CSR) is just about good management. There should be no further credit and no special applause is deserved… anything that advances the interests of the company, the company should be doing anyway.”

Take, for example, TCS’s Adult Literacy Programme (ALP), which has unobtrusively ushered in a revolution in adult literacy in India. The ALP approach is straightforward: India’s literacy rate stands at around 65% currently, up from 52% in 1991. At this rate of increase, it would take between 20 and 25 years to educate the remaining illiterate members of the population. By relying on traditional methods of learning reading and writing, an illiterate person typically takes between six months to two years with trained teachers to learn to read and write. To accelerate the rate of learning and reduce the costs, Tata developed the Computer Based Functional Literacy Model (CBFLM), an innovative teaching method that uses multimedia software to teach adults to read within 30–45 hours.

Such groundbreaking work complements the attention that TCS pays to stakeholders within the direct ambit of the organisation. “We call it the ‘experience certainty’” says Ramadorai, “the guarantee that not only will we deliver as promised, but will do so in a transparent manner, exceeding all expectations.” In order to deliver on this “certainty”, Ramadorai has to ensure that the talent his firm nurtures is constantly challenged and engaged. “We work in an environment where knowledge resides in people, so it’s critical that we create the professional space where their talents can be adequately utilised.” This is especially true in the Indian services sector where churn rates hover around 12–14%. Firms compete in an environment marked by the overcapacity of goods and undercapacity of talent, making it difficult to differentiate.

So Ramadorai strives to keep TCS operating “in the light”. “In our work space we are getting increasingly digitised,” he says. “Everything we do is captured in real time and viewed on a dashboard. The challenge in such a scenario is to ensure that, no matter where technology takes us, our approach always remains people-related, quality centric and is ultimately successful in keeping all our stakeholders happy. That’s the bottom line.”

The second Oxford India Business Forum was held in Mumbai on 15 March 2007. This year saw a distinguished panel of Oxonians debate the theme “New Approaches to Development”. The Forum opened with a welcome address from Colin Mayer, Peter Moores Dean of the Said Business School, who spoke about the challenges India faces as it strives to balance growth and development. This was followed by a keynote address from S. Ramadorai, CEO of Tata Consultancy Services (TCS), the leading Indian IT services company.

The panel discussion was kicked off by John Micklethwait, editor-in-chief of The Economist; and other speakers included Stephen Green, group chairman HSBC, Kevan Watts, senior vice president and chairman Merrill Lynch International, Bill Emmott, former editor of The Economist and Lord Chris Patten, Chancellor of Oxford University. The debate ranged from the role of small and medium-sized enterprises (SMEs) in India’s development to uncertainties surrounding the trade-off between growth and inflation.

In the audience were some of the biggest names in corporate India including K C Mahindra, chairman of the Mahindra and Mahindra Group, Vikram Singh Mehta, chairman of Shell India, Vinita Bali, CEO of Britannia Industries, Naina Lal Kidwai, CEO of HSBC India, and Hemendra Kothari, chairman DSP Merrill Lynch. The Oxford India Business Forum is an annual event that provides a platform for global business leaders, academics, policy makers and sector specialists to debate some of the most pertinent issues affecting business, economic and social growth in this part of the world. The Forum was sponsored by Tata Consultancy Services, BT, Taj Hotels, Clifford Chance and CNBC TV18. The next Forum will be held in March 2008.
ACCOUNTING FOR SUSTAINABILITY

A NEW PROJECT INITIATED BY THE PRINCE OF WALES IS LOOKING AT HOW ACCOUNTING CAN HELP US TO MEASURE THE SOCIAL AND ENVIRONMENTAL COSTS OF OUR ACTIONS – WITH THE HELP OF THE SAID BUSINESS SCHOOL.

Ill the signs are that business is getting more deeply implicated in the climate change debate. Certainly in the United Kingdom there is now a torrent of discussion in the media, in political circles and amongst the public at large. Opinions and attitudes undoubtedly are changing, although a great deal of uncertainty remains as to the full range of implications for citizens, firms, sectors and the polity at large. That said, there is now a growing recognition that the current awareness of global warming is going to have implications for regulations, taxes, values and expectations, the emergence of new markets and a multitude of other factors that are related to the ways in which current business is run.

The Saïd Business School is in an excellent position to respond to these challenges. The increasing significance of environmental considerations entered into the development plans of the School at a very early stage, providing the basis for our hosting of the James Martin Institute for Science and Civilization headed by Professor Steve Rayner. No doubt there were those at the time who wondered why a business school should be concerned with such matters. Few others were. But already it was clear to me that the relationship between business and the environment was going to be a key axis for action in the coming decades and it was therefore extremely important to position the new School strategically in this area.

Fortunately we were able to do this with some style and the School’s very considerable and internationally recognised resources in this area were no doubt a factor in attracting the interest of the Office of the Prince of Wales when His Royal Highness initiated a project on “accounting for sustainability”. A team from the School worked with a group from the Prince’s office in formulating the first stage of the project that culminated in an impressive public launch with the Prince of Wales, the British prime minister, the Bishop of London and a galaxy of business leaders in attendance at St James’s Palace. The School’s team involved Steve Rayner and James Tansey from the James Martin Institute and Niels Dechow, Paolo Quattrone and Tomo Suzuki from the accounting faculty, as well as me. More detailed work is now contributing to the second phase of the project.

Whatever changes result from the current concerns with global warming, new business tradeoffs certainly will have to be made. Supply chains are already being re-examined in a lot of firms. Modes of transportation are being critically assessed. There is a growing appreciation of the importance of using more sustainable resources. Not least in significance, firms are starting to respond to the very real signs that consumer awareness and tastes are changing. Already there are new markets emerging in more sustainable products and, at a more basic level, in the trading of rights for carbon emissions. Even the most cautious of financial institutions are already gearing up to operate in this new environmental space. Looking ahead, it is likely that taxes, new regulations and other incentives will all enter the equation, requiring a different understanding of the calculus of both environmental concern and response.

Such issues provide the agenda for the Accounting for Sustainability project. Although all aspects of business and management are likely to be involved in responding to the new environmental agenda, accounting is important in two particular respects.

First, it is important in terms of external reporting. What have enterprises done? How do they compare across a sector? And have they done what they said they were going to do? At its most basic, the external reporting of sustainability can be a check on hypocrisy, but more substantively, it provides a way of learning, of holding to account and of helping to establish new patterns of performance expectations along the lines of “If X can do it, why can’t you?” To this end, the project will be trying to ascertain whether a consensus has emerged around ways of reporting on carbon emissions, eco-footprints, energy usage and so forth, and if so how this can be mobilised into a new reporting framework.

The second role that accounting should be able to play is in facilitating the embedding of sustainable practices within the firm. New sets of tradeoffs will need to be examined, new ways of operating examined. In many cases the ripple of consequences of new approaches will extend way beyond any particular firm, requiring the development of new flows of information that cut across existing enterprise boundaries. Relevant time scales might also need to be extended, difficult as this might be in a capital market dominated world. Is it really appropriate to discount all longer term consequences to zero in a world that is...
increasingly conscious of the need to adopt a different attitude towards intergenerational legacies? Just how can the longer term be dealt with in corporate decision making?

The Prince of Wales’s project will be working with a group of companies operating at the frontiers of these new developments with the aim of learning, understanding and suggesting different ways ahead. Obviously there will be an interest in locating what might be regarded as best practice and disseminating this. More fundamentally there is an interest in finding out what can work now and what might work in the future, so that others can be encouraged to adopt approaches to decision making, process analysis and accounting that help to embed sustainability considerations into a firm’s operations.

The School’s team will be facilitating where it can, although independently of the Prince’s project, the topic has generated such interest and enthusiasm amongst the team, that active consideration is being given to continuing the programme of research at a more basic level. Operating in a very new interdisciplinary space, the faculty involved have already found a surprising number of overlapping interests and there is now a real determination to build on these.

The potential to mobilise these energies and diverse understandings is one of the advantages that comes from having a vibrant business school that is open to the wider world and yet at the same time is an active part of a wider knowledge community that has other investments in the new and constantly developing environmental domain.

For further information go to www.accountingforsustainability.org.uk

Anthony Hopwood is former Dean and current American Standard Companies Professor of Operations Management at the Said Business School.
Said graduate Andrew Klaber was inspired to help orphans after visiting Northern Thailand. But it was his time in Oxford that gave him the impetus to expand his operation to seven other countries.
After a double major at Yale University in the US, and an internship with Goldman Sachs, Andrew Klaber arrived at Oxford University on a prestigious Marshall scholarship to study economic history, but stayed on to take a Masters in Financial Economics. “Halfway through my first year I heard about this brand new programme: the Masters in Financial Economics (MFE) at Saïd Business School. It was exactly what I wanted to study,” he says.

Klaber hoped the MFE would help him to carve out a career in finance. “I had a very broad education at Yale – ethics, politics and economics, as well as international studies – but hadn’t taken many classes in technical financial fields, so that is really what the MFE brought to the table.”

However, his time in Oxford also provided a perfect opportunity to develop Orphans against AIDS, the non-profit organisation Klaber first started while at Yale, following a trip to Chiang Mai in Northern Thailand. “I saw young girls working in the sex trade, because their parents had become sick as a result of AIDS and could no longer work. The young girls dropped out of school to support their family,” says Klaber.

“I thought that if we could subsidise the cost of going to school by paying for academic fees, and other items like uniforms, books and basic healthcare, that would lower the opportunity cost of going to school, plus these young girls would learn about the risks of being in the sex trade, and about HIV/AIDS, and it would start a virtuous cycle.”

By the time Klaber arrived at Oxford, he had incorporated Orphans against AIDS, received tax exemption status, and obtained donations from the Goldman Sachs Foundation, and the Pfizer Foundation, as well as numerous other corporate and individual donors.

“Before I got to Oxford there was just myself and the board of advisors, and we were only operating in Thailand,” he says. “But the quality of people that I came into contact with at Oxford was such that we took on an additional four officers. I met them all at Oxford and expanded operations from one country to eight countries.”

The MFE has also helped. “It has been useful in two ways in particular,” Klaber says, “in thinking about quantitative metrics for evaluating the success of our academic scholarships scheme, and also as a very important stamp of credibility.”

In just five years, Klaber has made a significant difference to the lives of hundreds of people. Orphans against AIDS currently has partnerships with local organisations in a number of countries, including China, Ghana, Kenya, Sierra Leone, South Africa, Thailand and Uganda. “We started in 2002, and since then we have raised over $150,000, to provide 350 children every year with academic scholarships; children who have been orphaned or made vulnerable by HIV/AIDS.”

Klaber is currently at Harvard, studying on the four-year MBA and Law joint degree programme. While he still intends to work in the finance sector, Orphans against AIDS has become a very important part of his life. “I will always continue with Orphans against AIDS. It is a real passion. Everyone who works on Orphans against AIDS is a volunteer, we all do it in addition to our professional lives – and it really gives us a greater sense of purpose.”
WHY WE DON’T DO CORPORATE SOCIAL RESPONSIBILITY

BY: GRAHAM BAXTER

CSR IS NOT A BOLT-ON SET OF ACTIVITIES, ARGUES BP’S VICE-PRESIDENT OF CORPORATE RESPONSIBILITY. IT IS INTEGRAL TO EVERYTHING AN ORGANISATION DOES.

“We do not have stakeholders; we do not have corporate social responsibility – we simply have mutual advantage.”
Following the release of BP’s 2004 financial results, our Group Chief Executive, Lord Browne, was asked by Terry McAllister of the Guardian whether it would be nice to give the $16 billion profit we made to help eradicate poverty in Africa instead of making people in the west who are already wealthy even wealthier. Needless to say, Lord Browne referred his questioner to the purpose of business in general and of BP in particular. However, he then went on to make a specific reference to corporate social responsibility (CSR). What he actually said was: “We do not have stakeholders; we do not have corporate social responsibility – we simply have mutual advantage.”

Our point here is that there isn’t some bolt-on, parallel universe of actions called “our CSR activities” or “stakeholder engagement”. For us there is our business purpose, our strategy and plans, and within that are our interactions with the environment and with many groups of people – society if you like – who we touch in the course of our business and who allow us to conduct our business. We have a set of values, including the aspiration for mutual advantage; we have a code of conduct, group standards and operating practices. It is by trying to go about our business in a manner consistent with these standards that we hope to be a responsible and sustainable business.

Needless to say, living up to our aspirations is anything but easy and we have been reminded by the recent tragedy at our Texas City Refinery how tough it can get. However, I would claim that, although the specific scale of this tragedy is without precedence in BP’s long history and has caused a fundamental review of the way we conduct our operations in BP, the principle of mutual advantage is not particularly new for a company which is approaching its hundredth anniversary. I recall, for example, seeing a picture from our archives showing explorers in Persia dispensing medicines to local people – community engagement for mutual advantage in 1908.

What has changed in recent times is a number of factors in the business environment of which we are a part; society is facing a unique set of global challenges including climate change, population growth, HIV/AIDS, and deforestation;
there is growing awareness of the inequalities between rich and poor, and the link this has to security including energy security; and local issues can now become global in a matter of minutes. Of course, the list would not be complete without acknowledgement that recent business scandals have further weakened the trust which society gives to business. Surveys repeatedly show we are bottom of the pile – only politicians fare worse than business executives in terms of public trust it seems!

So it is no surprise that there has emerged in recent times a lively discussion about the role and accountability of business, nor that this debate has attracted a cottage industry of consultants, analysts and commentators. But let me go back to the beginning – and explain our view of our purpose and our responsibility.

We start from the view that the purpose of business is to generate long term shareholder value by satisfying human needs. For us, that means providing the energy to deliver human progress and economic growth. It also means satisfying the need for a sustainable environment. Our business cannot be sustained over the longer term unless we retain the trust of those who are touched by our business. The most obvious are our customers. Unless our goods and services satisfy their needs better than their other choices, they will not buy. However, these positions of mutual advantage also extend beyond customers: to employees, to governments, to countries, to communities and society at large.

Our strategy puts that purpose into action. In essence it is to invest in large, low cost oil and gas fields that will deliver energy on a large scale and to attract increasing numbers of customers through providing constantly improving products. These include products that lower the carbon content of energy and begin to address the environmental challenge.

Business is a living part of the whole of society. There are limits to our role and those are expressed through our business strategy and our values. These limits cannot be effective unless explained transparently. For BP, that happens through our Annual Report which now includes the Form 20-F USA report, the Sustainability Report, and numerous public presentations made to investors and the public.

Such has been the use of the “corporate responsibility” mantra in recent years that we have sought to define it for ourselves so we are clear when acting and communicating on the subject. We have concluded that responsibility for our activities operates in three distinct dimensions.

First, it means complying with the laws and regulations which apply wherever we operate. While this is basic, it is not simple. Regulations have become more detailed, more extensive and more sophisticated, whether around health and safety, corporate reporting or financial, such as Sarbanes-Oxley. Second, we are a global company, operating in over 100 jurisdictions. If compliance were our only guide to responsibility our practices would vary widely and we would not present a consistent example to our employees, customers or communities.

Therefore we set global standards of our own, often going beyond the level of compliance required in a particular jurisdiction.

Taken together, these two aspects cover our operations, where we control activities and are accountable for outcomes. But there is also a third dimension which extends beyond our direct operations to society at large. We plan our business for a sustainable future, so we require a sustainable trading environment. Responsibility therefore requires us to do what we can to provide that context. The best way in which we can do this is to take a lead on the key matters relevant to both our business strategy and that environment. The particular topics we focus on are the natural environment and development in the places where we work, in particular in our key growth areas. In these areas our actions are much more about influence than control. Since we are one among many who affect that environment, we must work on the basis of mutual advantage.

We strongly believe that the answers to the challenges and problems the world faces do not lie in making business do something other than business. We can’t add on a commitment to something called “corporate social responsibility” as a sideline in philanthropy to atone for any perceived deficiency of the core activity. Nor can we simply fall back on over-prescribed systems of corporate governance, which suggest that greater compliance with ever more rules, will effectively constrain an activity which is in some way fundamentally amoral. Responsibility is not something outside the process of doing good business. It is absolutely integral to everything we do. Our commitment and aspiration to responsibility has to be expressed not in words, but in the actions of the business, day-in and day-out, in every piece of activity, and every aspect of behaviour.

Graham Baxter is vice president of corporate responsibility at BP.

This is an extract from an Achilles Insight Lecture given at the Said Business School in December 2006.
"OUR BUSINESS CANNOT BE SUSTAINED OVER THE LONGER TERM UNLESS WE RETAIN THE TRUST OF THOSE WHO ARE TOUCHED BY OUR BUSINESS."

Steve New commented: “Looking at the field of corporate social responsibility, you notice two stark facts. First, the issue could not be any more important: the future of society and the future of the planet are largely going to be determined by the actions of corporations. But, second, it’s clear that the field is dominated by lazy thinking and bland PR. There is a need for clear and robust non-partisan research, which engages with practice with the right combination of empathy and scepticism.”

Colin Maund, CEO of Achilles Group added: “Achilles believes there is a great deal of misinformation and supposition surrounding the whole area of corporate social responsibility. That’s why we welcome the opportunity of working with Said Business School to stimulate intelligent debate, and promote real academic and empirical research, which will help remove some of the misconceptions associated with this important and growing area.”

NEW WORKING GROUP ON CORPORATE SOCIAL RESPONSIBILITY

The Said Business School and the Achilles Group have established a working group to raise the level of discussion of corporate social responsibility and to develop thinking that is relevant to practitioners in the field. The Oxford-Achilles Working Group on Corporate Social Responsibility is an initiative to bring intelligent debate and practical recommendations to an important but under-developed field of corporate life. The group, which was launched by Dana Brown and Steve New of the Said Business School, will become a key focal point for researchers from a wide range of disciplines and will bring them together with practitioners from many international industries.

Media reforms recently passed by the Australian government mean that the country’s media industry is facing a huge shake up. On 23 November, four of the leading players in the field got together at the second annual Oxford Business Alumni Forum in Sydney to discuss the future of Australian media. They were joined by over 240 of the nation’s senior business figures at Sydney’s premier business forum, at the Westin Hotel.

They were: James Packer, Australia’s wealthiest man and executive chairman of Publishing and Broadcasting Ltd, one of the country’s largest TV, magazine and gaming groups; David Kirk, former rugby world cup winning All Black captain and chief executive officer of James Fairfax Limited; Mark Scott, the managing director of the Australian Broadcasting Corporation (ABC), and Kim Williams, the chief executive of Australia’s largest cable TV company, Foxtel. One of Australia’s most respected broadcasters, Alan Jones, moderated the debate as Master of Ceremonies.

Topics discussed were: whether “old media” platforms such as newspapers, free-to-air television and magazines can survive in the face of the new media juggernaut; where the future financial value in such a multi-billion dollar industry will come from – owning the platforms and the technology, or owning the content and the celebrities; whether global TV is being Americanised; and whether Hollywood is being influenced by Australians such as Russell Crowe, Hugh Jackman, Mel Gibson, Nicole Kidman, Guy Pierce and Geoffrey Rush.

James Packer forecast that, in the wake of the changes in government regulation, the media landscape in Australia would change dramatically. He predicted that the number of media companies earning more than 100 million Australian dollars a year will almost double in 2007 to include around six additional new media companies, such as Google, eBay, Seek, Fox Sports and Foxtel. Fresh from a $AUD5.5 billion deal involving the sale of half his media interests to American private equity investors, he suggested that the pace of change in the media might be about to accelerate.

The Australian chapter of the Oxford Business Alumni is seeking to position the annual OBA Forum as the leading venue for thought leadership and debate in Australia. Judging by the level of national interest, the list of attendees and extent of media coverage, it is well on the way to achieving that goal.

The third annual Oxford Business Alumni Forum is scheduled to take place in Melbourne in the second half of 2007. A theme and speakers have yet to be confirmed but details will be available later in the year at www.oba.com.au.

In the meantime, a full webcast of the 2006 and 2005 debates is available from the same site.
Why are so few Russian companies quoted internationally? This was a question that preoccupied Oleg Elshin for years before he started his Oxford MBA. Indeed one of the things that attracted him to the one-year MBA programme at the Said Business School was the compulsory strategic consultancy project, which he felt would give him the chance to find an explanation, and maybe even a solution to this problem.

In particular, Elshin wanted to see why so few Russian mid-cap companies (those with a market capitalisation of between $1 billion and $5 billion) are quoted on AIM, the London Stock Exchange’s (LSE) international market for smaller growing companies. Since its launch in 1995, over 2,400 companies have joined AIM, raising more than £30 billion in the process through IPOs and other capital sources, and in many cases making the jump to the main London Stock Exchange market. But of 1,500 Russian mid-caps only 15 are quoted on AIM.

“The Russian market is hot right now,” explains Elshin. “It doubled in the second half of 2005. The Russian mid-caps on AIM are mainly oil, gas and mining companies plus one media company. But a lot more would like to get involved. The hottest sector, for instance, in Russia now is retail but no Russian retailers are on AIM.” Together with fellow MBA students Vladimir Todres, Victor Zhiltsov and Paul Kohler, Elshin therefore proposed a strategic consultancy project addressing this issue to the London Stock Exchange, which welcomed the idea.

Working closely with Jon Edwards, who is responsible for the Eastern European and CIS (Commonwealth of Independent States) desk at both the AIM and the main LSE market, the team set about interviewing a range of companies and investors. “We are talking about entrepreneurs who have grown their own companies from ground zero in Russia,” Elshin explains. “They know how to raise money there but not how the market functions over here. There is an information disconnect. Our goal was to find out how they can find out.”

They discovered there were obstacles on both sides. “As well as cost and Russian regulatory barriers there are cultural barriers too. Russian entrepreneurs are unfamiliar with and do not trust foreign institutions. London investors also have trust problems. The Russian companies already on AIM all had English-speaking representatives working on their behalf to get London investors to trust them. These barriers are surmountable but AIM cannot do it on its own.”

The team recommended streamlining processes and providing more information in the shape of a straightforward brochure accompanied by accessible, step-by-step case studies. Importantly, they identified a key role for Russian investment banks, advisors and mediators.

The students demonstrated that there were big potential benefits for all concerned. “We showed the London Stock Exchange that the Russian mid-cap market was bigger and more penetrable than they had previously thought. The mid-caps that had got involved with AIM were among the very fastest growing companies – so fast-growing
companies were the ones that AIM should target." In return, Russian companies would get access to new capital and grow even faster. A further benefit would be openness. "Listing has made the companies more transparent, and that in itself is a positive force for change," says Elshin.

The team was satisfied with the outcome: "We believe we have made some critical observations that will benefit the relationship between the LSE and the Russian market. And we are going away confident that it will be put to good use." Jon Edwards agrees, paying tribute to the timely production of "a piece of work that will greatly extend the reach of the market".

"WE SHOWED THE LONDON STOCK EXCHANGE THAT THE RUSSIAN MID-CAP MARKET WAS BIGGER AND MORE PENETRABLE THAN THEY HAD PREVIOUSLY THOUGHT."
Between 1953 and 2001, the population of China doubled to 1.3 billion, and the size of the urban population tripled to almost 500 million.
China has always faced major environmental problems. It has a continental climate with extremes of rain and drought, heat and cold. Water is a perennial problem. So are the huge dust storms that sweep across the country, shifting deserts and creating new ones. With its long low coastline, China is sensitive to even small variations in sea level. It suffers from relatively frequent earthquakes and even occasional hits from space, the last and most serious of which occurred in the fifteenth century.

However, China’s industrial revolution over the past 40 years has brought with it new environmental challenges. As elsewhere, industrialisation has led to an increase in population and a corresponding rise in pollution. Between 1953 and 2001, the population of China doubled to 1.3 billion, and the size of the urban population tripled to almost 500 million. According to Chinese sources, in the ten years between 1990 and 2001 consumption of petroleum increased by 100%, natural gas by 92%, steel by 143%, copper by 189%, and aluminium by 380%. In the words of the World Watch Institute of Washington DC, “It is as if all of Europe, Russia and North and South America were simultaneously to undertake a century’s worth of economic development in a few decades.”
China has large reserves of somewhat dirty coal, and still depends on them, but at the same time it has greatly increased its imports of other fossil fuels, and is now investing heavily in alternative energy sources. For example, it is now building the world's first major pebble-bed nuclear reactor, and has some 30 other nuclear reactors on order. It has shown interest in developing a variety of renewable energy sources. It is trying, not always successfully, to improve its energy efficiency. The Chinese have also spread their investments in energy sources all over the world: from Svalbard in the Arctic to Iran in the Middle East.

Rising living standards are changing the Chinese diet, and this too is having environmental effects. There is a general move away from rice towards meat: not just pork, as in the past, but also beef, lamb and chicken. Per capita consumption of meat, eggs and milk increased four fold between 1978 and 2001. This means different use of land, greater dependence on pesticides and artificial fertilisers, a big increase in agricultural waste, and a demand for feedstock, which cannot now be met from domestic sources. World grain prices have already been affected, and probably will be more so in future.

Foreign complaints typically focus on the volume of pollutants China emits into the atmosphere, in particular carbon dioxide as the major greenhouse gas. As a country particularly vulnerable to climate change, the Chinese government, although not formally bound by the Kyoto Protocol of 1997, has made strenuous efforts to reduce its emissions, largely through increased industrial efficiency. The result has been an absolute as well as per capita reduction in the last few years. But emissions are now rising again, and may eventually equal if not exceed those of the principal villain in this respect, the United States.

No-one is more conscious of this tangled web of problems than the Chinese themselves. Over the last fifteen years, as a member of the independent China Council for International Cooperation on Environment and Development, I have been witness to the growing concern of the Chinese leadership, and the efforts they have made not only to take limited action, but also – perhaps more importantly – to think differently about the environment.

Thinking differently is well illustrated by the search for a better methodology for measuring economic progress than that represented by the classic – and highly misleading – “Gross Domestic Product/Gross National Product” mechanism. Successive Chinese governments have spoken of the need for a “socialist market economy” in which the framework is set by the public interest, with the free market functioning within it.

These thoughts were well expressed at a meeting of the Chinese government on population, resources and environment on 12 March 2005. On that occasion Hu Jintao, the general party secretary, and Wen Jiabao, the prime minister, both spoke of the need to adopt a “new development mode” or “new economic growth mode” within the overriding objective of achieving an all-round harmonious or “xiaokang” society. Already the idea of “green clean growth” or “green GDP” is being tested in a number of Chinese provinces. It means bringing in the externalities or hidden costs of change, and giving priority to human welfare and well-being rather than mere productivity.
On 5 June 2006, the Chinese government published a White Paper entitled Environmental Protection in China 1996–2005. It contains a detailed account of relevant legislation, the prevention and control of industrial pollution, measures to cope with water problems, re-afforestation and conservation, and Chinese participation in international bodies and commitments. Perhaps most importantly, it admitted that the problems were very serious, and the condition of the country “grave”.

None of these problems can be solved quickly. There is a continuing tension between those who press for economic growth in the familiar sense, and those who press for better environmental protection and the long-term sustainability of society. There is likewise tension between the national government and local governments and communities. There has been a lot of local discontent and even rioting over projects imposed from above, as in Tiger Leaping Gorge.

However, there are many reasons for hope. As a relative latecomer to the industrial world, China has the opportunity to leapfrog over the mistakes of others. It is also recovering its self-confidence after its century of troubles, and the balance of power in the world is changing as a result. Within China the environmental cost may be high, even unworkable. But the government seems well aware of the risks and hazards, and knows better than its critics that it has to do a lot more to look after the only China, indeed the only Earth, there is. They may turn out to be pioneers in doing so.

Sir Crispin Tickell is director of the Policy Foresight Programme at the James Martin Institute for Science and Civilization and a founder member of the China Council for International Cooperation on Environment and Development. This article is an extract from a talk given in February 2007 at the Saïd Business School as part of the China Seminar Series.
Determination and dedication are the qualities that Gay Haskins singles out as characterising her career to date. They are traits that have resulted in notable career success: in 1984, Haskins was appointed Director of The Economist conferences; in 1990, she became the first woman to be appointed Director General of the European Foundation for Management Development (EFMD) in Brussels; subsequently at London Business School, she was appointed Associate Dean for Executive Education, Director of External Relations, and served on the School’s governing body.
Gay Haskins clearly likes a challenge. Between 2001 and 2002, she was seconded as Associate Dean of Executive Education to the Indian School of Business in Hyderabad, established jointly by London Business School, Kellogg and Wharton. “I greatly enjoyed starting from scratch in difficult circumstances where we had to meet the challenge of really building a business,” she says.

She took up the post of Dean of Executive Education at the Said Business School in January 2007 and is already applying herself to creating a world-class executive education centre at Oxford. Her vision is of a thriving executive education business, fully integrated into the Said Business School and Oxford University, of a range of programmes that have an impact, and of a committed and motivated team delivering them. “Executive education can make a strong contribution to the profitability of the School,” she asserts, “but it is not an add-on feature designed simply to generate revenue. I want executive education to be integral to the School and to be recognised as a worthwhile activity that really makes an impact – both on individual personal development and on the success of organisations.”

Gay Haskins joins the Said Business School at a time when the executive education industry as a whole is witnessing a growing trend towards customised programmes. The School has already had considerable success in winning such contracts – recently with BAE, Beachcroft, BMW, Bunzl, Sainsbury’s and Scania – and she sees this as a continuing growth area.

Unlike many executive education providers, Haskins points out, the Said Business School is fortunate in being able to call on cutting-edge research and teaching across the range of disciplines represented at Oxford University. She is keen to take advantage of this relationship and to forge strong links between research and practice. “This is where Oxford has a powerful competitive edge,” she says. “I want to see us working with the School’s and University’s research centres to see that we listen to the concerns of society at large and really do make a difference both economically and societally.”

At the same time, she is also looking to grow the School’s open enrolment programmes. She plans to build on the success of the Diploma in Financial Strategy by developing new programmes which draw upon the strength of the School’s finance faculty; and she also identifies leadership and strategy as areas ripe for development, building on the strength of the current Strategic Leadership Programme with its distinctive design and inspirational learning techniques. “The Strategic Leadership Programme is one of the most outstanding leadership programmes on offer,” she says. “I have enrolled myself on the programme for November and am looking forward to a rich learning experience.”

The School’s executive education clients will be drawn from a wide spectrum of organisations, sectors and countries. Haskins wants the School to work not only with large businesses, but also smaller businesses, public sector organisations and NGOs. Location is not an obstacle. “I’m dedicated to ensuring that we are very international,” she says, “because I don’t believe any British business school can be in the top ten in the long term if it isn’t. That means in its client base, in its faculty and in how and what they teach.” The broad international recognition of the Oxford brand, she says, will be key to this achievement.

In October 2006, the Said Business School further endorsed its commitment to executive education by announcing plans to build a world class executive education centre adjacent to its Park End Street building. Haskins is enthusiastic. “The new building will offer outstanding facilities,” she says. “It will enable us to give customers the option to use a stylish, central, accessible, near-station site or the greener, retreat-style environment of our Egrove Park site.” Wafic Said has already pledged £15 million pounds towards the creation of the new building, half of the £30 million total required, and building work is scheduled to begin in 2008.

So what is it about executive education that inspires her? Firstly, she explains, it is having an impact. “Good executive education really does make a difference to organisational performance,” she asserts. “The fact that you can, for example, in a four-week programme like the Advanced Management Programme really enhance a person’s career is rewarding.”

However, above all, it is a love of learning that drives her. “I’ve always been fascinated by learning,” she says. “I remember once hearing Peter Drucker at a conference in the States saying that learning should be a joyous experience. The best executive education brings both joy to the learner and enhanced ability to perform.”
his year has seen an explosion of interest in Second Life, the virtual world founded in 2003 where residents take on personas or “avatars” who walk, teleport, fly, do business, and variously interact with over four million other users from around the planet.

Second Life has its own economy. Residents can buy land, build on it, create and sell goods and services (including clothes, works of art, cars, buildings and financial advice) using real money converted into “Linden Dollars”. An island on Second Life, for instance, costs US$1,000 plus annual land tax. Second Life real estate deals alone are estimated to bring in over US$1 million a year, not counting site commissions from converting currency.

So, what’s life like on Second Life? It takes some getting used to. “At first I spent a lot of time in the water,”
Bureau Chief simultaneously conducted interviews in real time with a group of celebrity speakers over the Reuters network (and with their avatars in Second Life).

Politicians, including US congressmen and the French right-winger Jean-Marie Le Pen, have not been slow to jump on the bandwagon. This can lead to bother. When Le Pen opened his Second Life HQ it was instantly attacked with graffiti, volleys of virtual gunfire and squadrons of exploding pigs.

So is Second Life a Sadean universe where all manner of sex and violence is permitted? Not at all. Behaviour is policed, and if your avatar gets out of line it will be deleted. Somewhere in the Second Life undergrowth there may be some cartoonish coupling but opportunities are not obvious. Certainly, there are no outlets for monetised sex.

Rather than sex, it is commercial opportunity that is putting a glint in corporate eyes. Companies are jostling to get in on the act. Last year Toyota's youth-friendly US brand, Scion, opened a dealership called "Scion City", quickly followed by Pontiac and Nissan. At Scion City you can not only buy one of the real and weirdly box-like Scions but a virtual version to drive round in on the roads of Second Life. The last Chicago motor show saw several product launches simultaneously at the show and in Second Life.

Second Life's big attraction to business is that it opens the door to a highly desirable young demographic – the cutting-edge pace-setters of Generation Y. They are affluent, computer-literate, media-aware – and for business that is both a draw and a dilemma. For these idiosyncratic consumers hate being talked down to. There is a premium on whatever is subversively creative and oddball. Any whiff of conventional corporate hard sell spells commercial death. Companies have to work that much more smartly to raise a smirk from the sophisticated young denizens of Second Life with their "already been there, got the t-shirt" attitude.

Total numbers are not that big. Of Second Life's four million users, few make it much further than registration and an initial tentative walkabout. According to the screen counter there may be 17,000–25,000 visitors at any one time, and perhaps in total 300,000 active users. With a GDP equivalent to that of a small country, Second Life demands to be taken seriously as a commercial force – but more perhaps in terms of building brand awareness than in volume sales. It is their very niche-ness that makes Second Life residents so desirable. Significantly, Scion is reported to have deliberately cut sales of the Scion to 150,000 to preserve the brand's cool factor.

Second Life has been heralded as the latest exemplar of Web 2.0, transcending the old business-to-user relationships and replacing them with peer-to-peer interactivity. But, it may be a mark of the commercial uncertainties that surround Second Life that as yet it has few rivals in scale and scope. True, a gaming site like World of Warcraft has double the number of users as Second Life at 8.5 million, but Second Life is not a role-playing gaming site as such, rather a "graphical chat room" combined with a commercial consumer platform. To put things in perspective Habbo Hotel, the site where children can play and meet one another, has only a few thousand users.

After Second Life what will be the next big thing? Undoubtedly we will see more virtual worlds and even more corporate money pouring into them. This could lead to a devaluation of creative impact and street credibility, possible even a repetition of the current disillusionment facing users of niche Web 2.0 sites acquired by large corporates. There might even be a backlash against commercial colonisation – the first stirrings of which there are already signs – and the founding of commerce-free virtual worlds by punt digerati. But how would they support themselves?

Beyond this – but not too far off, say in three to five years – we may begin to see the arrival of more "immersive" visual technologies, perhaps followed by complex meldings of real and virtual worlds bringing together real-time applications like Google Earth with sophisticated digital overlays and triggered inserts – and this only 15 years after the publication of Neal Stephenson's "Snow Crash" whose "metaverse" serves as partial inspiration.

Such developments clearly raise a host of issues: issues of control, security and privacy, not to mention possible psychological dangers of alienation and mental confusion. But perhaps these issues need to be put into context. Parents often say whatever their children see on the internet at least they are safely in the house. There are two conclusions, however, of which we can be certain: firstly, as yet we are only scratching the virtual surface; and, secondly, whatever the future may bring, we can be sure the smart kids will always be one leap ahead.

Jonathan Reynolds is director of the Oxford Institute of Retail Management. To create your own avatar and virtual existence on Second Life, go to http://secondlife.com
Kulveer’s eureka moment came at the end of his second year at Oxford. “When people had stuff to sell, they would put up notices on their college notice board,” he says. “But it was really ineffective and inefficient. In the age of the internet why not create a website, where you can post your stuff for sale and see what other people are selling?”

Returning to Oxford after the summer break, however, Kulveer was too busy to pursue his idea. Not only was he hard at work with final year studies, he was also busy with his duties as president of Oxford Entrepreneurs, a university wide initiative which falls under the umbrella of Entrepreneurship Saïd, run out of the Oxford Science Enterprise Centre at the Saïd Business School. It was only when, at an event held by Oxford Entrepreneurs, he heard a young entrepreneur talking about a similar concept, that he decided it was time to get to work on his own web business.

Studying politics, philosophy and economics at the time, Kulveer had already imagined. You are a university student going to a smart party, and you need to iron a shirt. But you don’t possess an iron, and resent having to buy one just to use it once – you are a student remember. Why isn’t there, you think, a website where students can buy and sell student stuff, then you could buy a second-hand iron. So you create one, Boso.com (buy or sell online), abandon your intended career, and become a dotcom millionaire. That’s exactly what Oxford University student Kulveer Taggar did. Well the first part, anyway. He’s yet to join the likes of Pierre Omidyar (eBay) and Jeff Bezos (Amazon) in the ranks of the dotcom mega rich, but don’t bet against it.

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Studying politics, philosophy and economics at the time, Kulveer had already
spent his gap year with Deutsche Bank and was set for a career in the city. Through Young Enterprise, an Oxford Entrepreneurs scheme, he assembled a team of 12 students, each invested some cash, and the business got underway.

One of the young entrepreneurs was Kulveer’s cousin, Harjeet Taggar, an Oxford law student. “I was looking for an extra-curricular activity to bolster my CV, when I went along to the Young Enterprise team building exercise,” says Harjeet. “I heard Kulveer’s idea and thought it sounded really interesting, so I got involved, and the more I worked on it, the more I believed the business had a lot of potential.”

So what exactly is Boso.com? Kulveer explains the basic premise. “Students have a trading need during their university life. They buy books, for example, and when they move out of college or halls they buy furniture and other items, plus they sell those same things,” he says. “We wanted to meet that need. So we created a website to help students trade with each other.”

When it comes to buying and selling online, however, there is some tough competition. Why would students use Boso ahead of a website like eBay, for example? One reason, says Kulveer, is to do with security and fraud. For a start, only individuals with an ac.uk academic email address can register. Trading between members of the same community, in this case university students, is, he suggests, less likely to result in disappointment due to fraud. Boso has yet to receive a single email complaining about fraud. Better still, students can restrict a search to the same university, allowing them to inspect the goods in person.

Boso is a fixed-price trading site, rather than an auction site; another plus point, claims Kulveer. Auctions are an inefficient way of selling goods where the value is easy to estimate, he says, as with most low cost non-collectable items. And, unlike eBay, there is no charge for trading.

Students have embraced the concept. The site has had seven million hits since March 2006. Items range from the mundane textbooks to the bizarre. “One guy posted up his pet leopard gecko for sale,” says Harjeet. “There was a lot of interest.”

The Young Enterprise scheme finished after one year, and the majority of the students left after graduation. Just Kulveer, Harjeet and one other student remained. Kulveer joined Deutsche Bank, and Harjeet continued his final year of his law degree. For a while Boso became a part-time activity. But then things got a little more serious. “When it came to February 2006, my six months lock-in with Deutsche Bank had expired,” says Kulveer. “I thought it is now or never, this is a really good idea, it has big potential and I am going to make a go of it. So I resigned from Deutsche Bank.” Kulveer reserves considerable praise for his boss at Deutsche who showed faith in the young entrepreneur by investing a five-figure sum in the business.

Heading into 2007 and Kulveer and Harjeet are taking a three month sabbatical from their London HQ where the Boso team – Kulveer, his cousin and four programmers – shares office space with web development business Groovytrain.

Y Combinator is a US based dot com incubator, nurturing internet businesses with money and expert support. Places are limited; there are two funding rounds for promising businesses each year. The Boso founders applied for the October/November intake. Over 250 hopeful entrepreneurs applied; 30 were invited for interview in Boston – including Kulveer and Harjeet.

The Boso pair flew out on the first weekend of November, had a 15-minute interview on the Saturday, received an offer the next day, accepted, and flew back Sunday. “They agreed to invest in the company, but our motivation really wasn’t getting the money, it was everything else that comes with it. You have the three-month programme based in San Francisco, they introduce you to investors, it is a great opportunity to learn, and meet people in the same business,” says Kulveer.

In March 2007, amidst the whirlwind of activities laid on for the two Taggars in Silicon Valley, including dinners with high-powered Valley entrepreneurs, intensive product remodelling sessions, and presentations to investors and fellow would-be dot com millionaires, Kulveer takes a moment to acknowledge the role Entrepreneurship Saïd has played through Oxford Entrepreneurs. “One institution that has really been a great help to us is Oxford Entrepreneurs; it actually gets students to start companies – that is how Boso started. Each year there are five or six companies that come out of it. And it is all run by students.”

As for the future, who knows what lies ahead for the two savvy entrepreneurs. If ambition is anything to go by, whether it is with Boso or another great idea, it will be no surprise to see Kulveer and Harjeet join the ranks of the internet élite.

“We believe in our ideas,” says Harjeet. “Our ambition is to build something huge, another Yahoo, or Google. It is not really about the money. We want it to be something that everyone has heard of and everyone has used.”

And all because of an un-ironed shirt. □

Check out Kulveer’s blog for the latest info: www.kulveer.co.uk
Entrepreneur Julie Meyer epitomises the successful European contrarian financier. Originally from the west coast of America, she arrived in Paris aged 21, where she worked in technology marketing for a number of years before graduating with an MBA from INSEAD in 1998. She then went to work for a London-based boutique venture capital outfit, New Media Investors, before co-founding First Tuesday, an iconic network matching entrepreneurs with investors. Less than two years later, in July 2000, she sold the company for £33 million, and then launched Ariadne Capital, a global investment and advisory firm, in December 2000, during a bear market.

At an Oxford Science Enterprise Centre event in November 2006, Meyer gave would-be entrepreneurs advice about how to succeed in the current business climate. “Venture capital and the start-up scene in Europe is an inefficient market,” she said, “so if you’re going to set up a business, don’t go to Silicon Valley where the market is mature and it works, go some place where you can have an impact.”

Meyer’s vision for Ariadne Capital is to create a leading investment firm out of Europe. Her investment strategy involves partnering with successful European entrepreneurs to invest in the next generation of innovative ventures. Fledgling entrepreneurs, she believes, find it far easier to succeed by building rapport with successful entrepreneurs than with the European venture capital community, which largely comprises investors from accountancy and banking backgrounds.

Meyer painted a portrait of the changing landscape for young entrepreneurs in Europe over the past decade. “When I was running First Tuesday or when I was at New Media Investors,” she said, “we didn’t really care what was happening outside of Western Europe, the UK or Silicon Valley. I think that we’re in a different place right now in Web 2.0 or the second wave of the internet; it absolutely matters what’s going on in terms of the BRIC (Brazil, Russia, India, and China) economies and the developing or re-emerging economies in the world.”

Meyer defines the current landscape as a triple play between entrepreneurship, the internet and capitalism; “People’s ideas about business, entrepreneurship and capitalism are changing,” she says, “and they are seeing that this is really about people taking control of their lives and empowering themselves, which is a fantastic shift.”

In terms of trends, Meyer suggests that the innovators of the future will focus on the creation of mainstream consumer-facing applications and concentrate less on creating completely new disruptive technologies. Ariadne portfolio companies such as ZOPA reflect this belief. ZOPA, Zone of Possible Agreement (founded by the late Richard Duvall) enables lending and borrowing between individuals over the web, challenging the dominant culture of institutional lending. Its target markets include the freelancer or the creative classes, professionals lacking stable cash flow.

Along these lines, Meyer also mentioned Monitise, a mobile phone banking spinout; Otodio, a technology solution enabling the consumer to convert written transcripts such as newspapers into audio casts; and SpinVox, a technology company converting voicemail into text messages.

Despite her financial success, Meyer claims not to be motivated by money. “For me,” she says, “it is about your unique contribution to the world; about the kind of impact you want to have on the world and the view that you have of the world that you want to create.”
“IF YOU’RE GOING TO SET UP A BUSINESS, DON’T GO TO SILICON VALLEY WHERE THE MARKET IS MATURE AND IT WORKS, GO SOME PLACE WHERE YOU CAN HAVE AN IMPACT.”

VIVE LA DIFFERENCE!
Both France and the UK will have new political leaders before the end of the summer. However, a recent study by Marshall Young, director of the Oxford Strategic Leadership Programme at the Said Business School, and Jo Owen of the Leadership Partnership suggests that the countries’ leaders are likely to have their work cut out to understand one another. The study, which was based on 50 face to face interviews with senior leaders in both countries, highlights the differences in leadership style between the two countries:

**The British revolution**
French leaders talk in awe of the Thatcher revolution. The scale and speed of change experienced in the UK in the Thatcher era is something they cannot imagine happening in France without extreme social unrest. Thatcher, they believe, created a dynamic business environment at the expense of social cohesion.

**Blowing with the wind**
The French find it hard to empathise with what they diplomatically call “pragmatic” (for which read “shambolic”) decision-making processes. The French expect a high level of intellectual rigour in decision-making leading to predictable and stable decisions. British pragmatism means that decision-making blows with the prevailing wind.

**The old boy network**
A small number of elite institutions provide the breeding ground for future French leaders. Just 100 people a year graduate from ENA (Ecole nationale d’administration). French leaders in both the private and public sectors tend to value personal and professional networks more highly than the British. They use these networks not only for career development, but also to work closely across departments and sectors, and to guard the national interest.

**Sultans of spin**
French leaders put greater emphasis on intellectual rigour than on communication and persuasion. They expect the intellectual integrity of their arguments to win people over. They see the Brits as far less intellectually rigorous, but much better at the art of spin.

**The war for talent**
Despite recent scandals, the state is still seen as a highly prestigious employer in France able to attract the top talent. The private sector tends to win the war for talent in the UK.

JULIE MEYER’S ADVICE FOR ENTREPRENEURS

Being an entrepreneur will require total commitment and burn through your personal life so be prepared to put everything on the line.

Europe needs more great entrepreneurs but it also needs great entrepreneurial teams... you can still be a change agent and still have a great impact on the world even if you’re not an entrepreneur.

Leadership is a very solitary activity. It almost always starts well before anyone else understands where the real opportunity lies and it certainly starts before the pats on the back or the words “well done”.

If you are comfortable with a period of uncertainty and indeed sometimes a period when no one can understand what you are so passionate about, then you may just jump to the next curve before anyone else.

You have to be really in tune with who you are and listen to yourself rather than listening to your peer group.

“The higher the mountain, the better the view when you arrive...” The more difficult the project, the greater the satisfaction when you get there.
Farris says the key to success with your own enterprise is to keep a finger on the pulse of change. "Entrepreneurs must know where the disruptions are occurring." She is referring to technical innovations that interrupt normal business processes. She thinks anyone who sets out to create a disruption alone is doomed to fail. Disruptions, such as those that make up Web 2.0, are usually a collective phenomenon that builds in momentum like a tidal wave.

Farris says there are three major disruptions currently affecting the technology industry:

1. The offshoring of employees. Communication tools now allow employees to be recruited and live all around the world.
2. Open sourcing allows you to identify others who are passionate about the same things as you.
3. Hosted software services have meant a tenfold reduction in infrastructure costs.

Scalix, a leading provider of open source email, is Julie Farris's latest startup. She established the company in 2002, raising $20m in venture capital and leading it to revenue stage.
Alex Welch is CEO of Photobucket, a company that grew to become Europe’s largest travel site with over 2,000 employees in 12 countries. Now, he is challenging conventional advertising models in America with Trulia.com, a real estate search engine.

Welch suggests the company advance. He has started the company in 2003, taking another mortgage on his house to raise the first $100,000. In 2005 the site passed the 1 million user mark. With the help of around $13 million venture capital, Photobucket has now become one of the fastest growing web brands.

Welch says there is more to succeeding as a hi-tech entrepreneur than coming up with a good idea. He is a software engineer but he had to acquire other skills quickly. The entrepreneur, he says, must be willing to take on whatever role is required to make the company advance. He has sacked Ivy League recruits who could not think in practical, flexible ways.

Welch suggests the company model and company culture for consumer internet businesses must be less hierarchical and less formal than conventional businesses. The company must be able to respond when problems arise with real solutions, not just a series of meetings.

Pete Flint was once the first employee of lastminute.com, the company that grew to become Europe’s largest travel site with over 2,000 employees in 12 countries. Now, he is challenging conventional advertising models in America with Trulia.com, a real estate search engine.

Flint says the most significant advantage for entrepreneurs in the Web 2.0 environment is the low cost of launching an idea. He compares the launch of lastminute.com with that of his own site, Trulia.com. Whereas lastminute.com launched with $500,000, Trulia.com was launched with less that $50,000. Flint was able to use open sourced software and the freely available Google maps to get started. He has since raised $8 million in venture capital to develop the site and grow his company.

Flint stresses the need in the Web 2.0 era to be constantly striving to give consumers and advertisers more. He insists the service you provide must be ten times better than anything else available.

ALLEN MORGAN
LEADING SILICON VALLEY LAWYER, NOW MD AT VENTURE CAPITAL COMPANY, MAYFIELD

There is not much Allen Morgan does not know about the start-up process after 25 years advising entrepreneurs on venture capital deals. He receives over 300 business plans per year but says he is too busy even to look at them. Morgan says it’s not realistic to argue that venture capital is fading in importance for hi-tech start-ups. Although it is now possible, and advisable, for entrepreneurs to develop a prototype on their own as an initial phase, Morgan suggests that Web 2.0 companies still need large capital injections for software or to grow their site capacity to accommodate millions of users.

Morgan admitted that funding organisations were not getting the IPO bonanzas with which early start-ups rewarded their backers. But, he says, it takes four to five years to reach that point. We are still waiting for the more recently funded Web 2.0 companies to come to market and Morgan suggests, we can expect to see big returns in the next couple of years and the traditional route to IPOs returning.

WEB 2.0
A New York Times article caused a stir when it referred to the development of the semantic web as Web 3.0. Tim O’Reilly, who coined the term Web 2.0, immediately refuted the suggestion saying “There is no Web 3.0.” Wikipedia took the unusual step of deleting and protecting against recreation of the Web 3.0 entry on the grounds that it was vague speculation about an idea that doesn’t exist yet.

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Business as Usual

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Business as Usual

Name the business that began life in a garage and you will have a long list of household names – both technology and non-technology companies. Henry Ford built his first car in a garage-cum-shed (he had to break the door down to get it out). Walt Disney worked up Oswald the Rabbit, and then Mickey Mouse, in garage-cum-studios. Mattel, the company that gave us Barbie, and the less well known Skipper and Scooter, started out in a Californian garage. And then of course there are the great tech companies like Hewlett Packard, Google, and Apple – all garage hatched.

So at the recent “Silicon Valley Comes to Oxford” event, held at the Said Business School, an entrepreneur “garage” was set up in the unlikely setting of the School’s reception room. The “garage” formed the setting for three innovation and creativity sessions facilitated by Synectics/Bamboo, part of the Altman group. Participants were greeted by sofas, flipchart pads, and a table weighed down with coloured pens, post-it stickers, A4 pads, bottled water, and chocolate sweets.

“If a garage could be the incubator for some of the greatest business ideas of the last ten years, then why shouldn’t we try and recreate that spirit at Oxford?” asks Mark Cowan, one of the Bamboo team members that assisted on the day. “Our aim with the Garage was to focus the minds of students, corporate guests and Silicon visitors on solving real problems being faced by the Dean of the Business School, Reid Hoffman, founder and CEO of LinkedIn, and Chris Sacca, head of special initiatives at Google.”

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The advertising industry has been called an “engine for economic progress” but also a drain on intellectual acuity. Worse perhaps, advertising is often perceived as a Machiavellian tool with abuses ranging from false claims, gimmicks, and shoddy political campaigns, to straightforward invasion of privacy. It is against this background that I wish to provide a point of view on the role of advertising in the new era of “universal compatibility.”

On the issue of who discovered the water, we know for certain it wasn’t the fish. It can be hard to get an overview on the changes new communications technologies are having on different communities worldwide. The media world today is much, much more than television and radio. It is also much more than where we are sitting. Yet it can be hard to see this if we are static in one location, either physically or mentally.

Think like the Sun

“IF YOU TAKE THE TROUBLE TO UNDERSTAND PEOPLE MORE DEEPLY, IT WILL HELP YOU BETTER SERVE THEIR NEEDS AND ELICIT THEIR LOYALTY.”
Information today is mobile and so are we. This is a world of business where borders and nations are less relevant — rendered less dominant by open trade, consolidation of industries, and the ubiquity of media. Of the world’s 100 largest economic entities today, 51 are now corporations and 49 are countries. This means that more people are being touched by corporations and brands than any single nation’s government.

Our conversations and messages are easily accessible in a far more transparent world. So, as with the concept of second-hand smoke, we need to become more sensitive with our communications. Just like second-hand smoke, communications can go where we don’t intend them to go, get seen and heard by people they are not intended for and, sometimes, like smoke, our messages can cause a negative reaction.

One thing most people in my business know for sure is that the best way to find out that a product is not living up to expectations is to advertise it. With the increase in compatibility of information processes, people can let you know more or less instantaneously when they don’t like your product; and they can punish your brand if it doesn’t live up to its promises.

With this acceleration in speed and penetration of information processing, it is no wonder conflicts arise over who controls both media and messages. Seeing our way into this future will be our generational challenge. It will require a new frame of reference. Extreme nationalism and religious extremism can cataract our eyes and cloud our vision.

My industry must now be more about seeking insight and understanding — a universal compatibility among ideas and people. The secret of enhanced understanding of individual consumer needs is the frame of reference we adopt to inform our strategic choices. “Think global / act local” was a stage in the evolution of the marketing process. It helped global marketers deal with newly opened trade borders created by the expansion of communications technologies and handle the socio-political and economic differences in markets such as the Middle East, Africa, India and China.

However, this framework has become obsolete. It assumes marketing communications borders that no longer exist. I have found it to be less helpful strategically today than when I started out on the road to global brand-building in the late 1970s, before the internet, and before mobile technology. Instead, I recommend a frame of reference I call “think like the sun.”

We know the sun does not really rise and set. It is we here on earth that revolve. In this increasingly smaller, interconnected communications marketplace, consumer perceptions are more borderless and ongoing. The result is a word-of-mouth community of consumers who are more in touch with each other. “Think like the sun” offers a more objective frame of reference on an intercultural marketplace for building brands. It is a framework that allows you to take notice of the possibility of “second-hand culture”.

Access to markets is one of the freedoms Amartya Sen, the Nobel-prize winning economist, refers to as being necessary “to promote freedoms of other kinds”. Contrary to popular perception, I believe that advertising of the new kind I have described has a role to play in creating freedom from hunger and poverty, in exposing violations of political freedoms, in encouraging the freedom of gender equality, and in helping to off-set a deteriorating environment.

This is a great time to be in the communications business. It has never been more complicated or more in need of professional communications expertise. The industry has tremendous potential for growth, as long as we remain ever-vigilant to change. Increasing universal compatibility can help make the world a better, safer place.

All we need is some good advertising.

Tim Love is vice-chairman of Omnicom.
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