

When the world is not enough

Most business schools want to play in the global arena but are often poorly equipped to do so. International governance can often help, say **Jean-Louis Mucchielli** and **Thomas Froehlicher**

All business schools have extensive international ambitions but very few of them have an effective international approach.

Global governance plans are all about strategy but many business schools make the same simple mistakes in their global evolution. They want to be operational everywhere but run the risk of being nowhere.

For example, a key mistake when selecting a new foreign location is not taking fundamental elements into account during the decision-making process. A business school might take on a new location based on a chance opportunity or an individual proposal from a key contact. Such schools do not usually have a dedicated team to evaluate geographical location of new ventures.

This is somewhat ironic since in international business strategy programmes and courses we teach the decision process of locating sites abroad, strategic alliances and international mergers and acquisition.

A manifest example of such underdeveloped strategies (outside the business school sector) was Carrefour's decision to open eight stores in Japan because it was perceived to be "the next big market", an assessment reached without any research or expert advice on the locations.

Less than 10 years later and after huge losses, Carrefour, the world's second-largest retailer, sold all its stores to its Japanese competitor and withdrew completely from Japan (Sharlene Goff, *Financial Times*, March 10, 2005).

The senior advisor at Carrefour at that time said that no investigation or analysis had been carried out on the Japanese market before investment. The decision was based on the simple idea that the Japanese market was the "next big thing". We must be careful not to reproduce such errors in our own business schools' international strategies.

Amphitheatres everywhere

If we follow a blind international strategy, we are participating in the race between schools to open new offices in diverse locations and signing up the greatest number of potential partners in order to use these connections to attract more students. A school with hundreds of partners can more easily attract students with the promise of partners throughout the world.

The problem is that everyone is doing the same thing; International Relations Deans spend a large proportion of their time on airplanes, staying just one day at a time with potential partners, more than 70% of whom are not serious or will receive just one or two students per year.

International governance can forget to think locally when we need to think globally

There are many examples of schools that make the mistake of not thinking locally. One school opened offices in many European countries with no connections to the local major universities in each location. Students choosing an international itinerary found themselves in small buildings, totally disconnected from student life in host cities.



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Another school chose a location in China because the building was available to them at a low rent; after four years in this city the school realised that this location was a mistake.

Yet another school devised a global experience for students who could spend a semester or a year in China, South America and/or the US. However, after a few years of the programme, the school realised that even during this global experience, the students had no contact with the local students or professors; professors were coming from France as well as the students.

And though public universities in France had signed more than 1,000 agreements with Japanese partners, an audit revealed that less than 10 % of the agreements were actually “live” (hosting at least one professor or one student per year.)

Dysfunctional main strategies

Beyond international relations, business schools can make mistakes in many other areas, for example:

In teaching: frequently we have seen that business schools give large teaching loads to lecturers that are considered to be ineffective researchers. This leads us to question whether a bad researcher has to be a good teacher? Should we encourage everybody to publish, even in teaching reviews? In this domain, targeting pedagogical journals is a way forward.

In research: One “international star” was paid more than 10 times the rate of other researchers while only teaching just some hours per year; the complexity of the recruitment process allows for opacity and heightened opportunism. Separate face-to-face negotiations and private arrangements with a head of department or research centre are not conducive to a broad strategy.

In masters or PhD programmes: sometimes the portfolio strategy results in an excessive increase in the number of programmes. For example, it can be hard to distinguish between a masters in international affairs and a masters in international strategy. The PhD program may be used as a cash cow instead of an investment in the future.



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Can an international board be a lighthouse in the fog?

Such a question depends entirely on the goals of the international board. If it is a simple formality, meaning that the board has a yearly meeting inside one of the best hotels or restaurants in the world without going in the details of the strategy, it will be just “window dressing” - a marketing strategy without strategic impact.

At Rennes School of Business, we apply a real international dimension in the school's governance. Each year, our International Scientific Committee (ISC) - composed of 10 eminent professors of international business strategy - arrive for a two-day meeting at the school. They come from Asia, North and South America and Europe and all have experience of central positions in the governance of their own institutions.

During this annual meeting, the Rennes school presents its main strategic plans of becoming a globally recognised school. The ISC review all these strategies, topic by topic, ask pertinent questions and oblige the Dean and his close collaborators to explain all in depth.

There is no double talk. Being “friendly but firm”, they require a description of all the processes in order to evaluate each strategy in turn and to predict the results. It is a training opportunity for accreditations interviews and helps us to avoid mistakes when the school present its strategies to accreditors.

The elements of these meetings are then explained to the faculty members in order to be transparent and to create a real faculty culture.

The success of the ISC strategy is twofold: first, it is due to a yearly evaluation by an external committee that is not involved in the complex internal organisation and, second, by being aware of the best benchmarking processes drawn from experience in their own schools and their knowledge of the global strategies of firms applied to business schools.

A world class business school results from the successful mix of three main components: abundant resources, concentration of talents and favourable governance. Using this formula, we can produce the best research output, graduate students and technology transfer to companies. We can truly say the aim of this yearly meeting is to concentrate on the successful transformation of inputs to outputs.

Rennes School of Business is privileged to welcome this “dream team” every year, who in turn have the pleasure to be welcomed in this lovely city of Rennes in Brittany.

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