

FROM DEAN NOHRIA

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Two years ago, in my first letter to you, I characterized Harvard Business School as being at an important inflection point: a moment when changes in management education and in the world more broadly required us to recommit ourselves to a future for the School no less ambitious and innovative than the one our founders envisioned over a century ago. I believe this remains true today. On a global scale, we see ongoing economic uncertainty, a growing jobs crisis, increasing concerns about balancing energy security with environmental sustainability, and political divisiveness and social unrest. Closer to home, in business education, the proliferation of new types of programs, including the rapid rise of higher quality online programs, makes the shape of our “industry” ever more uncertain. Within this context, the role of business as an engine for prosperity and the solutions to problems such growth engenders is more important than ever.



H A R V A R D | B U S I N E S S | S C H O O L

WE MUST, THEREFORE, CONTINUE TO ADAPT TO OPPORTUNITIES AND CHALLENGES IN THE WORLD AROUND US.

WE MUST BUILD ON THE STRENGTHS AND CHARACTERISTICS THAT HAVE MADE HBS A LEADER THESE MANY DECADES:

a world-class faculty committed to teaching and research, outstanding students and alumni, a remarkable residential campus, talented staff, a library like no other, and a publishing group that enables us to share our ideas worldwide.

WE MUST ALSO CONTINUE TO SEEK OUT NEW WAYS OF INTERACTING, NEW WAYS OF DOING THINGS, AND NEW WAYS OF FULFILLING OUR MISSION OF EDUCATING LEADERS WHO MAKE A DIFFERENCE IN THE WORLD.

We cannot rest on our laurels; rather, we must continually reflect, examine, and explore new opportunities so that today's experiments become tomorrow's distinguishing capabilities.

Against this backdrop I write to share an update on the School and our five priorities: innovation, intellectual ambition, internationalization, inclusion, and integration. Even as we have begun to deepen and extend the initiatives launched over the last two years, we have also—consistent with this sense of urgency and building on the skills we are developing—started identifying a handful of new directions.

Let me provide details on each.

INNOVATION IN OUR EDUCATIONAL PROGRAMS

Field Immersion Experiences in Leadership Development (FIELD), the required course we introduced in the MBA Program in Fall 2011, has now entered version 2.0. Remarkably, for the students last year who experienced it as experimental, students this year already are finding it a normal and integrated part of their curriculum. This is partly a reflection of administrative tweaks we've made, such as fixes to the schedule (e.g., providing structured times for teams to meet, better mapping against the recruiting calendar). But our progress also reflects a significant effort to collect and act on feedback from student evaluations, faculty throughout the Required Curriculum (RC), staff, and global partner companies. This input has led to many enhancements, from replacing exercises that didn't work with better ones, to extending the time in-country during the global module to allow students more time to engage with customers and prepare their final presentations.

Are we done? Most definitely not; experience has shown it typically takes three years for the structure and content of a course to become largely settled. While FIELD more than delivered on our early expectations, we think we got about 60% right our first year and hope to be at 80% by the end of this year. With this work progressing in the RC, we have turned our attention to the Elective Curriculum (EC), looking for ways to ensure that our two-year program delivers an equally compelling second year.

This has become increasingly important as more schools introduce one-year offerings, and the opportunity cost of a two-year program such as ours stands in starker contrast (as witnessed by a continuing decline in enrollments among two-year MBA programs globally). We believe we offer a different and distinctive value proposition, and student and faculty satisfaction with the EC remains high. But there are signs, too, that we could do more to create a powerful, engaging, and integrative experience. We have begun discussing ways to incorporate the field method and how we might more thoughtfully curate elective course offerings. We also are exploring the potential for an integrative capstone course (which many of our alumni have long urged we bring back), with an eye toward introducing changes in the next year or two.

In the Doctoral Programs, we are implementing the recommendations of a comprehensive review we undertook last year. We continue to attract outstanding candidates to our programs each year and their placement in leading business schools upon graduation remains strong. At the same time, we were overdue for a systematic look at the curriculum. Our examination revealed there was more we could do to help our students develop as scholars who embrace academic rigor and practical relevance, and who can become outstanding teachers. We also are looking to strengthen and better support our community of doctoral students.

In Executive Education, anticipating the completion of Tata Hall (with much-needed bedrooms and classrooms) and envisioning the new Chao Center (with unique opportunities to enhance and integrate our community), we have begun a strategic review of the program portfolio. As in MBA education, the landscape of professional development is changing, and we are adapting to meet it. We are increasing the number of programs offered regionally in key locations. We are exploring blended learning opportunities—programs that combine in-person modules with online resources and content from our publishing group. We also are examining how we might incorporate what we are doing with the field method in the MBA Program into our Executive Education programs, and this year are holding “renewal” programs in global locations for our longer comprehensive programs.

A RECOMMITMENT TO INTELLECTUAL AMBITION

From its inception, HBS and its faculty have committed to excellence in both teaching and research. Indeed, it is the intersection of these two activities—developing ideas, testing them in the classroom, and refining them and communicating them through cases, course development, and journal articles and books—that makes our faculty distinctive.

This synergy is what defines and sets apart great universities; for HBS, teaching and research are not only intersecting but also interdependent, and our faculty members thrive in this environment. It is incumbent on the School, then, to provide a platform of resources and support to foster the full set of activities related to the genesis and development of new ideas.

Last year, we launched the Project on U.S. Competitiveness as an example of an initiative that would bring together faculty members from across units and disciplines in addressing a timely and important question. This year, we are extending this effort, thinking carefully about how to affect policy and practice. We conducted a second, follow-on survey earlier this fall and will be sharing the results this winter. Additionally, we will continue our outreach program, traveling to a handful of cities throughout the United States to engage local alumni and other business leaders in regional discussions.

This year, as an example of the University's unique convening power, faculty from our Healthcare Initiative partnered with colleagues at Harvard Medical School to offer a conference entitled "Healing Ourselves: Addressing Healthcare's Innovation Challenge." Participants explored topics

ranging from translating research into clinical and commercial use to improving the patient experience. We will be looking across all the School's initiatives—Business and the Environment, Business History, Digital Business, Entrepreneurship, Healthcare, Leadership, and Social Enterprise—to find comparable ways of connecting research to practice.

A recent article celebrating the 90th anniversary of *Harvard Business Review* listed some of the most important management thinkers and ideas during this period. It was heartening to note how many of them had originated at Harvard Business School. We sorely need imaginative new ideas to address the complex challenges businesses and societies face today. The research of our faculty must continue to provide these important ideas.

INTERNATIONALIZATION BY EXPANDING THE SCHOOL'S INTELLECTUAL FOOTPRINT

We are fortunate to be able to build on a broad foundation of regional research centers—in Asia-Pacific (Hong Kong and China), California, Europe, India, Latin America, and Japan—that have provided faculty with assistance on everything from company introductions to translations. As a result, more than half of the cases published last year focused on global companies and issues. This quite literally has transformed our curriculum; most every course at HBS now offers students a truly global perspective. Moreover, last year we saw additional benefits of this global infrastructure. In searching for the more than 140 companies we needed to serve as global partner organizations in FIELD 2, we drew heavily on the relationships our regional center staff had built (as well as on the assistance of many of our alumni).

This year we will open a new research center in Istanbul. This strategically located city, which has always been at the crossroads of the East and West, will provide a gateway to a better understanding of emerging economies in the Middle East, Eastern Europe, and Central Asia. We have hired an executive director who will help us establish an office to facilitate research and course development. Africa, too, remains of deep interest to our faculty and students. To engage with this continent, we are exploring how we might partner with a planned University initiative. This expanded network will enable us to cover much of the world and to make good on our promise that although other schools may offer more depth in a particular region, no one can promise a

more global education than Harvard Business School.

In China and India, our centers are expanding to support the full range of the School's activities—including the MBA Program (e.g., admissions and placement), Executive Education, Publishing, and External Relations. Even as we do this, we will continue to build our local relationships with other universities, with our alumni, and with local business leaders.

It is worth noting the less visible impact of FIELD 2, too. The 900 students who spread out to 13 cities in 10 countries were joined by 20 faculty members and 40 staff members—some of whom had never left the United States. Add to that those who traveled as part of the faculty immersions to Israel and China, as part of the EC IXPs over the January break, or on global faculty fellowships. Through these programs, including the pre-work leading up to departure and the actual in-country time, many dozens of community members each year will be gaining exposure to new ideas and cultures. Additionally, some of the company projects will lead to new global cases and research projects for our faculty members, in addition to summer internships and job opportunities for our students. The overall impact of FIELD 2 on the internationalization of the School will only grow over time.

CREATING A CULTURE OF INCLUSION

The Culture and Community Initiative (CCI) is beginning to have widespread impact on our campus. Last year, a student culture report—examining quantitative and qualitative data on dimensions of race, gender, and sexuality—explored factors that might be contributing to differing degrees of satisfaction and success in the MBA Program, and laid out a range of theories and conjectures as to why they might exist. Faculty gathered in small groups to review the findings, the MBA Program administrative team examined them, and student leadership was engaged in a discussion about steps that could be taken, and experiments run, to redress specific barriers. Already this fall, aspects of the FIELD course, including orientation and the initial module on leadership, have incorporated some of the report's findings.

A comparable and even wider-ranging analysis is under way of the faculty culture, with a report planned for later this winter. A few things have become clear very quickly. First, we are a remarkably well-intentioned community, and while making sensitive issues discussable isn't initially comfortable, everyone seems to welcome the openness and the dialogue. Second, the issues are deeply challenging: they neither will be solved in one round, nor will they remain the same, as the world around us changes. As a result, the process we have undertaken—examination, reflection, discussion, and experimentation—is at some level as important as the outcome. Building the capacity for the process is key.

Beyond the culture reports, our focus this year is on commemorating the 50th anniversary of when women were formally admitted into the two-year MBA Program. From talks and conferences sponsored by our Women's Student Association to special features in our alumni Bulletin to a comprehensive alumni survey on life and leadership to a research symposium to a special W50 summit, we are using events and scholarship to look at issues related to business and gender, and how we might accelerate the advancement of women leaders who make a difference in the world.

Finally, an important way in which we strive to be inclusive is by sustaining our commitment to fellowships that make an HBS education accessible to any qualified student, regardless of financial means. While we have made tremendous strides, we need to ensure we remain the preeminent choice for the most talented young people in the world. Today, we offer fellowships to about half of our MBA Program students; of those, each receives assistance equal to roughly half of tuition. We also provide fellowships that encourage students to pursue their passions, especially in sectors where they might earn less, such as social enterprise, public service, and medicine. More generally, we are trying to celebrate and be inclusive of the wide variety of ways in which our students and alumni exercise leadership.

ENHANCING INTEGRATION WITHIN HBS & ACROSS HARVARD UNIVERSITY

We are incredibly pleased with the early indicators of success at the new Harvard Innovation Lab, or i-lab, a University-wide entity that HBS played a crucial role in launching. From the more than 2,000 visits each month (60% of which come from visitors outside of HBS) to the President's Challenge and now the Deans' Challenges on cultural entrepreneurship and the life sciences to the portfolio of resources convened in a single location to support student entrepreneurship and innovation, on every dimension the i-lab has exceeded our expectations. As with innovation in the MBA Program, we opened knowing we had a lot to learn and much to change. But the foundation is strong and the i-lab has proven that the Charles River is not an insurmountable barrier for students throughout the University to cross.

With the creation of EdX, the University's portal for online learning (in conjunction with MIT, Berkeley, and a growing portfolio of other schools and universities), we think the time is right to seriously explore how HBS might create a unique and powerful online educational experience—courses, modules, or other content—that can complement the transformational experience found on our residential campus. EdX and other entities such as Khan Academy, Coursera, and Udacity are demonstrating the possibilities of a new era of e-learning, one that may appeal to students similar to our own. To ensure our leadership in the years ahead, we cannot afford to wait by the sidelines. We have to jump in and learn by doing, just as we are encouraging our students to do in FIELD.

To start, we are exploring what we might do in a few key areas. The first is what we are calling pre-MBA: the competencies and skills, such as the basics of accounting and finance, economic analysis, and business analytics, that students entering an MBA program should have mastered, recognizing that they come from a diversity of backgrounds, majors, and experiences. The second is how we might conceptualize a technology-enhanced classroom, to facilitate interaction between virtually connected students (including our alumni) and faculty in a space as tailored to purpose as our Aldrich, Hawes, and McCollum classrooms are for case method discussions. Finally, we are looking at how we might build an online community that brings the School's best content (drawn from Baker Library, Harvard Business Publishing, and our faculty) to our alumni and potentially to a broader audience. Given how quickly this arena is evolving, we would hope to unveil new offerings in at least one of these areas (if not more) as early as Fall 2014.

AS DEAN, I AM COMMITTED TO PROTECTING AND PRESERVING EVERYTHING THAT IS DISTINCTIVE AT HBS.

I TAKE EQUALLY SERIOUSLY THE RESPONSIBILITY I BEAR IN LEADING THIS GREAT INSTITUTION IN ITS NEXT CENTURY.

I also recognize the need to be bold, indeed restless, in our pursuit of excellence and leadership. What has made HBS great for the last hundred years is the fact that our forebears were true pioneers: willing to bet everything on the “delicate experiment” a new Master’s in Business Administration represented for Harvard University. From building a campus in the swamp that was Allston to adopting the case method to establishing outposts in every corner of the world, we have been unafraid to take risks—and in the process, we have set a high bar for management education.

This is why I believe the Harvard Campaign, to be launched in Fall 2013, is so important to our future. Thanks to the prior generosity of our alumni and other friends of the School, the HBS endowment provides critical support in key areas: professorships that fund the faculty’s work, for example, and the earlier-mentioned fellowships that provide financial aid for MBA and Doctoral Programs students. But to be able to respond quickly to new opportunities and challenges, flexible funding is crucial. In addition to broad alumni engagement goals, Harvard Business School will be focusing much of its campaign effort on raising the funds needed to invest in innovation.

Harvard Business School's mission of educating leaders who make a difference in the world has never been more important. I say this not out of hubris; on the contrary, what I think makes this School notable is its belief—embodied in its faculty, students, staff, and alumni—that it can serve a higher purpose. Individual by individual, idea by idea, we can work to transform companies and communities, and through that effort, we can enrich society. There is no nobler aim.

**THANK YOU FOR EVERYTHING YOU DO TO SUPPORT THE SCHOOL
AND TO MAKE OUR MISSION A REALITY.**

