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HBS Europe Research Center (ERC) UPDATE JANUARY–FEBRUARY 2008

In this update: New publications on SILIC and Global Knowledge Management at Danone; ongoing research in Technology, Operations and Management, and Finance; ERC case interviews and field research in Belgium, Romania and Spain; and an MBA Immersion Program in Europe.

NEWLY RELEASED CASES AND ARTICLES

Case: SILIC (A & B)

Co-authored with Professor David Hawkins, A&M, the case addresses the implementation of International Reporting Standards (IFRS) at Silic, a publicly-listed real-estate company in France. The A case focuses on how Silic should implement International Accounting Standard 40 (IAS 40, Investment Properties). Students assume the role of CEO Dominique Schlissinger and must decide whether the company should report its primary asset (investment property) using either the historical cost or fair-value accounting method. The B case exposes the accounting methods eventually chosen by Silic and other publicly-quoted real-estate companies in France. It gives Silic the opportunity to explain the reasons behind and effects of its choice, and encourages students to reflect on whether Silic made the right decision.

Case: Global Knowledge Management at Danone

Co-authored with Professor Amy Edmondson, TOM, and Professor Bertrand Moingeon, HEC Paris, the case explores French consumer goods company Danone's novel approach to knowledge management. Through informal knowledge marketplaces and sharing networks, Danone had helped managers connect with each other and share good practices peer-to-peer, rather than relying on traditional hierarchical lines of communication or IT repositories. From 2004 to 2007, the president of human resources and his team had found that 5,000 Danone managers around the world had shared about 640 now-documented good practices. In 2007, the strategic importance of saving time in a decentralized organization through adoption of colleagues' good practices was put to a test. The case illustrates Danone's options on taking knowledge management into the future of Danone.

SAMPLE RESEARCH IN PROGRESS

The ERC is currently working on several cases and research projects such as:

- A case on real estate investments in emerging markets with Professor Nicolas Retsinas, FIN.
- A case on the turnaround of a company in the energy sector with Professor Ananth Raman, TOM.

The ERC is also exploring a possible case on project management and service innovation with Professor Stefan Thomke, TOM.

VISITS INVOLVING THE CENTER

Research activities in January and February involved case site interviews in Belgium with a chemicals company for a case with Professor Boris Groysberg, OB; case site interviews in Romania with an investment fund for a case with Professor Nicolas Retsinas, FIN; and case site interviews in Spain with a banking group for a case with Professor Gunnar Trumbull, BGIE.

This update from the HBS Europe Research Center summarizes ongoing and future projects at the center. To stop receiving the update, contact gkristinsdottir@hbs.edu.

In addition, we were happy to see here in Paris:

- HBS Faculty
 - Professors Asis Martinez-Jerez, A&M and Gunnar Trumbull, BGIE who came for the MBA Europe Immersion Program.
 - Professor Gunnar Trumbull who came to spend six months in Paris to conduct research, based at the ERC.
- HBS Staff
 - Kristen Fitzpatrick, Director, Employer Relations, MBA Career Services; Betsy Strickland, Assistant Director, Career Education and Support; and Courtney Shaver, Marketing Coordinator; MBA Program; who came for the MBA Europe Immersion Program.
 - Mary Ann O’Loughlin, Director, Corporate Relations & Market, Executive Education.
 - Steve Nelson, Executive Director; Deirdre Leopold, Managing Director MBA Admissions and Financial Aid; and Philippe Taieb; MBA Program; who interviewed candidates from all over Europe for the MBA Program’s Admissions, hosted by the ERC.
- Other Visitors
 - Olivier Meier, Université Paris-Dauphine.

EVENTS

MBA Europe Immersion Program, France, Belgium and Spain, January. The Dean of Harvard Business School decided to launch a Europe Immersion Program for MBA students in order to expose them to important European business issues. The program—co-organized by the ERC and by HBS professors Asis Martinez-Jerez, A&M and Gunnar Trumbull, BGIE, along with Kristen Fitzpatrick, Director, Employer Relations, MBA Career Services, Betsy Strickland, Assistant Director, Career Education and Support, and Courtney Shaver, Marketing Coordinator; MBA Program—included panel discussions with European executives and experts, the teaching of case studies on European issues, and visits to companies and institutions in Paris, Brussels and Madrid. In total, 34 MBA students, both of the 1st and the 2nd year, had signed up for the trip. They were accompanied by the two faculty chairs, the three HBS staff members from Boston and the ERC team.

The first visit was in Paris where the students started the Immersion by a “Retail” panel discussion, with presentations by David Shriver, Strategic Adviser to the Chief Executive, Carrefour Group; Laurent Cintrat, VP Sales, Dairy Division, Danone; and André Tordjman (VIS 1987), Director of New Concepts and General Manager of Little Extra, Auchan Group.

The group then attended a “Luxury Goods” panel discussion with Rémi Cléro (MBA 1990), CEO, L’Artisan Parfumeur; Eva Taub (MBA 1992), Director Leather Division, Christian Dior; Isabelle Aguerre (MBA 2003), Director of Strategy, Balenciaga; Didier Le Calvez, Executive Vice President of Shangri-La International and General Manager of Hotel Shangri-La Paris; and Zahra Kassim-Lakha (MBA 1999), Global Retail & Strategy Director, Manufacture Jaeger-LeCoultre, Branch of Richemont International S.A. Moderator to both panel discussions was Vincent Dessain (MBA 1987), Executive Director of the ERC.

The students then visited the Artisan Parfumeur main store and ended the day by meeting with HBS local alumni at a cocktail hosted by the ERC.

The next day, a case discussion on “Marketing Château Margaux”, taught by Vincent Dessain was followed by a visit of Billecart-Salmon Champagne House, hosted by Mr. François Roland-Billecart.

The second visit of the Europe MBA Immersion Program was Brussels where the first event was a case discussion on the “EU in the 21st century”, taught by Professor Gunnar Trumbull, BGIE. The case study was followed by a panel discussion on “Creating European Markets”, with as panel participants George Lemonidis, Enterprise and Industry (Lisbon Strategy); Daniel Calleja, Air Transport (Open Skies Agreement); and Olivier Guersent, Competition (Antitrust).

After a lunch discussion on “Financial Market Integration”, presented by Mario Nava, Internal Market (Financial Services Integration), the group headed to BusinessEurope, an organisation in Brussels which brings together the central confederations of industry from the EU and European Economic Area, and where the students attended presentations by Philippe de Buck, CEO, and Daniel Cloquet, staff member in the energy field. Huw Pill, Head of Monetary Policy Stance Division at the European Central Bank gave a talk on the European Monetary Policy.

Company visits in Belgium included the Antwerp World Diamond Center with a presentation by Chief Officer of International Affairs, Mr. M. Van Bockstael; and Umicore, a materials technology group, centered on advanced materials, precious metals products and catalysts, precious metals services and zinc specialties.

The third visit was in Madrid, where the group visited Leche Pascual dairy plant, and enjoyed a winery visit at Abadía Retuerta before a presentation of Bankinter by Jaime Echegoyen, CEO, Fernando Alfaró Aguila-Real, Executive Vice President, Innovation Area and Juan Manuel Zanón, Director of CRM; and a

presentation on “Brand Spain” by Fernando Cortiñas (MBA 1992), International Sales Director, Telefonica Soluciones.

The next day, the students visited two companies, EADS and Iberia Airlines, and attended a presentation of Iberia Airlines by José-María Fariza Batanero, Chief Administrative Officer of Iberia and member of the Executive Committee; followed by a presentation of Acciona SA by Jorge Vega-Penichet, General Counsel, and Juan Muro Lara, VP Business Development. The group then attended a “Private Equity” discussion panel, with as panel participants Claudio Aguirre (AMP 1999), CEO and Founding Partner of Altamar Private Equity; Iñaki Echave, Partner, Magnum Partners; Borja Martínez de la Rosa (MBA 2000), Partner, Apax Partners; and Cristóbal Paredes, ING Wholesale Banking Managing Director, Head of Leveraged Finance & Sponsor Coverage Spain & Portugal. Moderator of the “Private Equity” panel was Julia Prats, Assistant Professor, Department of Entrepreneurship, IESE Business School. This 10th day of the program was ended by a Centennial Celebration Dinner with local HBS alumni.

On the last day of the Europe Immersion program, the group was addressed by Jordi Canals, Dean of IESE and Professor Carl Kester, HBS Deputy Dean for Academic Affairs, before a panel discussion on the “Globalization of Non-Financial Firms”. The panel featured Ignacio Madríguez, Country Manager Spain, CEMEX; Santiago Olivares, CEO Ferrovial Servicios; Marc Puig (MBA 1990), Executive President B&F Group; and Gonzalo Verdura (MBA 1991), Founder and CEO of Todovino.com; and was followed by a panel discussion on the “Globalization of Financial Firms”, with Alfredo Sáenz, CEO, Banco Santander; José Viñals, Deputy Governor, Bank of Spain; César González-Bueno Mayer, CEO of ING Direct Spain, member of Executive Board of ING Direct NV; and Juan Arena de la Mora (AMP 1999), former Chairman of Bankinter. The group’s final company visits included wine tasting at TodoVino and a visit to a CEMEX cement plant.

All participants enjoyed the experience and a second edition of the Europe Immersion has already been decided for next year.

COMMENTS?

We welcome all suggestions and comments. Please contact us:

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More information about the ERC: <http://www.hbs.edu/global/europe.html>

Best regards,

The staff of the HBS Europe Research Center

Mission of the HBS Europe Research Center:

The mission of the Europe Research Center is to support faculty in their research and case writing projects throughout Europe. In addition, the ERC builds relationships with European business and political leaders, educational institutions, and alumni.

HBS UNITS LEGEND:

A&M	Accounting and Management	MKT	Marketing
BGIE	Business, Government and the International Economy	NOM	Negotiation, Organizations & Markets
EM	Entrepreneurial Management	OB	Organizational Behavior
FIN	Finance	STRAT	Strategy
GM	General Management	TOM	Technology and Operations Management