

AGSM

AUSTRALIAN GRADUATE SCHOOL OF MANAGEMENT MAGAZINE

2001 ★ ISSUE: 1

The anatomy of a dot com deal

[ALUMNI DEAL-MAKERS TALK STRATEGY]

- AGSM improves full-time MBA program
- Robert Wood on self-theories and management

**AGSM ranked
No.1 in Asia**
Financial Times (UK)



DEAN'S MESSAGE

I am very honoured to become dean of the AGSM. As Australia's oldest graduate school of management, the AGSM has played an important part in the development of management practice in Australia – and has an even more important role to play in the future. I look forward to working with the many individuals and organisations who have a stake in the School – students, staff, alumni, the two University shareholders, and the business community – to shape and guide the future direction of the AGSM.

Three important themes for the School's next decade are *global*, *virtual* and *personal*. We must form alliances with like-minded management schools outside of Sydney to facilitate easy exchange of faculty, students and – most importantly – knowledge. We must use new technology to enhance, not replace, the face-to-face learning environment. And we must become more flexible and responsive to the individual needs of students and firms for education delivered across a wide range of time, space and mode. Progress in these three areas has already begun and will continue at an accelerating pace.

The latest *Financial Times* (UK) listing of the world's top 100 business schools, which is reported in our news update, *Upfront*, contains very good news for the AGSM. Our ranking rose from 65 to 42, well ahead of any other institution in our region. The strategy and policies of the AGSM are not driven by the ratings, but we will continue our efforts to be sure that such ratings fairly represent the quality and scope of the School.

Please accept my invitation to contact me with your comments and suggestions. Working together, we can accomplish great things for the AGSM and for ourselves.

Michael R Vitale

Professor Michael Vitale
Dean
Australian Graduate School of Management



The AGSM is a School of both The University of Sydney and The University of New South Wales

INCREMENTAL THEORISTS: think less about basic aptitudes as explanations for performance and focus more on skills, effort and strategies.

– Robert E. Wood. See full story page 12.

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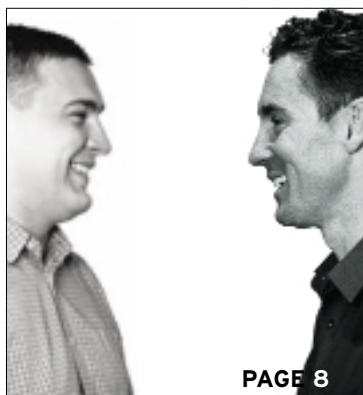
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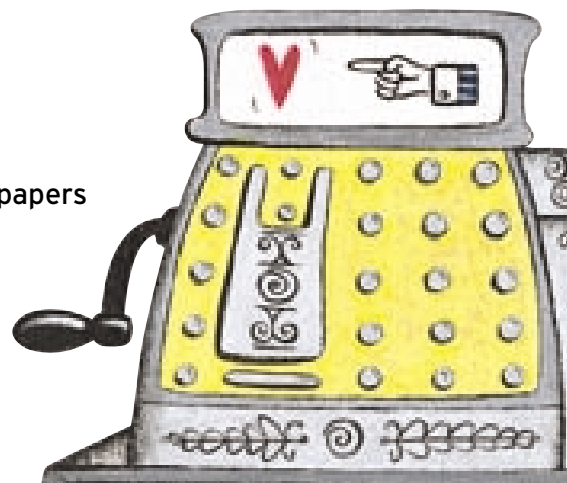
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ABOUT THIS ISSUE

Welcome to the new look *AGSM Magazine*. This new look presents an interesting mix of news, management practice issues, research news and alumni news.

Our aim is to create a publication that reflects the culture and core themes of the AGSM. This design has been implemented in consultation with Debra Maynard & Associates and the School has retained Debra as editor of the *AGSM Magazine* with day-to-day responsibility for managing content, production and distribution.

It is important that the *AGSM Magazine* report the changing nature of business and the wider AGSM community of alumni and corporate relationships. To this end we seek your feedback on the current design and future development of the *AGSM Magazine*. Please take time to read your magazine and provide us with feedback via the enclosed form, and feel free to contact Debra or myself to offer your comments or suggestions.

Michael Walls
Managing editor

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AIB heads to AGSM

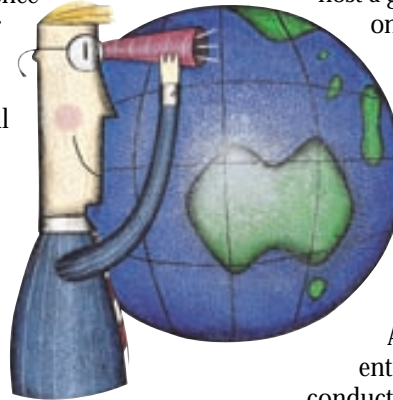
The Academy of International Business (the world's leading global community of international business scholars) will stage its annual conference in Australia for the first time.

Its 2001 conference will be hosted by the AGSM at Sheraton On The Park in Sydney from 16 to 19 November. The conference theme,

'Looking Towards the Future', turns its attention to the development of the Asian and Pacific Basin economies and the significance and direct impact of those developments on the world.

Negotiations to bring the AIB annual conference to Australia were led by Timothy Deviney, director of the AGSM's Centre for Corporate Change. The conference offers a once-in-a-lifetime opportunity to showcase the Australian business community and the School to a group that represents the intellectual elite of international business thinking, research and teaching.

The conference will feature a variety of formats including plenary sessions, competitive paper sessions, workshops, panels and poster sessions. Some 500 business scholars from around the world are expected to participate and will include luminaries from universities



such as Harvard, Oxford, Cambridge, Columbia, Yale and Stanford.

Other speakers include Thomas Keneally, Malcolm Turnbull, Michael Knight and a number of leading Aboriginal speakers. The AGSM will also host a gala dinner at Sydney's Town Hall on 19 November.

The conference is sponsored by BHP, Westpac, SAS Institute, Air New Zealand and Ansett Airlines, Lion Nathan and Austrade.

Managing in Asia executive program

A one-day executive program entitled *Managing in Asia* will be conducted by the AGSM on 16 November. It will offer participants an opportunity to hear from a number of eminent speakers on the challenges facing managers with responsibilities related to India, China, Japan and Korea. The speakers are: George Yip, London Business School, moderator; Pradeep Khandwalla, director, Indian Institute of Management (India); Eleanor Westney, professor, MIT (Japan); Dong Sung Cho, professor and dean, School of International Management, Seoul National University (Korea); Wilfried Vanhonacker, dean, CEIBS Shanghai (China); and Tim Harcourt, chief economist, Austrade (Australian business perspective).

For more information contact Anne Fitzsimmons, business manager for the Centre for Corporate Change, on Tel: (02) 9931 9502 or e-mail: annefi@agsm.edu.au. You can also check the Web site at: www.aib.agsm.edu.au.

For your diary

If you fancy updating your skills in Web-based business research, check out the AGSM business information service's one-day seminar entitled *Doing Business Research Online* (to be conducted in May). The seminar will be hosted by experts in Web-based research and will offer tips, techniques and case studies. For more information and a confirmed seminar date, contact Pat Matthews, e-mail: patm@agsm.edu.au.

MASTERING EDUCATION

"The diversity of the AGSM's award programs is wonderful to see as our graduates progress through the School.

Our students come from a variety of backgrounds, and to keep our programs meeting their expectations, the AGSM is implementing a sequence of reviews across the AGSM's portfolio of programs and resources."

– professor Chris Adam, associate dean, faculty
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SCHOLARSHIP (Top): professor Chris Adam, associate dean, faculty (centre), with 2000 graduates (from left) Bilal Abdulkhalek (GDBA), Nugroho Suryo (PhD), Andrew Dentskevich (MBA) and Tracey Pei-Qin Liu (MMgmt). (Above): professor Greg Whittred, former acting dean (far left) and professor Tom Smith (far right) with 2000 PhD graduates (from left) Rajeev Sharma, Christine Wae-Yee Soo, Kerry Pattenden and Philip Gray. (Above, left): Rajeev Sharma with his daughter.

Web wise

The AGSM is updating its Web site using a new content management system known as Aprtix (www.aprtix.com). Aprtix will supersede the current Rapid Web system to deliver a new generation of more flexible Internet-based technology.

Presence Online is building the new Web site and supplying the Aprtix solution. Benefits will include: simplified navigation, structure and design; the ability to bookmark pages within the site; personalised log-in areas and toolbars for alumni, students and faculty (passwords will be provided); and links to online teaching resources.

The alumni pages will be moved up to the home page surface for more prominence and accessibility. More information services and resources will be added, including an FAQ database on AGSM programs and courses.

NO.1 IN THE REGION

The AGSM has climbed 23 places in a top 100 survey of the best MBA programs worldwide. The *Financial Times* (of the UK) MBA 2001 ranking of business schools ranks the AGSM at 42, a big move up the table from last year's position of 65. The only other Australian school to make the *Financial Times*' top 100 was the Melbourne Business School, which fell two places to 58.

With some 1500 MBA programs available around the world, MBA 2001 selects only the cream of the world's full-time MBA programs. The position

of a school in the table is determined by its performance in three main areas: career progression accrued from the MBA; diversity; and research.

US business schools again dominated the rankings, with 51 in the top 100, but it was Wharton School at the University of Pennsylvania that clinched the top MBA program ranking (from Harvard Business School).

The AGSM ranked number one in the top 100 survey in the Aims Achieved category with a score of 91. This measures the extent to which alumni fulfilled their goals or reasons for doing an MBA.

"The fact that the AGSM significantly lifted its ranking in an exceptional pool of business schools reflects the hard work and dedication of our faculty and staff." – professor Michael Vitale, dean



Administrative Development Program (ADP) graduates (above from left): Chiu Fan Ho, Michael Chan, Christine Tse, Patrick Leung, Robin Leung and Patience Chan. They are six of 24 graduates who spent seven weeks at the AGSM's Kensington campus participating in this highly-regarded executive training. The program covers core management subjects; and the students also completed projects on public consultation in major government projects, electronic service delivery of government services, outsourcing of service delivery, and employment relations in the context of civil service reform and transition. The ADP is conducted exclusively for talented Hong Kong civil servants twice a year.

Smart collaboration

The AGSM is a partner in a seven-year Smart Internet Technology research project that has received \$22 million in Cooperative Research Centre (CRC) funding from the Federal Government. Another \$100 million in cash and resources is allocated to the venture from participating universities (including the AGSM) and industry partners.

The AGSM joins the University of New South Wales, University of Wollongong, Australian National University, University of Sydney, University of Adelaide, Griffith University, RMIT, Swinburne University and University of Tasmania, along with major industry partners Computer Sciences Corporation, Hewlett Packard, Motorola, Adacel, Telstra and Nortel Networks.

"The AGSM is proud to be part of a long-term collaborative research project that aims to make a profound contribution to the commercialisation of technology for next generation network management and Internet products and services," says professor Michael Vitale, dean.

More on networks



The AGSM has launched an Australia-wide and international network of alumni clubs to foster stronger networking

and services within the alumni community. The new alumni club network will be rolled out throughout the year. Clubs have been appointed in six Australian capital cities and three overseas cities. A president and supportive board will be appointed for each club and details of these appointments will be posted on the AGSM's Web site at: www.agsm.edu.au/alumniclubs.

The new clubs will provide a focal point for alumni networking throughout Australia and in key international locations. The clubs will liaise with the alumni services office at the AGSM in Sydney to develop social events and executive education forums.

Thanks from the acting dean

"This has been an enormously rewarding experience for me. It has been a privilege, and I thank each of you for your support and encouragement."

Professor Greg Whittred, former acting dean, accepts his farewells and a gift from the Ch'ing dynasty. The antique Chinese wedding artefact is made of solid brass and inscribed with the characters meaning 'double happiness'. Also engraved are five bats, representing longevity, health, wealth, virtue and the right to a natural death. The bat is a popular Chinese symbol because 'fu' (bat) sounds similar to 'fu' (happiness).



ALUMNI PROGRAM



IN TOUCH More than 170 alumni and guests attended the Alumni Program 2000, which included a half day of sessions designed to update alumni on current issues in research and management, followed by an evening cocktail reception. (Clockwise from top left): Amy Tucker (MBA2) with professor Michael Vitale, dean, and instructor Keith Dawes; John Counter (EMBA '98) and Kevin Turner (MBA '00); Phil Lawrence (GDM '94), speaker Neil Sylvester of marchFIRST, Dominic Wong (MBA '98), Teresa de Leon (MBA '97), Lisa Carlin (MBA '97) and Peter Strang (MBA '96); Mark Shepherd (MBA '96) and Terry Dwyer (MBA '95); and (far left) Peter Gow (SMDP '00).

Life Long Learning

Are you on the lookout for accessible information for solving specific management practice problems? Do you like the idea of a condensed update of major new issues in management? Then stay tuned to the AGSM's new Life Long Learning program. The 2001 initiative will provide new information, research and management practice education services to AGSM alumni designed to contribute to problem solving and career advancement.

"The first step is a survey to find out exactly what our alumni want in the form of information services and ongoing management practice education. Then we'll introduce some information services as test initiatives, including a discussion forum where people can seek support from other AGSM alumni on



management practice issues," says Dr Anne Lytle, the new manager of Life Long Learning.

"In the near future we hope to introduce an Australia-wide management practice forum for alumni that will see AGSM academics travel regularly to capital cities to deliver short-course management practice updates."

Other Life Long Learning initiatives under consideration include Internet-based short courses, classes delivered via video conference, specialist management practice mentoring, and consulting services.

If you have suggestions for the AGSM's Life Long Learning program, or would like further information, please contact Anne Lytle at e-mail: alytle@agsm.edu.au.

Statisticians take note

The *Journal of the American Statistical Association* marked the beginning of the new millennium with a year-long initiative in 2000 to celebrate the major developments in statistics in the 20th century. For each of its quarterly editions, the editors invited academics worldwide to write a short article about specific subject areas, covering theory and methods, social sciences and business, physical sciences and engineering, and life/medical sciences.

The AGSM's professor Simon Sheather was invited to collaborate with long-standing research partners professor Joseph W. McKean and professor Thomas P. Hettmansperger to produce an article entitled 'Robust non parametric methods' (December 2000).

The articles are described by an editor as "a collection [that] is nothing short of marvellous".



The AGSM thanked the many recruiting companies for their support and recognition of the full-time MBA program and its graduates at the annual careers cocktail reception (in November 2000). Pictured are Sue Davidson, AGSM recruitment advisor (centre) with Elaine Czulkowski and George Woods of Lek Consulting. Many recruiters lend their services for workshops and seminars. It's a contribution that brings valued marketplace insights to management practice issues and enhances the overall student experience. The 2001 on-campus recruitment presentations run from 4 to 21 June, and summer internship recruitment is conducted from 3 to 17 September. If your company would like to make a recruitment presentation, or you require further information, contact Sue Davidson, e-mail: sued@agsm.edu.au.

Research on the move

In 2001, the AGSM's Centre for Corporate Change will host a series of six evening research briefings at Customs House, Circular Quay (beginning late March). These evenings present topical management practice research in a discussion-friendly format that brings together both academics and practitioners. They provide an opportunity for AGSM alumni and others in the business community to network and discuss topics of mutual interest. The briefings are held once every six weeks, usually mid-week, with drinks provided afterwards. They are open to AGSM alumni and their guests and are free of charge.

"The CCC began this initiative in April last year and the interest has surpassed our expectations," says Timothy Devinney, director of the Centre for Corporate Change. "We have run evenings on e-business, corporate social responsibility, globalisation, knowledge and innovation, and the psychology of strategy, for some 1000 alumni and guests."

Some of the executives involved in 2000 were Phil Kiely (Oracle), Steve Vamos (ninemsm), Anne Whyte (Morgan & Banks), Damien O'Brien (Egon Zehnder), Jon Nicolson (BCG) and Chris Mitchell (AT Kearney).

If you would like to be on the mailing list to receive advance notice of the research briefings, please contact the Centre for Corporate Change on: (02) 9931 9500 or e-mail: frap@agsm.edu.au.

Thinking for the future

AGSM adjunct researcher, professor Ian Marsh, has collaborated with the University of New South Wales and the Asia Australia Institute to put forward a Federation Centenary conference and program of cross-institutional research and discussion. The agenda covers four broad policy frameworks that underpin Australia's governance and economic and social development.

The conference, Australia Chooses: Towards a Competitive and Integrated Society, to be held from 23–24 August, will be conducted using a case study method managed by Australian Harvard professors Jonathon West (a specialist in innovation) and Chris Bartlett.

Research programs and workshops are being conducted throughout the first half of this year and a special issue of the *Australian Journal of Management* will publish findings in July. A book will be published by the UNSW Press in early 2002.

Principal sponsors of the initiative are the Federation Centenary Committee, Commonwealth Bank, Australian Business Foundation, Macquarie Bank and AMP.

2001 scholarship winners

Corporate awards went to:

PhD: Michael Collins, Wendy Grusin and Kathy Walsh (Ryoichi Sasakawa Young Leaders Fellowship Fund [RSYLFF]).

MBA: Karen Kwan (Maurie Koop Scholarship/The Boston Consulting Group), Frances Yu (AT Kearney), Iole D'Angelo (Booz-Allen & Hamilton), Angela Sedran (Computer Associates), Harold Willaby (BlueFire), Peter Humphries (McKinsey & Company), Steven Steggerda (Deutsche Bank/general), Sonia Prasad (Deutsche Bank/women), Joseph Lai, Anthony Pesec and Angus Jaffray (RSYLFF).

EMBA: Philip Robinson (alumni scholarship) and Claire Filson (RSYLFF). Another 48 students received AGSM scholarship awards for the 2001 academic year. ★

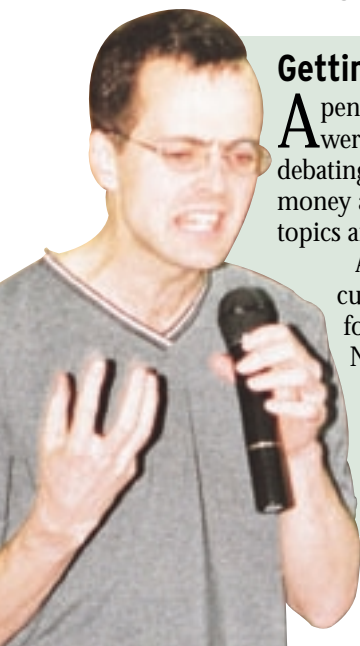
Getting it said

A penchant for argument teamed with larrikin good humour were the main attractions at the AGSM Speakers' Club's last debating competition which drew 16 players vying for prize money and kudos. Speakers were randomly paired, given ad-libbed topics and allowed four minutes to win over the crowd.

A swag of topics was debated, including sex, Australian culture, consulting salaries and the Olympic Games. Votes for the Speak Off's most persuasive went to David Mitchell, Natasha Winton, Rod Strauch and Tracey Neal.

The Speakers' Club is now approaching the more serious business of preparing to win back the Deloitte Consulting Cup from Melbourne Business School, which will be held at Melbourne Business School on 27 July.

Christian Sellars (MBA2)



Managing the challenge of student and business needs

The AGSM is undergoing a major review of its MBA programs in response to the challenge of change in both the business environment and customer requirements for the highest quality management education product and experience.

On the basis of accumulated innovations in curriculum and delivery development over the past few years, the AGSM has been able to identify and make the right choices for further improvements to specific areas of curriculum, program delivery and student experience.

The first program to be reviewed is the full-time MBA program. The redesigned curriculum, which will be taught from 2002, responds to changes in the business environment such as the impact of information technology, e-commerce, globalisation and workplace diversity.

The main areas of change for the full-time MBA program involve:

- Extending the contribution of information technology and electronic commerce in core requisite courses.
- Further integration of content across all courses and disciplines within the program, focusing on the introduction of an integrated program structure run concurrently with core courses. Integrated programs, such as 'managing diversity', will be topical and genuinely integrative (across disciplines) and taught by a team of at least two people in different academic areas. One of the aims is to create more in-built flexibility and timeliness with programs that are easier to change to respond to customer and marketplace needs.
- Restructuring program delivery and study structures to allow the MBA program to be completed in 15 months (if no internship is taken) or 18 months (with an internship) to reduce the overall costs to students.
- Ensuring that the curriculum, delivery and student experience are responsive to the realities of globalisation and offer the requisite cross-cultural management skills to succeed in a global marketplace.
- More emphasis on teamwork to reinforce

leadership and team skills. Each new MBA program intake will be split into two groups constructed for maximum diversity and each assigned teamwork facilitators.

■ Strengthening business and alumni community links for adding value to the overall student experience. Areas of focus include increasing outside speaker programs, greater access to companies as sites for management projects and research, and developing alumni mentoring of students.

"An important underlying outcome of the review was that our research reaffirmed the need for a generalist post-graduate qualification in management that delivers a breadth of understanding across all of the core disciplines of management," says Dr Robert Westwood, review committee member.

Also highlighted by the review was the ongoing need to improve continually the quality of the overall MBA program

experience through delivery of study programs such as international exchange and management projects, and provision of employment services and networking facilities.

"Integral to the overall quality equation is what we call 'the company you keep'. By that we mean the AGSM's ability to offer exposure to a very high-calibre network of faculty, students who bring with them valuable industry experience, an international exchange program with excellent business schools such as LBS, Wharton and Kellogg and, of course, a first-class alumni community," says Sue-Bennett Williams, acting director, MBA program.

"At the AGSM we have a reputation for delivering a high quality student cohort; we will continue to do that not only by using GMAT scores as a quality measure but also focusing on applicants' business experience and knowledge, because students' input is important to the overall MBA program experience," she says.

The full-time MBA program review has specifically sought to harness innovations across curricula, program delivery and student experience to continue to advance management knowledge and practice in Australia and the region. It is designed to ensure that its graduates possess the skills, knowledge, competencies and values to be effective business leaders in today's complex and ever-changing environment.

The Executive MBA program is next in line for review and the committee that has been formed aims to make recommendations later in the year. 🌟



"INTEGRAL TO THE OVERALL QUALITY EQUATION IS WHAT WE CALL 'THE COMPANY YOU KEEP' – A HIGH-CALIBRE NETWORK OF FACULTY, STUDENTS AND ALUMNI COMMUNITY."

– Sue Bennett-Williams, acting director, MBA program

AGSM alumni reveal their strategy in the sale of an Internet start-up during the peak of last year's tech stock volatility. **by Cameron Tomes***

The anatomy of a dot com deal

Just another dot com they said. Pretty hot technology, world's at their feet. But, like most Internet start-ups in today's volatile economic climate, it takes more than just flash technology and the interest of venture capitalists to turn expansionist dreams into reality.

Through no fault of their own these technologists lack arguably the two most important ingredients needed to grow any business venture: commercial expertise and marketing muscle. Without these, no start-up could hope to cut the mustard in the global marketplace.

Enter Australian Internet start-up: Active Concepts. The brainchild of software engineer and now its CEO, Darren Williams, Active Concepts develops Web site traffic analysis and competitive profiling software tools. Its key product is Funnel Web, an Internet application that provides Web site traffic and online consumer behaviour analysis.

Active was last year acquired by a NASDAQ-listed US software vendor with a market capitalisation of \$A10 billion. The multimillion-dollar price that Quest Software paid for Active was negotiated

by two AGSM alumni who successfully brokered the deal amid last year's stock market 'correction'.

Michael Bowles (EMBA '98) tossed in a lucrative 10-year career as an executive at Lend Lease to accept an approach by Campbell Olsen, an investment manager at Active's venture capital backer Jafco Investments (formally Nomura Jafco Investments) to join Active as its COO. Shortly after, Cameron McLean (ADP '98) and now director of business development at Com Tech Central, joined as non-executive director.

What they first encountered was a start-up with great technology, but with little marketing or commercial acumen to take it forward. Jafco had just given the green light to a multimillion-dollar investment packet with growth criteria strings attached.

Jafco had already identified a lack of commercial sales and marketing expertise typical in start-up companies. When Bowles arrived he found that the company was spending hundreds of thousands of dollars on US consultants without really knowing what it wanted the consultants to achieve. "There was little experience in appointing or managing consultants, and Active first

needed to understand all the non-technology aspects of the business to use the consultants effectively," says Bowles.

"It was a steep learning curve for them to understand that we had to change focus from technology to marketing, then build customer segmentation and pricing strategies to meet the investor's requirements," says Bowles. Active's banner product, Funnel Web, was initially only sold to Webmasters. Under a strategy Bowles adapted from the AGSM's Fit model of determining product price points and strategic marketing plans, specialised products were developed for a newly-segmented market of corporate, small business and technical customers. Pricing was initially \$US199, a figure Bowles said customers equated to 'freeware', but was later adjusted to \$US1199 to indicate enhanced functionality.

As McLean explains: "We had to re-brand the company for global reach and drive its value up while looking for attractive exit opportunities for the owners". That involved coaching the Active team to take a pretty big leap in perspective, "from a small business mentality to one of thinking and acting globally," says McLean.

In just six months Bowles, with the assistance of McLean and Williams, grew Active's head count from five to 20 and opened up offices in London and San Francisco as part of the global expansion and revenue generation strategy. The team also expanded its online and retail sales distribution channels to include OEM (original equipment manufacturer) contracts with larger vendors to increase market penetration.

These OEM contracts were essentially licensing agreements, where an original manufacturer sought to add value to one of its core or new products using Active's technology. One such contract, for example, involved Active licensing Udu Software to plug in Active's technology to its ASP model (which Udu sold to Internet service providers).

Around March last year one such OEM partnership offered something more tangible for Active than royalties from increased sales. While in the US, Bowles was approached by Quest Software's CEO Vinnie Smith and president Dave Doyle.

What started as a simple OEM negotiation developed into a full-blown acquisition play by Quest.

"Quest could see that Active had leading-edge technology which it needed to build an all-encompassing Web application development solution," says Bowles. "They wanted to buy Active's intellectual capital because they didn't have the time to build equivalent technology from scratch." While flattering, Quest's offer effectively threw a spanner in the works for Bowles, McLean and Williams, who were focused on building a strong, growing business.

"The way Quest was talking meant we had to move fast," McLean says. "We had to decide whether to continue with our existing expansion plans for Active, which were going well, or seriously consider Quest's advances." One of the key questions for Active in the early negotiation stages was whether potential licensing revenues would have made them as much money as a straight acquisition by Quest.

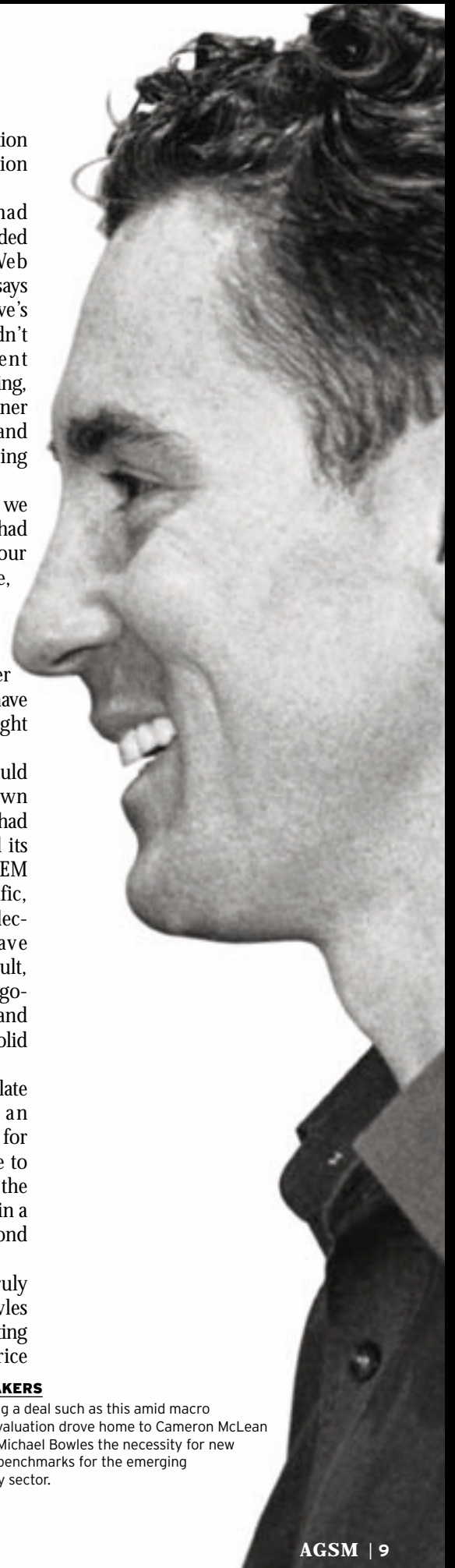
Active Concepts decided that it would have effectively cannibalised its own revenue aspirations and market share had it licensed or allowed Quest to build its own technology. Unlike other OEM contracts, which were product-specific, Quest wanted unfettered use of intellectual property, which would have effectively set up a competitor. As a result, Active agreed to pursue acquisition negotiations even though its European and Australian operations were achieving solid sales volumes.

McLean and the board had to calculate all possible outcomes of such an acquisition. What did a buyout mean for Jafco? What would it mean for Active to work for Quest and what would be the advantages given that Active was still in a period of high cash burn prior to second round funding?

The ensuing due diligence stage truly tested the commercial skills of Bowles and McLean. During their first US meeting they played hard ball on a buyout price knowing that Active owned what Quest needed. As Bowles puts it: "Our opening gambit was \$100 million worth of cash and

DEAL-MAKERS

Negotiating a deal such as this amid macro market revaluation drove home to Cameron McLean (left) and Michael Bowles the necessity for new valuation benchmarks for the emerging technology sector.



ACTIVE CONCEPTS' BANNER PRODUCT, FUNNEL WEB, INITIALLY WAS SOLD ONLY TO WEBMASTERS. UNDER A NEW STRATEGY ADAPTED FROM THE AGSM'S FIT MODEL OF DETERMINING PRODUCT PRICE POINTS AND STRATEGIC MARKETING PLANS, SPECIALISED PRODUCTS WERE DEVELOPED FOR A NEWLY-SEGMENTED MARKET.



shares. At that time we were the price makers, and there was plenty of euphoria inside Active with talk of a selling price of 40 times projected revenues”.

They also strategically paired Quest president Doyle with Active's CEO Williams to discuss the complex technology during negotiations and Quest CEO Smith with Active's Bowles and Jafco to talk business.

“One of the toughest aspects of the deal was keeping focused on executing the business plan, a difficult task in a small company during an acquisition when so much of your time and energy is taken up in the acquisition proceedings. We split up responsibilities within the company to keep everything on track,” says Bowles.

“Both Michael and I had to maintain an unemotional investment in the deal to ensure all sides benefited,” says McLean. “We played it as a team, always coordinating our actions, especially towards Quest,” adds Bowles.

Legal negotiations continued and led to Quest signing a detailed term sheet, only to be hit by a sledgehammer courtesy of the March-April stock market correction.

“All of a sudden discussions went

quiet. Our negotiating power had disappeared and Quest started saying we needed to revalue,” McLean says. “Market sentiment was running all over the place, so to say all parties were unsure of what the market was going through and where it would lead is an understatement.”

As COO, Bowles was nominated to front negotiations with Quest. Which meant that Active's negotiating team, in a new 'price taking' environment, deliberately slowed down negotiations, prolonged discussions, continued to engage Quest's CEO and president and, importantly, never made impatient ultimatums that could potentially scare off Quest. Bowles knew he couldn't force the issue when Quest's share price had been hit hard, making it more reluctant to enter into an acquisition of an Internet company that had only just started to earn its stripes.

“We were constantly asking ourselves,” Bowles recalls, “‘Are we doing an injustice by selling out or could we hold off and become global in our own right?’. It was during this time that I relied on the board to review my thinking; they were that one step removed from the day-to-day operations and proved very useful for sounding out ideas.”

Fortunately, after several months of uncertainty, the two parties reached common agreement, just prior to the Sydney Olympic Games, giving Active's owners an acceptable new bid of 20 times estimated revenues – a direct reflection of the macro market revaluation. As an unexpected sweetener, Quest opted against the inclusion of a share package as part of the overall deal given that its stock price had crashed from a high of \$US80 to \$US35. At the time of signing the second deal, the Australian dollar had fallen from US64 cents to US54 cents, which made a cash deal more lucrative from a conversion perspective. It also meant that Active didn't have to wait for escrow periods to lapse

before getting access to share packets.

While the owners counted the returns of their investment, Bowles and McLean were left to contemplate the magnitude of their achievement. “Being a COO in this industry is all about doing too much, with too little money, in too little time,” says Bowles. “I never thought that I would be negotiating an acquisition though a market crash – it's complicated enough without the added dimension of a highly volatile market. For the immediate future, the market needs to start valuing with some sort of predictability in order to get VC [venture capital] liquidity flowing again.” 🌟

STRATEGY

DO

- Assemble negotiation teams with multiple skill sets. You need people with technical competency, commercial sense and bargaining expertise.
- Respect the other parties' perceptions and cultural differences as they generally always reflect reality.
- Be flexible.

DON'T

- Be aggressive in the negotiation phase or make unrealistic demands of other parties.
- Try to railroad other parties into accepting your proposal. Always strive to achieve a shared outcome.

** Cameron Tomes is a specialist freelance business writer and editor of Asia Pacific Banking Technology.*

Connecting business and IT talent

A start-up computer software developer, Contech Software Corporation, won the AGSM's first student-run business planning competition, backed by \$30,000 in prize money from Deutsche Bank.

Judged last November, this was Australia's first student-run entrepreneurship competition, and the first prize of \$20,000 was awarded to the Contech Software Corporation team for its business proposal to market software that promises to verify microchips faster and facilitate the design of larger chips.

A second prize of \$10,000 went to final year part-time MBA student Alex Berry, who has helped develop a start-up business called SplitCase Logistics. It offers innovative small-order processing solutions for complete order management applicable to e-tailers and traditional retailing as well as industrial equipment sales and distribution.

INITIATIVE

The competition is part of a new initiative to foster entrepreneurship and new business development skills at the AGSM, known as Connector. It is run by AGSM students and IT students from the School of Computer, Science and Engineering (CSE) at the University of New South Wales.

The Connector portfolio of activities and programs comprises monthly networking forums, the annual business planning competition and an incubator for the best of the business plans.

The networking forums, which began in May 2000, bring together students, business people and alumni. In 2001, successful entrepreneurs and innovators will be invited to speak each month and the Connector team will be seeking corporate sponsorship and involvement for each forum. The first forum is planned for late March.

The 2001 Connector business planning competition has expanded to include four major sponsors with a prize-money target of \$100,000. The competition program will start in June and run for six months,



THE WINNERS

(Top, from left): James Nosworthy and Brad Marshall of Contech Software Corporation accept their cheque from Connector business plan competition judge, Mark Burns, of Deutsche Bank.

(Below): professor Michael Vitale, dean (second from left), with AGSM Connector managers (from left) Angus Jaffray, Steve Waddington and Peter Jochelson.



"A perfect example of the exciting results you can achieve from marrying top business skills with computer science expertise."

— professor Michael Vitale, dean

culminating in a winners' awards event in November. The key criteria for competition eligibility are: inclusion of a student from one of the participating AGSM or university faculties in the team; and no prior funding of more than \$100,000.

Teams that make it through to the finals of the competition will be eligible to enter the Connector incubator. The incubator provides AGSM office facilities and services, as well as faculty and alumni community support and advice. The final stage of the Connector process introduces incubator teams to commercial incubators for future growth.

Mark Burns, head of e-business at Deutsche Bank, says Deutsche Bank was "excited to be associated with this great initiative that encourages and supports the

creation and management of new ventures, and offers students valuable exposure to the venture capital industry".

THE BUZZ

"It is important to create a buzz and to foster networking between talented IT and business management students together with VCs, technology companies and service providers," says associate professor Arun Sharma, head of CSE.

"You only need to take a look at the successful companies that have come out of the MIT [Massachusetts Institute of Technology] competition. It is wholly student run and is a proven incubator. It has produced dozens of companies that are really good, mostly in the information technology field. And don't forget it is not only the winners who have done well over the years, but also the finalists." ★

For more information on Connector forums, business planning competition or incubator, contact AGSM Connector managers Angus Jaffray: angusj@agsm.edu.au, Peter Jochelson: peterj@agsm.edu.au or Steve Waddington: stephenw@agsm.edu.au, who also can provide details of a new Connector Web site.

Recognising your self-theories can lead to more adaptable and astute managerial decision-making. **by Robert E. Wood***

Implicit theories of managers:

do your assumptions help or hinder you?

Every managerial action is based on assumptions about human nature and the world in which we operate. Assumptions shape what we see and how we react to situations. Most of these assumptions are implicit in the sense that managers are not consciously aware of the impact that they have on their actions and, in some cases, are not even aware that they ever make certain assumptions. Management research refers to these assumptions as theories, in the sense that they help managers to maintain a coherent view of people and the world, and their effects are repeatedly evident in similar types of situations.

WHAT ARE THE IMPLICIT THEORIES OF MANAGERS?

Douglas McGregor from MIT provided one answer to this question in his statement of Theory X and Theory Y.¹ Readers may recall that Theory X was a set of negative assumptions that managers made about workers, including that: “the average human being has an inherent dislike of work, prefers to be directed, has little ambition, wishes to avoid responsibility and values security above all else”. Theory Y assumptions included the beliefs: “that human beings enjoyed and actively sought work, self-direction, responsibility and the opportunity to utilise their imagination”.

In recent years, I have been conducting work² on the implicit theories that managers have about themselves and other people and how these theories influence judgments, decision-making and behaviour. This work has built on and extended the research of Carol Dweck of Columbia University,³ who first identified the same set of implicit theories in young children and teenagers, and has shown how the

assumptions in each theory impact on academic performance and children’s success in social settings. In my collaborative research and Dweck’s, we have identified two important implicit theories. These theories are simpler than those postulated by McGregor and our studies have shown that they exert a predictable impact on managers’ behaviour, which has never been established for Theory X and Theory Y. The first we call **entity theory**, which refers to when a person assumes or believes that human characteristics are fixed entities that do not change much, if at all, with experience. The second we call **incremental theory**, which refers to a view that human characteristics are malleable, that they change with experience and can be developed. In the sections that follow, I will outline the scope of these two implicit theories and describe the results of some research that demonstrates their implications for managerial action.

First, let’s consider an example of how people view mental ability to illustrate the differences that can arise between individuals who have an entity theory of mental ability and those who have an incremental theory.

People with an entity theory of mental ability take the view that intelligence is a deeply inherent and fixed personal trait. For entity theorists, there are smart people and dumb people and not much movement between the two categories. However, if mental ability is fixed then a person who has that basic aptitude should be able to demonstrate it at will, in any situation. For entity theorists, a person’s failure at a task requiring mental ability is, therefore, construed as evidence of a lack of ability. Tasks that are novel, involve evaluations by others or require experimentation, all pose a threat to the entity theorist because they carry a higher risk

ENTITY THEORISTS: TAKE THE VIEW THAT INTELLIGENCE IS A DEEPLY INHERENT AND FIXED PERSONAL TRAIT; THAT THERE ARE SMART PEOPLE AND DUMB PEOPLE AND NOT MUCH MOVEMENT BETWEEN THE TWO CATEGORIES.



INCREMENTAL THEORISTS: THINK LESS ABOUT BASIC APTITUDES AS EXPLANATIONS FOR PERFORMANCE AND FOCUS MORE ON SKILLS, EFFORT AND STRATEGIES.

of failure or setback. Novelty, public accountability and experimentation are, of course, common characteristics of managerial work.

The assumptions of people with an incremental theory of mental ability differ from those of entity theorists in many ways. Incremental theorists simply think less about mental ability or basic aptitudes as explanations for performance. In any situation that requires mental ability, they tend to think of performance in terms of skills, effort and strategies, which can vary from one situation or one problem to the next. These performance characteristics are also easier to change than basic aptitudes. For incremental theorists, experimentation, public accountability and novelty all pose less of a threat because they believe that you can always try something different when you encounter setbacks or failures.

Mental ability is just one human characteristic that features in the implicit theories of managers. Other important implicit theories in management include assumptions about the fixedness versus malleability of human morality and social skills. One reaction that differentiates entity theorists from incremental theorists in each of these domains is the degree to which their thoughts are focused on themselves versus the situation or problem at hand, in the face of failure and setbacks. When entity theorists fail to live up to expectations, they are prone to ruminate about how other people will judge them and become preoccupied with self-doubts. Incremental theorists may suffer the same distractions initially, but manage to shift their focus back to the task at hand more quickly and to think about strategies for recovery.

Another basic distinction seems to occur in how entity and incremental theorists frame challenging tasks. Entity theorists are more likely to adopt a defensive or avoidance frame while incremental theorists adopt an approach frame and attack the task more directly. If we think in terms of public speaking, an entity theorist will be thinking about things like: "How do I make sure that I do not make any mistakes or avoid looking ridiculous?". An incremental theorist will be thinking: "What approach or strategy will give the best presentation?".

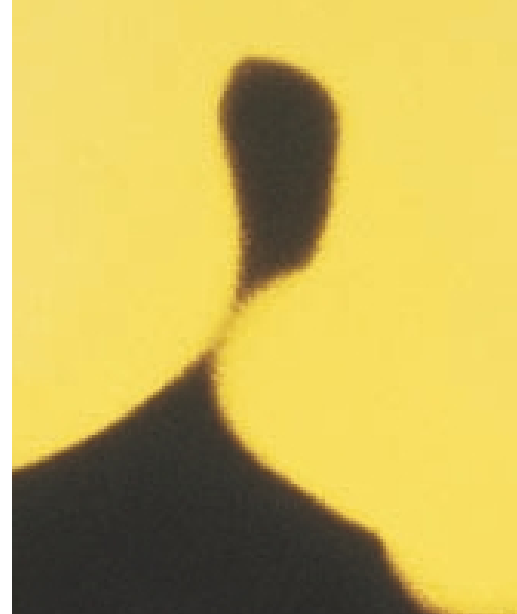
One area where entity and incremental theorists do not differ is in measures

of their basic aptitudes. In my collaborative research, and Dweck's, the differences observed are evident after controlling for individual skills or abilities for the task being studied. Even talented people do not escape the threats of failure. High performing entity theorists often live with the fear that they have been misclassified and that the next test will reveal to their teachers, senior management or colleagues that they are really incompetent.

IMPLICIT THEORIES IN PRACTICE

Some readers may recognise themselves, colleagues, partners or their children in some of the examples and be thinking that I (or Joe or Mary or whoever) am (is) an entity or incremental theorist. Be careful, such labels are only ever partially correct, if at all. Implicit theories describe reactions to certain types of situations, such as novelty, failure and challenges; they are not trait-based descriptions of personality like the Myers Briggs and other measures that claim to describe general characteristics of individuals. So, while you or others you know might have an entity theory about mental ability (studies suggest that around 30 per cent of children do) you or they could have an incremental theory about social skills like public speaking, languages, writing or people management. Research has shown that implicit theories, like many other beliefs, are domain specific.

Implicit theories are learned and they can be unlearned. How easy or difficult it is to change an implicit theory will depend upon the process by which it was learned and how deeply rooted are the assumptions in the subconscious. A person who has been constantly exposed to the claims that people are either 'good' or 'bad' from early childhood to adulthood will probably have a deeply rooted and difficult-to-change entity theory of morality. However, even assumptions formed early in life can be changed. Many years of experience as a teacher and a parent have taught me that academic ability is much more malleable than I previously believed, resulting in my shift from an entity to an incremental theory view. In one of our studies, we found that Spanish university graduates who attended a two-year training program to become senior police inspectors shifted their implicit theories about human character toward an entity view.



My collaborative studies⁴ have established that you can overturn incremental theories by creating a situation that emphasises a strong entity viewpoint. Changing an entity theorist into an incremental theorist is more difficult or takes longer, but it can be done. An example of an entity approach is one where a supervisor or co-workers (or parents) constantly attribute achievements to fundamental capabilities and not to behaviour or strategies. Constantly telling a person that they are incompetent may make them feel bad about themselves, but it may also have subtler and long-lasting effects if it shifts them to an entity view of ability. Praise that stresses basic capabilities can do the same thing! Telling people that they are smart when they perform well can be detrimental to their long-term performance if it also produces an entity view of ability. Conversely, an incremental approach to success and failure constantly focuses on strategies, effort and other factors that people can change or maintain to influence their performance.

THE EFFECTS OF IMPLICIT THEORIES ON MANAGERIAL ACTION

A substantial body of research now shows that entity theorists and incremental theorists each respond consistently, but differently, to situations that are novel or challenging and to failure and setbacks. I will briefly mention three of the main differences and illustrate them with examples from research that I have done with others. Readers who wish to read further should consult the readings in the footnotes.

First, when judging other people and themselves, entity theorists use

TELLING PEOPLE THAT THEY ARE SMART WHEN THEY PERFORM WELL CAN BE DETRIMENTAL TO THEIR LONG-TERM PERFORMANCE IF IT PRODUCES AN ENTITY VIEW.

stereotypes more than incremental theorists do. In our studies,⁵ we have found that entity theorists are more likely to believe that stereotypes are accurate descriptions of people in general and even of specific individuals compared to incremental theorists. When assessing a new member of a group whom entity theorists knew little about, they were more likely to characterise the person as either very competent or very incompetent, depending upon whether the person agreed or disagreed with the group. Incremental theorists were more likely to take other explanations into account, such as the new member might be nervous or have a different understanding of the task. These considerations lead incremental theorists to make more middle-of-the-road, provisional judgments of the new member's competence. Their judgments were not affected by whether the new member agreed or disagreed with the group. When the new member was someone well known to them, resulting in less novelty or challenge in the situation, both entity theorists and incremental theorists made less extreme judgments about the person's competence.

Entity theorists pay less attention to information that is inconsistent with their judgments. Therefore, in situations where there are competing points of view and inconsistent information, entity theorists make the quicker judgments and are more confident in their judgments than incremental theorists. Whether this is a good or a bad thing depends upon how correct they turn out to be and the costs and benefits of a quick decision.

Incremental theorists are more exploratory and more likely to experiment when considering different options, compared to entity theorists.⁶ Because entity theorists view a drop in performance as indicative of a lack of ability, they tend to look for a strategy that works and stick with it rather than experiment widely. Incremental theorists are more likely to experiment with a range of strategies, which can undermine their performance in the short term. However, we have found it also leads to greater learning and more effective responses to sudden changes in

a complex task. This finding provides some support for the logic behind a slogan I saw recently on the T-shirt of a Kellogg student, which read: "C students make the best CEOs". The argument is that if you have learnt how to cope with the ups and downs of failure, you are better prepared for the realities of senior management.

A third finding from our studies⁷ is that implicit theories have an impact on group decision-making. Again, when working on challenging managerial problems, groups that include entity theorists become more discouraged by setbacks, develop a negative tone and are less engaged on the task. When given an option, groups in which members share an entity theory will get the task over with quickly by taking the first option that seems satisfactory. They then go on to talk about other matters, unrelated to the challenging task, and which do not involve the risk of making mistakes in front of one's peers. Groups of incremental theorists are more engaged in the task, they speak more, take more turns at speaking and engage in more open disagreement about the issues. In this process, incremental groups evaluate more options than entity groups.

WHERE TO FROM HERE?

When McGregor outlined his arguments, he made the point that managers would only shift from a Theory X to a Theory Y approach if organisations reshaped their managerial practices and policies to support Theory Y assumptions. That has not changed. There are many potential transmission mechanisms for implicit theories in organisations, including leadership, training programs, performance appraisals, rewards, recruitment and induction programs. However, one problem in building a change strategy around such HRM systems and processes is that they are often not deeply embedded in daily management practices. One strategy that colleagues and I have been testing in Australian organisations is to introduce more disciplined problem-solving processes by having individuals and groups using simple problem-solving tools in their daily work practices,

MAKE A CONTRIBUTION TO KNOWLEDGE

The quality of knowledge that is available to managers is underpinned by research conducted by management academics. However, we can only conduct management research if managers participate. If you would like to contribute to our studies or help us to get your colleagues to participate, please contact me at the e-mail address below. Most of our studies are computer-based and we can come to you and your colleagues with a laptop or deliver the study materials over the Web. Being overseas or interstate may not be an impediment to participation. Studies typically take between one and two hours. Everybody who participates receives feedback on his or her responses and decision strategies used.

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particularly group work. By using these tools we are hoping to create a stronger task focus, provide the means for experimenting, encourage more research and information analysis, and foster the testing of multiple strategies. 🌟

* Robert Wood is professor of management, AGSM. Since July 1999, he has been visiting professor at the Kellogg School, Northwestern University, Illinois. He will return to the AGSM in July 2001.

FOOTNOTES

- 1 McGregor D., *The Human Side of the Enterprise*, McGraw Hill, NY, 1960.
- 2 This work has been done in collaboration with AGSM PhD students Mike Higgs and Tracey Pillinger, and with colleagues at the University of Salamanca (Dr Carmen Taberero) and Kellogg (Dr Kathy Phillips).
- 3 See Dweck C.S., *Self-Theories: Their Role in Motivation, Personality and Development*, Psychology Press, Philadelphia, 1999.
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The paradox of customer relationships: often less is more

by Grahame Dowling*

Customer Relationship Management (CRM) is the current marketing hot topic. It is premised on the belief that developing a relationship with customers is the best (most cost-effective) way to get them to become loyal. And, loyal customers are supposed to be the most profitable. Support for this proposition has been most eloquently advanced by Frederick Reichheld in his book *The Loyalty Effect*.¹ This work has also been the driving force behind the introduction of many customer loyalty programs.

Many marketing academics, however, hold a more sceptical opinion than the consultants who design and implement CRM programs. They are also questioning the effects of customer loyalty programs on company profitability. In this article, I will explain why.

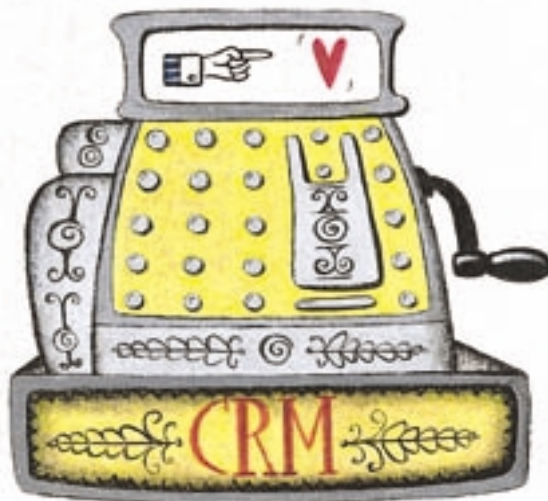
CUSTOMER RELATIONSHIP MANAGEMENT

CRM had its origins in two unrelated places. One was driven by technology – most often developed in the US.² Here, customer databases have been developed and mined to provide insight into different purchase habits, responses to promotions, and the lifetime value of various types of customers. Under the direction of marketers, information technology and statistical algorithms are used to increase the efficiency and effectiveness of selling what the company makes. CRM systems such as call centres, customer service and support teams and loyalty programs manage the relationship with customers.

Technology-driven CRM has claimed significant improvements – especially by direct marketing firms. It has also experienced some problems, such as the high turnover rates of staff in call centres and the inevitable cost blowouts associated with

implementing new technology. The type of relationship, if any, that develops from this style of CRM is often quite one-sided. It starts with the seller targeting the customer, gathering information about them and then attempting to seduce them.³

The second place CRM developed was in B2B marketing in Scandinavia and Northern Europe. The IMP (Industrial Marketing and Purchasing) Group has been instrumental in developing our understanding about the nature and effects of building long-term, trust-based relationships with customers. These are



typically managed by marketing and sales. They may be based as much on the structural ties between companies as they are on personal relationships among managers. Here, the emphasis is on understanding customer needs and then on solving problems or delivering benefits that create customer value.

While technology is important in this style of CRM, it is designed to support, rather than drive, the customer relationship. The types of relationship that develop here are often deep and meaningful – both for the companies and the people involved.

RELATIONSHIPS

Very few practising marketers are prepared to stand up and say publicly that they don't want a relationship with their customers. On the other hand, many customers say that they don't want a relationship with most of the products and services (and thus the companies) that they buy. Test yourself. Do you want to have a relationship with the oil company that produces your petrol? Or your favourite television station? Or the company that makes your garden hose? Most people don't have the time, interest or the emotional energy to form relationships with the company that provides the products and services they buy.

Relationships are special. They involve two-way trust, commitment, the sharing of information, partnership, and so on. This is the model of a relationship that most people carry around in their head and their heart. Many people would like to have a relationship with the organisation they work for – but not with the low-involvement products and services that they buy. The problem with trying to form a relationship with your customers is that it does not correspond to the commercial reality of trying to make a profit by selling products and services to them.

Hence, commonsense indicates that relationship marketing will only be relevant for some companies and some types of customers. If you are Harley-Davidson selling big motor cruisers and the feeling of being free and somewhat rebellious, then forming a relationship with your customers makes sense. Here, much of what is being bought is social and psychological in nature. The motorbike is really a ticket to entry. Harley-Davidson creates much of the product with corporate imagery. They manage the customer

relationship with a CRM program that involves bike rallies, clothing, collectibles and their HOG clubs.

If customers don't want a relationship with your product or service, they may still appreciate a dialogue with you. However, it has to be a dialogue, not a company-centred monologue. Many customer loyalty programs and company Web sites have been used to create a communication channel between customer and company. But real dialogue is two-way communication. And if you have hundreds of thousands of customers, it is hard to do anything other than talk at them.

The third type of relationship to have with customers is not to have a relationship with them at all. Just provide good products and services at competitive prices and be easy to do business with – with no strings attached. The company focus is to provide the best customer value – through its products and service. Nothing more, nothing less. Many customers will respond to this offer with the best type of loyalty imaginable – repeat purchase and positive recommendations to others. There is an old saying that “the best product in a market sells itself”.

CRM OR CPM

The inherent problem with CRM is identified in its name by the words ‘relationship’ and ‘management’. It will be difficult for customers to have much influence in the relationship if companies seek to manage it – to their profitable advantage. A vivid example of this ‘management’ is shown in the application forms for the Ansett and Qantas frequent-flyer programs. Each has a section on Terms and Conditions written by the airline's legal department. It is interesting to speculate on the type of customer relationship that starts out with: “A talk from our lawyers”.

Hence, in many consumer markets, CRM would be better described as CPM – customer profit management. Now there is nothing wrong with CPM – it should be standard practice for every firm. But when CPM is renamed as CRM, it motivates some marketing managers to try to buy rather than win the loyalty of their customers. A common tactic is to launch a customer loyalty program.

It turns out that there is a considerable body of research that suggests that most customers don't want to give their

exclusive loyalty to any single brand in most product or service categories. Over multiple purchase occasions, they want some variety. Also, if they live with other people, the demands of the group require a portfolio of brands rather than the exclusive use of a single brand.

What we have here is what the research reveals, namely, that most people – typically 80 per cent or more – are multi-brand buyers in a wide range of different product categories.⁴ The implications of this finding put severe limitations on the potential effectiveness of most customer loyalty programs.

CUSTOMER LOYALTY PROGRAMS

When most people exhibit multi-brand buying or polygamous loyalty, then what can a customer loyalty scheme hope to achieve? If it is designed as an offensive weapon it may secure a temporary first-mover advantage. However, if it looks as though it will change customer purchasing patterns, it will soon be countered.

Once these schemes become established in a market, their patterns of use

“IF YOU HAVE HUNDREDS OF THOUSANDS OF CUSTOMERS, IT IS HARD TO DO ANYTHING OTHER THAN TALK AT THEM.”

often mirror the purchase patterns of the products and services they support. For example, the most frequent flyers in Europe are members of three to four frequent-flyer schemes – they exhibit polygamous loyalty to the schemes as well as the airlines. Typically, the infrequent flyers are members of only one scheme. It seems that these golden handcuffs neither induce single-brand loyalty among the heavy users nor significantly more purchases by light users. First and foremost, customers want a product or service that does the job required. If there is an add-on benefit offered by a customer loyalty program, then people will join if it is ‘free’. In the case of frequent-flyer programs, they will use convenient airline alliance partners to get every entitlement they can.

People tend to participate in loyalty schemes for a variety of reasons. For example, because they like to collect entitlements and/or because they see these schemes as a form of (delayed) price discount. Few,

however, seem to participate because they want to change their established patterns of purchase or form a deep-seated relationship with the company involved.

The perspective outlined so far suggests that only modest gains can be made from even a well-designed customer loyalty program. Some scientific research on the Australian FlyBuys multi-retailer scheme confirms this view.⁵ So do rumours from the business world that suggest that airline alliance and loyalty schemes have ‘completely failed’.⁶ Hence, we are likely to see more of these schemes re-evaluated in the next few years.⁷

PUTTING CUSTOMER RELATIONSHIPS IN PERSPECTIVE

For most of the products and services we buy on a regular basis, brand preference exists. The crucial question is whether it can be attributed to some type of relationship we develop with the brand – or whether it is driven by salience (we know more about some brands than others), availability (it is in stock where we usually shop) and/or habit (the brand usually bought).

Extensive empirical research over the past 30 years suggests that for most people it is the last three factors.⁸ Hence, CRM programs designed to build deep-seated relationships with customers are more likely to be a romantic distraction than a cost-effective marketing strategy. ★

* Professor Grahame Dowling is head of marketing at the AGSM.

FOOTNOTES

- 1 Reichheld F., *The Loyalty Effect*, Boston: Harvard Business School Press, 1996.
- 2 Schultz D., ‘Learn to differentiate CRM's two faces’, *Marketing News*, p. 11, 20 November 2000.
- 3 Fournier S. et al., ‘Preventing the premature death of relationship marketing’, *Harvard Business Review*, 76, 1, 42-51, 1997.
- 4 For an overview of this research, see Dowling G. and Uncles M., ‘Do customer loyalty programs really work?’ *Sloan Management Review*, 71-82, Summer 1997.
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- 6 Sandilands B., ‘More leg room and a walk-up bar’, *Australian Financial Review*, Special Report, p. 3, 12 July 2000.
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How does the pervasiveness of optimistic bias in life impact on the ability of executives, entrepreneurs and organisations to make successful market-entry decisions?

The pitfalls of optimism

COGNITIVE ANALYSIS of risk taking finds that decision-makers have a strong tendency to consider problems as unique. They isolate the current choice from future opportunities and neglect the statistics of the past in evaluating current plans.¹ By treating problems as unique, people tend to be overly optimistic when making large infrequent decisions. They also exhibit what the AGSM's Dan Lovallo calls Reference Group Neglect (RGN) when making decisions in a competitive environment. He talks to consultant Chris Manning about its impact and related inside- versus outside-view thinking on business entry.²

DL: RGN theory is a fundamental aspect of my research into the psychology of competition and optimistic bias. It has been shown to be a contributor to overly optimistic entry decisions. It is also part of a broader psychological phenomenon known as 'inside-view' thinking. When people take the inside view in a competitive situation they tend to place too much emphasis on information relating to their own abilities, traits or plans, rather than carefully examining the competition.

Optimism plays a significant part in this because studies show that it can be quite impervious to all kinds of feedback. One of my favourite studies of this is one on driving, where people were asked to rate their driving ability. There were two groups of 50 people and they gave largely identical ratings. The surprising factor was that one of the groups was comprised of people who were all in the hospital because they had been in traffic accidents and, incredibly, two-thirds of them had actually caused the accident.

CM: What's important from a management practice perspective is that your work highlights something that probably happens more frequently than it should and, therefore, it is important to understand the drivers behind it. I do think there's a risk that as managers

become more specialised, they're more prone to becoming the optimist you're concerned about in your writing. You could call it a 'king of the castle' syndrome where the specialist says they know all the statistical evidence, the trends of the past and where the market is headed. They give advice thinking that they're the only one who really knows, and that's a trap.

The challenge for everyone is to continually look around and take a helicopter view [outside view] of the experiences of competitors while, internally, assessing how the organisation has learnt through past investment decisions. It's crucial to understand and assess, statistically or through another form of evaluation, what might be the competitive response if, for example, you enter the market.

A classic example of the importance of asking, 'What will be the impact of my decision?' is the case of Rupert Murdoch and the *New York Post* (which competed with the *Daily News*). Murdoch decided to put the price of the paper up to make it more profitable, figuring the *Daily News* would follow. The *Daily News* didn't follow so instead Murdoch dropped the price of the paper on Staten Island below the initial price, forcing the *Daily News* to focus on the issue. The *Daily News* then put the price of its paper up to the level that Murdoch had originally set.

DL: As consultants, do you often find companies doing a good job of taking decision audits – assessing what they have done right and wrong and asking what they can learn?

CM: In terms of most due diligence procedures and risk management processes that leading companies deploy now, most will review investment decisions at key milestones. They will ask: 'To what extent have we achieved the stated objectives of this project; have we met hurdle rates and if not, what has driven variation?'. Good learning organisations use that experience to

MARKET ENTRY PERSPECTIVES

Dr Dan Lovallo (top right) is a senior lecturer in general management at the AGSM. Chris Manning is a principal at Booz-Allen & Hamilton.



IT'S CRUCIAL TO UNDERSTAND AND ASSESS, STATISTICALLY OR THROUGH ANOTHER FORM OF EVALUATION, WHAT MIGHT BE THE COMPETITIVE RESPONSE IF YOU ENTER THE MARKET.

PHOTOGRAPHY: KAREN MORK

feed back into the audit and investment decision processes. They learn by their mistakes. However, at the other end of the spectrum you have organisations that don't have a well-formulated and tested business case process and, as a result, have little available to learn from.

My view is that various optimistic biases are something that some companies fall into and others don't.

At one end, we have sophisticated customers who routinely make big, risky decisions, who would say they have risk management procedures in place that won't allow inside-view thinking to apply. Of course, not all large companies would have the best processes but the market doesn't let them get it wrong for long. At the other end, you have less sophisticated companies making big bets, and I think this is where optimism is rampant. These are the corner stores, the restaurants that open and close overnight, smaller companies listed on the stock market who bet the farm.

DL: It is interesting to look at inter-organisation decision-making, to figure out what types of problems attract biases. There is an old, but still relevant *Harvard Business Review* article³ that looks at people's risk preferences within an organisation. The article illustrated that people at the bottom of the organisation would mirror the risk preferences of their superiors. This led to gross inconsistencies in decision-making because small gambles should be practically risk neutral, while larger gambles – those made at the top of the organisation – are more likely to be risk averse.

CM: Again, I do think the extent to which biases play a part depends on the sophistication of the managers and the processes. Right now if you went to any of the top 100 companies in Australia, you'd probably find most have sufficient procedures and experience for these biases not to apply. I would have thought that it is largely where you have infrequent decisions and the size of the risk is large that you'll see the pitfalls of optimism.

DL: How do you square that with some of the statistics for failure rates in North American manufacturing? There have been a number of studies showing failure rates of up to 60 per cent after five years and as much as 80 per cent after eight years.

CM: Did the analysis extend to understand the drivers of failure?

DL: No, these are just the raw statistics.

CM: My hypothesis would be that

**"WHERE YOU HAVE
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optimism may be a contributor to failure. However, other market factors may have been taking place. For example, the entry of unforeseen low-cost manufacturing from competitors in Asia.

DL: In the cognitive psychology of competition work I do,⁴ one of things I like to get across in the classroom is that failure in business is normal. One of the ways I demonstrate this is through a simultaneous entry game. You have, say, 14 people in a room and they know the capacity in the industry is three people and if more than three people enter, on average, they are going to lose money. It's not about who plays the game best or who best answers the questions, it's about averages. So you go through sequentially and ask, 'Okay, are you in or out of this market?'. You come to market capacity plus one and this person says, 'I'm in'.

CM: What I'd say to a client who says: 'I'm in' is, 'there is excess capacity in the market now, so how are you going to differentiate what you have?'. There are generally only two ways to enter a crowded market and do well. One is to have something that is so differentiating to the market's value proposition that you are not really competing with the rest of the players in that market. The other is to have such superior economics, for example, either through scale or some sort of advantageous buying power, that allows you to compete profitably at a lower price. If either of those things are missing, don't go in. Just the ability to compete using business processes and technology equal to that of your competitors will not differentiate you and allow you to succeed.

DL: Yes, probably one of the easiest ways to explain RGN in a few sentences is to take the example of the restaurant business. Almost everyone that opens a restaurant thinks they are in the 90th percentile of cooks. The problem is that everyone else who tries to enter thinks that, and they don't have any way of differentiating themselves.

There is evidence and data that suggests that even when decision-makers have reference data at hand, they don't always take it into consideration. Instead, they continue to focus on their own optimistic view of market entry capability.

How would you propose companies go about achieving unbiased capability, both in the sense of organisational politics and in generating and acting on accurate data?

CM: There has to be a robust process of audit, a very strong capability of sharing responsibility, and access to learning. Organisations that have poor knowledge management skills don't really know if they are using the right set of data. For example, if you're trying to work out how big a market is it is very hard to build a budget if you don't have access to good data. If there is no shared responsibility about how you are going to go after a market and build it, and a lack of accountability, you are going to struggle. You need all the right levels of enablers in place. You then have other factors: you need the right people whom you need to pay and reward properly. If you set the wrong sort of behaviour, you'll also struggle.

DL: The trade-off is intriguing between the need to have objective and realistic data and objective decisions, and yet to get anything done you need a good measure of optimism that's inherently not realistic.

CM: Any good business needs optimistic people who are going to say: 'We can solve this problem, we can find a way to do things differently, we can put two old ideas together and come up with a brand new idea'. At the same time, you need to harness that innovation in a culture that makes it clear certain hurdles must be met. If you get the creative people and the finance people working together as a team, you get growth. And if you look at companies like Apple, Cisco, Intel and Microsoft, that is exactly what you have. 🌟

FOOTNOTES

- 1 Kahneman D. and Lovallo D., 'Timid choices and bold forecasts: a cognitive perspective on risk taking', *Management Science*, vol. 39, issue 1, pp. 17-31, January 1993.
- 2 Dr Dan Lovallo is a senior lecturer in general management at the AGSM. Chris Manning is a principal at Booz-Allen & Hamilton.
- 3 Swalm R.O., 'Utility theory: insights into risk taking', *Harvard Business Review*, 44, pp. 123-136, 1966.
- 4 Camerer C. and Lovallo D., 'Overconfidence and excess entry: an experimental approach', *The American Economic Review*, vol. 89, issue 1, pp. 306-318, March 1999.

Global capability adds value to partnerships

The AGSM has increased its global networks capacity to deliver executive education and customised corporate learning solutions. AGSM faculty, teamed with leading professors from a range of top international business schools, offer organisations and managers a global perspective in business practice. Recent developments include:

- A partnership between the AGSM, Stanford Business School and Melbourne Business School to run executive programs in Asia;
- The first executive program delivered to internationally-based alumni, conducted in Sydney in association with the London Business School; and



GLOBAL PROGRAMMING

Sheena Frenkel (far left), director of corporate education.

Pamela Murray-Jones (left), director of executive education, was appointed last December to run the AGSM's portfolio of open executive programs.

executive training that enables the School and its clients to work together to determine the content, delivery style, pace and place of learning. The shared objective is

to ensure a high level of relevance and the strongest links to workplace issues in order to promote and reinforce behavioural change.

"Clients are demanding a greater alignment of what's in the curriculum to their specific organisational and managers' needs, and the AGSM is in an excellent position with the depth of knowledge and practical orientation of its faculty and adjunct professors in Australia and worldwide to customise in-company learning," says Sheena Frenkel, director of corporate education.

One such response to a specific executive development need is a program on Internet protocol recently customised for a major telecommunications group (and taught by professor Michael Vitale, dean).

"Customised solutions are most appropriate where our clients face larger scale issues, such as restructuring the organisation, creating an entirely new skill set and awareness, building a new executive team, or implementing widespread cultural change," says Frenkel. ✪

For information about in-company executive training, contact client services on Tel: (02) 9931 9333.

"ACCORDING TO THE INTERNATIONAL CONSORTIUM OF EXECUTIVE DEVELOPMENT RESEARCH, THERE IS A FUNDAMENTAL SHIFT IN THE GLOBAL MARKET FOR MANAGEMENT EDUCATION."

– Sheena Frenkel, director of corporate education

- A corporate education program customised for a multinational transport company (comprising modules on negotiation, marketing, implementing change and strategic IT), delivered four or five times a year in various locations in Asia and Australia.

The AGSM recently delivered an in-company program for PricewaterhouseCoopers in the US, the UK and Sydney. Using its relationship with the Anderson School at UCLA and Templeton College, Oxford, the AGSM was part of a global solution for PricewaterhouseCoopers' specific executive training requirements.

The AGSM also conducts executive development for the Zurich Financial Services Group through Zurich's prestigious Asia Academy, which the AGSM has custom designed for executives working throughout Asia. Attending this program are high-potential middle managers from 10 locations in the region. They attend modules run in Sydney, Singapore and Hong Kong. The teaching locations rotate and the program is now in its third year.

CORPORATE PARTNERSHIPS

The AGSM has developed a partnership model for the delivery of in-company



Security smart

Fraser Duff (EMBA '99) (left) is co-founder of Passmore Duff & Associates, winner of the

Australian Security Industry's 2000 accolade for training excellence. The company's new line of interactive CD-ROM training products has marked a new direction for the SME, which is a corporate security risk management consultancy.

"Being consultants wasn't all we wanted to do. While we did consulting well, what we didn't have was a strategy or plan for how we were going to compete in the marketplace as a growing business and gain operating leverage," says Duff.

"I used the strategic management subjects of my Executive MBA [EMBA] to formulate and implement a strategy to create the first of what will be a suite of training products with online assessment support.

"In consulting, we are a limited resource in that there is only a certain number of us available – which means we couldn't easily handle widely distributed clients, located either interstate or overseas. So by focusing on our training capability we decided to develop competitive products that

could be offered to clients at a much lower cost than existing face-to-face training and that were suitable for accessing the global market."

The answer was an interactive CD-ROM training program, Robbery Safety Training, which incorporates online training assessment backup. The CD-ROM product is designed to supplement or substitute face-to-face training and is cheaper and more efficient. It teaches people and staff how to safely respond to robbery in the workplace across a range of industries – from retail, finance and franchise outlets, to oil companies or anywhere that staff handle cash or valuables.

"I used the EMBA course work to better identify factors of market potential and how to respond to them. In our case, we knew there was an increase in litigation and the prevalence of staff suing employers for damages in cases of robbery. Our research showed that employers were not responding adequately to the risk," says Duff.

"My strategic management paper formed the core of our new business strategy and we launched our Robbery Safety Training CD-ROM just six months later. We currently sell under corporate licence and also independently through our Web site, and we are now planning to set up a global

distribution network, when we find the right partners.

"Our objectives are to reduce the risk to individuals during a robbery and at the same time encourage employer diligence in staff safety, with the outcome of better managing risk and protecting the organisation, too."

Passmore Duff's CD-ROM training costs about \$28 per person (compared with \$250 to \$380 per person for face-to-face training), and it can be rolled out immediately with staff competency assessment available online.

"We are going forward with a suite of products [six new products are planned, all with global potential]; the next product is about teaching people how to deal with workplace aggression and violence," says Duff.

"There is no doubt that the AGSM's strategic management subjects helped to put us into a first mover position. We gained a better understanding of our industry and our strategic resources, capabilities, industry forces and our competitors.

"The most important thing about the EMBA for me as a partner of an SME is that it is an applied learning program, and the final year is where you can really start to leverage the learning for the benefit of your business."



FLYING HIGH

David Stephens (MBA '88), skydives (left, foreground) with his instructor. He moved to Boston last year with his wife Sue and daughters Ella and Clare. He is now CEO of AECventure, a B2B exchange for the architectural, engineering and construction industry. For more news, see Stephens' entry in *Bush telegraph*.



POPULAR VOTE

Technical Audio Group co-owners **Anthony Russo (MBA '87)** (bottom right) and **Maxwell Twardz (MBA '90)** (top left) began 2001 with winners' grins, having won the title of 'Distributor of the Year' for 2000 at an industry awards event. Sponsored by the Entech Group, the award was externally audited and based on a popular vote by industry professionals.

Perfect score

On international exchange at Kellogg Graduate School of Management in the US, **Keith Finlayson (MBA '00)** (right) made the dean's Honour List – a special commendation for earning a grade point average (GPA) of 4.00.* It is the second consecutive year an AGSM exchange student at Kellogg has received this honour, which went to **Darren Challis (MBA '99)** in 1999, also for obtaining a perfect score of 4.00.

“I found Kellogg quite similar to the AGSM in both the level of work required and also the way the two schools focus on teamwork,” says Finlayson. On points of difference, he noticed a lesser degree of cultural diversity in the student population at Kellogg, which also fields a far larger student body (some 1400 full-time MBAs).

“I was struck, in teamwork and in consulting for Chicago-based firms, by the rather conflict-averse nature of the locals. I'm a Queenslander and tend to be reasonably direct, which I think led to some getting used to on both sides.”



Despite having been the 49th Australian National Antarctic Research Expedition physicist in 1996, Finlayson was unprepared for Chicago's climate, once the “big snowfalls and bitter cold” hit.

“At first the city of Chicago, on the shores of the lake, reminded me of Sydney, but I was surprised by a winter that seemed colder than I remembered in Antarctica,” he says.

While currently investigating new

m-commerce business opportunities and pursuing strategy consulting for Australian firms, Finlayson intends to go abroad once again. With his girlfriend studying in Oslo, he is brushing up on his Norwegian (he already speaks German) and is seeking a job in Europe. Having wintered in Chicago he is hoping to be well prepared for his next assignment.

* Students who receive a GPA of 3.75 or more receive the Kellogg dean's Honour List award.



From medicine to marketing

Soji Swaraj (MBA '00) (left) has won the 2001 UNSW Alumni Graduand Award for Achievement. The award honours exceptional contribution to the university and the broader community. Swaraj will be presented with a Dr Bert Flugelman sculpture at the UNSW alumni annual general meeting and president's reception on 18 April.

A specialist physician in endocrinology, Swaraj made a career-transition decision to study an MBA at the AGSM. “I was curious as to whether I might have more strings to my bow; I wanted to know if I might be good at some other things,” he says.

In the process, Swaraj admits to discovering “a heck of a lot” about himself while studying an MBA.

“I was like a carpenter, a tradesman, coming into a commerce program that covered a lot of ground, from the tool kit accounting subjects through to

strategy and organisational behaviour,” says Swaraj.

“I found it fascinating and learnt a lot in a short time. I also really enjoyed being at a business school that is probably the most international in the world in terms of its student mix.

“I was particularly impressed with the teaching at the AGSM, some of which I thought was astonishing; people such as Jeremy Davis, John Roberts, Ujwal Kyande, Doug Foster and Tom Smith, to name a few, they're outstanding in the way they engage and challenge you, and succeed in changing the way you think.

“I've spent five years as a specialist physician and, while I adore my profession, I'm now enjoying a 'sabbatical' for a few years to explore the opportunities the MBA has opened up for me.”

Swaraj is currently working for the Boston Consulting Group and in the future would like to make himself “useful in crisis negotiation for an organisation like the United Nations or in public policy”.

G'day from breezy London

“We’ve finished the term here, and I’m pleased to report I was part of a team that won £500 from BDO Stoy Hayward for the best final presentation in the subject, Managing the Growing Business. The rest of the team came from the London Business School’s executive program, the Sloan program and University College, London. We’re off to spend the proceeds this evening. Go AGSM! Incidentally, I’ve had a great time here – fantastic facilities, great people and interesting subjects. Who could ask for more? See you in 2001.” – **Elaine Potter (MBA '00)**

Elaine Potter studied at the London Business School in Term 3, 2000 through the AGSM’s international exchange of the full-time MBA program. Potter enjoyed the benefits of the exchange after transferring to the full-time MBA program. She began her studies part-time with the GSB prior to the AGSM merger.



Enjoying the spoils of great work (from left): Lesley Gavin (University College, London), Elaine Potter (AGSM) and Dr Judi Sutherland (London Business School).



Change challenge

Christopher Walker (MBA '88) is successfully adapting corporate change process and strategy to effect change in First Nation communities in Canada. Walker’s work (through Walker International and its Real Spirit life coaching programs) has tackled tough issues such as high suicide rates, substance abuse, domestic problems and high unemployment in the first two years of what will be a five-year program. Walker is pictured with Big Cove native community children in New Brunswick, Canada.



Paul Hyde, one of three Australians elected to Booz-Allen’s partnership this year. “We have a very strong group of partners in Australia to grow the business.”

Partnership strategy

Paul Hyde (MBA '91) has been elected as partner of international management consultancy Booz-Allen & Hamilton. He was one of three Australians to be promoted to the partnership in 2000.

Since joining Booz-Allen in 1993 as an associate, Hyde has advised numerous financial services and energy clients across Australia and Asia on a wide range of issues, including strategy development, operations and organisation transformation.

Hyde says consulting provides the opportunity to work with very senior managers on a wide variety of issues that are important to the success of their strategic agenda. He says to be successful in the profession, consultants needs to be continually developing innovative approaches to solve the problems that CEOs face.

“E-commerce is high on the agendas of many of our clients at the moment,” says Hyde, “with many asking how they should build their e-commerce capabilities. Do I spin it off into a separate listed company? Do we build a central capability in-house or do we let the business units pursue their own initiatives?”

“For example, we are currently establishing a Web portal for a consortium of international airlines. In doing so we are addressing some very fundamental issues around governance and equity ownership that are quite groundbreaking in the e-commerce space. In this environment we really need innovative thinking from our consultants.”

Hyde says an MBA is a good platform to launch a career in consulting and sees the AGSM as a key source of recruits for Booz-Allen & Hamilton. ★

CLASS REUNIONS



KEEPING IN TOUCH

(Top): MBA class of '90 (front row, from left) Lisa Maloney, Veronik Verkest, P.J. Koe, Lynne Hanrahan and Amgad Botros; (back row, from left) Peter Wallace, Kaveh Jahromi, Theresa Collignon, James Anderson, Ian Scott and Bob Mulcahy.

(Above left): kids of the MBA class of '90 (from left), Lisa Lowe (daughter of Andrew Lowe and Miho Higuchi), Anneke Anderson (daughter of James Anderson and Theresa Collignon), Declan and Ainslie Scott (son and daughter of Jo-Anne Ryan and Cameron Scott), and Isabella Anderson (sister of Anneke).

(Above right): MBA class of '80, Ian and Kerry Ballard with Ian Wenham (right), who flew into Sydney from Hong Kong for the reunion dinner.

MBA class of '95 met for a barbecue and brought along a clown for the kids (above left). Pictured (left) are (from left): Troy Cairns, David Stokes and Teck Teo.





Alumni Committee President's Report

2000 was another busy year for both the School and alumni, and the year ahead promises to be even more so. The alumni network is stronger than ever following the integration of the two Schools, which has served as a catalyst for putting more services and resources to work than ever before for the mutual benefit of the alumni community and the School.

At the helm this year we warmly welcome a new dean and director, professor Michael Vitale, whose track record and experience will undoubtedly provide the leadership required to take the AGSM's standing to new levels. Our thanks and best wishes go to professor Greg Whittred who performed an outstanding job as acting dean. Greg's time, guidance and support for the alumni community and our activities were extremely valuable and we wish him well for the future.

The alumni committee now comprises 13 elected representatives from both the AGSM and the former GSB. This year the committee will specifically focus on providing better systems and access for alumni, fostering greater integration and engagement between the School and alumni, and improving fundraising.

The information technology working group will help to introduce systems that give alumni better access to the valuable information

and resources available at the School. Of note, 2001 will see the introduction of a new alumni Web site, including an online alumni directory, and the provision of new Life Long Learning information services.

The engagement working group will endeavour to enhance the ongoing value and services alumni can expect from the School. Tasks include improving the efficiencies of networking and the School's communication with its influential alumni community.

Sourcing and raising funds is, perhaps, the most traditional of alumni functions among business schools. This year, our fundraising working group will introduce attractive new options in addition to the annual 'phonathon'. Your contributions will once again fund two alumni scholarships and the prestigious Alumni Teaching Award.

The alumni committee exists to represent you within the School. We rely on your feedback and are keen for your input this year on how the committee and the School can better serve you in your career and ongoing development.

On behalf of the alumni committee I wish you a successful and prosperous year ahead.

Rob Cartwright (UNSW MBA '79), group managing director, employee relations, Telstra.

AGSM

EMBA

1999

John Bronger, national president of the Pharmacy Guild of Australia, is fresh from successful negotiations with the Federal Government leading to a new Five Year Agreement for Australian pharmacy. He also has been appointed a member of the new Board of Taxation.

Scott Davey and his wife Jen have been enjoying parenthood after the arrival of their first baby boy, Cullen, in February 2000. Scott has also changed roles within ACNielsen Australia, from business analyst to operations director.

MBA

1999

Tim Petterson is now the proud father of a beautiful baby girl, Rebecca, who was born on 29 December 2000.

There has been an MBA class of '99 Aussie assault on America.

Chris Cheung is in North Carolina, **Dan Ma** is in Pennsylvania, **Karen Ho** is in Texas, while **Mark Kelly**, **Emily Chiu** and **Laurence Blumberg** have all moved to New York.

UNSW

EMBA

1993

Jon Millard is director, tourism and natural resources, environment assessment branch in Environment Australia (Commonwealth Department of the Environment & Heritage). Recent projects have included the environmental assessments of the new nuclear reactor at Lucas Heights, a proposed cable-way through a World Heritage area in the Gold

Coast hinterland and a naval munitions wharf at Twofold Bay, NSW, and the corporatisation of the Snowy Scheme.

Geoff Walker is working in the pharmaceutical industry in London as supply chain director, Europe. The company that he went over to the UK with, Block Drug, has just been acquired by GlaxoSmithKline, so he reports that things are likely to change. Geoff finds living in London a great adventure – plenty of travel, culture and other opportunities.

1994

Paul Gladman left NRMA in March 2000 to join Suncorp Metway in Brisbane as e-commerce manager. After six months he was promoted to general manager, corporate strategy, retaining overall responsibility for e-business. His wife Dawn is still in Sydney, which means they are both contributing to the ongoing success of Qantas as they take it in turns to commute every weekend. Paul acknowledges that while this is an expensive luxury, they do get the best of both worlds.

1995

Karen van Druen is now general manager, corporate solutions, for the publicly-listed company MXL Consolidated. MXL Consolidated provides innovative people (human resources) solutions to companies.

Paul Nelson was recently appointed e-business director for Jones Lang LaSalle, Australasia. Paul is responsible for the strategy, communication and collaboration for e-business across the business units, and for linking Australasia to the wider Asia-Pacific and the rest of the world.

Cathy Costello has just added Matthew Evan Jones, a brother for Callum, to the clan. Cathy is doing well.

1996

Norm Jevons has left Kellogg to open Australia's largest indoor play centre. Lollipop's Playland & Café at Castle Hill opened in late October 2000 at 10 Hudson Avenue. Norm writes: "Those of you with children aged 0-11 years will enjoy the huge play

structure with a 10-metre-long slide, bouncy castle, merry-go-round, ball pool, special toddler area, plus lots more". Even if you don't have kids, Norm says feel free to drop in for a cappuccino to say g'day.

Kevin Peesker has left his position as NSW state manager of Lexmark Australia to join Gateway as sales director, business, Australia/New Zealand, based in Sydney. On a personal front, Kevin has initiated a strategic partner alliance (engagement) with Karen Boehnke, a fellow Canadian who is an MBA alumnus of the Richard Ivey School of Business, University of Western Ontario. Kevin has taken up Australian citizenship since graduation and strongly argues the merits of the AGSM when it comes to inter-relationship business school rivalries.

1997

Karl Monteiro moved late last year from Alcatel Australia to Vodafone. Karl's position is senior analyst programmer. He is also happily married to Olga Malaya (since 19 June 1999). Contact Karl on (w) Tel: (02) 9425 9433, e-mail: karl.monteiro@vodafone.com.au.

Grahame Evans has been appointed CEO of Professional Accountants Limited, a business which supports small-to-medium-size accountancy practices to become fully integrated financial services businesses. The business provides succession planning options, networking and procurement services.

David Robinson has left John Holland Constructions after almost 30 years and is currently "trying to decide what to do when I grow up".

David Russell left Roche Products in mid-1998 and joined Novogen Limited, an Australian biopharmaceutical company, as the Australasian marketing manager. In 1999 he moved to the US office in Stamford, Connecticut, as marketing director. The role allows for plenty of opportunities to learn and travel. His wife Amanda left her position as chief radiographer of the Northern Sydney Area Health Service breast

screening unit to accompany him to the US. They will be returning in November 2001. Over the holidays, David reports they enjoyed a Connecticut white Christmas. There was "a 28-pound turkey, baked ham and loads of fun". David looks forward to hearing more of other classmates from the 1997 EMBA.

1998

Cameron White has relocated to the UK with BP Amoco. Cameron is now working in the central performance and planning office as a downstream business advisor. You can contact Cameron on (w) Tel: (+44) 20 7496 4325, e-mail: whitecb@bp.com.

Chris Tait is now with Maxx Implementation, a small (15 consultants) management consulting group. Their focus is primarily change management in the manufacturing sector which has allowed Chris to experience some interesting sites. Chris has been there for more than a year now having moved on from MMI. His wife and family (of three) are coping (just) with the new work and travel requirements. An interesting twist is that after Chris joined Maxx Implementation, he found out that **Robin Bean** (from cohort C) and **Jenny Lapworth** (who was in Chris' cohort B) were also with Maxx. Jenny moved there after finishing her EMBA but has moved on, and Robin has been there a while.

Helen King has joined the Learned Friends group of companies as general manager. The company specialises in both legal and executive PA placements on a permanent and temporary basis. Helen oversees the running of both the Sydney and Melbourne offices and at times the London office. Helen's role as general manager requires working closely with staff at all levels. She is currently devoting time to opening a temporary work desk in a new Sydney backpacker's hotel.

GMQ

1993

Susan Biggs has co-authored a book, *Time On, Time Out: Flexible Work Solutions to Keep Your Life in Balance*

(Allen & Unwin, 1999). The book offers information, strategies and confidence to negotiate a better balance between your work and the rest of your life.

MBA

1979

Ingrid Jackson (Hallein) continues to provide services through her consulting firm Executive Management Solutions. Her most recent projects include managing all merger communications for the merger between the Commonwealth Bank and Colonial, a staff opinion survey at the NSW Department of Public Works and Services, and implementing the communication and training program for GST Implementation at Commonwealth Property, the bank's property fund arm.

1980

Elizabeth Smith had a complete break from work in the first half of 1999, spending six months teaching English in Venice instead of being a public servant.

1982

Bing Karyadi writes to say all is going well from Indonesia. Bing is director, PT Mensa Bina Sukses – a mega-distributor of finished pharmaceutical products, medical supplies and consumer products with diagnostics. Contact (w) Tel: (+62 21) 460 1950.

1984

Duncan Rutherford has finally embraced fatherhood in his dotage. Claire Bronte was born on 4 August 2000.

Michael Gregg is managing director of a public company, HCN, which went from start-up in 1995 to ASX-listing in December 1999. Michael says, "It was quite an experience and took my hair colour to a whiter shade of grey". Michael also plays cricket for UNSW, although now less regularly, with running between wickets becoming "more like staggering than running". He will be touring the UK with the UNSW Cricket Club in July 2001. Contact Michael by e-mail: mike.gregg@hcn.com.au.

1985

Hamish McCormick has returned to Australia from Geneva after four years working with the Australian Permanent Mission to the World Trade Organisation. Now based in Canberra, Hamish is assistant secretary of the APEC and regional trade policy branch in the Department of Foreign Affairs and Trade.

1986

Hiromasa Yamazaki has recently been promoted to president, Nomura Singapore Limited. Hiromasa was the first Nomura-sponsored student from Japan.

Brian Rumbold and wife Margaret are running their own management consultancy, WorkWords Consulting, working in the area of corporate communications. They have just moved to new offices in North Sydney to accommodate recent growth. Their consulting activity is supported with services in information design, writing and electronic publishing. Their two sons are now in their 20s: Daniel has graduated, is married and working in management consulting; while Brendan is completing a degree in IT.

1987

Andrew Pedler has moved to Brisbane with Wilson HTM as a senior research analyst. Andrew writes that as the rest of Australia sweltered in the summer heat, they have been blessed with great weather in Brisbane.

Paul Pinn has been promoted to vice president, Asia-Pacific consulting operations for Oracle.

Morrison Carter is living in Cleveland, Ohio. In December 2000 he added a fifth and last child to the pack, Josiah David; the others are Darren, Ariella, Micaela and Christina. Morrison's wife, Kirsten, owns an interior design firm, while Morrison is busy running (part owner) an engineering and manufacturing company with 250 employees, which serves the heating and cooling industries. Morrison is also on some board positions and is soccer coach to three teams. Morrison would love to hear from any classmates passing

through Cleveland, e-mail: mcarter@beckettcorp.com.

1988

Stephen McPhail was appointed principal of Morel & Co in 2000 alongside founder Jenny Morel. Morel & Co is the leading investment bank specialising in the technology sector in New Zealand. Stephen passes on his greetings to classmates, e-mail: s.mcphail@morel.co.nz.

Christopher Walker is running life coaching programs for First Nation communities in Canada. His work (through Walker International and its Real Spirit workshops) has tackled tough social issues in the first two years of what will be a five-year program.

Peter Tan has relocated to Thailand as managing director, Zurich National Life Assurance Co, a joint venture of Zurich Financial Services of Switzerland and National Financial Services of Thailand. He is keen to hear from any ex-classmates who are now living and working in Thailand. Contact Peter on (w) Tel: (+66 2) 661 7888, e-mail: peter.tan@zurich.com.

David Stephens moved with his family to Boston in 2000. David is now CEO of AECventure, which is a B2B exchange for the architectural, engineering and construction industries. His wife Sue has published her second book – *Side by Side* – about relationships, which followed *Motherhood – Making It Work For You*. Book number three will be out in 2001. In Boston they all love the snow, especially Ella (aged six) and Clare (aged four).

1989

Patrick Hanrahan is pleased to announce the birth of his son Patrick 'Jack' Lighthall Hanrahan. Jack joins sisters Siobhan Violet (aged six) and Minna Mary Ann (aged four) and mum, Daintrie. Patrick is a performance management consultant based in Houston, Texas and can be reached at: patrickh@texas.net.

George Bijak is now director of Newport Capital Group – a Sydney-based technology investment bank specialising in M&A, capital raisings and venture capital

funds management. Contact at: georgeb@newportcapital.com.au.

Sonny Costin has relocated to Orlando, Florida, as senior vice president and general manager, CHEP International. The new role involves the launch of a new product in the Americas and Europe. Sonny's American wife Patricia and their two children, Harrison and Hannah, are enjoying their new location. Three-year-old Hannah was especially pleased when she learned that she now lives in the same city as Mickey Mouse.

1990

James Anderson reports that his wife Theresa Collignon (MBA UNSW '90) has had a baby boy – James Johannas, who joins their two girls, Anneke and Isabella.

Terry Daubney is living in Narrabri in north-west NSW with wife and daughter and working for Namoi Cotton Co-operative – Australia's largest cotton processor and marketer. Terry was recently appointed general manager, southern region, responsible for all processing and grower services activities from the Namoi Valley to the Victorian border. Before joining Namoi Cotton in mid-1999, he worked in banking and management consulting.

Ian Scott, vice president and director, The Boston Consulting Group, has taken over as managing partner for BCG's office in Singapore in addition to his role as head of BCG's Energy Practice in Asia-Pacific. Ian has been with BCG in Sydney, Kuala Lumpur and Singapore since joining BCG on completion of his MBA.

Maxwell Twartz, co-owner of Technical Audio Group (TAG) with Anthony Russo (MBA 1987), was honoured with the much-coveted Entech Distributor of the Year award for 2000 at the Entech Gala Awards evening. The externally-audited awards were based on a popular vote by industry professionals.

1991

James Hastie left AT Kearney and joined Deutsche Bank last year, concluding an "obligatory but thoroughly enjoyable stint in management consulting". He also competed in the 2000 Sydney to

Hobart race as the bowman on *Ninety Seven*, coming fourth on IMS handicap.

Paul Couvret and Atsumi Fukui (GMQ 1998) are looking forward to the second birthday of their twins, Nicolas and Genevieve. Paul's consulting business is making steady progress with recent work in the finance and law sectors. In his limited spare time he's learning to fly helicopters. Atsumi has completed her transition from clinical medical practice to corporate management with her appointment as associate medical director of the Australian subsidiary of Sanofi-Synthelabo – a French pharmaceuticals firm.

Janice Chan is now general manager of M&C Saatchi (advertising agency) in Hong Kong. Janice writes that anyone in the same class who happens to stop in Hong Kong should feel free to contact her on Tel: (+852) 2862 1766 or e-mail: janiceychan@hotmail.com.

1992

Cindy Carpenter and husband Rob had their second child, Elliot, during the Sydney Olympic Games. Cindy has been a consultant with BCG for eight years. Coincidentally, an MBA '92 colleague, **George Frazis**, who also has been with BCG for eight years, had his fourth child, Patricia (the first girl), with wife Amanda at the end of August 2000.

Chris Callen has moved his hospitality legal practice into Andersen Legal and now has the mobile and e-mail address his friends have been badgering him into. Contact Chris at: christopher.callen@au.andersenlegal.com.

Dane Binney was working at AAPT Sat, which was recently taken over. He is now Internet services business manager for NEWskies, which offers satellite/telecommunication services from its new offices in Kent Street, Sydney. His wife Donna gave birth to their second child in early October 2000.

Andrew Kemp is keeping busy continuing his consulting for the pharmaceutical industry, but in April last year he also bought a new beauty supplies wholesaling business, About Face. The

business will be launching a new patented oil in Australia.

1993

Susan Jamieson has now been with the Commonwealth Bank for over a year, after a stint with Colonial heading up insurance products and managing integration issues arising from Colonial's purchase of Legal & General and Prudential. On a personal front, Susan and Jon have a daughter Kate who has just turned four.

Janet Mitchell is pleased to report her marriage to Richard Smith on 4 March 2001. The service was at St Peters in North Sydney with the reception at the Cruising Yacht Club of Australia. On their honeymoon they hope to catch up with MBA classmates – Katharine Seymour, Paul Littman and Chris Bratchford who will all be in London.

Brett Sargeant married Belinda Waugh in 1999. Their first child, Emma, arrived in December 2000. Brett is working for Toll Transport based in Brisbane.

1994

Richard Gillman has decided to leave Deloitte Corporate Finance to pursue an opportunity with the M&A team at Morgan Stanley in Hong Kong. He left Deloitte early September 2000 followed by a month's "gardening leave", neatly timed to coincide with the Olympic Games. In other news, Richard and Irena Tai celebrated their marriage at a party in Centennial Park in May last year. Contact Richard at: richard.gillman@msdw.com.

Steven Crayn has moved from Goodman Fielder to Venture Capital Partners. True to its name, VCP is a venture capital firm that invests across a range of industry sectors in fast-growing, export-orientated, small- and medium-sized businesses. VCP also provides a range of consulting services, including strategic consulting and preparing R&D grant applications. On the home front, Steven and Janet now have two children, Kieran (aged three) and Talia (aged 15 months) keeping them busy.

1995

John Rotenstein has joined Ariba Inc, a US-based B2B

e-commerce company, as a trainer in the Asia-Pacific region. "I'm happy being back in the Internet sphere," says John, "and I hope to meet up with my AGSM classmates as I travel around Asia. Who's for dinner?"

Samiuela Taufa married Ofa F. Faka'osifolau (a native of Tonga) in December 2000. Samiuela is currently doing some retail/distribution ventures in Tonga. Any former classmates who would like to check out what he's up to can visit: www.nomoa.com.

1996

Wolfgang Muller was married on 16 September 2000 in Switzerland.

Stephen Chey is living in Taipei with his wife Naomi and looking after regional telecom clients in East Asia for Deloitte Consulting.

1997

Derek Woodhouse has moved on from Ajilon to work as client advisor at Credit Suisse First Boston Equities Private. Derek's new contact details are (w) Tel: (08) 9260 5707, e-mail: derek.woodhouse@csfb.com.

Frances Lien would like her alumni colleagues to know that she married Allen Guo on 3 March 1999 and gave birth to a beautiful baby girl, Elizabeth, on 6 July 2000.

1998

Gerard Moody has moved to Perth from Sydney and joined Mainsheet Corporate, the management consulting practice of Freehills.

PhD

1984

Danny Samson is professor of management at the University of Melbourne and has started the Foundation for Sustainable Economic Development there. This involves a research team that is building and disseminating knowledge in the areas of environmental sustainability for business, human resources management practices and the management of innovation, including e-business.

USYD

GDBA

1997

Ameeta Shah writes to inform that she is residing in Nakuru, Kenya, with husband Ashish. They are now the proud parents of a baby boy, Dil, who was born on 9 January 2001.

1998

Julian Fenwick's career has undergone a change after 16 years in hospitality and retail. He's been appointed national sales and marketing manager for the Legal Technology Group at Blake Dawson Waldron (lawyers). Julian says he finds it a fascinating position, developing and marketing a broad range of Internet-delivered products designed to streamline legal compliance for business.

1999

Pat Mackintosh is now resident in the sunshine state and is involved in management consulting.

MBA

1989

Bruce Everett has gone on sabbatical for a year to undertake theology studies.

1991

Knox Cameron is working for KPMG, and is on a two-year secondment to the company's international headquarters in Amsterdam. He works in the office of the global chief information officer undertaking technical research and evaluation. His wife and four children have joined him, and they are enjoying the experience of another culture and the opportunity to see Europe.

1992

Puay Koon (PK.) Ho is now the ERP systems administrator for Lion Nathan Australia.

1994

Ben Crawford was busy last year as executive producer of olympics.com (among other jobs), the official Web site of the Sydney 2000 Olympic Games. The site was the most ambitious

ever produced in Australia, serving over a billion page impressions to a global audience. His input was as a contractor (publisher and business development director of local firm Gadfly Media) on the IBM e-business site. Gadfly was awarded the content management role for olympics.com in late 1998 by winning a worldwide tender, following partnering with Microsoft and ninemsn to supply content for some of their biggest sites in Australia.

Sonny Navaratnam is now manager, operations/business expansion catalyst with the Leading Edge Group.

1997

Mark Freddie Dodson and wife **Rachel Dodson (Nila)** (EMBA '00) left Sydney for 12 months on 31 January for a round-the-world honeymoon. They will be visiting Hawaii, Canada, California, Mexico, Florida, the Caribbean, Peru, Chile, Argentina, Brazil and Europe, travelling under the guise of Dodson and Company.

1998

Bei Li and **Yandong (Gordon) Guo (MBA '98)** are now in Beijing, China. Yandong is a management consultant at Deloitte Touche Tohmatsu and Bei Li is working at Nokia as an information specialist. Bei Li reports that life in Beijing is nothing out of the norm – they have just bought a car, apartment and mortgage. They shall be moving into their new place this year.

Simon Sut-Keung Wong has set up a property consultancy firm in Shanghai, China, called Citybright Property Consultancy. Simon says he would like to hear from his AGSM colleagues and alumni on Tel: (+86 21) 6418 5116 or (+86 139) 1638 8767.

1999

Jörg Tuchen is happy to announce the birth of his second child, Lucas Stefan Tuchen, born on 4 September 2000. His key benchmarks were 52 cm in length and 4.45 kg in weight. ✪

publications & papers

PUBLISHED WORK AND RESEARCH PRESENTATIONS

BOOKS

Professor **Grahame Dowling**, *Creating Powerful Corporate Reputations*, Oxford University Press, 2000.

Director **Timothy Devinney**, Centre for Corporate Change, José de la Torre (UCLA) and Yves Doz (INSEAD), *Managing the Global Corporation: Case Studies in Strategy and Management*, McGraw-Hill, New York, 2000.

Dr **Kai-Alexander Schlevogt**, *The Art of Chinese Management: Theory, Evidence and Applications*, Oxford University Press, New York, 2001.

Dr **Garry Twite** and M. O'Keefe, *New Directions in Corporate Strategy*, Allen & Unwin, Sydney, 2000; and with S. Bishop, H. Crapp and R. Faff, *Corporate Finance*, fourth edition, Prentice Hall, Sydney, 2000.

BOOK CHAPTERS

Professor **Lex Donaldson**, 'Design strategy to fit strategy' in Edwin A. Locke (ed), *Handbook of Principles of Organisational Behaviour*, pp. 291–303, Oxford, Blackwell, 2000; and 'Organisational structures for competence-based management' in Ron Sanchez and Aime Heene (eds), *Theory Development for Competence-based Management*, *Advances in Applied Business Strategy*, vol. 6A, pp. 31–56, JAI Press Inc, Stamford, Connecticut, 2000.

Dr **Sharon Parker** and T.D. Wall, 'Job design, psychology of' in N.J. Smelser and Paul B. Baltes (eds), *International Encyclopedia of the Social and Behavioural Sciences*, Elsevier Science Limited, New York, 2001; and 'Designing jobs that enhance employee well-being and effectiveness' in P.B. Warr (ed), *Psychology at Work*, fifth edition, Penguin, 2002.

Professor **John Roberts** and Jame Lattin, 'Disaggregate level diffusion models' in Vijay Mahajan, Eitan Muller and Yoram Wind (eds), *New Product Diffusion Models*, pp. 207–236, Kluwer Academic Press, Boston, November 2000.

Dr **Kai-Alexander Schlevogt**, 'Strategies, structures and processes for managing uncertainty and complexity: worldwide learning from the Chinese organisational model of private enterprises' in M.A. Rahim, R.T. Golembiewski and K.D. MacKenzie (eds), *Current Topics in Management*, vol. 5, pp.

305–328, JAI Press, Stamford, Connecticut, 2000; and 'The building of a powerful nation: ten lessons regarding China's medium-term development' and 'Stakeholder value instead of value destruction: how to create real fortunes' in *My View of 21st Century Economic Development in China*, Central Literature Publisher, Beijing, 2000.

PhD candidate **Catriona Wallace** and R. Waldersee, 'The simultaneous management of service and efficiency in call centres: the role of rhetoric' in Sue Fernie (ed), *Call Centres*, Manchester University Press, England, 2000.

Dr **Robert Westwood** and P.S. Kirkbride, 'International strategies of corporate culture change: emulation, consumption and hybridity' and 'Asian corporate symbols in rapidly changing times' in U. Haley (ed), *Strategic Management in the Asia Pacific: Harnessing Regional and Organisational Change for Competitive Advantage*, Oxford, Butterworth-Heinemann, 2000; and with X. Shi, 'International business negotiations in the Chinese context', in J.T. Li, A. Tsui, and E. Weldon (eds) *Management and Organisations in Chinese Contexts*, pp. 185–221, Basingstoke, Macmillan, 2000.

Research Fellow **Huifu Xu**, 'Level functions of some optimal value functions' and 'Regularised gap functions and D-gap functions for variational inequalities' in *Optimisation and its Related Topics*, Kluwer Academic Publishers, January 2001.

GRANTS

Director **Timothy Devinney**, Centre for Corporate Change, with Patrice Auger, City University Hong Kong, and Jordan Louviere, Memetrics, 'Measuring the utility value of ethical consumerism', Australian Research Council.

JOURNAL PUBLICATIONS

Director **Timothy Devinney**, Centre for Corporate Change, 'The globalisation of innovation: introduction' in *Journal of Product Innovation Management*, September 2000; and with D. Midgley and UNSW's S. Venaik, 'The organisational imperative and the optimal performance of the global firm:

formalising and extending the integration-responsiveness framework' in *Organisation Science*, November 2000.

Professor **Lex Donaldson**, 'Organisational portfolio theory: performance-driven organisational change' in *Contemporary Economic Policy*, vol. 18, no. 4, pp. 386–396, October 2000.

Professor **Grahame Dowling**, co-authored with P.L. Dawes and D.Y. Lee, 'Informal information control in complex technological purchase situations' in *The Journal of High Technology Management Research*, vol. 10, no. 2, pp. 377–402, 2000.

Professor **Geoff Eagleson**, R. Waldersee and R. Simmons, 'Leadership behaviour similarity as a basis of selection into a management team' in *British Journal of Social Psychology*, 39, pp. 301–308, 2000.

Professor **Robert Kohn**, co-authored with Michael Smith, 'Nonparametric seemingly unrelated regression' in *Journal of Econometrics*, vol. 98, issue 2, pp. 257–281, October 2000.

Professor **John Roberts**, 'Developing new rules for new markets' in *Journal of the Academy of Marketing Science*, Millennium Special, vol. 28, no. 1, pp. 31–44, January 2000; and co-authored with P.D. Morrison and E. von Hippel, 'Determinants of user innovation and the sharing of modifications in a follower market' in *Management Science*, December 2000.

Dr **Kai-Alexander Schlevogt**, 'Doing business in the Russian Federation: time for anti-cyclical investments' in *Thunderbird International Business Review* (formerly *The International Executive*), 42 (6), 2000; 'The nascent Chinese consulting market: opportunities and obstacles' in *C2M: Consulting to Management* (formerly *Journal of Management Consulting*), 11 (2), pp. 28–34, 2000; 'The nascent Chinese consulting market: best-practice approaches' in *Journal of Management Consulting*, 11 (3), 2000; 'Today's Asia for tomorrow's Europe: time for national visions in a new age of empire' in *European Business Forum*, 1 (3), 2000; and 'China and the WTO' (ed), a special issue of *Thunderbird International Business Review*, 2001.

Professor **Simon Sheather** and J.W. McKean, 'Partial residual plots based on robust fits' in *Technometrics*, vol. 42, pp. 249–260; and with T.P. Hettmansperger and J.W. McKean, 'Nonparametric statistics' in *Journal of the American Statistical Association*, vol. 95, pp. 1308–1311, 2000.

Dr **Baljit Sidhu**, co-authored with W. Guay, 'The usefulness of long-term accruals' in *Abacus*, vol. 37, no. 1, 2001.

PhD candidate **Catriona Wallace**, professor **Geoff Eagleson** and R. Waldersee, 'The sacrificial HR strategy in call centres' in the *International Journal of Service Industry Management*, vol. 11, no. 2, pp. 174–184, 2000.

Dr **Paul Walsh**, 'Targets and how to assess performance against them' in *Benchmarking: an International Journal*, vol. 7, no. 3, pp. 183–199, 2000; and 'Counting for local experience' in *Australian CPA*, pp. 44–47, November 2000.

Dr **Robert Westwood** and S.M. Leung, 'Acculturating to the Australian work environment' in *International Employment Relations Review*, 6 (1), pp. 61–88, 2000.

Research fellow **Huifu Xu**, 'Level function method for quasiconvex programming' in *Journal of Optimisation Theory and Applications*, vol. 108, no. 2, February 2001.

Professor **Philip Yetton** and Akemi Takeoka Chatfield, 'Strategic payoff from EDI as a function of EDI embeddedness' in *Journal of Management Information Systems*, vol. 16, no. 4, 2000.

MONOGRAPHS

Professor **Steve Frenkel** with S. Chiu, 'Globalisation and employment relations in China', Bangkok, International Labour Organisation, 2000.

OTHER PUBLICATIONS

Dr **Kai-Alexander Schlevogt**, 'The great leap nowhere: China's western campaign is fraught with difficulty' in *Asian Business*, vol. 37, issue 1, pp. 40–42, January 2001; 'China's western campaign' in *Far Eastern Economic Review*, vol. 163, issue 33, p. 29; and 'Executing your change agenda to achieve strong impact and continuous

improvements: the journey is the reward' in *China Marketing*, issue 7, pp. 14–17, 2000.

CONFERENCE PRESENTATIONS

PhD candidate **Julie Cogin** (adjunct faculty), 'The indirect costs of discrimination and harassment to organisations' at the Discrimination and Sexual Harassment Seminar, Sydney, February 2001.

Director **Timothy Devinney**, Centre for Corporate Change, 'Knowledge-creating processes and innovation' at the Strategic Management Society Conference, Vancouver, Canada, October 2000; 'An empirical examination of the dimensionality of the integration-responsiveness framework' at the Academy of International Business Conference, Phoenix, Arizona, November 2000, also presented at the European International Business Association Conference, Maastricht, Netherlands, December 2000.

Faculty leader at: the doctoral student consortium of the European International Business Association, Maastricht, Netherlands, and the doctoral student seminar on knowledge management at the Universitaet Hamburg, Germany. Invited papers presented at universities include: 'Transactional structures and e-business performance' at University of California – Berkeley, October 2000; 'Global integration – local responsiveness: face validity, empirical vapidty' at University of Illinois, November 2000; 'Knowledge-creating processes and innovation' at IMD, Lausanne, Switzerland, December 2000; and 'Knowledge-creating processes and innovation' at INSEAD, Fontainebleau, January 2001.

Pat Matthews, manager, client services, Frank Lowy Library, 'Australian company and industry information online – a case study' presented at Online 2000 in San Diego, California, September 2000; and 'Extracting the max: Australian financial content online', presented at Information Online 2001, in Sydney, January 2001.

Dr **Marc Orlitzky**, 'Corporate social performance and generalisability theory: an outcome-based measure of stakeholder satisfaction and its measurement implications'; with Diane L. Swanson, 'The cult of homogeneity and assimilation: an

ethical deconstruction of the HRM fit literature'; with Diane L. Swanson, 'How films can contribute to student learning in Business and Society courses' accepted at the annual meeting of the International Association for Business and Society (IABS) in Sedona, AZ, March 2001.

Dr **Kai-Alexander Schlevogt** and professor **Lex Donaldson**, 'An organisational portfolio analysis of knowledge: are managers able to learn?' at the Australian and Pacific Researchers in Organisation Studies Conference (APROS), Sydney, December 2000; and 'Developing international management education in emerging markets for the 21st century: challenges and solution blueprints for Chinese universities and their global educational Web partners' at the Second Asia Academy of Management Conference, Singapore, December 2000.

CONFERENCE PROCEEDINGS

PhD candidate **Julie Cogin** (adjunct faculty), 'The effects of sexual harassment on work withdrawal and job withdrawal' in *Proceedings of the Australian and New Zealand Academy of Management (ANZAM) Conference*, December 2000.

Professor **Geoff Eagleson** and R. Waldersee, 'Monitoring the strategically important: assessing and improving strategic tracking systems' in A. Neely (ed) *Performance Measurement 2000: Past, Present and Future*,

Cranfield School of Management: Cranfield, pp. 137–144, 2000.

Dr **Marc Orlitzky** and Diane L. Swanson, 'Constructions of the self: from object relations to stakeholder relations' in *Proceedings of the annual meeting of the International Association for Business and Society (IABS) in Burlington, Vermont*, November 2000.

Dr **Kai-Alexander Schlevogt**, 'Key success factors in the "land of dragons": the China framework for high organisational effectiveness' in *Best Paper Proceedings of the Second Asia Academy of Management Conference*, Singapore, December 2000.

RESEARCH PROJECTS

The determinants of e-business success (a Centre for Corporate Change and INSEAD project) investigates the real impact of the e-business phenomenon by surveying more than 500 companies across Australia, the US and Europe. The survey looks at strategic pressures, the nature of organisational change and corporate characteristics. Aggregate results will be published later in the year. If you would like to participate in this study, please contact PhD candidate **Tim Coltman**, e-mail: timc@agsm.edu.au or ccc@agsm.edu.au.

E-intelligence and corporate strategy is a research project led by Centre for Corporate Change director, **Timothy Devinney**. The research will examine the usage of Internet and legacy system

generated data, the prospects and difficulties faced by companies in integrating and turning this data into managerially useful knowledge, and the beliefs that managers possess about the future potential of Internet and legacy system generated data. Results will be presented at a series of seminars in late March. For seminar details, contact Anne Fitzsimmons at e-mail: ccc@agsm.edu.au.

Consumer Assessment of Social Product Features (funded by ARC) will investigate the degree to which consumers understand and place a value on the social dimensions of products. This study aims to redress the lack of academic research on consumer valuation of social issues. The project will commence in 2001 and conclude in 2002.

Promoting perspective-taking for success investigates the drivers, and effects on performance, of employees seeing others' viewpoints, or taking their perspective. A Canadian study investigates how, through transformational leadership, managers can promote greater perspective-taking among employees and, thereby, increase their ability to work in teams. Results will be published later in the year. If you would like to participate in the study, please contact associate professor **Sharon Parker** at e-mail: sharonp@agsm.edu.au. 🌟

🌟 Robust research

Dr Ujwal Kayande, senior lecturer in marketing, has been voted Researcher of the Year (2000) by the Australian and New Zealand Marketing Academy, for his paper, 'Reliability assessment and optimisation of marketing measurement' published in the prestigious *Journal of Marketing Research* in 1997. The award goes to the academic in Australia or New Zealand whose paper is judged to have made the most impact in the past five years. The paper also won the American Marketing Association's Don Lehman award in 1998. Previous winners of the award from the AGSM are professors David Midgley (now at INSEAD), Grahame Dowling and John Roberts.

Dr **Katrina Ellis**, senior lecturer in accounting and finance, has won the Smith Breeden Distinguished Paper award (worth

\$US5000) for her paper (co-authored with Roni Michaely and Maureen O'Hara from Cornell University), 'When the underwriter is the market maker: an examination of trading in the IPO aftermarket', published in the *Journal of Finance*, June 2000. The paper was voted the second-best paper of 60 papers the Journal published (from December 1999 to September 2000) from 1000 submissions. This paper previously won the Cornerstone Research Award for Best Paper at the 1999 Western Finance Association Meetings in Santa Monica, California.

Dr **Garry Twite**, senior lecturer in accounting and finance, was awarded the Securities Institute of Australia's 2000 JASSA Merit Award for his paper (co-authored with R. Faff), 'To! or not to! – can you trust the CAPM', *JASSA*, vol. 3, Spring 1999.

SENIOR MANAGEMENT CHANGES

Chris Adam accepted the role of associate dean, faculty.

Eddie Anderson stepped down as associate dean, faculty, after more than three years, and has taken six months' leave (from January).

Sue Bennett-Williams accepted a promotion to acting director, MBA program (from associate director), effective 15 December 2000.

Jeff Laurie joins the AGSM as director, EMBA program for a period of 14 months while Maria Spies is on leave. He was formerly a director of international business development in the business faculty at UTS; he has also worked as an Australian trade commissioner in the Middle East.

Pamela Murray-Jones joined the AGSM as director, executive education, last December. Pamela joins the School from BIZED (an HR and management development services provider), where she was responsible for the Asia-Pacific region. She previously worked as general manager of global business development, Western Sydney Institute.

Maria Spies, director, EMBA program, will take maternity leave from 1 April for a period of 12 months.

Greg Whittred, formerly acting dean, will continue as associate dean, MBA programs, through to 31 March.

APPOINTMENTS

Dr Chongwoo Choe has been appointed senior lecturer in economics. He obtained his PhD in economics from the



University of Minnesota. He has previously taught in the US and Australia, and has consulted for various government bodies and industries.

Suzanne Fisk joined the AGSM last September as studio manager, EMBA program. Suzanne was publications manager for five years at Cable & Wireless Optus, and has many years' experience as a publisher and editor. Also new to the studio are desktop publishers **Raelene Doble** and **Natasha Nixon**, and studio coordinator **Nanette LaCava**.

The secretarial support team welcomes **Belinda Hamilton**. She joins the AGSM from the UNSW vice-chancellor's office.

Kelley Johnson is the School's new Web producer. Kelley was formerly an international producer for Quicken online financial software.

Natalie Kidd accepted a promotion to associate director, EMBA (from operations manager), effective 1 January 2001. The EMBA team also congratulated **Sandy Ryan** on her

appointment as executive services coordinator.

Daniel Mazir has accepted an appointment as accounts clerk.

Katherine Rees, serials librarian, has joined the AGSM's Frank Lowy Library.

The executive education team has welcomed marketing coordinator **Lisa Parkinson**, and executive services coordinator **Kelly Wignall**.

Elizabeth Walker joined the AGSM's part-time MBA program team last October as program coordinator.

Welcome to new facilities staff: **Darren Ireland** (who is studying computer science); and **Matthew Pendleton** (who is studying sports education).

FAREWELLS

Ian Marsh (associate professor) has taken up a readership at the Australian National University. It is difficult for many to imagine the School without him.

John O'Brien (professor) has returned to Carnegie Mellon in the US. In setting

up STARLab, John made an enormous contribution to the School since arriving in 1998.

Arjun Bhalla returned to India last December, after completing his MBA, to join his wife Sonal and baby Aysha. He had served as residential caretaker since August 1999.

The Little Bay Conference Centre farewelled house manager **Philip Clarke** and receptionist **Gloria Koutrouzas**.

Katrina Giandon has left the management projects office to study an advanced diploma in sports management and marketing.

Peter May (formerly director, corporate education) left the AGSM last October to join Deloitte Touche Tohmatsu as its national director, human resources.

The Frank Lowy Library farewelled library technician, **Mary O'Brien**.

After assisting two deans over the course of a year, **Maureen Shaw** has left the AGSM to pursue work in the CBD.

Creative pursuits: **Maria Pernetta's** team farewelled four hardworking facilities staff: **Josh Maree** (gone to pursue environmental engineering fieldwork in a third world country); **Tim O'Sullivan** (who is illustrating children's books); **Damien Lane** (who, in addition to studying creative writing, is now busy writing songs for his band, recording a second CD and performing); and **Simon Maree** (who left to try his hand at sales). ☺

