

A TRUE HIGH-FLYER

We talk to Jo Salter
fighter-pilot turned
business consultant

SURVIVAL OF THE FITTEST?

Radical thinking is
needed if businesses
are to survive the
economic downturn

STUDY WITH THE OU

Apple's iTunes gives
the i-Pod generation
a taste of OU courses



The Open
University

Business School

G20 London Summit

The Open University's Business School's
role in the wider global debate

The Open University Business School Magazine

Volume 2 Issue 1 Spring 2009 | £4.50

Business Matters



The Open
University

Business School

I can now achieve
change on a much
larger scale

Hone your competitive edge with an MBA from The Open University Business School

Looking for a work-based qualification that's equal to your ambition? The Open University Business School MBA is not only highly respected, it's also extremely flexible – delivering specialist skills you can apply straight away in your job.

And because it's available globally, it offers a unique international focus – helping you take your career forward in rewarding new directions.



Christine MacLennan,
Open University
Business School
MBA student

“ One of the most
valuable skills I
learned was how to
communicate and target
messages to each diverse
audience I work with. ”

MBA and Masters-level programmes

Master of Business Administration
MBA Technology Management
MSc Management & Business
Research Methods

We also have a range of online
professional development courses
available



Inspired? Get a prospectus...

0845 366 6035

Quote: BAKKBV when you call us or go online
www.openuniversity.co.uk/busmba

INSPIRING LEARNING

Welcome



Professor James Fleck
Dean and Professor of Innovation
Dynamics, The Open University
Business School

The reverberations from a major international conference like the G20 London Summit will no doubt be heard around the world for months and years ahead, so it is a matter of considerable pride and excitement that The Open University Business School was selected to host the Academic Debate for the event.

The world economic crisis was the overriding theme of the G20 London Summit, and, unsurprisingly, the implications of the economic downturn feature prominently in this issue of *Business Matters*.

Professor Malcolm Prowle looks at how radical thinking can help smart businesses survive and even thrive in the economic downturn on pages 14 to 16, while on pages 20 and 21 Professor of Enterprise Development, Colin Gray and his team have been analysing why small firms in London and the South East seem to have been hit hardest by the recession.

The Open University Business School is all about creating success, so it's always worthwhile looking at success stories – and few can be more inspiring than that of high-flyer Jo Salter. She was the UK's first-ever female fast-jet pilot, started her Open University MBA while in the RAF and has since forged a successful career in management consultancy and public speaking – you can read her extraordinary story on pages 6 to 9.

Lawyer and IP specialist Janet Knowles has also been hugely successful in her own field – in no small measure thanks to the skills she developed completing her MBA. She is the subject of our Business Profile on pages 22 to 24.

Meanwhile The Open University Business School has successfully chalked up 25 years, and the anniversary coincides with another remarkable milestone – the graduation of its 20,000th MBA student. Meet 20,000th MBA Dr Chris Martin, and catch up with 10,000th MBA Des Bourne as well, on pages 30 and 31.

All this, plus a look at the growing importance and significance of corporate social responsibility, how the iPod generation is getting a taste of Open University courses, and a round-up of general news and activities – I hope you enjoy this edition of *Business Matters*.



The Open
University

Business School

Develop your company's competitive edge in just 10 hours

Training and development will make you more competitive. The Open University has a quick, flexible-fit solution that can bring all your staff up to competitive speed.

It's based around e-learning Elements that can be easily adapted to your company context.

First, we listen to you to identify the critical skills that require tuning – team leadership or project management, for example. Then cohorts of between 15 and 30 employees can begin a 10 week programme taking no more than an hour of their time each week.

The cost-effective model mixes individual and group work online, with optional opening and closing

workshops, with a learning adviser providing support in person as well as online.

Thomson Reuters did

"The Open University has worked with us to design the eLearning and discussion groups, facilitate them around the globe, and support us as we embed this new approach, providing both challenging and helpful feedback along the way."

Christina Jones, Management Development Manager, Thomson Reuters

Call or click to find out more...

0845 366 6041
www.open.co.uk/cpd
INSPIRING LEARNING

In this issue...

BUSINESS MATTERS: VOLUME 2 ISSUE 1 SPRING 2009

Publishers

Hilary Baxter, Hanne Jeppesen

Editor

Hanne Jeppesen

Consulting Editor

Jan Henderson

Contributing Editors

Yvonne Cook, Richard Cooper, Liezel Tipper,
Rachel James

Advertising

Square7Media

Tel: +44 (0)203 283 4055

Email: Mark@square7media.co.uk

Design & art direction

Jebens Design – www.jebensdesign.co.uk

Print

Printed by Belmont Press, Northampton

Photographs & illustrations

© The Open University unless otherwise specified

Cover photograph

Neil White / Rex Features

Your Thoughts

Let us know what you think of *Business Matters* and how we could make the next issue even better. Email us at: oubs-businessmatters@open.ac.uk

Editorial disclaimer

The editorial content of this magazine was correct at the time of going to press. No part of this publication may be reproduced in any form without the prior permission of the publishers. Views expressed in articles are those of the contributors and not necessarily of *Business Matters* or The Open University. Publication of an advertisement or loose insert in *Business Matters* does not imply Open University recognition or approval of goods or services advertised.

Business Matters

The Open University Business School, The Open University, Walton Hall, Milton Keynes, UK, MK7 6AA

Tel: +44 (0) 1908 655888

Fax: +44 (0) 1908 655898

Web: www.open.ac.uk/oubs

The Open University is incorporated by Royal Charter (RC 000391), an exempt charity in England & Wales and a charity registered in Scotland (SC 038302).

This magazine is printed on Essential Silk FSC 150gsm and 300gsm.



Mixed Sources
Product group from well-managed
forests, controlled sources and
recycled wood or fiber
www.fsc.org Cert no. TF-COC-2168
© 1996 Forest Stewardship Council

4/5 News: Spotlight

Diary dates, Research Assessment, 40th anniversary

6/9 First Person: A true high-flyer

Business Matters talks to Jo Salter – a fighter-pilot turned business consultant, or an Open University business tutor with a portfolio career?

10/13 Special report: The London Summit

Leaders of the world, including the G20, meet to work together to restore stability and global economic growth

14/16 Recession advice: Survival of the fittest?

Professor Malcolm Prowle on how radical thinking is needed if businesses are to survive the economic downturn

17/19 Research round-up: What is the real social responsibility of businesses?

Dr Anja Schaefer discusses her theoretical research of corporate social responsibility

20/21 Research round-up: Small firms in London hit hardest by the recession

Research by The Open University Business School finds small firms in London have been hit harder by the economic downturn

22/24 Business Profile: Legally speaking – Janet Knowles

Lawyer and IP specialist Janet Knowles on her role advising pharmaceutical and healthcare companies

25 News: News briefing – A new programme for managers

Professional Certificate in Management

26/27 Special report: The balancing act

Retain your staff and manage your internal talent by balancing both professional and personal development

28/29 Special report: iStudy with the OU

Apple's iTunes Store built its reputation on music downloads. Now it is giving the iPod generation a taste of OU courses

30/31 News: MBA Update – 10,000... 20,000... and counting

As The Open University Business School celebrates the graduation of its 20,000th MBA student, *Business Matters* speaks to both the 20,000th and the 10,000th graduates

32 Frontline: Tony Mansey

Tony Mansey discusses the impact his MBA has had on his career

Spotlight

DATES FOR YOUR DIARY

20 MAY 2009

Connecting up Strategy: Are Senior Strategy Directors a missing link? Open University, Milton Keynes

This seminar examines the role, activities and capabilities of existing senior executives tasked with strategy and questions as they help organisations become more agile.

10 JUNE 2009

Business and Management Information Event, Luxembourg

Come at any time to find out more about our MBA, Specialist Masters degrees and our Certificate and Diploma in Management programmes.

12 JUNE 2009

The Open University Business School Annual Awards and Alumni Lunch

The Open University Business School celebrates the exceptional achievements of its students, graduates and tutors.

27 JUNE 2009

Open Unlimited, Milton Keynes


Open Day at Walton Hall celebrating the 40th Anniversary (further details on page 5).


28 JUNE 2009

40th Anniversary Concert, Milton Keynes

The Milton Keynes City Orchestra and the Open University Choir perform at the Milton Keynes Theatre.

EVENTS WEBLINKS:

 Business School: www.open.ac.uk/oubs/our-different-approach/events.php

 Alumni: www.open.ac.uk/oubs-alumni

Research Assessment Exercise 2008

The Open University has climbed 23 places to 43rd in the UK's latest Research Assessment Exercise (RAE 2008), securing a place in the UK's top 50 higher education institutions¹.

The results show more than 50 per cent of the University's research is 'internationally excellent' and 14 per cent is 'world-leading', as determined by the 2008 RAE's expert and peer review process. In Business and Management 40 per cent of the Business School's research is regarded as internationally excellent or better.

Overall, the University has seen significant improvements in a number of key discipline areas in the challenging and competitive environment of the last few years, enhancing or maintaining its 2001 ranked positions in most disciplines. A 75 per cent growth in competitively awarded research income over the last five years is another robust measure of our increasing excellence in research.

¹ According to the *Times Higher Education Table of Excellence*, published on 18 December 2008.

The Open University Business School is awarded re-accreditation from EQUIS

The Open University Business School is pleased to confirm that it has received full EQUIS re-accreditation for the next three years.

EQUIS, which stands for European Quality Improvement System, requires accredited business schools to demonstrate not only high general quality over all their activities but also a high degree of internationalisation.

Only 116 institutions in the world, 21 of which are in the United Kingdom, have EQUIS accreditation. The Open University Business School obtained its first accreditation in 2000, and was re-accredited in 2005 and in 2009.

Downturn not bad news for all universities

The British Council fears the economic downturn may deter international students from coming to the UK to study, in a statement released today, but it's not bad news for all. The Open University Business School is defying the trend through offering relevant and responsive business and management education to around 43,000 students in nearly 70 countries.

Carmel McMahon, Associate Dean International at The Open University Business School, said: "Our international reach and unique student support model ensures we can provide a high-quality British education to our students in their countries, rather than requiring students to travel to the UK. The economic downturn is being experienced globally but our practice-based approach to business and management education enables students to improve their career prospects without having to give up their jobs, and to continue their studies if relocated."

“The Open University’s successes and pioneering spirit will be recognised and reflected in many events across the country.”

40th Anniversary



The Open University celebrates 40 years as a world leader in higher education and technological innovation this spring.

While remaining true to its founding principle of being Open to People, Places, Methods and Ideas, the University looks forward to developing its pioneering spirit in a new era.

To mark the anniversary, The Open University has launched a programme of events and activities across the country, including:

- **Open Unlimited, held on Saturday 27 June 2009, will be an opportunity for visitors to tour the Milton Keynes Campus. Highlights from the four decades of Open University history and future plans to face the challenges of the 21st century will be on display.**
- **An Anniversary Reception will be held at 10 Downing Street by the invitation of the Prime Minister on Thursday 25 June 2009.**
- **The Four Nations in Celebration consists of a series of dinners in England, Ireland, Scotland and Wales to bring together our supporters, major donors and partners.**

40th Anniversary Project Manager Shirley Jones explained that “a fundamental element of the celebration is to reflect the achievements of The Open University during its 40-year history.”

The various events being held will ensure that “The Open University’s successes and pioneering spirit will be recognised and reflected in many events across the country.”

The most northern celebration will be held in the Shetland Islands where there is the highest proportion of Open University students per capita.

The University will be ferrying over the mace and all the robes for a special degree ceremony in the islands.

In Edinburgh, honorary graduate Jung Chang, author of *Wild Swans*, will give a lecture, and a concert marking the opening of the regional office in Gateshead will coincide with the 40th celebrations at the Sage Centre.

2009: 40th Anniversary

The Open University celebrates its 40th anniversary.

1998: 200,000 graduates

In 1998 The Open University celebrates the 200,000th graduate at the same time as the 25th anniversary of the university’s first graduation ceremony.

1983: The Business School opens

1,600 students enrolled on the first two courses – ‘The Effective Manager’ and ‘Personnel Selection and Interviewing’ – immediately making the Business School one of the biggest business schools in Europe.

1980: 70,000 students

By 1980, total student numbers had reached 70,000, and some 6,000 people were graduating each year.

1970: The first student applications

By the middle of 1970 there were enough applications from potential students to make The Open University viable. In January 1971 the first students began work on their first units of the first foundation courses.

1969: Preparations in 1969

The first group of staff was appointed and started in May 1969. By September 1969, The Open University transferred to Milton Keynes with 70 to 80 people.

1966: The Planning Committee

In the 1966 election, Mr Wilson was returned with an increased majority and in September 1967 came the crucial Cabinet decision to set up a Planning Committee ‘to work out a comprehensive plan for an open university’. Walter Perry was appointed as the first Vice-Chancellor.

1964: Harold Wilson and Jennie Lee

The newly elected Prime Minister Harold Wilson appointed Jennie Lee as Minister for the Arts, and asked her to take over the University of the Air project, moving her to the Department of Education and Science.

1962: A response to the problem of exclusion

In an article for “Where?” Magazine Michael Young proposed ‘an Open University’. In March 1963, a Labour Party study group presented a report about the continuing exclusion from higher education of the lower income groups. They proposed an experiment on radio and television: a ‘University of the Air’ for serious, planned, adult education.

1926: The idea

In 1926 the educationalist and historian J C Stobart wrote a memo, while working for the infant BBC, advocating a ‘wireless university’.

First person: **A true high-flyer** – Jo Salter
 Words: Yvonne Cook

A true high-flyer

You can put some kind of a label on most people but not **Jo Salter**. Is she a fighter-pilot turned business consultant? Or an Open University business tutor with a portfolio career? Yes, and yes... and much more besides

For a real high-flyer, Jo comes over as remarkably down-to-earth when I meet her. She was the UK's first-ever female fast-jet pilot and only the fifth of her kind in the entire world.

As a member of the legendary 617 Dam Busters squadron she policed the 'no fly' zone in northern and southern Iraq in the 1990s, and on at least one occasion had enemy missiles locked on to her aircraft. Yet when I ask her if she had any 'hairy moments', she seems mildly surprised. "It's part of the job," she says. "It's something you've been trained very well for, and you're surrounded by other people who are doing the same thing. You know what your mission is. You know what you have to achieve. You do it in a very controlled manner."

How was it being the first woman in such an archetypal male, high-testosterone environment? She says it had challenges. Did she encounter hostility? Yes, but also the opposite. How did she cope with the hostile people? "I found one of the most important things was to have a capacity for humour."

Jo gives you the feeling that, wherever life takes her; she will take it in her stride. But although she may be ice-cool under pressure, she's warm and empathetic to chat to, although clearly very focused. She joined the RAF at 18 to train as an engineering officer. The RAF sponsored her to study for a degree in electronics engineering under its cadetship scheme. Had she always harboured an ambition to fly?



“Experience and skills we learn are transferable; such as those I gained in the airforce, they become part of our character, part of our make up and the way we behave in our future life”



Photograph: Carl Fisher

617

Jo was a member of the legendary 617 Dam Busters squadron she policed the ‘no fly’ zone in northern and southern Iraq in the 1990s, and on at least one occasion had enemy missiles locked on to her aircraft

“No, when I joined the RAF women weren’t allowed to fly. It would have been a waste of energy wanting to fly when it wasn’t an option.” But in 1989, the year she graduated, the government unexpectedly lifted the ban on women pilots. “I decided to try for my aptitude tests,” says Jo. She passed, and found herself training to be a pilot. “It wasn’t until I actually flew my first trip that I found I loved it.”

Whatever it takes to make a pilot, Jo had it in spades – she survived the tests and rigorous training designed to weed out the less gifted, and was selected for the crème de la crème – fast jets. She joined the 617 squadron, flying a Tornado GR1, and then went on to become an instructor on the Hawk, the aircraft flown by the Red Arrows. She left the RAF in 1999; in 2004 she told a BBC documentary, *Inside Out*, that after she returned from maternity leave the air force was unable to offer her a job which reflected her skills and experience. She now says: “It was a transformational time for the RAF. They were having women in the front line for the first time, which was a cultural change of quite mammoth proportions.

“Being at the forefront of change is exhausting. I knew I didn’t want to be in it for the long term.” The birth of the first of her two daughters in 1998 changed her priorities. She adds “I love flying, but I also love my children.” She continues to fly at weekends teaching air cadets and university air squadron students in the RAF’s Air Experience Flights (training units).

Was her time in the air force relevant to her later life in business? “Absolutely. Experience and skills we learn are transferable; they become part of our character, part of our make-up and the way we behave in our future life.”

Which of these skills does she reckon have been the most useful? “Capacity – the ability to learn and to cope with a number of things going on.

“Handling stress. I work really well under stress. I fire on all four cylinders when things are busy and hard. But I also know that I work to that peak and then burn out. I need to stop and repair myself and then go on again. No one can go on indefinitely and the higher the level of stress, the shorter you can keep on.

First person: A true high-flyer – Jo Salter
Words: Yvonne Cook

While serving in the RAF, she had developed another string to her bow by studying with The Open University Business School. Jo achieved her MBA just six months after leaving the air force

“And focus – there is a time to be focused, and a time not to be. When you’re flying, you need to look out a lot, as well as focusing on a target; similarly in business, sometimes we need a ‘scattergun’ approach, while sometimes we really need to narrow things down and pinpoint what we have to do.”

Handling change seems to come as naturally to Jo as flying. While serving in the RAF, she had developed another string to her bow by studying with The Open University Business School. Jo achieved her MBA just six months after leaving the air force. Capitalising on her electronics engineering degree, she joined an IT company and spent two-and-half years working full time in industry. Then the birth of her second daughter, now six, precipitated another lifestyle shift to a portfolio career: a mixture of management consultancy, speaking engagements, writing, teaching and making things happen.

Her consultancy work is in both the public and private sector and ranges from strategic audits and analysis to project management, programme management and change management. Her contracts have ranged from a one-day workshop to an 18-month stint. At the same time, rather by chance, she has also discovered a new vocation as an inspirational public speaker. “I was invited to speak at the Women’s Leadership Summit for the Institute of Directors. That was my first speech. The feedback I had was very positive – and I enjoyed it.” She has also been an Open University Business School tutor since 2000, on the Professional Certificate in Management course. The thing she really enjoys about it, she says, is the relationship with her students.

Then there’s her writing. In January this year her second book, *Energize!*, was published, a follow-on to her debut co-published book on the same topic, the energy within ourselves, and how to make the best use of it. “I believe that the energy we put into our lives and into our relationships is key to everything. We are all just made up of energy. The book is for anyone who wants to understand what energy means to them and how to improve it, so they can be more, do more, achieve more.”

Currently Jo’s greatest focus of interest is her support for Global Angels, www.globalangels.org, the international children’s charity that acts as an umbrella organisation to raise funds and support for dozens of grassroots organisations across the world fighting child poverty, enslavement and disease. The charity enlists individuals and corporations as ‘Angels’ who put their compassion into action in various ways. Jo says she was drawn to the organisation by the passion and belief of Global Angels’ founder Molly Bedingfield (mother of singer-songwriter Natasha Bedingfield, who acts as an ambassador for the charity). Jo describes her role as a Global Angels Ambassador and sees it as an opportunity to use her business skills “where they are needed most”.



Jo has been an Open University Business School tutor since 2000, on the Professional Certificate in Management course. The thing she really enjoys about it, she says, is the relationship with the students

Photograph: Crown Copyright/ MOD. Image from www.photos.mod.uk



She says it is really important to live and work by the values which are the most fundamental to her: integrity and honesty. “I’ve made a choice about who I wish to work with: people who are like-minded. That way I can be content and positive in what I do. You might as well be true to yourself. It’s not a long life, and it’s very easy to shape ourselves into something we’re not, to fit in with other people’s expectations, rather than understanding our own skills.

“When I work with young people I always say to them: ‘when is it that you find time disappears because you are totally focused on what you are doing and are using your skills?’ Because if you draw together your skills, and what you love doing, and work in that environment, then surely you are in the right place.”

I asked Jo if she had any message for the readers of *Business Matters*. “It’s all well and good to have skills and talents and beliefs and values but life is also about opportunity – and not just recognising and grasping the opportunities when they present themselves, but giving opportunities to others. There are business people out there who have skills and talents and I would encourage them to give these – perhaps through mentoring, or some other way – to our young, who are our future.”

On a more pragmatic note I ask if she has any tips for surviving the recession. “Use networking and support groups. You still need to bounce ideas off each other and come up with things, and rather than paying for someone outside to come along and do that, it can be done, usually, from within.”

Having just turned 40, how does Jo see her career developing? I’m not surprised to hear she resists the certainty of a mapped-out path, preferring to fly by the seat of her pants. “I don’t know what the future holds. But my ambition is to do more with Global Angels.”

Have I heard the old story about the starfish on the beach, she asks? No, I reply. “There’s a boy walking along a beach where hundreds of thousands of starfish have been washed up. He’s picking them up and throwing them back into the sea, when a man walks up and says: ‘Son, what are you doing? There are hundreds of thousands of starfish. What difference do you think you can make?’ And the boy picks one up, throws it in and says: ‘Well, I made a difference to that one.’ I suppose that’s the future; I’m going to throw a few starfish back into the water.” **BM**

FURTHER INFORMATION

Energize! by Jo Salter is published by Hamlyn.

 www.josalter.com

G20 London Summit

Academics at The Open University Business School have had the privileged opportunity to help shape the debate at the G20 London Summit **Richard Cooper** reports

To complement the summit at the Excel Centre in Docklands, the Government solicited the input from individuals and organisations, including academics, young people and non-governmental bodies. The London Summit Academics Forum, hosted by The Open University Business School gave anyone with access to the internet the chance to take part in discussions about the future of the global economy.

Paul Mylrea, Director of Communications for the Department for International Development and an Open University Business School MBA, said "The Government wanted to hear the voices of different sectors. I put The Open University Business School in touch with the Foreign Office which was leading the G20 website and we are delighted to see an academic debate that has real relevance. It is a real example of how The Open University Business School can bring its academic expertise and practical management expertise to the fore and play a major part in the G20 debate." The online academic forum also demonstrates how The Open University Business School can play an important role informing policy makers.

James Fleck, Dean of The Open University Business School and Professor of Innovation Dynamics said: "Open University academics can help and inform the debate by giving the politicians some thoughts to take forward and build into policy decisions. More importantly, academics can form and shape debate at a more fundamental level in their contact with some of the individuals they teach who then go on to become politicians themselves. Academics have an advantage in having formally recognised skill in conducting thorough research, closely scrutinising the issues and reflecting on their findings."

"The website is a commentary and it puts everything into context and above all it helps broaden out the discussions, so that people do not plump for over-simplification," said Professor Fleck.

The Open University Business School is increasingly evolving its mission to become a global business school by looking beyond the constraints of the Anglo-American perspective and is looking at financial systems from around the world as alternative models. The Islamic system in particular deals only with tangible assets rather than the complex financial instruments of the Western world which have gone too far. Professor Fleck concluded "The financial system is not a natural phenomena – it's human. Therefore we can change it and reconstruct it." **BM**



Photographs: News Team International

The online academic forum also demonstrates how The Open University Business School can play an important role informing policy makers



THE LONDON
SUMMIT 2009
STABILITY | GROWTH | JOBS

1999

The inaugural meeting of the G20 took place in Berlin, December 1999, hosted by German and Canadian finance ministers

Regulators have been persuaded by the banks that banks could understand risk better than the regulators

Last month the eyes of the world were firmly focussed on London for the G20 summit and The Open University Business School played a key role hosting the London Summit Academics' Forum.

The online forum at www.open.ac.uk/oubs, endorsed by Foreign Secretary David Miliband, argues that it is dangerous for world leaders to concentrate on a narrow macro-economic view of the global recession.

Academics at The Open University Business School acknowledge trade imbalances and the subsequent flow of savings from Asia to the West, fuelled consumer spending and created an unsustainable boom. However, they say if micro-level issues of governance and regulatory failures are ignored, new measures will merely gloss over the real human and managerial shortcomings.

Alan Shipman, Lecturer in Economics, says the danger of the macro-imbalance argument between the Eastern and the Western economies is that it ignores what was happening in the retail markets. The channelling of Asian capital into North America and Europe produced cheap capital in the Western banking systems. Instead of investing this capital in research and development, long-term industrial investment or the creation of new assets, it was put into the revaluation of existing assets in particular housing in the US and the UK.

Janette Rutterford, Professor of Financial Management, holds that the financial collapse was due, in part, to banks stress testing individual products, but failing to test what would happen if many products or banks suffered at the same time. As a result, there was a domino effect which meant that banks who thought they were immune were also affected. Professor Rutterford explains: "Part of the problem is not that there has been no regulation. It's that regulators have been persuaded by the banks that banks could understand risk better than the regulators."

Did bankers understand the complex financial instruments they were using and the risks they were taking? Probably not, says Martin Upton, Centre Head for Finance and Lecturer in Finance. He advocates that all executive and non-executive directors should have to pass an exam on risk management before being allowed to sit on boards of financial institutions. Mr Upton said "If you have bonuses they should be linked to the long-term relative share performance of the shares issued by a bank. There should be more remuneration to base salary rather than bonus. Bonuses have just been used as a one-way bet by those in senior positions within banks."

Dr Devendra Kodwani, Lecturer in Finance, says compounding the problem were managers in banks who put their own remuneration interest ahead of the risk they were creating.

Credit ratings agencies failed to understand the complexity of the risks of securitised investments they were rating. Companies offering insurance for products that were inherently very risky, also failed in their principles. Dr Kodwani said "The net result is a crisis of confidence that has lingered on as trust is lost by all stakeholders. This trust was evolved over decades but was destroyed in a few months." **BM**



10 years

Within 10 years of Meles Zenawi creating a Management Training Programme in Ethiopia more than 240 Open University MBAs were awarded

SUMMIT SPOTLIGHT: MELES ZENAWI

AFRICA'S representative at the G20 London Summit, Ethiopian Prime Minister Meles Zenawi (pictured left) is an MBA alumnus of The Open University Business School.

Mr Meles, who attended the summit in his capacity as chairman of the New Partnership for Africa's Development (NEPAD), pressed the summit to address issues that must be tackled to ensure that the continent remains on the path to development.

The Ethiopian Prime Minister said "As an MBA graduate of The Open University Business School, I am delighted they are hosting this online academic debate as part of the London Summit. The Business School's depth and breadth of expertise in management and leadership, along with its unique global reach, will ensure debate that is rigorous, comprehensive and international in scope. Debate of this kind supports my mission, as Chairman of NEPAD, to ensure the needs of African nations are given priority at the summit, for it enables people in Africa – indeed, around the world – to have their voices heard."

Mr Meles swept to power in Ethiopia in 1991, when rebels of the Ethiopian People's Revolutionary Democratic Front took Addis Ababa after coming down from the Tigrayan highlands in the north.

Although Mr Meles had previously studied medicine in the capital, he had no experience of running a country. He was advised by a friend to take up an MBA at The Open University Business School. After making inquiries, Mr Meles discovered The Open University was able to receive funding from the United Nations and support from the British Counsel and began to deliver a management training programme.

Ten years after initiating the programme in Ethiopia more than 240 Open University Business School MBAs were awarded to senior civil servants, military leaders, the majority of the cabinet, and the Prime Minister himself.

This had a huge effect in moving Ethiopia from a command economy to a mixed economy.

In an interview with the *Financial Times* ahead of the G20 summit, Mr Meles said "As a result of the global financial crisis, many of our gains in the past decade could be washed away. Apart from the misery it will cause, it could rekindle all the dormant conflicts in the continent. The misery could precipitate political crises and social crises which could lead to violence and the collapse of states. The main impact is not related to the financial sector in Africa which in any case is miniscule. It is directly impacting on the real economy. Our exports are facing difficulties because the demand is not there, prices have collapsed and financing has all but collapsed."

In conclusion, he said: "My hope is that people will recognise that this is a global economy. If they have not recognised that already, I think this crisis should make it abundantly clear to everyone that whether we like it or not, we are all in the same boat. The stimulus package they have should be viewed as a global package and to some extent every dollar spent should be evaluated as to how much stimulus impact it would have. Dollars spent in Africa, would in my view, have a bigger stimulus impact than it would have elsewhere." **BM**



Photographs: News Team International.

Recession advice: **Survival of the fittest?**
Words: **Professor Malcolm Prowle**

Survival of the fittest? No, survival of the most adaptable

Professor Malcolm Prowle urges businesses that radical thinking is needed if they are to survive the worst economic downturn since the Great Depression of the 1930s

Over the past twenty years or so the UK and many other countries have been guilty of massive over-consumption, living beyond their means and borrowing more money than they could afford. And come the end of this historic economic episode, society might look very different.

In the light of such possible changes in consumer behaviours and societal attitudes, businesses need to be thinking about a long-term survival plan, one that will insulate them against a potential five-year profit squeeze. Managing cash is crucial, and accepting low profitability might work for 18 months but isn't a feasible long-term option. Focusing on retention of customers and staff and cutting budgets to the bare minimum are only short-term solutions. Business owners must look further ahead and consider more radical changes to fight off the effects of the long-term and deep depression. Three suggested approaches are (a) business restructuring, (b) forging of partnerships and (c) business mergers.

Business restructuring

Think big, like a revision of product specification, a change of operational location or a different way of distribution. An even more extreme strategy could be to withdraw from the current line of business completely and consider investing in an alternative line of business more suited to the times. But beware: changing a business model is a challenging task and it needs a certain amount of time to devise and implement in order to minimise any potential alienation to customers and risk to the business. However if executed intelligently it can prove to be an effective safeguard.

Strategic directional change can be profoundly unsettling due to the nature of the unknown. It is vital to research new markets before diversifying, which is exactly what Apple did when its iPod was playing second best to the MP3 players on the market. In 2000 Apple acquired SoundJam MP and just nine months later entered the digital music distribution market with the launch of iTunes. Not only did this bolster the bottom line but it also changed the way in

Tesco has developed the flexibility and insight to compensate for the changes in the consumer landscape since it was founded in 1919





Photograph: Gordon Joly

5 billion

Over 5 billion items have been downloaded from iTunes and it is now worth an estimated \$8.4 billion



which the music industry operated. As a testament to the success of this business strategy, over 5 billion items have been downloaded from iTunes and it is now worth an estimated \$8.4bn.

It might have felt different for Jack Cohen when he founded Tesco in 1919. Back then he simply sold surplus groceries from a stall in the East End of London. It wasn't until in 1973 when Leslie Porter, Cohen's son-in-law, took on the role of chairman and revolutionised the business strategy, that the retail giant was truly born. Eighty years on, Tesco has developed the flexibility and insight to compensate for the changes in the consumer landscape and diversify into additional business sectors beneficial to its customers.

From the humble beginnings of a fruit and veg stall, Tesco's portfolio of products has expanded to include personal finance, electrical goods, clothing, home furnishing, telecommunications, fuel and garden centres. Together with the desire to appeal to a greater target market, its distribution outlets have also widened to include supermarkets, large out-of-town multi-department stores (Tesco Extra), inner-city stores (Tesco Metro), residential convenience stores (Tesco Express and One Stop) and an e-commerce store (Tesco Direct).

In these cases both Apple and Tesco fully understood the needs, decisions and attitudes of their customers and their success speaks for itself. But what about those companies where the risks

were too great and it didn't work?

Entellium, a supplier of customer relationship management software, had redesigned its product to make it feel more like a video game. The new product enabled salespeople to win points on the system for performing relevant operations such as entering data. The rationale was based on a stereotype that salespeople are competitive and an on-going consumer trend of computer game consumption.

This 'all in' bet proved fatal as sales quickly dwindled, and the situation at Entellium worsened as CEO Paul Thomas Johnson and CFO Parrish Jones fabricated sales figures. It was hoped that this 'fake it till you make it' ethos would entice investment from venture capitalists, but in reality this resulted in them both being arrested by the FBI in 2008 and charged with "devising a scheme to defraud investors in the company by representing that company revenues far exceeded the actual figures."

Working partnerships

There have always been strategic partnerships, take the example of automotive companies and parts suppliers. However, the issue here is a different type of partnership, one that aids survival by sharing costs and resources and developing synergies. Economies of scale can be achieved as service providers pool resources, namely shared buildings, shared equipment, shared specialist staff

and back office functions. New products can be developed which couldn't be done in isolation.

Partnership working coordinates action between organisations which can provide additional momentum to get things done. It also allows many organisations to access valuable funding and comply with government requirements.

But in the same way that a change of business direction is challenging, a working partnership presents its own set of hurdles. Firstly, competition between organisations can act as a motivational tool but excessive competition can result in an unwillingness to cooperate. It's also vital that all staff involved in partnership working have the necessary authority to take decisions. A lack of authority slows up decision making and frustrates business progress.

The media industry has been leading the way with working partnerships, with the Daily Mail group granting office space to the Independent titles, the Newsquest/Gannett print deal with Trinity Mirror on Teesside and the Telegraph media group titles being published by News International. However, in the USA competing newspapers have taken steps to share not only the costs of distribution but also editorial content.

The Dallas Morning News and the *Fort Worth Star Telegram*, two daily newspapers in Texas, have surprisingly been sharing picture resources and feature content since November last year! These are not small papers by any means. *The Morning News* sells 368,000 copies on weekdays and 500,000 on Sundays, while the *Star-Telegram's* last circulation audit showed it selling 210,000 on weekdays and 304,000 on Sundays. But advertising has fallen dramatically in recent months, impacting on the overall revenue.

These businesses don't view each other as competitors any more; they have a common goal in addressing the challenges presented by an ever-fragmenting media landscape that has affected readership figures.

Mergers

Under the spectre of a post-depression society, a business may come to the conclusion that it does not constitute an independent viable business entity in the longer term. There may be other businesses in the same position and so a merger may be the most feasible option - minimise competition, increase market share and guard survival. Currently, investors aren't shy about backing business ventures; there is actually some evidence to suggest that they see opportunities in the present situation since share prices are so low.

We're now in a position where we need to plan based

on the real-world situation rather than optimistic aspirations. And looking at pessimistic economic scenarios as well will help businesses manage expectations and ensure effective action is taken. It seems apt to conclude with Charles Darwin's sentiment that "it is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change." **BM**

In the USA competing newspapers have taken steps to share not only the costs of distribution but also editorial content



Photograph: DeWann Simmons

ABOUT THE AUTHOR

Malcolm Prowle is a Visiting Professor at the Centre for Financial Management at The Open University Business School. He is currently engaged in research looking at business perceptions of the current economic climate and how businesses plan to deal with the challenges they face. He would welcome any comments on this issue.

Email: m.prowle@open.ac.uk

What is the real social responsibility of businesses?

Dr Anja Schaefer discusses her theoretical research of corporate social responsibility

'The social construction of corporate social responsibility through discourse' is the theoretical research paper of Dr Anja Schaefer of The Open University Business School and Dr Lutz Preuss of the School of Management at Royal Holloway, University of London, looking at the hypothesised concept of the role that business plays in society. The objective is to develop an account of how an agreement or social idea is reached in relation to what corporate social responsibility (CSR) actually is.

Dr Schaefer's innate fascination with business and society is the impetus for the research. "I'm more interested in business as an aspect of social life than I am in working out how one can make business organisations work better. I'm interested in it as a social institution, what makes society tick and the role different social actors have," she explains.

"Corporate social responsibility and the wider ethics of business plays a crucial part in how society works; understanding the role it has, the role it could take and the role it should have are all vital aspects of modern society."

The dearth of descriptive theory on corporate social responsibility has fuelled Dr Schaefer's passion to create a comprehensive discourse. "There's a lot of normative theory about what companies should do and a fair bit of strategic writing which is really about why it is in the firm's interest to take its corporate social responsibility seriously. But in the opinion of my colleagues and me, none of that really explains why organisations actually do take it seriously."

Since much of the strategic writing is not conclusive, it can't give a clear indication of how effective CSR actually is or how it improves the bottom line as there are too many variables involved. Dr Schaefer is therefore attempting

*Corporate social
responsibility and
the wider ethics
of business plays
a crucial part in how
societies work*

**BUSINESSES
FOR CSR**
**SUPPORTING &
INFLUENCING SOCIETY**

There are a number of individuals and organisations who have significant power to influence the way in which discourse is shaped: the likes of pharmaceutical giants and global oil companies.

to prove a theoretical account of how the idea of CSR is constructed between various social actors. These include, not only businesses, but governmental organisations, civil societies and in the wider sense of society, customers and local communities.

The basic argument is that by talking about the implications of CSR and by constructing a discourse around the role of businesses in society, the norms of what a company should be doing are being established. However, through the same means, these norms are being contested. "Whenever you have a dominant idea of what business is for, social resistance is a natural product. For example, during the past 20 years we've had a very strong free market and businesses have been seen as exploiting shareholders, which has generated discontent in the majority of society," explains Dr Schaefer.

Power also plays a pivotal role. These ideas aren't being constructed in a power vacuum, and not all parties involved in CSR have an equal influence. "When looking at some of the writings on conceptualising discourse ethics, the idea of ethical norms being produced through discourse, conversations and communications is the idea of deliberative democracy. However, the aspect of power is almost absent from the discussion. It's like everyone is sitting around the table being entirely open and power differences won't have an influence on the outcome of these deliberations. This may work in an ideal world but in practice of course power is a variable."

There are a number of individuals and organisations who have significant power to influence the way in which discourse is shaped: the likes of pharmaceutical giants and global oil companies. Clearly, the strong influence of the free market and the liberal argument has fostered powerful financial interests and notable political power. However, other forms of power exist not just as a tool for profiteering but for protection.

In 2003 the world's second biggest oil company was fined hundreds of millions of dollars and was forced to spend more than \$1bn (£590m) cleaning up pollution from 28 years of oil extraction in Ecuador. The court action was brought by 30,000 indigenous people whose lives and livelihoods were damaged by the company's operations between 1964 and 1992. According to the original lawsuit, Texaco extracted 1.5bn barrels of oil during the years it spent in Ecuador, and disposed of its waste in 600 open, unlined pits, many of which leaked and affected water supplies. Furthermore, up to 1m hectares (2.5m acres) of rainforest along the route of Texaco's pipelines and wells were polluted or destroyed. The case was brought to the world's attention by Amazon Watch, a leading US-based environment group. This leverage of power acted to secure social responsibility of the company involved. This is something that wouldn't have been considered 30 or 40 years ago, but society's elevated expectation of businesses obligations is now a force not to be taken lightly.

Dr Schaefer and her team employed a number of different theoretical approaches. These provided a framework that challenged every facet of the research. "On one hand we're looking at the conceptualisation of discourse and resistance to dominant discourses, on the other we're looking at the Habermas discourse of ethics. These are the two ways in which we're conceptualising the discourse ethics and they're quite contradictory, which has taken the research in different directions."

Jürgen Habermas, a German philosopher and sociologist of critical theory



£590m+

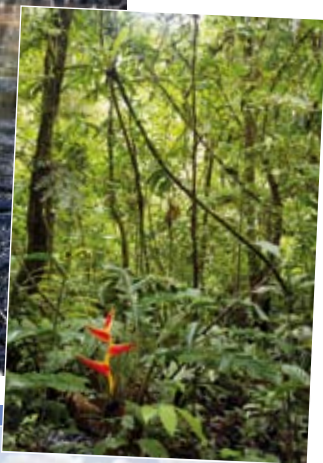
The sum in 2003 Texaco was forced to spend cleaning up pollution from 28 years of oil extraction in Ecuador



As there are no conclusive theories to support the business decision-making process, there continues to be an institutional failing to see the bigger picture.



Photograph: Keiyama



Photograph: Richard Miller

and American pragmatism, is perhaps best known for his work on the concept of the public sphere. His work focuses on the foundations of social theory and the limitations of knowledge, the analysis of advanced capitalistic societies and democracy, the rule of law in a critical social-evolutionary context, and contemporary politics. Habermas's theoretical system is devoted to revealing the possibility of reason, emancipation, and rational-critical communication in modern institutions and in the human capacity to deliberate and pursue rational interests, all of which mirror the motivation behind Schaefer's research.

"As far as power is concerned we're taking Steven Lukes' framework, as quite frankly he actually seems to have something sensible to say about power."

Lukes developed a three-part idea that doesn't just look at how power is used to make something happen, but also at how it can be manipulated so that nothing happens. The third thread is how power influences the general consciousness in such a way that certain questions aren't asked. For Dr Schaefer this seemed like the most comprehensive way of looking at power. "It is difficult to conceptualise power in the abstract and so far Lukes seems the most promising to us."

Just as these theoretical frameworks have evolved to provide a platform from which further research has been launched, the trend of CSR will also change. But can we anticipate how this might happen or what the effect might be on society? "There is no hard and fast way of knowing what exactly will happen with CSR. One thing is certain: if there ever came a point when the general business consensus was that CSR must come before everything else, this would automatically breed resistance. First and foremost businesses need to make money. If businesses are overloaded with all these additional obligations and don't make money, the common voice would chant that this is no way to run an economy."

The force for change seems to be driven by the studies of academics rather than business, which poses the question: do businesses need to be made aware of the position of responsibility they hold in society? Are business leaders demonstrating a genuine understanding of the role their decisions play? Dr Schaefer thinks many businesses have come into contact with the concept of CSR, as it is talked about and written about much more. However, as there are no conclusive theories to support the decision-making process, there continues to be an institutional failing to see the bigger picture.

Unfortunately for many big commercial organisations, CSR has become just another marketing tactic, making many people wary of the genuineness of it. Now there is already resistance to CSR being leveraged as a commercial tool, which is understandable as it is another example of businesses furthering progression via the exploitation of others. This view highlights the importance of addressing the critical arguments about business and society.

"I think CSR can easily be used as a way of deflecting criticisms at some level. It's not necessarily done out of the goodness of people's hearts. This is why I am trying to contribute to a more descriptive and explanatory theory of the subject."

There are many discussions on this topic and a number of influential adopters are scratching the surface in terms of effective CSR. Can we expect more businesses to see its value to society? Will CSR evolve into a discipline rather than simply paying lip service to a fickle agenda? Only time will provide answers to these questions. The aspiration is that the new CSR discourse will have the potential to exert power by creating a standard of legitimacy and a tangible accounting theory for both business and society. **BM.**

Research round-up: **Small firms in London hit hardest by the recession**
 Words: **Richard Cooper**

Small firms in London hit hardest by the recession

Small firms in London have been hit harder by the economic downturn than their counterparts in the North East, according to research by The Open University Business School

The most recent Quarterly Survey of Small Business in Britain, sponsored by Barclays Bank and the Finance and Leasing Association, found that small firms are the worst affected, but sales of medium-sized firms with more than 50 employees are holding up.

Colin Gray, Professor of Enterprise Development of The Open University Business School, said "Our survey found that small retailers in London responded to the crunch by cutting employment, while those in the East Midlands and East of England reverted to cutting investment. The construction and agriculture sectors also reduced investment, while wholesalers preferred to slash prices."

The survey revealed that the financial crisis in the City of London may well have contributed to the clearest north south divide for some time. The capital is the region where balances of small firms (the percentage of increases minus falls) have seen their sales fall over the past year by an average of 7 per cent. In the North East and Scotland, meanwhile, the balance of sales over the past year have risen by 18 per cent and 12 per cent respectively.

Small firms in London have also cut employment the most, by a net balance of 9 per cent.

Businesses in the East Midlands and East of England have most often cut investment, both by a balance of 8 per cent.

The survey notes that for the past two years retailing has been one of the two small business sectors suffering the most negative impacts of the downturn. While nearly a third (32 per cent) of small retailers report that their sales were higher in the third quarter of 2008 than for the same period the year before, some 44 per cent report a drop. More small retailers have shed employees during the year than have recruited new staff, but there has been no change in staff numbers for more than three-quarters of firms.

Further up the supply chain, the survey for the previous quarter found that small wholesalers had reported better sales than the quarter before, which had highly negative



	Sales Turnover	Average Employment	Investment	Selling Prices	Sample
Agriculture, Forestry, Fisheries	+15%	-5%	-6%	+43%	65
Manufacturing	+15%	0%	+6%	+36%	183
Transport, Travel	+16%	-4%	-2%	+12%	49
Construction	-10%	-12%	-4%	+7%	119
Wholesale	-4%	-6%	-2%	+15%	130
Retail	+11%	-6%	0%	+31%	254
Hotels and Restaurants	+7%	0%	+6%	+40%	84
Business Services	+9%	+4%	0%	+14%	288
Health/Education/Leisure/Other	+17%	-2%	+10%	+33%	109
All (weighted by sector)	+5%	-3%	+2%	+24%	1281

44%

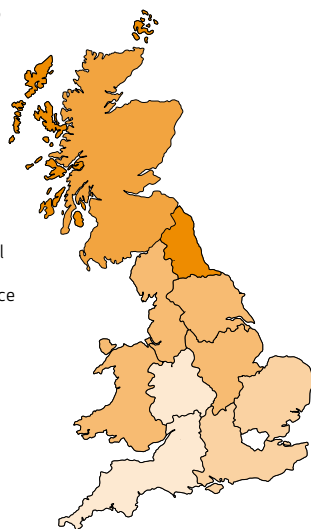
Nearly a third (32 per cent) of small retailers report that their sales were higher in the third quarter of 2008 than for the same period the year before, while some 44 per cent report a drop



Photograph: itsleafy

+18%

Actual
Sales
Balance



-7%

results. Falls in balances for other sectors made them the most positive sector. However, their performance remained relatively low compared with previous years, and their negative balance for investment displayed a lack of confidence in the medium term.

In the construction industry, more than a quarter of small firms have cut staff during the past 12 months, a balance of 12 per cent, the worst hit of all sectors. They are also among the sectors which have cut investment the most.

The few sectors that reported a better performance than the previous year's survey include hotels, restaurants, pubs and cafés.

Small business service firms also report marginally better performance than in the previous survey; this is the only sector where more businesses have recruited staff over the past year than have cut their numbers.

Overall, 45 per cent of small manufacturers taking part in the survey report that their sales are up, while 29 per cent report that they are down. Manufacturing is also one of the few sectors which has not on average cut employment over the year and where a positive balance has increased investment.

The most positive sector for both sales and investment is health, education, leisure and other personal services. Despite this, slightly more of these firms (12 per cent) cut employment over the year than recruited new staff.

Across size bands, small companies with a turnover under £100,000 have seen their sales fall over the year, whereas those with a turnover of £500,000 or more have far more often seen sales rise. Although the number of new firms starting up exceeded those closing by the last quarter of 2008, small business sales performance has continued to fall and short-term confidence has plummeted. The smallest firms and those in London have suffered the most, but pessimism is now universal.

The economic climate is easily the most common small business problem cash flow and/or debtors have jumped into second place. By and large, small firms are net creditors, owed more by their customers than they owe to their suppliers. Thus, on balance, smaller firms are subsidising larger organisations. **BM**

FURTHER INFORMATION

If you would like to buy a copy of the survey, contact Julie Sullivan:

Telephone: 01908 655831

Email: OUBS-enterprise@open.ac.uk

Legally speaking

Specialist intellectual property lawyer **Janet Knowles** on the law, pharmaceuticals and how her MBA helped things fall into place



Eversheds LLP is a very different law firm from the one that Janet Knowles joined in 1981.

When Janet completed her law degree she joined Alexander Tatham, a much smaller law firm which came together with several others in 1986 to start the process which eventually created Eversheds.

Since then it has grown into one of the largest full service law firms in the world, acting for the public and private sector business and finance community.

Eversheds now has 42 offices across the UK, Europe, the Middle East, Africa and Asia. Mirroring the changes within the firm, Janet's role has also developed significantly.

In 1988 Janet became a partner. She specialises in intellectual property (IP) and has responsibility for the team of experts who deal with the pharmaceutical and healthcare industries at Eversheds.

Janet explained: "Where I work now is very different to the place I joined in 1981. The work has changed and the clients have changed. It's now an international heavy weight firm, and we are working with household names. I too am now advising on different types of legal work."

Janet learned most of her specialist knowledge through the job, although an interest in science at school has helped.

"The pharmaceutical industry only exists because of IP. It is part and parcel of their products. We negotiate agreements about the assets. It is

42

From its foundation in 1986, Eversheds now has 42 offices across the UK, Europe, the Middle East, Africa and Asia

"I like the nitty-gritty of the detail and like to learn lots of new things in niche areas where you need a specialised knowledge."

about the IP not the chemicals. It is the IP rights that are key to the industry.

"I like the nitty-gritty of the detail and like to learn lots of new things in niche areas where you need a specialised knowledge.

"I'm not a scientist but I did science at A-level and now have the opportunity to carry on my science by the back door."

"As long as you are open to new things and are not scared of the technology then you are able to deal with the work.

"I have never been afraid to ask questions about a particular subject because if you do not understand some scientific aspect, you usually discover that there was no possible way you could have known it as it is so novel."

Much of Janet's work involves negotiation about R&D collaborations, licensing and setting up clinical trials. Many of her clients from America plan to operate in Europe and she is able to advise them about common rules governing licensing across the continent and the local variations.

Janet stated "As a lawyer my job is to say to clients, 'what if this happens?' In drafting our agreements we are trying to anticipate different scenarios and outcomes.

"In clinical trials, for example, there is a lot of regulation to maintain safety and you have to be careful to fulfil all the requirements. We are trying to get the two parties to come to an understanding about what will happen in certain circumstances.

EVERSHEDS LLP A SHORT HISTORY

2009:

CONTINUED INTERNATIONAL GROWTH

Eversheds now has 42 offices in major cities across Europe, the Middle East and Asia. Office locations include: Abu Dhabi, Amsterdam, Barcelona, Berne, Bratislava, Brussels, Budapest, Copenhagen, Doha, Dublin, Geneva, Johannesburg, Kuala Lumpur, London, Madrid, Milan, Munich, Paris, Prague, Riga, Rome, Rotterdam, Shanghai, Singapore, Sofia, Stockholm, Tallinn, Valladolid, Vienna, Vilnius, Wroclaw, Warsaw and Zurich. In addition, Eversheds has close relationships with preferred law firms across Europe, the Middle East and America.

In 2009 Eversheds has already opened an office in Singapore, and plans to expand further.

2000:

FINANCIAL AND MANAGEMENT INTEGRATION

There is a full merger of financial and management structures across all UK offices.

1995:

UK RE-BRAND AND INTERNATIONAL GROWTH

Regional UK firms drop their own names to re-brand as one firm – Eversheds.

1988:

EVERSHEDS ESTABLISHED

Eversheds is established by Alexander Tatham in Manchester, Broomheads in Sheffield, Daynes Hill & Perks in Norwich and Eversheds & Tomkinson in Birmingham.



"I chose to do an MBA because although I had spent a lot of years working in business and law you were only specifically trained to be a lawyer and not a business person. I thought it would fill in a lot of gaps and that is what it did."

"That then hopefully leaves the agreement left on a shelf gathering dust because everything has been arranged in advance.

"If there are things that arise they are usually resolvable and we negotiate on behalf of our clients. In our area we are negotiating commercial agreements and court is the last resort. You are there to find a way through things."

Janet got into law almost by accident. She enjoyed science at school, and wanted to do a course in which she could apply her analytical way of thinking but did not have the patience to work in a laboratory all day.

Despite being a triple prize winner at Manchester University where she read Law, Janet considered dropping out after her first term.

"After the first term I met my tutor and said that I wanted to give up the course because I really hated it. I thought I should have gone for something more mathematical.

"During that first year, however, I realised I was one of 10 people in a year of 120 who were from a science background and I had a more analytical approach to the subject.

"It was a process of adapting my approach. I enjoyed the subject once I had found my way of dealing with it."

Later on in her career, Janet decided to take an MBA at The Open University Business School to expand her knowledge beyond the parameters of the legal profession.

Instead of asking Eversheds to fund her study, she organised it herself.

"I chose to do an MBA because although I had spent a lot of years working in business and law, in those days unlike today, you were only specifically trained to be a lawyer and not a business person. I thought it would fill in a lot of gaps and that is what it did.

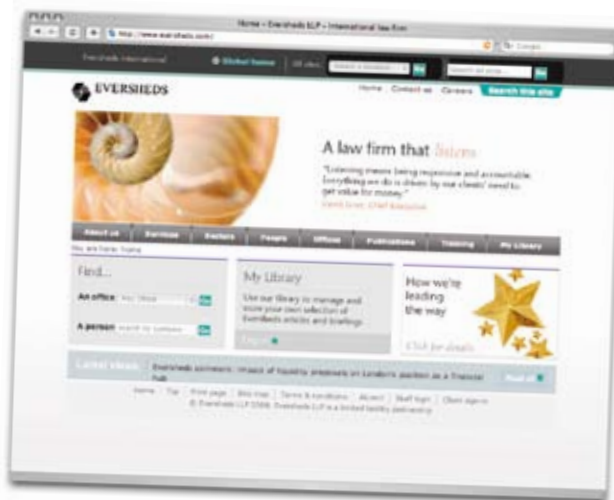
"It was not a course targeted at lawyers so you had a broad range of people whose experiences you could benefit from. I got a lot out of it.

"I learned a lot about myself, the things that I was good at and the things that I was not so good at which I needed to work on. Things fell into place." **BM**

EVERSHEDS LLP COMPANY FACTS

Eversheds LLP and its world wide offices have over 3,500 legal and business advisers providing services to the private and public sector business and finance community.

Access to all these services is provided through 42 international offices in 26 jurisdictions.



FURTHER INFORMATION

For further information about Janet or Eversheds visit its website:

 www.eversheds.com

A new programme for managers

With its toolkit of management theories, techniques and problem-based approach, the professional certificate programme will help you to increase your knowledge, competence and confidence

In May 2009 The Open University Business School will launch a redesigned and refreshed Professional Certificate in Management.

Since 1994 the Open University Professional Certificate in Management has been a popular choice for managers at any level who have had little or no formal management training and want to strengthen their managerial capabilities. The new Professional Certificate in Management has a strong problem-based approach which encourages students to process knowledge as they learn, developing appropriate analytical and practical skills which they can use instantly.

As well as being a recognised professional qualification in its own right, the certificate is also a foundation for further study at postgraduate level. Alternatively, the courses can count towards a degree in Business and Leadership and Management. Crucially, there are no entry requirements; the certificate is accessible to you whatever your educational and training background. Everyone is expected to have some personal knowledge and experience of managing in an organisation, but you need not be currently employed as a manager.

With its toolkit of management theories, techniques and problem-based approach, the professional certificate programme will help you to increase your knowledge, competence and confidence as a new, general or middle manager, whether in the private or public/not-for-profit sectors.

You'll look at your role and how to develop it within an organisational context, learning to recognise your strengths and overcome your weaknesses. You'll learn how to work more effectively with colleagues and staff, covering issues of recruitment, motivation, teamwork and leadership. You'll explore marketing and quality management concepts to help you add value for your customers, understanding and satisfying their needs and communicating with them, and how to interpret and use financial and other information. Finally, you will learn how to use all this knowledge to solve real-life issues and problems. The programme will help you to perform more effectively as a manager, both as an individual and as a team player, by:

- providing a practical course for practising managers
- teaching how to manage, rather than about management, with an emphasis on doing rather than wholly on theory
- encouraging students to investigate workplace situations and how to improve them
- allowing students to take solutions and improvements and immediately apply them to the workplace
- developing key management skills such as managing people, effective planning and decision making
- allowing students to learn with and from other managers; sharing and comparing experiences and knowledge to understand the different contexts in which managers work and the challenges they face.

Professional Certificate in Management

Managing 1:
Organisations and people – 6 months

Managing 2:
Marketing and finance – 6 months


Managing 3: The integration challenge

COURSE DETAILS

This one-year programme comprises three courses. The first two courses Managing 1: Organisations and people (B628 or BZX628) and Managing 2: Marketing and finance (B629 or BZX629) cover four key management areas. The final course Managing 3: The integration challenge (B690) provides a further opportunity to integrate your knowledge and skills gained in the two previous courses by attendance at a residential school (either face to face or online) followed by an examination which tests your ability to think and solve problems across the four study areas.

FURTHER INFORMATION

For further information about the programme visit:

 www.open.ac.uk/oubs/programmes/management-development/certificate-management

The balancing act

Retaining your staff and managing your internal talent, requires balancing both professional and personal development, argue **Charles Elvin and Sue Parr**

For individuals, professional and personal development programmes are valuable for career progression as well as personal improvement. For organisations, they are essential in the battle for talent retention and competitive advantage.

Retention of key talent in organisations, much more than recruitment, is a major commercial and competitive issue. To keep essential individuals, organisations need to invest in their development; the payoff from this investment is the retention of talent and an increase in commercial advantage.

According to research by the CIPD, lack of career development accounts for 39 per cent of departures from firms. A highly proactive and dedicated approach to developing the skills, knowledge and capabilities of employees is consistently one of the attributes of an employer that persuades employees to stay (it is important that it is done in conjunction with other activities such as recognition and appropriate reward). Therefore 'getting the learning right' is a commercial imperative for organisations operating in an increasingly competitive global market.

Learning solutions for organisations and individuals have to deliver through methods that are both lifestyle and 'workstyle' relevant and effective.

Time spent on learning and development has to be seen by employers and individuals as having both an immediate value and a positive long-term impact on capability and employability. Both individuals and organisations are more prepared to invest time and money in courses that have an immediate relevance to the work of the individual and the operational and strategic needs of the organisation.

According to a Labourforce survey done by the Office for National Statistics in 2008, just over a fifth of people in employment (6 million, or 20.4 per cent) work more than 45 hours a week. Learning programmes need to take account of the increasingly limited time available to people for study as well as where they work and their working patterns.

'Workstyle' (the nature and format of work) in comparison to 'lifestyle' has changed, and continues to change

dramatically as the separation between work, home and learning continues to disappear. More people work from home, work across multiple locations, or frequently move location within an organisation. The functional issues which dogged remote learning (and remote working) have largely vanished with the expansion of bandwidth and range of available technologies. As the nature of work changes, it is appropriate that the nature of work-related learning also changes. People have become increasingly used to services being available 24/7 and are expecting a similar flexibility in their learning.

By way of an example, Open University learning solutions provide a blend of face-to-face learning, supported distance learning and on-line learning. Increasingly, the blend also includes social networking activities, simulations, real-time scenarios in technologies such as 'SecondLife', podcasts, webcasts and expert blogs. The generations now coming into the employment market live, work, and learn through the multiple interactions of these technologies.

Learning workstyles

The Open University has led on innovation and changes in the nature and approaches to learning since its creation 40 years ago. The Open University Business School, working in close collaboration with the Open University's Centre for Professional Learning and Development (CPLD), continues to drive innovative solutions for business education. Working in partnership with employers The Open University continues to lead on the development of a range of executive enhancement programmes and plans that focus on moulding the learning solutions around the 'workstyles' of the learners and the needs of the organisation. The quality of the learning content and its credibility is vital for both the individual and the organisation. If it can contribute to formal



*Working in partnership with employers,
The Open University continues to lead
on the development of a range of
executive enhancement programmes*

45 hours

**20.4% or one fifth of all
people in employment
work more than 45 hours
a week**

evaluate the impact it has had on their work and identify what continuing professional development (CPD) they may need in the future.

Finally, learning and development can only play its strongest role in retention if employers have a useful role for the individuals to use their improved skills.

Naturally, it is easier said than done to have ready-made career paths that are in sync with labour turnover and provide the right job at the right time for the right individual at the end of a period of learning. So, where this is not possible, don't be disheartened. The return on investment for both the employer (financially) and the individual (effort and time) can be realised from the moment study begins. Individuals who are being given the opportunity and support to enhance their capabilities tend to work harder and commit more to their current workloads. Employers will see improved performance from sheer endeavour and enthusiasm for the job.

In summary, embedding continuous high-quality development and learning in the 'workstyle' of every individual addresses the challenge organisations have to retain and develop the talent they need to compete in a rapidly changing and increasingly competitive world. Committed, engaged staff are one of the most significant contributors to the success of an organisation, and in difficult financial times that commitment is even more vital. **BM**

recognition or even a qualification, then the perceived value to the learner is greater, and so it increases the attractiveness of the employer providing the development.

Together The Open University Business School and CPLD offer a full range of management development programmes, from its world-renowned MBA, to short online courses designed to meet immediate individual needs, while still making use of The Open University's high quality supported open learning pedagogy.

The Open University Business School and CPLD work actively with employers to design and develop both accredited and non-accredited learning solutions that meet the needs of the learners and provide the employer with proven return on investment through evaluation and sharing knowledge internally. For instance, there is a new accredited course that gives students the chance to reflect on the learning they have already done in their careers,

FURTHER INFORMATION

For more information about The Open University's Business School and Centre for Professional Learning and Development visit:

www.open.ac.uk/cpd

iStudy with The Open University

Apple's iTunes Store built its reputation on music downloads. Now it is giving the iPod generation a taste of Open University courses via the educational download service iTunes U.



Apple launched iTunes U in May 2007 as a place where iTunes users could download teaching material from American universities; participants include world-class institutions such as Harvard, Yale and Massachusetts Institute of Technology. All the material is free to download as Apple does not allow universities to charge.

The Open University and University College London became the first two UK universities to join when the service went international on 3 June 2008. To populate its iTunes U site, The Open University drew on its vast store of video and audio learning material which is an integral part of its courses. You can download material on everything from computing to creative writing. By December the number of downloads from the Open University iTunes U site had passed the two million mark. Languages have been the most popular downloads; The Open University's *Beginner's Spanish* features consistently in the iTunes U Top 20 downloads.

The Open University is continuing to add new video and audio material at the rate of three courses a week, with the goal of having material from 250 courses drawn from across the curriculum on offer on iTunes U by the summer.

Approximately one in seven users of The Open University's iTunes U clicks through to the University's courses and qualifications webpage. Dr Peter Scott, director of the Open University's Knowledge Media Institute, says the venture represents an enormous opportunity for The Open University to reach new audiences for education. "iTunes has something like 50 million users. It has a very high profile worldwide, which will bring The Open University's unique and innovative model of learning to a lot of new and different people.

"This is not just about targeting the 'iPod generation'. We think it will attract older folk too. They don't even need an iPod or an iPhone: anyone who has a computer, PC or Mac, can get iTunes."

You can't get a free degree via your iPod, though. What you download is not entire courses, but short segments, so that download times are not too long. Although iTunes is usually associated with audio, the majority of the Open

OPEN UNIVERSITY iTUNES STATISTICS BASED ON DATA FROM 03/06/2008 TO 22/02/2009

More than **3 million** downloads

Over **160,000 hours** of audio and video downloaded

Over **386,000 visitors** downloaded files

An average of over **5,000 downloads** a week

88% of visitors from outside the United Kingdom

250

The Open University is adding new material at the rate of three courses a week, with the goal of having material from 250 courses on offer by the summer

University material includes video.

Dr Nick Watson, head of sound and vision in The Open University's multimedia production centre, Learning and Teaching Solutions, says files range in length from about one to 23 minutes, with the average being about five or six minutes. "Although the files are relatively short, we organise them in sequences that are meaningful. The uptake so far has been fantastic. It has exceeded our expectations."

In addition to course material, there is also a section on student life within the Open University community and some items on Open University research. Dr Watson says these sections will also grow.

Anyone can download from the iTunes U site but the University is considering developing some material specifically for the Open University community. Dr Scott is already looking ahead to a time when students could download all their course material, including texts, directly to their mobile devices.

"We already use lots of different channels to get our material out – post, broadcasting on the BBC, the internet," he says. "The unique feature of iTunes is that it synchronises very well with mobile devices, the iPod and iPhone. But we don't see iTunes as replacing our existing systems; it will run alongside them." **BM**

"This is not just about targeting the 'iPod generation.' We think it will attract older folk too. They don't even need an iPod or an iPhone: anyone who has a computer, PC or Mac, can get iTunes."

FURTHER INFORMATION

You can find Open University courses on iTunes U at:

 www.open.ac.uk/itunes/

THE OPEN UNIVERSITY

TOP 20 ITUNES DOWNLOADS

1. Beginners' Spanish: Introduction
2. Darwin's arrival on the Galapagos Islands
3. Innovation Design – Government: Actor in the Diffusion Game
4. Introduction to Working with Young People – An Evening on the Streets
5. TESSA: Equal Opportunities for Pupils
6. Energy for a Sustainable Future: Reducing the Consumption of Energy
7. Ouverture: Intermediate French
8. Astronomy: Detecting Galactic Jets
9. Composing with MIDI: A MIDI Studio
10. Textiles in Ghana
11. Using Mathematics: Wooden Tallies for Buying Beer
12. Arts and its Histories: The Purpose of the Louvre
13. The Student Experience: Student Views of The Open University
14. Issues in Brain and Behaviour: Ageing at the Psychological Level
15. Music Printing: Letter Press Technology
16. Art and its Histories: A Royal Art Collection
17. Politics - Spin: Style over Substance?
18. The Arts Past and Present: Ireland
19. Take Away Science: Women in Science Today
20. World Archaeology: Origins of Agriculture



10,000... 20,000... and counting...

The Open University Business School has been helping middle and senior-level managers fulfil their ambition through its MBA programme since it was launched in 1983

MBA ALUMNI PROFILE

DES BOURNE
DIRECTOR
KIELY BROS

The Open University Business School's
MBA graduate number:

10,000

Graduated in:

2001



"The most startling thing that happened when I began the MBA was that it changed my outlook on organisations."

You could call it Des Bourne's 'eureka' moment...

Des, who is The Open University Business School's 10,000th MBA graduate, was lying in the bath reading the Sunday papers when he had an idea which would dramatically change the course of his career.

He remembers: "I saw an advert for The Open University MBA programme which said something like 'Are you bored, are you stuck in a rut, don't know where you are going...?'"

This moment came shortly after a disappointing conversation with his boss about his future prospects for promotion at JDM Accord, a contractor for highways and bridges for Shropshire County Council, where he worked as a divisional manager.

"I told him that I wanted his job and he said 'you've got no chance'," said Des. "He told me that I had worked in the same job all my professional life, I needed a formal qualification and I would need a degree to get the job. I went away after that meeting with my tail between my legs."

Before joining JDM Accord, Des had worked for Shropshire County Council's highways department, which he had joined as an apprentice after leaving school at 16.

Between 1979 and 1982 he worked on his civil engineering apprenticeship before working in special works, which focused on the larger construction schemes.

Des said, "I had always been in construction, until 1986 when I had a chat with an older colleague who said, 'you don't want to be doing this when you're my age' because he said it would be limiting.

"He told me that I needed to get into maintenance, but I had never done maintenance before.

"But a supervisor's job came up with Shropshire County Council and I decided to apply for it and became the youngest supervisor for Shropshire County Council.

"I then had a meteoric rise and ended up running the place."

Then in 1997, after taking his NEBS (National Examination Board Supervisory Certificate) qualification he started his MBA.

He said, "The most startling thing that happened when I began the MBA was that it changed my outlook on organisations.

"It was so wide and varied. A lot of the things we learned were very theoretical and very academic. The great thing was that you could take bits and bobs from the course gurus and cobble them together to suit your own circumstances.

"What impressed me were the practical applications of the tools which I still use today. It changed my whole career direction. I came from operations into senior management and the front end of the business."

In 2001 Des joined Alfred McAlpine, where he helped grow the business by winning £30m worth of business in one year.

Two years later he joined Atkins, the largest multidisciplinary consultancy in Europe, and became a business director for its highway services, winning almost £200m worth of contracts.

This last year he has joined Kiely Bros where he is responsible for major customer accounts. **BM**

Visit www.open.ac.uk/oubs/programmes/mba for further information about studying for an MBA with The Open University Business School

MBA ALUMNI PROFILE

DR CHRIS MARTIN
ASSOCIATE DIRECTOR STRATEGIC ALLIANCES, PFIZER

The Open University Business School's MBA graduate number:
20,000

Graduated in:
2008



Dr Chris Martin, Associate Director Strategic Alliances of pharmaceutical firm Pfizer, has been named The Open University Business School's 20,000th MBA graduate.

Chris's role combines his scientific expertise and business training in his collaborative work with scientists, business leaders and lawyers within Pfizer, its partners in academia and the pharmaceutical and biotech community.

Chris gained both his degree and PhD in chemistry at Loughborough University, but decided part-way through his doctorate that he wanted to broaden his career beyond the field of chemistry.

His first job was for AstraZeneca, where he worked as a chemist among a team of biologists looking at drug metabolism, a departure for the firm, which was intended to diversify its research teams.

Then in 1999 Chris moved to Pfizer. After starting work with Pfizer for five years in scientific roles, he concluded that he enjoyed the project management and people side of his work more than the "deep science". During a restructuring within the company, he took up a business role which led to the opportunity to work in a team which was relocating a laboratory to India. This coincided with the start of his MBA studies in May 2005.

Chris found that he "wanted to get a broader education in business and the way the Open University MBA was structured suited my lifestyle more than the other courses on the market.

"It also fitted in perfectly with the work I was doing in India,

"I wanted to get a broader education in business and the way the MBA was structured suited my lifestyle more than the other courses on the market."

which related to what The Open University calls 'boundary crossing'. I was working on a real-life problem while doing the course.

"The project involved first assessing the financial business case for a laboratory based outside Mumbai, then the feasibility of running projects across three continents, followed by the implementation and communication plans leading to the roll-out and on to completion.

"This was a big change for me in terms of personal development and the MBA gave me a different way of looking at the project and my role in a changing organisation."

Chris's present role in Strategic Alliances is part of the company's core business development organisation and provides business support to Pfizer's Research Units when working with external partners to create intellectual property.

He explained: "We are right in the middle between the scientists, the business side of the company and Pfizer's partners.

"We project manage and translate between the parties what is important, so that we can reach a good understanding that enables projects to move forward."

In the long term, Chris says he would like to continue with what he is doing, enjoying the challenge of his work and a healthy work-life balance now that MBA study is behind him.

"The work is busy and it's varied", he added. "I'm working on 40 different projects at the moment with different scientists. It is satisfying to be part of a company which creates medicines to prevent and treat the world's most serious diseases." **BM**

Tony Mansey

Tony Mansey is the VP Strategy and Marketing for EADS – the European aerospace corporation, and sits on The Open University Business School Alumni Advisory Board

INTERVIEW



Tell us about your studies with The Open University Business School. I completed my MBA in 1996 after three years of study. My success was mainly due to a very supportive family and an understanding employer, Marconi Instruments, who sponsored my MBA.

How does your MBA experience add to your working life?

It has given me the tools, knowledge and capability to address all of the key issues we face in business. Since completing my MBA I have been involved in and worked on a management buy-out and the selling of a business division. After we sold one of our divisions, which included the business infrastructure, we were left with capability and contracts but no organisation, which we had to build. This involved: recruiting and establishing HR, QA and a quality management system; specifying, purchasing and installing a business management system, building a marketing and marketing communications team and a finance department.

The acquisition of our organisation by EADS involved all of the challenges

that follow any merger and acquisition activity, including: business synergies, consolidation and development of product portfolio and the adaption of processes and procedures to integrate ourselves into the new organisation. A regular aspect of business and business development are strategic reviews, and a good understanding of the tools, structure and processes of a strategic review certainly help.

What does your role as a member of The Open University Business School's Alumni Advisory Board involve?

We meet three times a year to review the requirements and development of The Open University Business School's alumni and assess what range of services and information should be developed for them with specific relation to continuing professional development.

The Advisory Board is composed of alumni members with key specialisations which reflect the make-up of the alumni, and hopefully our inputs and expertise will guide The Open University Business School in their continued support of their alumni.

What is a typical day like at EADS?

When you are involved in strategic marketing it is difficult to report on a typical day as we are working in a dynamic environment and international markets and operating in both the military and commercial aerospace sectors.

However, regular topics involve

strategic and business planning for a one- to three-year period, restructuring, product portfolio planning, presentation of business cases for product development and marketing, analysis of both customer and market requirements and market entry planning and preparation.

You were an active school governor – do you think Business Studies should form a more significant part of the school curriculum?

Being a school governor for eight years was one of the most rewarding jobs I think I have ever done. It was great to be able to put your business skills, finance, HR, marketing and even sales skills to work for the benefit of your local community.

One major lesson I have learned as a result of my MBA is that organisations, charities, schools, universities, research organisations, retail industry and even the military will be involved in strategic planning, financial planning, budgeting and change management at some time and would benefit from some business and management training.

I am also a member of the Institute of Directors, which works closely with schools and universities and support and assist in many aspects of management and business training for the 16-18 age group. I am always pleased and pleasantly surprised at their abilities: with encouragement and support they will be our future business development leaders. **BM**



The Open
University

Business School

Customised learning develops your company's competitive streak

Training and development will make you more competitive. The Open University helps organisations with clearly identified needs put their own stamp on proven OU courses.

Our customised learning solutions build on the high quality of the existing and wide ranging OU portfolio by customising the content and delivery. We incorporate your own logo, your own materials and focus on organisation-specific issues to produce more targeted and more appropriate learning experiences. This wrap around style of tailoring makes the courses feel more involving and relevant to the staff taking part, answering their own needs and challenges.

What we're doing for MacIntyre

Even charities think competitively. For MacIntyre, a national charity based in Buckinghamshire, we created a programme that blended supported distance learning, face-to-face workshops and e-learning.

It is developing the professional skills of their managers around England, particularly in people management and the softer skills.

It's easy to get in touch...

0845 366 6041
www.open.co.uk/cpd
INSPIRING LEARNING



The Open
University



The College of Law
of England and Wales

Law

Helping you get in. Helping you get on.

If you work in an environment where improving your knowledge of the law would help you to do your job better, studying with The Open University could be the ideal solution.

A great place to start is *Rules, rights and justice: an introduction to law (W100)*, a course which gives a broad overview of law and legal reasoning. It is the ideal way for you to begin building your knowledge of the law and will give you a taste of our highly flexible approach to study. You could also use it as the first step on the road to getting a degree in law.

We're experts when it comes to helping people fit learning around their job – in fact around 70% of OU students work full or part-time during their studies.

Top for student satisfaction for three years running*

Our law degree LLB (Hons) has been developed in association with The College of Law and is the UK's most popular undergraduate taught law degree.

*National Student Survey 2005, 2006 and 2007.

Put your mind to work...

0845 366 6031

Quote: GAKKBK when you call us or go online
www.openuniversity.co.uk/law

INSPIRING LEARNING

open for
registration
now