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Judge Business School



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**Centre for International
Business and Management**

Issue Seven

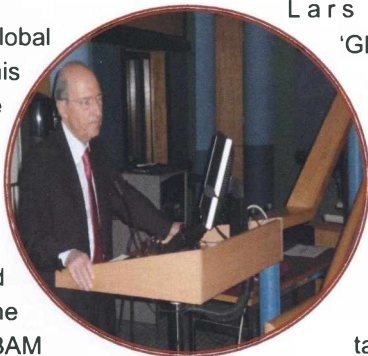
Spring 2008

From CIBAM@Judge Business School...

CIBAM inaugurated its 2008 activities with an Annual Lecture on 'European Challenges and the new European Treaty' by Prof Constantinos Simitis, former Prime Minister of Greece. The event attracted a very large audience and was televised by the Hellenic National Television.

The February CIBAM Global Business Symposium this year featured the theme of "Global Finance" - a very topical subject, given the current state of the global economy! Speakers included prominent figures of the financial world, like CIBAM Global Advisory Board's Member Jonathan Garner, as well as external distinguished experts, like Chen Zhao, Managing Editor at Bank Credit Analyst and Micheal Sherwood, Partner, Permira. As always, the event provided insightful analyses and several issues for further debate. The summary of the proceedings of the event has been published in the scholarly journal *Contributions to Political Economy*.

In 2008 CIBAM welcomed three new Academic Associates, Prof Maurizio Zollo, Dean's Professor in Strategy and Corporate



Responsibility, Bocconi University; Prof Tamir Agmon, Chair, Graduate School of Business, the College of Management; and Prof Nikos Milonas, Professor of Finance, University of Athens.

The CIBAM Seminar Series continued with a lecture by Prof Lars Håkanson on 'Globalization, Geography and Psychic Distance.'

The next CIBAM event will be organized in partnership with the Judge Business School. The event will take place on 26th June 2008 and will feature a debate panel on 'The Energy Challenge: Views from Business, Government and Academia.' Confirmed speakers include Nick Butler, Chris Hope, William Nuttall and Pierre Noel from Judge Business School and Tera Allas from the Department for Business, Enterprise and Regulatory Reform. The debate will be followed by a Gala dinner at the Fitzwilliam Museum, attended by CIBAM members, the Judge Business School's Board and Circle of Patrons.

Contact us

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Photograph:

Prof Constantinos Simitis at
CIBAM 2008 Annual Lecture

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CIBAM Events

Judge Business School & Centre for International Business and Management

‘The Energy Challenge: Views from Business, Government and Academia’

Thursday 26 June 2008

Judge Business School

Program of Events

15.40 – 16.00	Assemble with coffee <u>Common Room</u>
16.00 – 17.30	CIBAM Global Advisory Board Meeting <u>W4.05</u>
17.40 – 19.10	<u>Lecture Theatre 1</u> Chair: Prof Arnoud De Meyer (Director, Judge Business School)
17.45—18.30	Opening Panel: The Energy Challenge <i>Mr Nick Butler</i> (Chairman of the Cambridge Centre for Energy Studies at Judge Business School) ‘Energy: Defining the Challenge’ <i>Dr Chris Hope</i> (Reader in Policy Modeling at Judge Business School) ‘The Impacts of Climate Change: what do we know, how do we know it, and what should we do?’ <i>Dr Tera Allas</i> (Chief Economist, Energy Group, Department for Business, Enterprise and Regulatory Reform (BERR)) ‘UK energy policy: Challenges and responses’
18.30—18.50	Gas and Nuclear Energy <i>Dr Pierre Noel</i> (Research Associate, University of Cambridge and Acting Director, Electricity Policy Forum) ‘Russian Gas in Europe: Energy and security in an enlarged EU’ <i>Dr Bill Nuttall</i> (University Senior Lecturer in Technology Policy and Associate Director of the ESRC Electricity Policy Research Group) ‘Nuclear Energy in a world of \$130/bbl oil and €25/t CO2’
18.50—19.10	Q&A
19.15 – 19.45	Drinks Reception <u>Fitzwilliam Museum</u>
20.00 – 22.30	Gala Dinner <u>Fitzwilliam Museum</u>

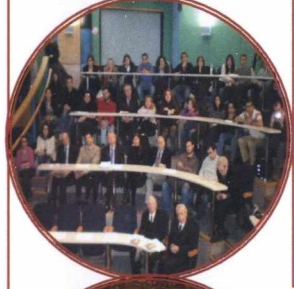
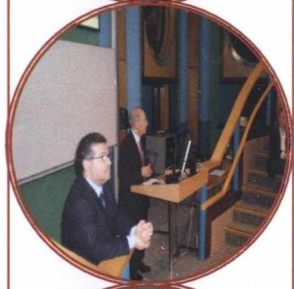
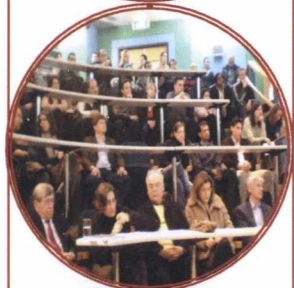
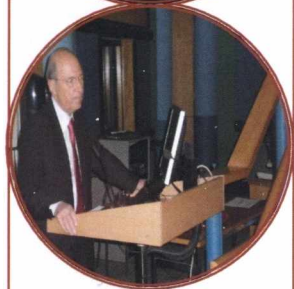
CIBAM Annual Lecture

Annual Lecture

‘European Challenges and the New Treaty’

Prof Constantinos Simitis

31 January 2008



This year CIBAM Annual Lecture was given by **Prof Constantinos Simitis**, former Prime Minister of Greece. The event attracted a very large audience and was televised by the Greek National Television, ERT. The event opened with a welcoming address by **Dr Christos Pitelis**, CIBAM's Director, who highlighted Prof Simitis' long career as an academic and a politician - most notably, his role as the longest serving Prime Minister of Greece since the fall of the military dictatorship, orchestrating the country's entry to the EMU and the real convergence of the economy.

Prof Simitis started by remarking that the crisis that affects the European Union reflects a broader social and political crisis, as we live in times of unprecedented fragmentation. He reminded the audience that the countries that founded the European Economic Community in 1957 had a joint plan and argued that the most obvious weakness of the Union today is the lack of any such plan.

In Prof Simitis' view, although the Lisbon Treaty does not contain a joint plan for the future of Europe, it represents an important step towards creating an area of freedom, security and justice. Simitis recalled how the treaty sets the framework for the principles and goals of the Union's policy, as well as institutions and procedures for policies on border controls and co-operation between judicial and police authorities.

Prof Simitis underscored how Member States could not reach an agreement on an economic union equivalent to the currency union. He asserted that the treaty will leave some issues on the agenda for years to come - including the questions of a political union and of a shared responsibility for social policy. Nevertheless, Prof Simitis argued that, in spite of these limits, the new treaty does pave the way to a more powerful and united Europe. The great challenge for the future leaders of the Union and its Member States is how to make the most of the opportunities provided by the treaty and achieve 'more prosperous and cohesive societies in a more powerful and effective Europe.'

The lecture was followed by a fervid discussion, where several members of the audience took the opportunity to ask Prof Simitis' views on the state of the Union. The discussion continued during the Gala Dinner at Queens' College and, later on, at the lobby bar of Cambridge Garden House Hotel.



CIBAM Symposium

Global Business Symposium

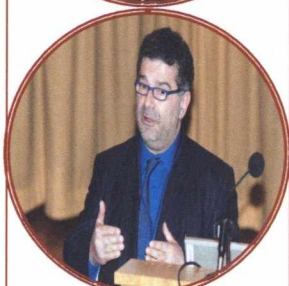
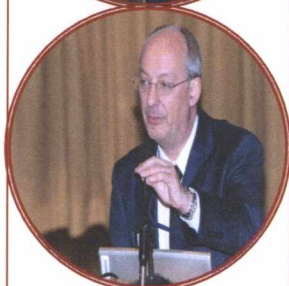
'Global Finance'

21-22 February 2008

Delegates were welcomed by **Arnoud De Meyer**, Director of Judge Business School, and **Christos Pitelis**, Director of CIBAM. **Noreena Hertz**, co-Director of CIBAM, chaired the opening panel, giving a brief introduction on the topic of the event. The first speaker, **Chen Zhao**, Managing Editor at Bank Credit Analyst, analysed the sub-prime debt crisis, drawing historical parallels with other recent crises. **Peter Warburton**, Director of Economic Perspectives Ltd, gave an overview of the evolution of the global credit cycle with special reference to OECD housing markets. **Jonathan Garner**, Managing Director and Head of Global Emerging Market Strategy at Morgan Stanley, argued that, as we observe massive credit bubble and balance sheet expenditures, emerging markets could save the world. The panel was followed by a Gala Dinner in the Old Library at Emmanuel College and the traditional informal drinks at the Lobby bar of Cambridge Garden House Hotel, until the early hours of Friday.

The following day, a host of distinguished speakers introduced the audience to a series of crucial global finance topics. **Roger Nightingale**, Global Economist at Pointon York Sipp Solutions, discussed the cyclical behaviour of economies, and of the US economy in particular. **Charles Sherwood**, Partner at Permira, gave a presentation on private equity and value creation. **Richard Hunter**, Chief Credit Officer for Europe at Fitch Ratings, illustrated the role and modus operandi of credit rating agencies. **Michael Dempster**, Emeritus Professor of Management Studies at Judge Business School, discussed quantitative methods in systematic investments. The last speaker, **Karen McClellan**, Former Head of Asset Management at Carbon Capital Markets, gave an overview on opportunities in the Global Carbon Markets.

Presentations were followed by a discussion panel on 'Global Finance and the Future of Private Equity', chaired by **Michael Calvey**, Managing Partner at Baring Vostok Capital Partners. Discussants included **Hans Schenk**, Professor of Organisational Economics, at Utrecht School of Economics and **Jeff Summers**, Director and Head of Research at Klesch and Company Ltd. **Ms Vicky Pryce**, Chief Economic Adviser and Director General of Economics at BERR and Joint Head of Government Economic Service, chaired the concluding panel and introduced the last speaker. **Richard Segal**, Fixed Income Strategist at Renaissance Capital, gave a presentation on the potentials of developing African economies. During the ensuing discussion, Mr Segal and Jonathan Garner shared with the audience their views on emerging economies. Jeff Summers recapitulated the highlights of the event for the audience. The Proceedings of the Symposium were published in a Special Issue of the scholarly journal, *Contributions to Political Economy*.



CIBAM Seminar

'Globalization, Geography and Psychic Distance'

11 June 2008

Judge Business School



Prof Lars Håkanson

Head, Department of International Economics and Management, Copenhagen Business School

Speaker's Biography:

Prof. Lars Håkanson is Head of the Department of International Economics and Management at Copenhagen Business School. He received his Ph.D. from the Stockholm School of Economics, where he worked for many years as a Senior Research Associate at the Institute of International Business (IIB), heading several major research projects on international R&D. In 1990 he moved to Austria, where, following a number of visiting appointments, he was director of Austria's first executive MBA program at Krems and, later, Professor in International Management at the Johannes Kepler University, Linz. For many years, his research and consulting activities centered on problems concerning the international management of technology and R&D. More recently, his research interests have focused on the role of epistemic communities in the development of firms, industries and regions. His teaching focuses on these and other questions relating to international strategy, organization, and entrepreneurship.

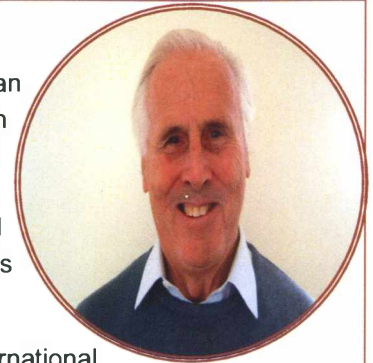
Abstract:

Prof Håkanson illustrated potential drivers of the perceived psychic distances between countries. He presented his findings, building on more than 1600 questionnaire responses from managers in 25 of the world's largest economies. Prof Håkanson said that the statistical data collected showed that psychic distance perceptions are multifaceted phenomena, influenced by a range of cultural, geographic and economic factors. The results of the survey also indicated that geographic distance accounts for the largest share of the explained variance. Prof Håkanson suggested that future studies should attribute a more prominent role to geographic distance when it comes to explaining, for example, international market selection, choice of entry modes, and the like. He also stressed that, used in isolation, cultural distance – as measured by the so called Kogut and Singh index – is a poor predictor of distance perceptions. Prof Håkanson's research was made in partnership with Prof Björn Ambos, from Vienna University of Economics and Business Administration. Their findings are being considered for publication in a forthcoming issue of the *Journal of International Business Studies*.

CIBAM News

Prof John Dunning, OBE

CIBAM is proud to announce the successful outcome of a campaign in support of an Honour for its Academic Board Member, great supporter and mentor, Prof John Dunning. The campaign, initiated by CIBAM's Director, Dr Pitelis, and enthusiastically supported by members of the IB academic community worldwide, resulted in the announcement on 14 June 2008 that Prof Dunning will be awarded an OBE for his contribution to International Business scholarship. Prof Dunning is the first IB scholar to receive such an honour.



Prof Dunning, who recently celebrated his 80th birthday, is the Doyen of International Business Economics, a field of scholarship that he himself effectively helped to found with his book, 'American Investment in British Manufacturing Industry', published in 1958. Prof Dunning has also coined the language and dominant conceptual framework of the field, through the development of his famous "Ownership, Location, Internalisation" (OLI) paradigm.

Prof Dunning has served as UK representative to the UN, advised the UK government and received several awards for his work, not least five honorary doctorate degrees. Over the period 1996-2006 Prof Dunning was one of the three most cited scholars in the world (and first in Europe) for his writings on globalisation and international business. He has twice received an award for the most influential article published in the *Journal of International Business Studies*, the second of which for his 1998 article 'Location and the Multinational Enterprise: A Neglected factor?'. Prof Dunning will be honored during a special JIBS Decade award session at the forthcoming AIB 2008 Conference, which will take place in Milan in July 2008. In addition, the University of Reading has recently acknowledged Prof Dunning's fundamental contribution in turning the university into a global leader in the field of International Business Economic, dedicating to him its new *John Dunning Centre of International Business*. CIBAM congratulates Prof Dunning for these remarkable achievements, which come as an acknowledgement of his outstanding 50 years career and contribution to IB scholarship!

Members News

Jack Keenan has recently joined the Board of an exciting new venture company, Revolymer Ltd. The company has patented technology for a unique combination of polymers for use in food, personal care, household products, papers and even paints. Revolymer has just completed a successful third round of funding despite the 'credit crunch.' It has been a busy six months for Jack as his Grand Cru Consulting Ltd. has signed two new contracts with spirits companies. He sits on the boards of both. As most of you know, Jack kicked off the concentration of the global wine and spirits business by merging Grand Metropolitan's International Distillers & Vintners with Guinness PLC., and then leading the purchase of Seagrams Wine and Spirits. The resulting company, Diageo, is the industry leader today.

In February 2008 **Klesch Ltd** signed a joint venture agreement with Libya Africa Investment Portfolio to build a new oil refinery and an aluminium smelter by 2011. Both companies confirmed their interests in mining and refining of bauxite in Western Africa.

In April 2008 LyondellBasell Industries, privately owned by **Access Industries**, announced that it has completed the purchase of the Shell oil refinery and associated infrastructure and businesses at the Berre l'Etang petrochemical complex in France for \$700 million. The refinery, with production capacity of 105,000 barrels per day, is adjacent to a LyondellBasell polyolefins complex at Berre that includes a steam cracker, butadiene extraction unit and world-scale polypropylene and polyethylene plants. LyondellBasell also has a polyethylene plant and a site that produces propylene oxide, MTBE and ETBE nearby, at Fos-sur-Mer.

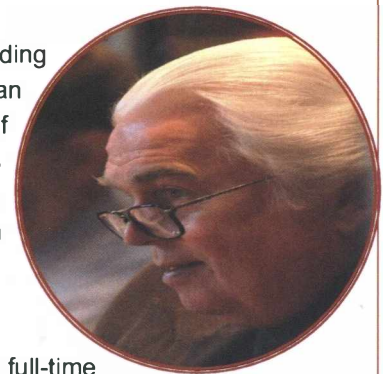
CIBAM News

In 2008 CIBAM welcomed three new **Academic Associates**, **Prof Maurizio Zollo**, Dean's Professor in Strategy and Corporate Responsibility, Bocconi University, Italy; **Prof Tamir Agmon**, Chair, Graduate School of Business, the College of Management, Israel; and **Prof Nikos Milonas**, Professor of Finance, University of Athens, Greece.

CIBAM's Academic Board Member, **Prof John Dunning** and CIBAM's Director, **Dr Christos Pitelis**, published an article on 'Stephen Hymer's Contribution to International Business Scholarship: An assessment and extension' in the *Journal of International Business Studies*, the field's leading journal.

INSIDE THE BOX is... Manfred Tuerks

Manfred Tuerks is a Senior Partner of A.T. Kearney International, one of the leading strategy consulting companies, with offices in 33 countries. He is also the chairman of Sunwood International AG, Switzerland, a young organization within the space of technology transfer from and to Asia. Mr Tuerks is the author of several books primarily focused on his area of strength, mobility. Mr Tuerks is a Fulbright Scholar, Fellow of the Foreign Policy Associations, and serves on several boards with European companies and professional institutions.



Q. How did you become involved in CIBAM?

Right at the beginning of CIBAM, more than 10 years ago, Prof. John Child, then full-time professor of Cambridge and Prof. Frank Schuller, a Harvard visiting professor at Cambridge, invited me to become a Global Advisory Board member of CIBAM. I happily accepted, although traveling from Sao Paulo or Miami to and from Cambridge was to be no small feat.

Q. Are CIBAM activities such as the Global Business Symposia of benefit to your professional pursuits – and if so, how?

There are two types of income, so to speak, which I appreciate and enjoy getting with the CIBAM activities: (1) the material one, which is the insight into subjects like sustainability, security, energy, etc. that are directly interfacing with some of my key business sectors, like airlines, ports, automotive and supply chains; (2) the psychic one, which transmits me back 100 years, inhaling the historic campus and life at Cambridge, vis-à-vis the day-to-day hectic rhythm of my normal business life. Cambridge visits are always a pleasant shot in the arm.

Q. What would you consider to be the major challenges that the global economy is facing?

Provocatively speaking, one might say the "world is out of balance", indicating that a number of macro-dimensions within our global economy are turning loose, without solid causal proof and a strong grip for fixing them: climate, financial reach, energy, poverty, and health, to mention a few. As a result, the biggest challenge for all of us is the demand and perception for change: where must it happen, how do we make it happen and which is the required speed of implementing those changes. The main counter-challenges will be our human inertia and the laziness of our linear thinking.

Q. As CIBAM moves forward into its second decade, what would you like to see in terms of its development in the coming years?

As I said before, CIBAM should leverage the brand equity of Cambridge more vigorously and consistently and reach out to the market place more aggressively with what it has to offer. There is of course still a need for growth and solid economics backed by CIBAM's (and Judge's) leadership.



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Diary Slots

Joint JBS-CIBAM Event

*'The Energy Challenge: Views from Business,
Government and Academia'*

26 June 2008

Judge Business School

Joint JBS - CIBAM Global Business Symposium

'Green Business and Green Values'

19-20 February 2009

Judge Business School
& Jesus College



CIBAM Administration

Dr Christos Pitelis	Director	Ms Marianna Vintiadis	External Relations
Dr Noreena Hertz	Associate Director		
Professor Peter Nolan	Steering Committee	Ms Efstathia Pitsa	Research Assistant
Professor Ajit Singh	Steering Committee	Ms Annalisa Savaresi	Senior Administrator

