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Dean’s Message

Readers of this Spring issue of Templeton Views will notice a number of innovations intended to reflect our changing role as a graduate college. Our focus remains on Management Studies but we are seeking to look at this subject from the wider perspective of leadership in a sustainable world. Nationally and internationally, there are few areas with which it does not have a relationship. To reflect this, we have introduced a new structure with sections not only on Business and Management but also on the Global Scene, Science and Technology, Society and Ethics. Among the articles in this issue are Associate Fellow Alison Brimelow on the fast-moving world of intellectual property, executive alumnus Robert Saco on the organisational implications of the phenomenon of ‘positive deviancy’ and Fellow Kunal Basu on differing corporate approaches to social responsibilities.

Our other overriding imperative is to reflect Templeton as Oxford’s fastest growing college. I am pleased that, as well as announcing several new student funding initiatives in this issue (see page 15), we have attracted a broader range of articles by our graduate students than ever before. These include Stéphane Girod on flagship networks as a strategy in internationalisation, Paul Hwang on his participation in the Emerging Markets Forum recently held at the College, and Saran Wanglee on the continuing role of dynastic businesses in the Far East. Another new section, Oxford Skyline, gives a round-up of recent major developments in the larger university while DPhil student Judith Kleine Holthaus writes about the explosion in Oxford women’s rowing. On pages 24 and 25 we say thank you to Roger Undy and Glyn Pritchard who over the years have made invaluable contributions to the College.

Templeton Views belongs to all the constituencies involved in the College – associates, alumni, friends and supporters as well as our students, staff and faculty. I hope that you will find this issue stimulating and that you will, even more than before, use the magazine as a broad and ongoing forum for news, views and debate.

Michael Earl
A Central Presence in Oxford

On 1 June the College formally took over the ownership and management of Rewley Abbey Court, its new graduate student accommodation facility in central Oxford. Consisting of seven modern blocks completed in 1995, it makes available 24 two-bedroom flats and 22 two-bedroom flats for married students. It is a stone’s throw from the Saïd Business School on a site behind the Fire Station that is bordered by the Castle Mill Stream, the Oxford Canal and Worcester College Gardens. The College is, in addition, further enhancing the facilities at Rewley Abbey Court, (see the Buzz, ‘Funding Initiatives’) to provide a new student common room on the site.

‘Rewley Abbey Court marks another major step forward in our evolution as an Oxford graduate college,’ comments the Dean, Professor Michael Earl. ‘We are now able, with our existing student accommodation in Egrove House, to house over half our current student body. Just as significantly, it gives us our first presence in central Oxford, which, next to the Saïd Business School, symbolises our close academic relationship with the School. The accommodation and facilities are of a very high quality and have impressed all who have visited them. Its situation, enhanced by its fine waterside location, offers some very interesting possibilities for further imaginative developments in future.’

Templeton students already living in Rewley Abbey Court share his enthusiasm for the new development. ‘We all find it an excellent place to live and work,’ says Siva Sundaram, the President of Templeton Graduate Common Room, who acts as student representative for the site. ‘It makes it so easy for students needing to go quickly between where they live and the School. This is particularly true of Oxford MBA students such as myself who have to perform to a very hectic, high pressure schedule.’
The ‘Other’ Boat Race:
Women’s Rowing at Oxford

Judith Kleine Holthaus, Templeton College DPhil Student

As I walked around the College just after Easter most people – knowing that I am a rower – smiled and said ‘Wasn’t it a great race!’ My response was: ‘Yes, indeed, and what a result! We won and actually broke the course record as well!’

If you are now wondering why none of the television or radio commentators thought to mention that little nugget of information, then you are one of the millions of people who think that the University Boat Race is a single event.

In fact, the race in London, which gets most of the media attention, is only one heavyweight men’s race out of a total of seven varsity rowing matches against our rival Cambridge (even the heavyweights’ reserve boat, Isis, gets minor attention). The other five races, between three women’s crews (two openweight and one lightweight) as well as the two lightweight men’s crews, compete on the renowned course in Henley.

This year, the Oxford crews at Henley won four out of the five races, and, due to extraordinarily fast but also challenging conditions, set four new course records. Being a member of the Oxford University Women’s Boat Club (OUWBC) – although a series of injuries made me a spare this year – this makes me very, very proud of our crews.

Rowing at university level in Oxford is a particular challenge for any squad. The women’s squad trains 11 or 12 times a week which is comparable to the training regime for professional-level sports. Becoming and staying a member of the squad is based on the athlete’s performance in regularly conducted fitness and ability tests.

This kind of commitment constitutes a special challenge if one needs to combine it with a heavy academic schedule. There is also a range of physical as well as psychological challenges such as constant tiredness and soreness, injuries, the requirement to eat and sleep consistently, to be extremely organised, and often to go through huge amounts of emotional stress and pressure.

So why do we do it? What is the payback?

Certainly not fame and fortune - OUWBC has up to now mainly been self-funded so that a rower’s average costs for coaching, kit, physiotherapy and races have amounted to around £1,300 for the last nine months. The club has only recently found some support in two companies, PAAMCO and Merrill Lynch, to cover some of the costs for immediate Boat Race preparation and summer training this year. As for fame, we have seen that most of the crews do not enjoy the level of attention the men get.

What is it then? When I went to the first selection event about ten months ago, our head coach made a point of telling us that we should not start rowing with him if we expected to have ‘fun’. Rowing was not about having ‘fun’ but about ‘winning’. So he expected commitment, courage and hard work if we wanted to stay.

My last rowing year was a good experience but rarely ‘fun’. You enjoy the sport and physical challenge or you wouldn’t have chosen rowing in the first place. But the important point is that you have set yourself a goal, a hard and very ambitious goal. And you have to prove to yourself and believe that – whatever happens – you will make it if you keep working hard. Of course it is not always as simple as that, especially when things do go wrong, but this, at least for me, is an answer to the ‘why’ question.

Obviously though, none of this would be feasible without friends’, supervisors’ and the community’s support, the history of the Race, the big and small success of the club compared to others, and a cheering crowd on Boat Race Day.
Flying the Flag

DPhil student Stéphane Girod sees flagship networks as a route to success in international retailing

Going international brings risks for retailers, as the troubles of Wal-Mart and Toys R Us in Europe, Royal Ahold in the US, and Carrefour in China show. In going international, retailers have to make a choice - either create a network of subsidiaries through foreign direct investment, or pursue a flagship-network strategy by building networks with local partners. We believe this is the best way to overcome the barriers to cross-border expansion.

Cross-border alliances are common in retailing as in other areas of business. So what is unique about a flagship-network strategy? First, it involves not just one or two partners but a whole range - suppliers, competitors and non-profit organisations (see diagram). Key partners specialise in achieving commonly agreed tasks, but relationships are long-term knowledge-sharing agreements, and distributors and suppliers get the chance to develop additional value-added activities.

However - and this is most important - the flagship company controls overall strategy. While all partners interact freely and openly with each other, network performance is directed and coordinated by the flagship.

Our research looked at the world’s 49 largest retailers, in particular three contrasting companies: Tesco, Moet Hennessy Louis Vuitton (LVMH), and The Body Shop (TBS). All three pursue flagship strategies but to different degrees and for different reasons.

Tesco is the least flagship-oriented of the three but increasingly reliant on this strategy, especially in Asia. External pressures significantly influenced Tesco’s flagship strategy. Regulatory demands encouraged joint ventures in Korea and Malaysia. Tesco also joined local trade associations to show itself as a credible player in the eyes of the government and suppliers. Due partly to its flagship strategy, Tesco's international sales doubled as a proportion of total sales in the five years to 2002. At its current pace of growth, Tesco should leapfrog both Metro and Ahold by 2010 in overall sales and its international sales peak at 29 per cent of total sales. We define Tesco as an emerging flagship.

The world’s leading luxury retailer, LVMH pursues a much stronger flagship strategy. Although it has fewer legitimacy and institutional pressures compared with Tesco, LVMH products are prime targets for the counterfeiting industry. Consequently LVMH decided not only to cooperate with the 69 leading French luxury members in the Comité Colbert in the global fight against counterfeiting, but also not to rely on any licensees in markets where the counterfeiting industry is particularly active. Another factor in its flagship strategy was its need to rely on department store concessions in North America and Japan, since these markets are highly department store driven. With its network in place, LVMH is the only Fortune 500 retailer to have become truly global. Its international sales even rose to 83 per cent of total sales in 2002. In short, LVMH is a well-running flagship.

The smallest of the three retailers, The Body Shop illustrates how a modest niche retailer can achieve a high international profile by building flagship ties with a number of key partners, while imposing what is now a norm in the retail industry: corporate social responsibility (CSR). TBS pioneered fair trade by sourcing raw materials from 42 trading communities in the developing world. However, the company also has to be market-responsive, and in 2001 it terminated six relationships with these communities. This might have been embarrassing had not TBS had a strong NGO network. Organisations like Oxfam and the Fair Trade Consortium found alternative customers for these communities. Thus, close links with non-profits enabled TBS to...
stay market-responsive while allowing it to uphold its core CSR values.

The TBS flagship network model also helped the firm overcome a severe crisis in the late 1990s. Its US division had grown to the point of causing inefficiencies and inconsistencies, and in 1999 TBS opted to renew its flagship ties with a smaller range of global suppliers. It decided to focus on retailing and spin off all production, centralising its global supply chain and drastically cutting down the number of suppliers. TBS calculated that it would become much more flexible in terms of marketing, cost, and operations by de-internalising its expensive manufacturing capabilities and by relying on trust and long term partnerships with some key global suppliers. 2006 saw an even more radical change when its founder sold off the entire organisation. Given these developments, we define The Body Shop as a flagship in transition.

A flagship strategy is by no means a universal panacea. There are risks, including getting ‘locked-in’, and complacency. Flagship companies cannot tolerate complacency among their partners. Membership of the network is demanding. Partners must deliver significant benefits in return. While the flagship company provides guidance, assistance, long-term vision and business stability, its partners must be prepared to deal with the challenge of continuing change.

So what are the implications for retailers?

- Devise your internationalisation strategy very carefully on the basis of your initial competitive position (the combination of your firm-specific and country advantages).
- Be selective. The flagship company cannot afford to waste its time and energies aligning and supervising a host of partners.
- Choose your partners on the basis of the complementary qualities and synergies they offer, not only to the flagship but to one another.
- Generate trust by showing commitment to all network partners and creating synergies for the benefit of all partners.
- Do not confuse strategic direction with tyranny. Keep open to sharing of ideas and prospects - they are the sources of innovation.
- Don’t forget the non-profits. They can be invaluable allies – or dangerous enemies.
- Finally, take time. A flagship strategy has a life-cycle and the manager ought to be alert to changing operational conditions with the passage of time.

Stéphane Girod

Stéphane Girod is reading for a DPhil in international strategic management. His research topic is: Organizational Restructuring Among Large American Industrial Firms: Trends and Impact on Performance (1985–2004). He has been a member of Templeton College since 2002, receiving his MSc in 2003.

Half French and half Italian, much of his management experience was gained in the fashion industry, working for Givenchy, Enrico Coveri, and van Laack. In addition, he spent three years as Group Vice President in a well-known French chemical-services provider (Société Alex-Essence SA).

Stéphane’s publications include:

‘Regional business networks in the multinational retail sector’, 2005, LRP: Long Range Planning, 38, August 335-357 (with Alan Rugman)


The question whether leaders are born or made cuts like a groove through management thinking. In groups certain individuals stand out, but they do not necessarily make good leaders. The ‘born leader’ can fail to cultivate vital diversity and dissent. As with Mrs Thatcher, what creates success can bring failure in its wake. While there have been many attempts to grasp the essence of leadership, it is perhaps best understood in terms of clusters of qualities.

The first involves change and the type of judgement change demands. Without change we would never need leaders, only managers, processors, super-clerks. Change presents both short and long term challenge – countering current threats but also anticipating future challenges. Leaders need sound, sensitive judgement in how to intervene in complex systems in the face of urgent deadlines and ambiguous information.

This kind of judgement transcends the purely scientific and rational. It involves volatile constellations of feeling and motivation - unpredictable elements that no amount of scientific analysis can exorcise. Certainly, it will take advantage of the control afforded by technical rational knowledge but it does not try to evade the powerful forces of organisational history, language and culture. In order to manage this broad perspective it combines a practical view of knowledge with a pragmatic design approach.

Practical leadership has three strong roots:

- Personally, a clear sense of identity and moral values coupled with ‘robust vulnerability’ – embracing others’ strengths to complement one’s own

- Strategically, comfort with ambiguity and risk and the ability to sustain the creative tension between different perspectives which is vital to keep organisations finely tuned to changes in the environment

- Organisationally, acceptance that leadership is a collective challenge, the answers to which span the furthest reaches of the organisation. Crises that arise may need a more directive style, but the main challenge today is to develop ideas and solutions through broader forms of engagement.

A further important cluster has to do with leadership development. The practical judgement described above is the product of insightfully distilled experience. A lot of leadership development is misconceived. Learning a list of leadership qualities means nothing. Even learning by doing will only take you so far. The key is reflecting on doing.

Effective leaders hone their judgement by continually leveraging their own and others’ experience by disciplined, searching reflection. This can happen in two ways: first, consulting the wider experience base captured in published material, whether empirical and analytic or more aesthetic and descriptive; secondly, experiential testing - exploring situations, either real or simulated, to discover the strength and weaknesses of their reactions. This builds on what good leaders grasp instinctively: that dialogue and interaction in a diverse group is a vital way to develop practical judgement.

This implies leadership development is less about injecting technical knowledge than freeing up space and allowing new connections to be made. The aim is to leverage existing experience to best effect. If you are senior, you already enjoy by definition substantial success. Leadership development can best help such executives by getting them to stand back and reflect on prior experience in relation to their current challenges.

The arts – theatre, music and literature - offer effective and engaging ways to help participants reflect on the personal and social challenges of leadership. The contrast between the dry numerical or logical ‘languages’ of modern management and the powerful metaphors and narratives of the humanities is striking. It can help chip away at assumptions and give participants the chance to consider their own judgement in
the round – a luxury modern organisations rarely allow. The sciences can open other doors. The new perspectives they disclose, whether on complexity or ecological balance, provide a healthy challenge to the equilibrium, Newtonian thinking that straitjackets many executive mindsets. But perhaps most important is the ‘conversation’ between different participants.

The third cluster concerns the way leadership functions in organisations. Leadership is not just about what an elite decides. There is the seductive but wrongheaded notion that once you attain a position of power, all you need do is say the word, pull a lever, and action follows. Change in the complex networks of today’s large multinational organisations simply does not happen like that. Historically, leaders’ actions were the product of a lot of control but too little information. Nowadays the reverse is true – and that has enormous implications for leaders.

Increasingly the challenge is about pushing leadership down the organisation. This means challenging and encouraging the tiers underneath – getting them to connect with strategy, adopt new values and take on a leadership role. This can be hard in organisations that for many years have made little change. Great leadership potential is to be found among young people when they join organisations, but 15 to 20 years down the line where has it all gone? It is not their fault it evaporated: they simply learned to do what was expected. But all is not lost. Leadership can be resuscitated. It is tough – but possible.

People learn how to become leaders by being exposed to leadership – and also by doing. This means identifying role models in the organisation or bringing in change agents from outside. And it is a matter, always, of the road not the atlas. There has to be a real integration of learning with practice through action and group learning. To understand concepts executives have to experience them. This also means putting in place structures that will support leadership development over extended periods of time. The analogy of organising a mountain ascent is useful here.

The final cluster concerns the interventions that facilitate the leadership of change. Change brings anxiety and confusion. People hunger for certainty and are uneasy with multiple accountability. Organisations, like individuals, can be good at avoidance. To make diffused leadership work the right processes and gradations of challenge have to be provided.

An external agency can find it easier to help people. Change is dangerous territory, and often better explored off-line. It is also important for organisations to develop outside antennae, to develop a DNA of external focus. Here again an outside agency can help by stirring in ideas and approaches – not as a one-off intervention but by helping them become integral to the culture of the organisation.

Leadership development is hard. Investing in leadership development takes not just money; it takes time and top management involvement. And that is very difficult in today’s highly pressured business world where we all increasingly chase our own tails. But, if doggedly pursued, the difference counts.
Good Company, Bad Company

Kunal Basu, Fellow in Strategic Marketing and his co-author Guido Palazzo describe ways in which companies might give themselves a moral make-over

The recent spate of scandals has put the spotlight on corporate social responsibility (CSR), but theory and practice in this area often seem worlds apart. What is needed is a bridge between the two, to give businesses a mirror they can hold up to themselves and perhaps help them mend their ways. We have been trying to classify companies according to a combination of their ethical principles and decision-making processes. The analysis is complex but in fact a quite simple typology emerges. In crude terms, companies can be characterised as Robber Barons, Robin Hoods, Book Keepers or Cosmopolitans.

Robber Barons are purely profit-driven and relegate CSR to the domain of public policy. They resemble the wheeler-dealers of 19th-century America - the Vanderbilts, Rockefellers and Carnegies, notorious for their aggressive pursuit of wealth at any cost. Robin Hoods engage in voluntary acts of philanthropy but they make a distinction between making a profit and using it, thus separating CSR from business strategy. Robber Barons, however, can turn into Robin Hoods and, like Carnegie and Rockefeller, end up giving away impressive amounts of money.

Book Keepers, sensitive to external pressure and the impact of NGO activism or consumer boycotts, obediently implement prescribed standards and reporting procedures. But, failing to internalise values, they tend to be reactive and lack foresight and imagination. Cosmopolitans are the ideal. They recognise that economic and social objectives are inseparable. For them the common good transcends what is good for business.

The four types differ, as you might imagine, over a range of issues.

Transparency is one. The Cosmopolitan engages in open discourse with stakeholders, knowing that transparency is a precondition for effectiveness. Its reporting focuses as much on dilemmas and challenges as accomplishments. Transparency for a Book Keeper means providing elaborate reports with voluminous technical annexes. For Robin Hoods transparency tends to be limited to descriptions of good deeds for local communities, with an underlying paternalistic impulse to ‘educate’ its audiences in ‘how things really are’.

Robber Barons, it goes without saying, are closed and defensive when it comes to communication and tend to restrict themselves to the legally required minimum. Revelations or the fear of new legislation may, however, prompt them to unleash expensive public relations campaigns, but these often have an opposite effect and lead to accusations of ‘Green washing’ and counter-propaganda from activists and pressure groups.

Another important differentiator between the four types is leadership. Leadership is commonly characterised in three ways - instrumental (getting the job done), transactional (how successfully you handle people and organisations), and transformational (applying values that transcend self interest). Cosmopolitan leaders are all three. They have an overarching vision of their corporation’s role in society and inspire their followers to pursue practices in line with it. Book Keeper leaders are largely instrumental.

Robin Hoods, while often individually charismatic, fall short of being transformational because their benevolence is spotty and frequently driven by ego and the desire to showcase generosity. Robber Barons also fail to make the grade as transformational leaders. They may refer to ‘integrity’ or ‘mission’, but given their general approach such vaunts ring hollow.

But can leopards change their spots? It is tempting to identify a natural migratory path in corporate social responsibility. A historical view of western corporations, for example, suggests that firms act as Robber Barons until motives of reputation and ego satisfaction force them to become Robin Hoods. More stringent scrutiny and changing stakeholder demands then force them to embed CSR in process terms and turn them into Book Keepers. Finally – one hopes – as moral mandates become all-imperative, they emerge from their long evolution as Cosmopolitans.

It might, however, be possible to leapfrog this historical process, as suggested opposite.
From Robin Hood to Cosmopolitan
The challenge here is not just to embed changes in policies and processes in daily practice - in other words, become a Book Keeper - but to forge a new emotional commitment and then translate it into concrete change. Some have compared this transformation to a religious conversion. A profound cognitive shift has to take place. But such a transformation as this can only be fully achieved by accepting and then enacting the new values at every level of the organisation. This poses a particular problem for Robin Hood leaders who tend to conduct CSR as if it were a private ethical fiefdom of their own.

From Robber Baron to Cosmopolitan
This represents an even more radical challenge. Unleashing ‘creative destruction’ - a process simultaneously involving dismantling and creation - may be the only way to re-direct corporate values and strategy in a such short time. It calls for transformational leadership of the highest order as it means, not only accepting a new ideology, but a complete re-orientation of personal and organisational mindsets. Recorded instances of such radical transformations are rare but not unknown. The rapid and successful turnaround of certain corporations in developing trust among new constituencies in post-apartheid South Africa provides an enlightening and inspiring model.
Positively Different

Roberto Saco (Consulting & Coaching for Change, 2004-5) argues that deviance can bring positive organisational benefits.

Dr Tony Cusano, an attending physician at Waterbury Hospital, Connecticut, had a big problem a few years ago. Patients had been complaining about the sheer number of medications they had to take in their prescribed regimen. In fact, some were taking upwards of 20 different medications. Via anecdotes, nurses had let him know that on discharge from the hospital patients were confused regarding their medication. This had been an often discussed problem at the hospital, and not unique to Waterbury. But even though committees had been set up to address the issue, scant progress had been made.

Cusano and various hospital staff members decided to run a test, and call patients after release to determine their level of compliance with the drug regimen. To their dismay, they found that some 61 per cent of the patients were taking medicine incorrectly. Enter ‘Positive Deviance’.

The CEO at Waterbury, Dr John Tobin, is an unusual executive in that he has extensive connections with the Plexus Institute, a leading collaborative federation of complex adaptive systems practitioners in the USA Through Plexus, Tobin met Jerry Sternin, head of the Positive Deviance Initiative at Tufts University, and invited him to Waterbury for a series of workshops. But just what is Positive Deviance?

Positive Deviance (PD) is a methodology and approach to human development which posits that in every community there are individuals who solve intractable problems in original and resourceful ways, without recourse to special methods or external resources. These individuals are deviants in that they stray from the norm, but positive in that they solve problems most people in the community can’t solve on their own. PD, then, as a method or approach attempts to solve difficult issues or problems by:

- Identifying positive deviants
- Determining the new practices which should be adopted based on a study of these deviants
- Having the community practise the new behaviours – thereby amplifying the deviance to solve the problem for the greater community.

This approach to problem-solving counters many of the extant ways organisations go about their work. Usually we focus on process defects, performance gaps, defensive mechanisms – in other words, on the negative. Like other asset-based approaches, PD turns this frame of mind inside out. The difference that makes a difference is the positive difference.
The first fully documented and well-publicised instance in the use of PD was with the Save the Children NGO in Vietnam in the early 1990s. Jerry Sternin, then head of the NGO in Vietnam, had very little time to come up with a strategy for solving the issue of child malnutrition in Vietnamese villages. He relied on research conducted at the Tufts University School of Nutrition by Dr Marian Zeitlin and others to apply positive deviance in the field. The initiative was very successful and eventually led to other interventions in communities throughout the developing world.

At Waterbury, Cusano and the nursing and administrative staff took Jerry’s counsel to heart and, following the PD practice, focused not on the 61 per cent of the patients who were improperly medicated, but rather on the 39 per cent who were properly medicated – that is, the positive deviants. Following a four-step cycle (Define-Determine-Discover-Design), the Waterbury team began asking the positively deviant patients and their families what tricks or tips they had to enforce compliance – simple things like: having a correct list of medicines, insisting on getting explanations for the medicines, having an orderly and structured way for taking the medicine. The staff also began to generate ideas, from making after-release calls to the patients, to designing a pink card with the patients’ medications, dosage, and frequency for patient use.

The initial phone calls were quite revealing. There was an instance where one patient, a gentleman on a blood thinner, was asked if he was taking his medication every other day. He said, of course. On probing by the nurse, the patient revealed that he was taking the medicine every Monday, Wednesday, and Friday. ‘But what about on the weekend?’ the nurse responded. To which the man replied, ‘Weekends don’t count, it’s only every other day’ – by which he understood every other week day only!

Resistance to Cusano’s inquiry was significant, but when data were presented and initial success became evident the detractors withdrew. The effort took a life of its own, and hospital staff assumed ownership without authority. Cusano now says that he had to have faith in the process. He had to give up control in order to ensure sustainability. Waterbury Hospital is well under way in its efforts to eradicate the medicine reconciliation problem. It now has a 100 per cent rate of use of tools previously developed for reconciling medications, and 85 per cent of patients are now taking the medications the way they should. The hospital believes that 100 per cent is achievable.

According to Tobin, when it comes to change, organisations cannot be copycats. At Waterbury, other change efforts have been tried, including re-engineering, but had negative experiences. Tobin feels the need to design change efforts more in keeping with the healing nature of the organisation’s core mission. He believes that approaches like PD work best in organisations where people who adopt the change have a strong personal interest in the outcome, e.g. the parents of children in Vietnam or the families of the ill. When the change is more abstract and personal interest is removed, then it’s much more difficult to promote change with PD.

What is truly significant, though, about the Waterbury experiment, is that it provides evidence that PD can work in organisations in the developed world, and not just in developing communities. As more organisations have success in the use of PD to solve difficult issues, another way of thinking about organisational change will begin to make headway. And those firms pursuing change in the 21st century with less top-down micromanagement and more employee engagement will find in Positive Deviance a welcome and refreshing companion.
The Buzz

Dean Visits India

The Chancellor of the University, Lord Patten of Barnes, recently visited India to promote British universities in general and Oxford University in particular. He met with alumni groups in Delhi, Bangalore and Mumbai. College Dean, Professor Michael Earl, joined the Chancellor in Mumbai in order to develop corporate relations and meet Oxford alumni in this thriving city.

New Bursar

Mike Dudley joined the College on 6 April as Bursar (formally known as Treasurer and Chief Financial Officer). Mike was formerly Finance Director in international business firms and in a law firm. He is a chartered accountant and was both an undergraduate and postgraduate in his early years at Exeter College. He lives near Henley and is an active and top-class rower. He takes over from Glyn Pritchard who becomes full-time Chief Financial Officer at SBS. Glyn, however, will be at Egrove Park quite often, involved in the executive education part of his new responsibilities in the School, and of course as a Fellow of the College remains a member of the College’s Governing Body.

Third Novel

Kunal Basu’s third novel, Racists, was published by Orion Books on 18 January. Set in the mid-19th century before Darwin’s Origin of the Species was published, the novel tells the story of a brutal experiment conducted by two race scientists to determine the superiority of one human race over another, an experiment which leads to some violent and unexpected consequences. Aamer Hussein in The Independent wrote: ‘Basu’s tale is an entertaining hybrid, part intellectual thriller, part boys’ own adventure, part romance at the heart of darkness.’

Oxbridge Exchange

A graduate student exchange visit with Clare Hall, Cambridge, took place on the weekend of 29–30 April. ‘The aim was to forge longer-term ties with a Cambridge college,’ says MSC student and GCR events co-ordinator, Maja Korica. ‘We wanted to introduce Clare students to Oxford and Templeton and in turn get a chance to visit Cambridge in the company of students that we have already met.’ Some 30 Clare students took part in the visit, which kicked off with a tour of Oxford on the Saturday morning, followed by a barbecue in the afternoon and a party in the evening, with a punting expedition and a picnic the following day. In return, a similar number of Templeton students will visit Cambridge on the weekend of 17 June, during the Cambridge May festivities.

New Student Facility

Templeton has redesigned the old student research area in James Clement Hall to create a more attractive and congenial environment in which College students can pursue their studies next door to their rooms. The brainchild of IT manager Steve Harvey, and expertly crafted by Clive Perry and his staff, the new facility is panelled with light wood and dotted with plants to generate an airy and relaxed ambience in which students can ‘hot-desk’ at a range of workstations. Student reaction by all accounts has been highly enthusiastic.

2006 North American Reunion

Fifty-eight graduate and executive alumni, students and members of Oxford Business Alumni (OBA) attended the college gathering during the 2006 North American University of Oxford Reunion on 31 March in New York. During the reception the Dean outlined the new structure of management studies at Oxford and plans for the future. ‘The Reunion provided an excellent showcase for the different activities being pursued in the University,’ comments the Dean, adding: ‘I was particularly pleased and gratified that so many were able to attend the College gathering. They represented a very good mix of years and programmes, and it was good to catch up with them and hear what was happening in their lives and careers. I was struck by the great affection and detail with which they remembered events in College during their time here.’ Sunday morning saw an OBA reception at which Administrative Fellow Dorothy Cooke and College Development Officer Emma Robinson represented Templeton. Announcing plans for a new College website, Dorothy urged College alumni to keep in touch and share their news and ideas about the future development of the College.
New Research Fellow

Dr Andrew White has joined the College from Cranfield School of Management where he was a Senior Research Fellow in the Centre for Logistics & Supply Chain Management, and an Associate Member of the Innovation Leadership Centre. His research focuses on how organisations can successfully manage innovation, particularly of a discontinuous or inter-organisational nature.

Funding Initiatives

Over £40,000 has been raised so far for the Nautilus Fund. This was launched to mark Templeton’s 40th anniversary as an institution and its 10th as a College. Its purpose is to encourage annual giving among our alumni and friends and raise money for activities which would enrich the life of the College, particularly among our students. Some £22,000 have now been allocated as follows:

- Three Nautilus Travel Grants for each of the next three years, available to our students at a value of £500 each
- Three Nautilus Conference Grants for the next three years, available to our students to the value of £500 each
- A Nautilus Scholarship, available to one new entrant student for each of the next three years to the value of £2,000
- Creation of a website for the Boat Club costing £3,500
- Provision of coffee and tea-making facilities in the Graduate Common Room at Egrove.

In addition, Templeton will be refurbishing the student common room at Rewley Abbey Court. Funds have also been allocated for two new Templeton Scholarships and one Leyland Scholarship and to underwrite the purchase of a new boat. The Boat Club is itself seeking to raise funds for this, but the College is anxious not to lose momentum regarding its rowing. Discussions are also being held on how to improve transport between the College and the city centre further. In addition, the College is investigating the most cost-effective way to fund a punting facility on the river.

Looking ahead, the College will be launching two new initiatives in the area of planned giving next term and is exploring the possibility of launching a longer-term capital campaign to help finance its re-location and re-invention. ‘We will be communicating to all those who have given to the Nautilus Fund on progress so far and how this tranche of funds is being used,’ said Professor Earl. ‘I hope everybody will agree that we have made a promising start.’

Venetian Night

The student guest dinner on Friday 10 February took as its theme (fittingly in the run-up to Valentine’s Night) ‘A Venice Carnival – A Romantic Night in Venice’. A record 270 students – 70 per cent non-Templetonians – attended. Such was the pressure of numbers that two special marquees had to be erected. Students and guests sported a panoply of carnival masks and outfits, and there were five prizes on offer for the most striking costumes – a competition which MBA student, Marco Riggio, justly won for his colourful ensemble. Organised by Nicoletta Occhiocupo and Paul Hwang, the event was sponsored by the Italian confectionary company, Leaf-Sperlari.

New Readership

Fellow in Human Resource Management, Ian Kessler, has been appointed University Reader in Employment Relations. Ian has taught for many years on a range of Oxford Management Studies degree programmes, including Negotiation Skills on the MBA, Employment Relations on undergraduate degree courses, and Human Resource Management on the MSc in Management Research. He has also been actively involved in a number of major research projects, most recently with Paul Heron in a study of changing job roles in the public sector.
Horizons: The Global Scene

Africa: Changing the Pace

Gerd Islei, Fellow in Information Management, lived in Africa at the time of the North/South Dialogue, spearheaded by Willy Brandt (Germany) and Olaf Palme (Sweden) 20 years ago. In February 2006 he returned in the wake of another initiative – the ‘Blair Initiative’, so called because it arose from the G8 summit in Scotland in which it was agreed to write off the debt of 18 of the world’s poorest countries, 14 of them in Africa, and substantially increase aid. But do initiatives like these really address Africa’s fundamental needs?

Whether coming from Willy Brandt, Bob Geldof, Tony Blair or Gordon Brown, Gerd Islei confesses to a certain weariness with high profile international initiatives that seek to solve ‘the African problem’ from outside, and which foster misleading conventional perceptions.

‘Every 20 years or so we get a new much-trumpeted initiative, each presenting Africa as a basket case crying out for the developed world’s sympathy and money. They are based on what I call the ‘pace’ perception of Africa – an image rooted in issues of Poverty, Aid, Corruption and Emergencies.’

Islei has in mind an approach that transcends the quick fix and glib injection – one that develops a quite different kind of pace: Private-public partnerships, Accountability, Competencies and Education. ‘Debt-forgiveness is a start but gets nowhere near the crux of the problem. What we should really be doing is working alongside Africans in their own efforts to develop the leadership capabilities and managerial competencies that they need.’

Africa’s real problem is that whereas 20 years ago it accounted for six per cent of world trade, that figure has now slumped to two per cent. While the tigers of the East have raced ahead, Africa has fallen further and further behind. Islei believes its lack of competitiveness is traceable to a shortage of managerial competence and – equally importantly – trustworthy leaders and good governance. Corruption and a lack of transparency are endemic, compounded by flows of petrodollars in oil-rich African countries like Nigeria and, paradoxically, by flows of foreign aid.

‘We all know about the millions of pounds in aid that have been poured into Africa since the 1980s. Much of it was mysteriously siphoned off to Swiss bank accounts before it could reach its destination. The potentially vast amounts of money available from oil in some countries are only expanding the huge gulf between rich and poor, that is both resulting from and fostering corruption. And corruption – or what we would term corruption – is now firmly entrenched in the culture. It does not make Africa attractive to foreign investors, and it is extremely difficult to root out.’

Why do so many African people allow corrupt regimes to continue, even voting them in again? ‘In most instances it’s a case of “better the devil you know”’ says Islei. ‘The administration allows the fat cats to get even fatter. So what? At least the country is not at war. What people in Africa need is a belief that there is a goal even greater than simple stability, and that it is achievable’.

The World Bank and the IMF are working to reduce corruption and improve productivity by investigating instances of fraud and seeking to liberalise trade. But Gerd believes that there is little point in trying to impose an external template of good governance: real change can only come from within. There is a fundamental need to adjust expectations and rethink the role of the private sector in furthering development in Africa.

‘It is an issue of leadership,’ he said. ‘Africa needs more individuals who can see the bigger picture and inspire real trust. But those who have the ability and would be prepared to take the initiative are perhaps daunted by the size of the task. I believe that education has a vital role to play in promoting change in Africa – and, indeed, in other emerging markets. People need to know not only that good governance is desirable, but also how it can be achieved. Issues such as following
Out of Africa

Oxford Management Studies graduate Peter Wilson has set up an ambitious venture, the African Leadership Development Institute, to encourage a new generation of African leaders in business and public life tackle the complex and formidable challenges facing the continent. April saw the Institute’s opening initiative, an African leadership development programme held in South Africa, co-directed by Templeton Fellow in Strategic Leadership, Marshall Young. Participants visited a township community development project where they met Archbishop Desmond Tutu (see above) who has helped set up 20 new Institute fellowships. This initiative follows other leadership development meetings in February in Nigeria in which Gerd Islei and Dorothy Cooke were involved. ‘These initiatives,’ says Young, ‘demonstrate a growing recognition of the contribution business leadership development can make in helping move Africa forward.’

Islei believes that Oxford could play an important role in supporting leadership development in Africa and is gathering support for the idea of an Executive Development Programme to meet the needs of emerging markets. He envisages this as a series of facilitated workshops, developed in partnership with business networks throughout the different regions of Africa and with Business Schools such as those at Lagos (Nigeria) and Makerere (Uganda). This would be followed by a two-week course in Oxford for participants to engage with their counterparts outside Africa – an idea that has met with approval by West African alumni and other bodies such as the Commonwealth Business Council.

Islei picks out four key interest groups operating in Africa – the public sector (which so far has been the dominant influence), the private sector, educational institutions and the international aid agencies. He would like to see the first three coming together in a partnership that would help develop a network of young leaders and eventually take over much of the role of the agencies.

Initiatives such as the West Africa Investment Forum in Abuja in February 2006, sponsored by the Commonwealth Business Council in partnership with the Nigerian Government, could be a starting point. Together with Templeton Fellow Dorothy Cooke, Gerd attended the Forum, which featured very high-level speakers, including Heads of Government, investment bankers, and other business leaders, and hopes that it will spur its participants towards more committed action. I was very encouraged by the huge amount of publicity that the Forum generated in Nigeria, and by the quality of the speakers and participants. I know that what we were seeing was unrepresentative of Africa as a whole, but it was still a very positive sign, and something that I could not imagine happening when I lived there back in the 70s.’

February also saw the foundation of a network of West African alumni of Templeton College. Coordinated by Dorothy Cooke in Oxford, and in Nigeria by Mohammed Yinusa, the managing director of Dunlop Nigeria, the network organised its inaugural meeting to coincide with the West Africa Investment Forum. With a potential membership of some 60 graduate and executive alumni, the network hopes to provide support for members in the region, and to allow them to share the benefits of their Oxford experience throughout the wider West African business and government community.

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Islei hopes passionately that momentum will not be lost and that support for the idea can be translated into action. ‘Africa desperately needs economic growth to reduce poverty and improve the living standards and health of its people. For too long we have been salving our consciences with aid programmes. Now we need to look at how to support Africa in leading its own economic development.’
Generations Apart?

MSc student Saran Wanglee focuses on families and business in the Far East

Corporate governance is a hot topic right now, but so far the debate on governance has mostly centered on large companies or multinationals. Family firms have been largely left out in the cold. Yet family firms are where enterprise all began. They predate joint stock companies, Weberian bureaucracy, Chandlerian efficient organisations and all the rest, and still remain the backbone of many national economies. Indeed, you could argue that they have proved to be a more efficient and stable form of organisation than many of their more modern rivals.

However, the speed of globalisation and sudden shocks such as the Asian financial crisis of 1997 have put the dynastic structures of family firms under threat. In Thailand, for example, all but three family-owned commercial banks were nationalised following the 1997 crisis. My own view is that family firms should not be seen as inefficient and antiquated organisational forms, simply waiting to be taken over by other, theoretically more efficient, replacements. I believe that their unique synthesis of familial ties, reputation and networks are potentially powerful tools in organisational management.

My own interest in family firms was sparked by personal experience. When our family bank in Thailand was nationalised in 1998, I was young and at that time not...
directly involved in the business, but I was shocked and bewildered to witness the sorrow my father and uncles suffered. The Nakornthon bank had always been the family flagship and nothing was left. The floating of the Thai baht which happened around the same time also had a knock-on effect on the family’s new shopping mall investment, where lots of money had been borrowed from abroad. Fortunately, the mall is now doing well, although the debt is still being restructured.

Nearly ten years later I am still trying to get to grips with the question of how family businesses can best preserve and exploit their innate strengths. In my research I am trying to understand the underlying socio-cultural factors affecting family firms in different parts of South-East Asia which have contributed to their success or failure. I hope to pinpoint a constellation of features unique to this type of organisation. This should not only generate a better understanding of family firms but also perhaps suggest ways in which their best features can be transferred to and adopted by other organisations.

In particular, I am looking at how inter-generational transfer in family firms is managed at the top – to find out, if you want to be cynical, how nepotism can be reconciled with good governance. Nepotism is after all the quintessential feature of most Chinese family firms. Sons and daughters are expected to assume the mantle of empire – it could hardly be otherwise. However, there is an old Chinese saying: ‘the first generation creates, the second sustains, and the third destroys’. But destruction is not inevitable. It can be sidestepped by understanding how to make the best of the transition. The education and intelligence of the heirs apparent by themselves will not compensate for the previous generation’s lack of charisma, connections, prudence – or vice versa.

What are needed, ceteris paribus, are strong family networks and effective relationships whose benefits go far beyond the last Christmas party. The backbone of all family conglomerates should be a family consortium – the so-called ‘cousin consortium’. This not only instills a sense of ownership in all the family members, it also acts as a way to groom competent new generation family members to become future leaders. The family consortium can also help smooth the transition, helping mitigate conflicts when the role of the principal is handed over from one generation to the next. If a strong sense of association is at work within a family business, the transfer will be seen as a well prepared transition rather than a mere act of respect or filial responsibility – or, in worst case scenarios, a brutal usurpation by force.

This brings me to my next point: many investment bankers have begun holding annual workshops for ‘next generation’ family firm clients. As a regular participant in such workshops I have been fortunate to have been given the opportunity to interact with leading academics as well as many professionals in the family firm arena. I have come to realise that research by someone already part of a family firm might be of more ‘hands on’ relevance to those to whom it is most important – the next generation themselves.

What I would also like to do is provide the academic world with an insider perspective – the lens, if you want, of a family firm ‘native’. One thing sadly lacking in the literature of family corporate governance is ‘experienced sociology’ – the perspective of a person who has been steeped in that culture rather having to construct a social case from the outside. Although my research into Asian family firms is as yet still in its infancy, I hope it will in its small way help reduce the gap between academic research and managerial practice. Bridging that gap is particularly important in family firms, where embedded cultural and social norms often exclude outsiders, where there is a noted hesitancy in the face of change, and where a better understanding can help optimise the family business.

I find family firms fascinating evolutionary life-forms. I hope that my research into organisations such as chaebols and bumiputras will contribute to their being seen not simply as anomalies or quaint survivals in today’s global race for organisational efficiency, but as unique, historically and culturally rich forms whose lessons are well worth studying.

Saran Wanglee

‘After I graduated in Economics, Engineering & Management from Jesus College in 2004,’ writes Saran, ‘I took a year out. Rather than head for the City (where I had done six months research for Aberdeen Asset Management during my penultimate undergraduate year), I ordained as a Thevarada monk and for nearly four months lived in the forest monastery in Thailand’s south-east province of Rayong. My life as a monk was fulfilling in more ways than I could ever have imagined. Meditation and solitude were complementary in encouraging realisation of what ‘self – me - I’ mean. The discovery of who I had been, and was, was exhilarating and changed my perception about how to lead my life. I disrobed only to find myself rummaging through the sights and sounds of Shanghai, where another six months were spent learning Mandarin and absorbing the culture of one of the world’s fastest growing financial hubs. After this one-year crash course to reshape me from a lopsided British-educated Thai, I saw myself once again back in Oxford for the MSc in Management Research. In the future I hope to deploy the skills learnt from this course at doctoral level before going back home to Thailand and helping restructure the family business. However I hope not to sever my ties with academia completely, and currently I have found several teaching posts as a guest lecturer in two universities in Thailand between August and September.’
Horizons: The Global Scene

The Emerging Markets Forum – What an Event!

Paul Hwang, Templeton College DPhil Student

Last December, a few fellow Templeton students and I were selected by the College to participate in a ‘grand, historical and eminent’ event, the first of its kind, held at Templeton. The Emerging Markets Forum (EMF) was created to ‘allow senior political and corporate leaders and public servants to reach actionable conclusions on economic, political and social issues facing emerging market countries’.

Our main role for the week was a very important one, to be the faces representing Templeton College. We were given an intense training session in which we were told to expect very high profile VIPs from all corners of the globe – and with them, abundant security guards and reporters.

During the EMF, senior leaders from business and government, both from emerging market and OECD countries, discussed how the developed world and the private sector can help further economic development and reduction of poverty in emerging market countries. The keynote speech was delivered by the ex-president of the Philippines, President Fidel Ramos. At the breakout sessions we listened to some engrossing discussions on international business, global politics, and world trade. Being eager students, we absorbed everything, finding the content of the discussion very useful for our respective research projects and assignments.

The event was not all work though. Before the formal proceedings started, Nicoletta Occhiocupo and I acted as tour guides, chaperoning groups of VIPs on a tour of Oxford and its colleges. Our tour group consisted of current and ex-presidents, governors of central banks, and high-powered ministers and officials. After the tour we sat down to relax over cups of coffee, and chat about topics of world importance, including poverty, economic development and international trade ... with some of the most important people in politics, commerce and trade in the world! Throughout the week, the students’ group acted as personal assistants in discussions and conferences, took notes, and even volunteered our services as pool, tennis or squash partners.

It was a real privilege to be able to meet such distinguished company. The eclectic mix of conversations we enjoyed during the week, covering subjects from trade, history, politics, and economics to fine wine and art, was something we all found very rewarding. Throughout the forum we had the pleasure of dining with the forum participants, where we heard them talking about some of the problems, challenges, accomplishments, hopes and dreams developing and developed countries face. ‘Unity is power’ concluded President Ramos and Michel Camdessus the Honorary Governor of the Bank of France. Emerging and developed countries must work together to solve global issues facing the entire human race.

For the students, this was the experience of a lifetime. We were surprised and delighted to be given a commemorative limited edition of Euro coins by the Governor of the Reserve Bank of Luxembourg and Council Member of the European Central Bank Dr Yves Mersch, in appreciation of the assistance we gave him during the week. As a souvenir, President Fidel Ramos also kindly gave us a signed copy of his latest book.

We greatly appreciated this opportunity afforded us by Templeton College and the Centennial Group, and hope that next year’s EMF will give another group of Templeton students a similarly fascinating and useful experience.
Think Global, Act Regional: Forum Conclusions

There must be a united effort to ease global poverty but it is up to poorer countries to ‘carry out their own emancipation’ and develop a more powerful voice in the international arena through greater global cooperation between the world’s leading emerging market economies and enhanced regional cooperation. This was the unanimous view of more than 60 political and corporate leaders, and public servants from developed and developing countries who attended the Emerging Markets Forum.

EMCs have enormous investment needs that must be addressed if their economic and social goals and potential contributions to the global economy are to be realised. ‘In a world awash with liquidity the emerging market economies are being starved of capital,’ said Fidel Ramos, former President of the Philippines. ‘The annual net flow from the emerging market economies to the industrialised nations is now $400 billion. Is it not a travesty that these savings are not being invested in their home countries but in the security of corporate enterprises abroad?’ The Forum was united in its support for the development of stronger domestic and regional capital markets in EMCs, but agreed that the availability of capital in EMCs has been strongly affected by weak governance and lack of transparency. ‘The international community has not worked well with local authorities to combat this,’ commented one participant.

Former President Ramos, Michel Camdessus, former Managing Director of the International Monetary Fund, and the President of the Asian Development Bank, concluded by calling for regional cooperation in areas such as trade, international finance, fiscal and monetary policy and regulatory reform. Members of the Forum ended by agreeing a seven-point action plan for EMCs:

1. Liberalise but ‘immunise’
2. Match finance type to finance need
3. Unlock and mobilise domestic savings
4. Develop strong domestic capital markets
5. Adopt a more dynamic and ‘aligned’ approach to infrastructure development
6. Develop stronger regulatory and governance structures
7. ‘Think globally, act regionally’.
Patenting at the Crossroads

Alison Brimelow is waiting to take over as President (CEO) of the European Patent Office (EPO). This is a treaty organisation, not an EU body, and has 31 member states, who elect the President. In 2003 they voted for a split mandate, so Alison is sharing a six-year term with Professor Alain Pompidou of France. Templeton Views asked her about current issues in the world of patents.

A patent is basically a bargain with the state that, for a period of time, an inventor can have the monopoly on production of his or her product, providing other people can see how it works. The system as we now have it had its origins during the explosion of technological innovation that was the 19th century. It was by no means an easy ride: there were passionate debates throughout Europe about the necessity of patents, and indeed, Switzerland and the Netherlands decided not to have them. However, by the end of the century, patenting was well established as a tool of economic policy.

So, by and large, the patenting system that we have now is over a hundred years old and, according to Alison, it is beginning to show its age. ‘Demand for patents is very strong. There are queues at all the major patent offices, with consequential problems of opacity and uncertainty in the system.’ The US backlog, for example, is rapidly heading towards one million applications. This is not just an administrative problem, but has a human resources cost too: ‘working in the shadow of a backlog is demoralising.’

There are also questions about the length of time for which a patent should be granted. Twenty years is the standard, which was probably about right for a weaving machine and remains relevant for many technologies. But almost all computer technology is completely obsolete well within that time (just think back to how much has changed since 1986) - indeed, some is outdated before the patent has even been granted. This raises a couple of issues: how relevant is a patent office which can’t keep up, and how robust is the current funding model which relies on long-lived patents to fund the system?

But even the latest computer technology seems a little old hat when we consider the rise of biotechnology, which raises a completely new set of questions. ‘When I took over as Chief Executive of the UK Patent Office in 1999, we were at what I can now see was the end of a period of technocratic certainty,’ said Alison. ‘But biotech was already with us, and the genome project was rolling well. “Ownership” began to raise some interesting questions, and within the EU, the Biotech Directive, which had been so carefully negotiated, suddenly hit all sorts of opposition.’ It took Member States a long time to implement the Directive and even so there are variations in how it has been transposed into national law, which makes life uncertain for patent applicants.

Markets are endlessly inventive, and plenty of companies are finding new ways of operating within the current patenting system. There is, for example, the practice of ‘trolling’, which is picking up patents that might become useful in the future for extracting a settlement from the development of a successful new product. The Europeans have been a little slow off the mark in trolling, but it may well come. Less morally dodgy but still questionable in terms of the original intent and purpose of the patent system is the development of huge patent portfolios, on a scale that Alison describes as ‘nuclear deterrent-like’. These portfolios and cross-licensing deals can encompass tens of thousands of patents. This is not easy territory for innovative SMEs.

Another development which puts the system under some strain is what is described as ‘royalty stacking’, where a single product, such as a mobile phone, is not covered by a single patent, but by several, for each different piece of technology. A standard mobile phone can be covered by about 40 patents, with many more piling up for each new gizmo. ‘It has got to the point where the IP (Intellectual...
forceful debates of the 19th century, but competition, none of which featured in the setting of industry standards, and opens up opportunities for distortion of the setting of industry standards, and
This also highlights the importance of IPR in consumer is prepared to pay,’ said Alison.

Property) cost of a leading mobile phone

It seems that patenting is approaching a crossroads in terms of both policy and administration. Alison listed a number of recent reports that raise questions about the framework of patenting in the modern world, including the ethics of patenting DNA, and IP and developing countries. She also pointed out that the system still rests on its 19th century national foundations, even if the EPO is a regional rather than a national office. ‘The day when you could judge the seriousness of an office by the quality of its (paper) search material are long gone,’ she said. ‘Databases are shared, yet applicants still have to do the rounds of the offices where they want to acquire rights. ‘Could do better’ would, I think, be a fair comment. Shaping or mutually exploiting the work done by other offices would not only offer a way of cutting the cost of the system, but should promote consistency of approach and, I would hope, rigour.’

Alison is very keen to promote and use more empirical research into what is really going on in the patent system. ‘There are a lot of questions that we really don’t have the answers to. Is patent density hampering research and innovation? Does US policy on software patenting explain the US strengths in this area? Or is the overse true: Europe has strength because it is much more restrictive on patenting software? Is royalty stacking pricing products out of the market? There is plenty of noise and assertion, but few objective facts. A system which is so relevant to research and development should be willing to engage in research and development itself.’

Towards a Knowledge Democracy

Google and Wikipedia, two of the highest-profile internet businesses in the world, have recently run into problems that have challenged their vision of a borderless, frictionless, low-cost information world.

By blocking the use of search terms embarrassing to the Chinese authorities in the search engine accessed through GOOGLE.cn, GOOGLE has apparently sacrificed its image as a universal window on the information world. Consequent debate has suggested that market or profit-seeking behaviour has won over information freedoms.

Meanwhile, Wikipedia, the online encyclopedia that is written and edited by its users, announced that in response to complaints about apparent mis-representation of knowledge and people, it is introducing user registration as an audit trail, and articles will be secured once a recognisable level of accuracy has been achieved.

So, is our brave new information world about to collapse under a combination of market forces, realpolitik, and intellectual property lawsuits?

Do we need a regulatory framework not only to devise anti-trust rules, but also to enter delicate areas such as perceived censorship of information provision and prohibition of certain users?

These questions have already arisen at state level as different countries legislate about provision and downloading of undesirable content such as pornography, and as some nations erect barriers to websites outside their borders.

Of course, users in China can, if they have time, patience and maybe courage, go to GOOGLE sites elsewhere for more unfettered information services. Thus, one could argue that a combination of market forces and dogged pursuers of free expression will, over time, ensure that the information space is more open than not. In these respects the virtual or digital information space is no different from the traditional or physical information world.

In other respects, the differences are clear-cut. Wikipedia, for example, is a purely digital product, in that its continuous widespread updating and community responsibility for content provision and refinement would quite simply have been impossible until not only the development of internet technology, but also access to the internet for a critical mass.

So what can we learn from Wikipedia so far? First, knowledge requires validation if it is to be a reliable basis for action. One could take a regulatory approach by instituting official validating panels or editorial boards. Alternatively, contributors could be listed alongside the knowledge domains they have helped create.

Then, let’s consider the users. Apparently school children increasingly go to Wikipedia to look up ‘facts’ and as a source for their projects and essays. Researchers likewise are said to be users; indeed I use Wikipedia myself. However, experienced researchers will not rely on one source; they will check alternative references and bring filters from their own accumulated knowledge. They will evaluate the sources as much as the content.

Perhaps we need to assess the advisability of creating these free, ‘do-it-yourself’, on-line knowledge repositories. Or do we encourage competition somehow so that there is as much choice on-line as there is off-line? This may be what will happen, as long as lessons of provision and use suggested here are learnt and applied. For possibly the most important policy issues in the development of the internet are information reliability and information literacy. Making sources of knowledge contributions transparent, and developing user skills in evaluating, interpreting and using on-line knowledge could be two necessary conditions in constructing ‘knowledge democracies’.

And learning from GOOGLE, we must hope that market forces and competition not only persuade their management of the value of openness, but also ensure new rivals and new products continue to enter ‘information space’.

Michael Earl
Professor of Information Management
Said Business School
Dean, Templeton College

Roger: Custodian of the College

A dinner on 18 February marked the retirement of one of the College’s most distinguished Fellows, Roger Undy. Roger originally worked as a fitter with Boots in Nottingham before entering academic life in 1967 as a mature student at Ruskin College. After study at Wadham, he joined the Oxford Centre for Management Studies in 1972 to work as research assistant with Lord McCarthy on the changing role of unions. Elected Fellow in Industrial Relations in 1977, Roger went on to hold a number of senior positions in the College. Michael Earl paid tribute to Roger’s contribution. ‘Roger has been both a university and a college man. He has held all the great posts of state in the College and has been a custodian of College behaviour. A superb negotiator, Roger could always be relied on in tricky situations to find a way through. He has a wonderful sense of humour and loyalty. We have enjoyed his company and will miss his contributions.’

‘Being educated at Oxford has been a great privilege for me,’ writes Roger, ‘and my career at Templeton a marvellous opportunity to continue that education. Learning how to do research it was a bit like serving a long apprenticeship – something I already had had experience of in my previous career. Coming to OCMS I had to learn ‘on the job’. ‘Watching Nellie’ – in this case Bill McCarthy, Val Ellis and Tony Halmos – introduced me to the mysteries of qualitative and inductive research. The Oxford School of Industrial Relations – then at its height – emphasised the importance of well-grounded empirical work, an emphasis encapsulated in Bill McCarthy’s slogan that “an ounce of fact was worth a pound of theory”.

‘By contrast, working with Rod Martin on ‘Ballots & Trade Union Democracy’ and ‘Managing the Unions’ opened up a more theoretical dimension beyond my by now well-honed skills in “fact-grubbing”. Later still, working with Sid Jennings, Ian Kessler, Marc Thompson and Paul Heron introduced me – but no more than that – to the black arts of quantitative analysis. But all of that would have been beside the point without the struggles of Val Maggs and Doreen Hirons to decipher my incoherent scribbles into legible books and articles!

‘Developments followed fast on one another’s heels. The launch of the Oxford Institute for Employer Relations with John Purcell and Sid Jennings in the early 1980s helped further integrate my research and teaching work. The Personnel Directors’ Forum (another Sid Jennings creation) provided invaluable bridges between Templeton research and the practitioner community.

‘The Oxford School’s focus on public policy later bore unexpected and controversial fruit. I helped set up and with Keith Ruddle co-direct a series of preparation for government programmes for the Labour Party Shadow Cabinet in 1996. These made for some interesting times. I well remember the flurry of media excitement and some heated questions in the House of Commons about Templeton’s role in such activities, in the course of which John Major, no less, had to acknowledge that ‘Templeton College is a centre of excellence’. I later remember a politician storming out of the classroom, outraged by discussions of the value of privatisation.

‘Executive education also produced some comical moments. These included the injunction from one client company that a planned session in labour relations should not be “too” relevant. Also the warning that it was safer to have two table-widths between rival negotiators to prevent physical contact.

‘Turning to administrative matters, my previous experience sometimes came in handy. It was often – and sometimes ruefully – noted how well I prepared for meetings and took notes. I remember one committee meeting at Brasenose College that lasted from five until midnight in the course of which my interventions prompted one Nuffield College economist to protest against the introduction of shop steward practices into university politics.

‘Administratively, the most demanding times were probably in the late 1980s and early 1990s when I was Dean and, with Ashley Raeburn, Sir David Rowland and Uwe Kitzinger, negotiating a deal with the launch of the MSc in Industrial Relations and Human Resource Management in 1983 was one of the high points. But mixing industrial relations and executive education teaching provided new challenges. Telling executives in the late 1970s that collective bargaining was one way to democratise industry clearly provoked people who thought trade unionists were no better than blackmailers and extortionists.

‘Turning to administrative matters, my previous experience sometimes came in handy. It was often – and sometimes ruefully – noted how well I prepared for meetings and took notes. I remember one committee meeting at Brasenose College that lasted from five until midnight in the course of which my interventions prompted one Nuffield College economist to protest against the introduction of shop steward practices into university politics.

‘Administratively, the most demanding times were probably in the late 1980s and early 1990s when I was Dean and, with Ashley Raeburn, Sir David Rowland and Uwe Kitzinger, negotiating a deal with the
University over Templeton’s role in executive education, given the University’s decision to build a new Business School. I noted a distinct clash of negotiating styles between the smooth, the rational and the emotionally committed – and that was just on the Templeton side! But the outcome helped Templeton secure its executive education programmes until the recent agreement between School and College.

‘Lastly, the social side and the sporting sides of life at Templeton should not be forgotten. Table tennis, cricket, football and snooker all figured prominently in my college career. Indeed snooker tournaments in the College left me with the only sporting prize of my many years here – a very small cup made of plastic. But perhaps it was the cricket matches that provided the most amusing moments. I recall one between Templeton and Bedale Old Boys in which the College was comprehensively routed, despite – or perhaps because of – fielding a side including the present Vice-Chancellor! Trips to Edgbaston organised by the late and much missed Ross Davies provided further entertainment. I will never forget the mocking pigeon coos coming from the crowd as Ross repeatedly reached into his large wicker picnic hamper.

‘As for football, the most memorable trip was with Sir Douglas Hague to Old Trafford. One sticks in my memory not only because Nottingham Forest (of which I am a life-long supporter) won, but because Douglas introduced me to Tony Blair over a pre-match lunch. As I recall, his words on that occasion – which must have gone down a treat – were: ‘Can I introduce you to somebody who has been in the Party longer than you, Tony’.

‘So, as a Fellow of Templeton over 33 years, I have experienced moments both serious and light-hearted in what have been some uncertain times. Now, the College faces another turning point, as it looks for a new role for itself in alliance with the Said Business School and as an Emeritus Fellow I wish it every success.’

‘Very ordinary. Not the cleverest person. Just systematic and sensible. A tortoise not a hare.’ That is how Glyn Pritchard describes himself. Those who have worked with him at Templeton may see this verdict as less than fair.

Glyn joined the College ‘20 years and five days ago’ as he says with typical exactitude. One sticks in my memory not only because Nottingham Forest (of which I am a life-long supporter) won, but because Douglas introduced me to Tony Blair over a pre-match lunch. As I recall, his words on that occasion – which must have gone down a treat – were: ‘Can I introduce you to somebody who has been in the Party longer than you, Tony’.

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Glyn joined the College ‘20 years and five days ago’ as he says with typical exactitude. Back then, there were no proper accounting or reporting procedures apart from annual audits. Glyn has not only striven to introduce order and clarity but shouldered whatever other administrative burdens came his way, including those of domestic bursar and estates manager – now thankfully transferred into the capable hands of Tim Royal and Clive Perry respectively. ‘Things evolved – and I just happened to be the one around,’ is how Glyn, with characteristic modesty, puts it.

He leaves to become Chief Financial Officer both of the School and of its executive education company. Fortunately the latter responsibility will continue to bring him to Egrove two days a week. He will also be maintaining his connection as a Fellow and member of the College’s Governing Body.

Looking forward, he sees his new role as ‘a big challenge – not unlike when I first joined the College’. Looking back, he admits to leaving with some sadness but also a lot of good memories. ‘The best bits for me have been encouraging people to grow in their jobs – people like Tim and Kathleen Scroggins.’

He may see himself as a tortoise but Glyn is definitely a hare when it comes to running. Rain or shine, he has put in his eight miles every lunch time – a most useful antidote to the stresses of being a CFO. So in future look for a fast slight figure not just in Templeton and Bagley Woods but also in Port Meadow and the Parks.
The IT Project they Refused to Cancel

The Problem: Fred the IT director is yet again up before the Board asking for another £3m to deal with the latest overrun in the CRM (Customer Relationship Management) system – now two years late and gradually becoming obsolete before it has a chance to succeed. It’s always jam tomorrow and ‘we’ll get it fixed’ – and external consultants Computer Interactive seem to have Fred twisted around their fingers.

The Board’s decision regarding the project is clear. Cancel it!

Why?
Because CRM only makes sense if it helps the company improve the way it does business. This means business process change and probably organisational change. A senior executive in the business should act as project sponsor responsible for securing a return on the investment. A significant part of the role is to lend his authority to ensure the requisite change occurs.

If Fred has to present the case for increased budget, it tells the Board that there is no effective sponsor. Either there is no sponsor. Or the sponsor does not understand his responsibility to ensure that the business case is delivered. Or the sponsor is not prepared to stand up for the project. Whichever is the case, there is little hope that business change will occur and therefore even if the system is eventually installed, everyone will carry on working in the same old way. The customers will see no difference and neither will the bottom line.

It is possible that the reason there was no executive sponsor is that the CRM is being implemented across a number of internal boundaries. There were several interested executives but politics dictated that no single baron could wholly own the project. If so, this was a big mistake in project set-up. The company was too ambitious. Probably Computer Interactive sold the CEO the idea that if they went for company-wide roll-out it would be much cheaper. In reality, the CEO should have settled for a more limited investment for a single part of the business with full ownership by the responsible executive. Once that proved successful, CRM could have been extended to another part of the business, and so on. Any extra cost associated with this strategy would have been a small price to pay for the reduced risk.

The question now is ‘how to cancel the project’. In a large public company, the external financial community will have factored into the share price the promised benefits from the CRM. Internally, powerful forces will resist cancellation. The challenge is to minimise the fall-out.

The Board should call a time-out. Pause all work on the project and commission an independent expert review. This will give legitimacy to the ultimate decision to cancel. It will also serve notice on Computer Interactive that this is not an unlimited revenue stream for them.

Then, the Board should bring in a fresh executive mind to redefine the strategic challenge in such a way that CRM is no longer critical – the real task, say, is to increase revenues from after-sales service which can be achieved in a number of ways without a big CRM across the organisation. Finally, a human sacrifice at a senior level, even the CEO, will make the cancellation decision easier and at the same time assist in creating the perception that ‘this cannot happen again here’.

Chris Sauer, a Templeton fellow who has studied the success and failure of large IT programmes, offered the following thoughts.

Oxford Skyline

Chancellor urges Europe to invest more in higher education
Lord Patten of Barnes, the Chancellor of the University of Oxford, gave a speech at the French Académie des Technologies on the danger facing European culture and economy if Europe did not invest more in higher education.

New research fund launched to encourage creativity
New funding of £5m a year for young academics and pilot projects is set to encourage creativity and attract even more research talent to Oxford University. The John Fell OUP Research Fund is a new initiative for Oxford University, funded by Oxford University Press for an initial period of five years.

Entries invited for the 2006 Business Plan competition
The 2006 Oxford University Business Plan Competition, the largest competition of its kind in the UK, has been launched. Now in its ninth year, the competition has become a launch pad for participating entrants to raise investment for their commercial ventures.

Oxford and Cambridge join research universities’ alliance
The Universities of Oxford and Cambridge have announced that they have joined the International Alliance of Research Universities (IARU), which was officially launched at the Inaugural IARU Presidents’ Meeting in Singapore on Saturday 14 January. The two universities are pleased to be working together as fellow members of this new alliance.

Reuters Institute for the Study of Journalism established
Oxford University and Reuters Foundation have announced the creation of the Reuters Institute for the Study of Journalism, following funding of £1.75m over five years from the Reuters Foundation to establish and develop a research centre of excellence in the study of journalism.
Sharing Executive Power
Roles and Relationships at the Top
José Luis Alvarez and Silviya Svejenova
Cambridge University Press

In many companies, two or three executives jointly hold the responsibilities at the top - from the charismatic CEO who relies on the operational expertise of a COO, to co-CEOs who trust in inter-personal bonds to achieve professional results. Their collaboration is essential if they are to address the dilemmas of the top job and the demands of today's corporate governance. Sharing Executive Power examines the behaviour of such duos, trios and small teams, what roles their members play and how their professional and inter-personal relationships bind their work together. It answers some critical questions regarding when and how such power sharing units form and break up, how they perform and why they endure. Understanding their dynamics helps improve the design and composition of corporate power structures.

‘Even though popular images of power centre on a solitary heroic figure at the top, the reality of power at the top is increasingly different. Power is often shared among a small group of co-leaders (think CEO-COO, co-CEOs, CEO-Chairman, etc). Alvarez and Svejenova are pioneers in tackling this understudied leadership phenomenon. This book helps us understand shared leadership at the top both theoretically and practically. It is a must read for scholars interested in leadership and for practitioners who understand the necessity and difficulty of creating effective shared leadership.’

Nitin Nohria, Harvard Business School

Nanotechnology
Science, Innovation, and Opportunity
Lynn E Foster (Ed)
Prentice Hall

Suddenly, nanotechnology is no longer science fiction. Discussion is moving from theories and definitions of nanotechnology to the practical issues of implementation and adoption in all types of organisations and industries. Nanotechnology: Science, Innovation, and Opportunity takes a comprehensive look at this burgeoning industry from the perspective of science, investment, IP, and business development.

Coverage includes:
- How the convergence of nanoscale science foreshadows revolutionary societal change
- Technical and business obstacles that still challenge the industry
- Lessons from the early ‘gold rush’ days of biotech – managing the hype
- Nanotech as disruptive innovation – implications for investors and venture capitalists
- The evolving roles of entrepreneurs, universities, and the US government
- Key application areas – materials, microelectronics, sensors, energy, and beyond
- Bio-nano-information fusion – the potential to transform medicine
- Relevant patent law and intellectual property issues
- The ethics of nanotechnology.

‘For a broad, readable introduction to nanotechnology with its attendant entrepreneurial, social, and technological implication, this book is a great start.’

Mark S Petrovic, VP Research and Development, EarthLink

Responsible Leadership
Thomas Maak, Nicola M Pless (Eds)
Routledge

Enron, Worldcom, and other high-profile cases of management and leadership misconduct have highlighted the fact that one of the core challenges, if not the challenge, in business today is leading responsibly and with integrity. But what exactly is responsible leadership in an era of globalisation? What makes a responsible leader? And how can responsible leadership be developed?

Responsible Leadership identifies the crucial dimensions of responsible leadership in business, focuses on the capabilities, virtues and competences that individuals need to lead people and organisations in global, multicultural and complex business environments, and considers innovative initiatives and ways to further responsible leadership.

‘Seldom has a single book united so many different voices so well ... provocative and multi-layered.’

Thomas Donaldson, Mark O Winkelmann, Professor, The Wharton School, University of Pennsylvania

Building Better Boards
A Blueprint for Effective Governance
David A Nadler, Beverley Behan, Mark Nadler (Eds)
Wiley

Building Better Boards offers a high-performance board model based on a combination of research and experience. It provides a blueprint for turning boards into winning teams, examining the issues that have the greatest effect on a board’s success: building a team, assessing strengths and weaknesses, determining roles and processes, accessing essential information, changing corporate culture, mapping strategies, CEO performance and succession, and more.

‘Building Better Boards bridges the gap between talk and action. A must-read for board members, CEOs, governance experts – really for anyone who cares about the future of the corporation.’

Anne M Mucay, Chairman and CEO, Xerox Corporation
Dates for your Diary

Alumni Reunion
20 October 2006

College Dinners
19 October 2006
30 November 2006

Guest Dining Nights
22 June 2006
23 November 2006

Governing Body Meetings
15 June 2006
19 October 2006
30 November 2006

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