

JAN 2012

FROM DEAN NITIN NOHRIA:

A year ago, I reached out to share with you a summary of the many conversations I had during my first few months as dean and to outline an emerging set of priorities for Harvard Business School that arose from them. We've come to call these priorities "the five i's:"

innovation

intellectual ambition

internationalization

inclusion

integration

I am writing now to update you on our progress in each of these areas, and on the work of the School more generally.



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Context & Process

Let me start by providing a bit of context. I have found it useful to think of the journey we are embarked upon as unfolding in key phases:

LISTEN • **ARTICULATE** • **MOBILIZE & PLAN** • **EXECUTE & ENGAGE** • **EVALUATE & EXTEND**

One of the great gifts of being named dean a few months before I actually took on the role was the ability to spend the intervening weeks meeting and **listening** to a wide range of faculty, students, staff, alumni, and other friends about the opportunities and challenges facing the School.

Out of those discussions arose the five i's, and throughout the summer and into the fall I played back and **articulated** these priorities in discussions with groups large and small: at alumni reunions here on campus, during faculty meetings, and in community presentations with students and with staff, for example. The priorities resonated, as did the sense that the School and even management education more broadly are at an important inflection point.

As a next step, teams of faculty and staff began **mobilizing and planning** for activities and events we might pursue in each area. In the MBA Program, as I'll explain shortly, that meant proposals for a new course in the Required Curriculum and the modularization of the Elective Curriculum calendar. In inclusion, that meant the launch of a new Culture and Community Initiative that would seek ways to create a community in which everyone could thrive and do their best work in support of the School's mission. Many of these plans had far-ranging implications for everything from our campus and facilities to staffing and support, and thus the winter and spring were used to mobilize these resources.

By fall we were ready to **execute** and, as part of that process, to **engage** larger numbers of the community. By design, our early mobilization efforts relied on small teams that worked quickly and intensively. Longer term, however, we know we will succeed only if these efforts are deeply rooted. Ultimately every individual at the School—faculty, staff, student—should be able to identify how their work connects to and can extend some part of the initiatives underway.

At the end of the year, and along the way, we will want to identify the markers by which we can **evaluate** whether we are succeeding. While one could argue that the impact in some areas may take years to fully assess, nonetheless, our ability to refine, redirect, discontinue, or more broadly **extend** the work we have launched depends on finding ongoing ways of understanding its value.

We are currently fully immersed in the execution phase. Let me tell you about the progress we have made on each of the five i's.

Advancing the Priorities

Innovation in our educational programs, starting with the MBA Program. In January 2011, the faculty voted to approve the introduction of a new course, Field Immersion Experiences in Leadership Development (FIELD), in the Required Curriculum (RC).

In the ensuing months, a 10-person faculty design team—building on a range of conversations we’ve had at the School for the last three years on the future of MBA education—developed plans for a year-long first-year course that would help our students develop capabilities in three areas: leadership intelligence, global intelligence, and integrative intelligence. In the first module, through a series of intensive team-based exercises, case discussions, and simulations, students are challenged to reflect on and develop their understanding of their personal leadership style and what it means to be a leader in society. FIELD 1 lays the groundwork for the remainder of the year, by helping students learn how to operate effectively in teams, for example, and to give and receive feedback.

FIELD 2 centers on an exercise where 900+ students in groups of about six are tasked with developing a new product or service concept for a global partner organization in a given emerging market. During the fall, teams build an emerging market in-

dex for their designated country, undergo a product development “dash” (an intensive two-day exercise to develop their initial product or service concept), and create an investment “pitch” to better understand their partner company. The module culminates in a weeklong immersion in one of 13 locations in 11 countries around the world, when students will test the ideas they have developed through on-the-ground meetings with their global partner, customer interviews, and additional market analysis. We don’t expect our students to become global experts in this compressed time frame, but we do hope they will cultivate global humility and an understanding of how to approach doing business in regions outside their home country.

The final module requires that students—in new teams of six—synthesize everything they have learned during the first year by developing and launching a viable microbusiness. Throughout the winter and spring, over roughly 10 weeks, teams will develop and refine a product concept, generate and analyze data on their target market, finalize their product or service, sell to the market, and generate revenue. A distinctive feature of FIELD 3 is a financial market simulation, where students will act as investors in the businesses being developed by other teams, and their valuation will determine, for example, what additional resources these businesses are able to secure.

1

To be clear, FIELD is taught in parallel to the ten core case method courses in the RC, and the FIELD faculty group has worked carefully to find ways to synthesize learning across courses. Thus the product development dash in FIELD 2 maps against concepts taught in Technology and Operations Management and in Marketing, and the financial market simulation in FIELD 3 builds on key concepts being taught in Finance. Our goal is for the field method and case method classes to complement and enhance one another.

A second change the faculty voted to introduce was modularizing the calendar in the Elective Curriculum (EC), creating four rather than two terms. Our objective here was to offer both faculty and students more flexibility and to formalize what had already been happening. Students increasingly had been signing up for field studies and independent projects, eager for both smaller-group and field-based learning experiences during their second year. Faculty, too, were experimenting with course formats and content, combining case discussions with intensive team projects in areas like commercializing science. The new structure enables both of these objectives, and more, and we think we'll see even more innovation in the EC in the coming years.

Beyond the changes in the curriculum, we have worked hard to orient the student culture around the educational experience. Our students report working harder than they had imagined and to be fully engaged by their MBA education, and the faculty across the board report students who are approaching class preparation and class work with diligence and care.

2

A recommitment to intellectual ambition through projects and initiatives focused on large-scale, cross-disciplinary issues facing society today.

Building on the success of our School-wide initiatives in social enterprise, healthcare, leadership, and entrepreneurship, groups of faculty have worked over the past year to identify areas where collaboration would provide an opportunity for the School to strengthen its curricular offerings, develop new Executive Education programs, engage with alumni in important ways, and add to the dialogue and debate on timely and relevant topics.

One initiative that has emerged as a result of this effort is on business and the environment (see www.hbs.edu/environment). Its early work has centered on developing a research agenda; already, more than 20 faculty members are gathering for a monthly workshop, with shared interests that span both industries (e.g., clean tech and energy) and problems (e.g., building new business models and business-government relations). In March 2011 the initiative hosted an alumni conference on “Investing in Cities of the 21st Century” that drew more than 130 participants, and more than a dozen new cases have been written.

We also have early stage initiatives in digital networks, business history, and financial systems. We see the type of work that grows out of these initiatives as a way to tap into advantages that are distinct to HBS, including the extraordinary quality of our faculty, the powerful link between research and teaching, the amazing reach and scope of our alumni, the School's ability to convene leading thinkers, and the platform our Publishing group provides to disseminate ideas widely.

An intensive effort we launched this spring was the U.S. Competitiveness Project (www.hbs.edu/competitiveness), which aims to improve our understanding of U.S. competitiveness—in the process, hopefully improving the ability of international and domestic firms operating in the U.S. to compete successfully in the global economy while raising and improving living standards in America. More than 10,000 alumni participated in a survey as part of this effort, and in November 2011 we hosted a summit for more than 75 leading academics, practitioners, and policy-makers that concluded with a remarkable call (and commitment) to action. In the coming months we will be reporting back on the survey findings, preparing a special spring 2012 issue of *Harvard Business Review*, and launching an outreach program; we see this as a model for deepening our impact on important systemic challenges.

Finally, we continue to look for ways to help individual members of the faculty flourish, because important as these cross-disciplinary efforts may be, our history proves that individual genius can have an equally remarkable impact. Through efforts such as faculty immersions (to places like China and Israel), global faculty fellowships that allow faculty to immerse themselves in a region for a semester or a year, and an increased investment in research support, we hope to provide a strengthened platform for research, where faculty members can pursue the ideas that interest them most and where they believe they can have the most impact.

3

The further development of an international strategy for the School.

Here, clearly the global component of the new FIELD course in the MBA Program is an important step in preparing our students to lead in this new global century.

But it goes beyond just our students, because each year, to deliver this module, we need to build a network of relationships with global organizations willing to sponsor 150 projects, and we need 20 faculty members and 40 staff members to travel with each cohort so that the experience on the ground replicates the educational experience we have here in Allston. Over time, therefore, we see FIELD 2 as a means of more broadly internationalizing the School.

A second area of focus this past year has been in the development of our global Executive Education program offerings. The launch of the Harvard Center Shanghai in 2010, with its 90-seat HBS-style classroom, provided an opportunity to build a roughly ten-week portfolio of programs targeted primarily at the local market but drawing participants from around the world as well. We have been working to strengthen our portfolio of programs in India, in anticipation of the completion of a second classroom in Mumbai in March 2012. By 2015 we expect to have a third classroom in Europe, and we'll use the intervening months both to gain experience with these facilities and to evaluate other potential regions in the world. The benefits here, too, are broad, and extend beyond our ability to contribute to management development in these regions. The faculty members who teach in these programs typically engage in writing new, timely, and locally relevant cases; these course materials often get adopted elsewhere in the School, further enriching the curriculum. Moreover, we are able to

build and sustain relationships with key new and emerging companies in these regions, helping to ensure we remain connected to leading-edge management practices.

Of course, the network of regional research centers launched since the 1990s remains an important, and growing, component of our international strategy—which is to pursue the broadest global intellectual footprint with the leanest global physical footprint (see www.hbs.edu/global/research/international). This year we are considering where new centers might prove beneficial. Turkey has emerged as an attractive location that would serve as a springboard into Eastern Europe, North Africa, and the Middle East, as well as a window into Islamic cultures and societies. We have scheduled a research symposium in Istanbul in June 2012 to begin engaging faculty members with alumni and other business leaders in the region, and we are hoping we might be able to open a center there before the end of the year.

Our current centers continue to increase in productivity, to the point where this past year more than one-half of the new cases written by the faculty had a global focus and setting. The centers also have begun supporting much more than research; they have been instrumental, for example, in the development of the global partner network for FIELD 2, and also in building the market for our Executive Education programs.

4

Creating a culture of inclusion where every member of the community is able to do their best work in support of the School's mission.

We launched the Culture and Community Initiative last year to provide an umbrella for a range of activities at the School. At the core is an effort to evaluate and analyze our current culture—initially for faculty, and moving on to include students, staff, and alumni as well. The hope is that by so doing, we can identify areas of opportunity as well as steps we might take to ensure that our culture allows everyone to thrive and feel fully supported to do their best work. To date, the team has conducted more than 100 one-on-one interviews with both current and former faculty members and is well into the process of examining data on everything from recruiting to course evaluations to promotion rates; just this month a survey was completed to assess networks among the faculty. We hope to discuss the results of this review during the coming year, and to begin taking actions as necessary to strengthen our culture.

Additionally, the Culture and Community Initiative has been working to build on a multiyear effort by the Women's Student Association (WSA) to examine questions such as why women have historically received disproportionately lower first- and second-year honors than their male counterparts and why on average they are less satisfied with their MBA experience. We have been zeroing in on areas that are easily studied and quickly actionable, and the impact of these efforts already is noticeable: the achievement and satisfaction gaps have narrowed considerably in the last two years, consistent with our belief that making some of these issues discussable often is the first step toward identifying remedies.

Other activities in this area still are in their nascent phase. A new research project on women and leadership is being formulated, likely leading to a seminar or seminar series in the coming year and a new course in the MBA Program soon thereafter. In 2012–2013, the School will commemorate the 50-year anniversary of when women were first admitted into the full two-year MBA program, and a series of activities, including an interactive web forum, student-alumni mentoring opportunities, a speaker series, an historical exhibit, an alumni survey, and a capstone conference, all are being planned to mark the occasion.

I should note that while the work outlined here relates to the dimension of gender, we are equally committed to using the skills and processes we learn in this work to also explore the effects of, for example, being a non-native English speaker, or differences in race, culture, or sexual orientation.

Moreover, as part of creating an inclusive culture, we remain committed to economic inclusion and to supporting the best students to study at HBS regardless of their means. Today, nearly half of all MBA students receive fellowship support, and the average fellowship per recipient has grown from roughly \$17,000 just five years ago to nearly \$27,000 in 2011.

5

Integration with Harvard and activities that foster intra-University collaboration, particularly in the area of innovation and entrepreneurship.

The Harvard Innovation Lab is perhaps the most visible symbol of our commitment and activity in this area; with the blessing of the University, we invested heavily in the renovation of the former WGBH building at 125 Western Avenue this summer (newly named Batten Hall), creating the i-lab on the first floor (and spaces for FIELD team projects on the second and third floors). The i-lab, a resource to all of Harvard and with programs for our Allston community neighbors as well, combines flexible spaces and seating to support both ongoing project work and fledgling ventures, access to resources and coaching by experienced alumni mentors, community-oriented services, and a program of workshops, classes, lectures, and other events (see i-lab.harvard.edu). While it didn't officially open until mid-November, during the first two months of the academic year it hosted more than 4,000 guests, including Facebook founder Mark Zuckerberg (who said he'd have spent all his time there as an undergrad).

What makes this space remarkable is the promise it represents—both as a commitment to the belief that the parts of the University can achieve more collectively than they can individually, and as a reason to expect new things. Faculty from all across the University have begun moving classes to the facility, especially those that draw students from different schools and that rely on team-based projects. The wildly popular undergraduate computer science course CS50 has hosted office hours there a number of times. Ferran Adria, perhaps the world's most creative chef, used the space to

launch a Global Ideas Challenge. It has become a vibrant hub of activity, night and day.

We are also exploring mutually beneficial ways of engaging with undergraduates at the college. This summer, we launched a new research internship, the Program on Research in Markets and Organizations (see www.hbs.edu/research/primo), that matched a dozen college students with HBS faculty and exposed them to research opportunities and careers in academia. This fall, more than a dozen faculty—mainly from HBS, but also from other parts of the University—took part in offering an HBS course, “Innovation and Entrepreneurship: American Experience in Comparative Perspective,” as part of the undergraduate General Education curriculum; more than 200 students from Harvard College wrote applications for the 90 available seats.

Finally, we continue to strengthen our joint degree programs with Harvard Medical School, Harvard Law School, and Harvard Kennedy School, as well as our support for key University programs (including, for example, faculty teaching in the innovative Graduate School of Education doctoral program).

Update on the School

Of course, while we work toward these priorities, we are not losing sight of the key activities so important to the School. Efforts continue in the MBA Program to enhance the quality of the applicant pool, widen the range of opportunities available to students as they graduate, and enhance student engagement. In the Doctoral Programs, we are undertaking a self-review to assess the scope and scale of our programs: Should we expand or contract the number of programs? Is the cohort the right size? How do we continue to attract the best students to the right doctoral program? In Executive Education, we broke ground on Tata Hall (www.hbs.edu/construction/tata-hall.html), a new residential and classroom facility, in December 2011, and we expect to see the building completed by the end of 2013. As we gain capacity, and as we seek to offer more programs in more parts of the world, we are beginning to think about how our program portfolio might shift.

Harvard Business Publishing (HBP) remains a key vehicle for disseminating the work of the faculty, and for engaging with many more individuals and organizations in leadership development than we ever could by bringing them to the HBS campus. Unlike many of its counterparts in the publishing arena, HBP has succeeded, if not excelled, across the audiences it serves, including other academics/higher education, corporate learning, and individual managers. This is largely the result of recent and ongoing investments in a digital platform, the development of new products (e.g., brief cases and simulations), and thoughtful editorial reorganization.

Finally, attracting talent to the School is crucial to our ongoing ability to execute on our aspirations. In the last 18 months, we have welcomed 35 new faculty members who have begun to contribute to HBS in remarkable ways (offset somewhat, of course, by attrition through retirements and departures). We also have granted tenure to ten faculty members, ensuring that our ranks of senior faculty remain strong. On the staff side, we have invested in this group over the same period, particularly in areas like the MBA Program and Information Technology, in order to bolster our capacity to execute on the ambitious priorities we are pursuing. A unique strength of HBS is the quality of our staff and the extent to which we can rely upon these individuals to do the work of the School to the highest standards of excellence.

In closing, I want to repeat something many of you have heard me say in recent months. I believe it is a remarkable time to be at Harvard Business School—a moment when we can set a course for this wonderful institution that builds on the remarkable legacy of its first hundred years.

We must have the conviction to hold fast to the many traditions that have defined us for so many years: the case method, our residential campus, our focus on a transformational learning experience.

At the same time, we must have the courage to innovate. Because today's traditions were, in fact, innovations in their time. Harvard Business School pioneered not only the MBA degree, but the adoption of case studies in management education, executive education, and entire new fields of inquiry, from organizational behavior to entrepreneurship. We owe it, to the generations who will follow us, to continue that spirit of exploration and innovation, because it is in this way that we bring to life the School's mission of educating leaders who make a difference in the world.

