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Faculty & Research News

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Awards and honours

2005 John D.C. Little Best Paper Award Finalist

(Best Marketing Paper in an INFORMS Journal)

"The Targeting of Advertising"

Ganesh IYER, David SOBERMAN and J. Miguel VILLAS-BOAS

2006 ECCH Case Awards

Economics, Politics & Business Environment

"Danfoss RC in China (A): Going Global"

Jonathan STORY and Natasha LEE-EVANS

2006 ECCH Case Awards

Finance, Accounting and Control

"The Boeing 777"

Robert BRUNER, P. CHRISTEY, H. CLAUSEN, D. GOLLISH and N. KOGGERSBOL

2006 ECCH Case Awards

Marketing

"Diesel for Successful Living: Branding Strategies for an Up-Market Line Extension in the Fashion Industry"

Pierre CHANDON and V. GRIGORIAN

2006 ECCH Case Awards

Strategy & General Management

"The Evolution of the Circus Industry Case A"

Matt WILLIAMSON, Renee MAUBORGNE, Ben BENSAOU and W. Chan KIM

DRUID Summer Conference 2006

Best Paper

"Distributed R&D, Cross-Regional Ties and Quality of Innovative Input"

Jasjit SINGH

Emerald Management Reviews Independent Review Board

Citation of Excellence: One of Top 50 Management Articles of 2005

"Placebo Effects of Marketing Actions: Consumers May Get What They Pay For"

Baba SHIV, Ziv CARMON and Dan ARIELY

Journal of Banking and Finance

Winner 2006 Iddo Sarnat Award

"Is Learning a Dimension of Risk?"

Massimo MASSA and Andrei SIMONOV

Publications

Books

AYERS Robert and K. MARTINAS

On the Reappraisal of Microeconomics. Edward Elgar Publishing. 2005.

Abstract not available.

COUGHLAN Anne, Erin ANDERSON, Louis STERN and Adel EL-ANSARY

Marketing Channels. 6th Edition. Prentice Hall, UK. January 2001. 7th Edition. Prentice Hall, UK 2006.

This is the leading MBA and executive-level textbook on channels of distribution. The first edition appeared in 1972 and is considered to have shaped the subject as it is taught. This edition will supersede the 6th edition. Copyright 2001.

DALY Peter H., Michael WATKINS and Cate REAVIS

The First 90 Days in Government: Critical Success Strategies for New Public Managers at All Levels. Harvard Business School Press. 10 July 2006.

More than 250,000 public sector managers in the United States take on new positions each year and many more aspire to leadership. Each will confront special challenges – from higher public profiles to a greater number of stakeholders to volatile political environments – that will make their transitions even more challenging than in the business world. Now, Michael H. Watkins, author of the best-selling book *The First 90 Days*, applies his proven leadership transition framework to the public sector. Watkins and co-author, Peter H. Daly, address the crucial differences between the private and public sectors that go to the heart of how success and failure are defined, measured, and rewarded or penalized. This concise, practical book provides a roadmap to help new government leaders at all levels accelerate their transitions by overcoming nine transition challenges, ranging from clarifying expectations to defining goals to building a team to managing personal stress. The authors also offer detailed strategies for avoiding major "transition traps". Zeroing in on the challenges facing new government leaders, *The First 90 Days in Government* is an indispensable guide for anyone seeking to lead and succeed in the public sector.

DUTTA Soumitra, Augusto LOPEZ-CARLOS and Irene MIA (Eds.)

The Global Information Technology Report 2005-2006: Leveraging ICT for Development. World Economic Palgrave MacMillan. May 2006.

The Global Information Technology Report 2005-2006, the fifth in the series, seeks to measure the national propensity to leverage the opportunities offered by ICT for sustained growth and rising propensity for 115 countries in the world. It thus provides a broad international framework in which the enabling factors for ICT advancement are mapped out.

The Global Information Technology Report 2005-2006 includes the latest computation and rankings of the Networked Readiness Index. It also features a number of essays spanning a range of ICT issues, from the evidence of ICT-related productivity improvements to interesting specific country case studies. The last part of the Report contains detailed country profiles for the 115 countries covered this year, together with data tables for each indicator used in the Index's computation. This year's Report, as in the past, is the result of collaboration between the World Economic Forum and INSEAD.

KETS DE VRIES Manfred

The Leader on the Couch: A Clinical Approach to Changing People & Organizations. John Wiley & Sons Ltd. July 2006.

People in organizations—with their individual and collective fears, hopes and expectations—are the fulcrum upon which the equilibrium of the organization depends. Unfortunately, organizational stakeholders tend to be an unruly group, with individual goals and motivations that are seldom well aligned with organizational vision, values and strategy. Given this reality, perhaps we should not be surprised that the most successful organizations appear to have something rather unusual in common: a high emotional intelligence quotient (EQ). In these organizations, “people are our greatest asset” is more than an empty slogan. The key emotional intelligence markers in individuals—among them empathy, active listening, and a capacity for self-reflection—have become part of the organizational DNA.

EQ in organizations is a hot, and hotly debated, topic, but this book takes a unique analytical approach. Using a “clinical” lens, the book puts executives metaphorically “on the couch”, deciphering the reasons why people behave the way they do in organizations, and uncovering the consequences of their actions. Personality prototypes are described to illustrate some of the basic foundations of human motivation and action. In dealing with these various themes, the book offers both theory and practice for organizational stakeholders. For example, the book explores the process of individual and organizational transformation and change. Clinical, system-wide intervention techniques are presented—the use of transitional space being one example—and the roles of the leadership coach and organizational consultant are discussed. An intensive group leadership coaching methodology is introduced, providing new perspectives and a more nuanced way of dealing with the dynamics of individual and organizational transformation.

LOCH Christoph, Stylianos KAVADIAS (Eds.)

Managing New Product Development: What We Know. An Overview of the State of Research. Kluwer Academic Publishers. Forthcoming 2007.

This book combines chapters from the leading researchers in the area of new product development. It is intended as a source for researchers, consultants and practitioners who work on new product development problems. It provides a comprehensive view of the state-of-the-art knowledge and discusses future steps for the new product development field. The team includes Stefan Thomke, Lee Fleming, Marco Iansiti, Alan MacCormack, Walter Kuemmerle and Elie Ofek from Harvard Business School; Christoph Loch, Arnoud De Meyer, Manuel Sosa, and Shantanu Bhattacharya from INSEAD, Karl Ulrich and Christian Terwiesch from the Wharton School; Vish Krishnan and Roger Bohn from the UCSD Rady School; Nitin Joglekar from Boston University; Kamalini Ramdas from the University of Virginia’s Darden School; Jeff Liker from the University of Michigan; Edward Anderson from the University of Texas at Austin; Ely Dahan from UCLA; Stylianos Kavadias from Georgia Tech and Keith Goffin from the Cranfield Business School.

Thirteen chapters are already written, including an opening chapter that puts all the chapters into a common framework (written by Stylianos Kavadias and myself), and I have written one chapter of the book myself. The aim is to have all chapters complete and edited by the Fall of 2006, so the book will appear early 2007.

REDDING Gordon and Michael A. WITT

The Future of Chinese Capitalism. Oxford University Press. Forthcoming.

Abstract not available.

REGENWETTER Michel, Bernard GROFMAN, A. MARLEY and Ilia TSETLIN.
Behavioral Social Choice: Probabilistic Models, Statistical Inference, and Applications.
 Cambridge University Press. 30 April 2006.

This book develops a mathematical modeling and statistical inference framework that allows us to construct descriptive (as opposed to normative) theories of social choice behavior and to test these theories against empirical data. The authors believe that this work provides a first systematic attempt toward a formal behavioral theory of social choice behavior, in the spirit of behavioral economics and of behavioral decision theory (à la Kahneman and Tversky).

Their empirical work on majority rule decision making demonstrates that some influential strands of theoretical research (the impartial culture assumption, and domain restriction conditions, such as Sen's value restriction and Black's single peakedness) are descriptively invalid. They also show that their behaviorally plausible conditions, which they validate on empirical data, predict that majority rule decision making is extremely unlikely to generate cycles (among sincere preferences) for realistic distributions in mass electorates. A major implication is that majority rule provides a 'solution' (in practice) to Arrow's impossibility theorem.

The authors also discuss how statistical considerations of social choice processes can dramatically redefine important research questions (e.g., finding the correct winner may be a bigger concern than avoiding cycles) and reverse policy implications (e.g., high turnout, not low turnout, as often argued, is desirable when using majority rule).

In follow-up work, the authors show how Condorcet's majority rule and Borda's scoring rule are in almost perfect agreement with each other in some major empirical data sets. These findings suggest that behavioral approaches to social choice processes can dramatically alter their focus: rather than emphasize impossibilities of universally feasible solutions and pessimistic predictions about what might go wrong in a social choice process in the worst case scenario, they may investigate redundancies among social choice procedures in actual elections and how to choose social choice procedures that are easy for the voter to use.

As indicated above, the authors must also turn their attention to problems that have been widely ignored in the theoretical, social choice literature, such as the susceptibility of social choice procedures to erroneous election outcomes 1) when voters experience preference uncertainty, 2) when ballots are complex to fill out or 3) when tally procedures contain probabilistic components. They illustrate their theoretical and empirical arguments using attitudinal survey data, single transferable vote ballot and approval voting ballot data from real elections.

THOENIG Jean-Claude and Charles WALDMAN
Embedding Firms: To Make an Impact on Business and Society. INSEAD Business Press,
 Palgrave Macmillan. Forthcoming August or September 2006.

Embedding Firms parle des entreprises qui pratiquent le marquage. Elles font référence non seulement par leurs résultats et leur notoriété, mais aussi par l'empreinte qu'elles laissent dans la société. Elles desservent voire construisent des territoires, plus que des marchés. Elles marquent leur territoire. Elles managent autrement. Elles pratiquent un marketing plus profond que celui des entreprises marchandes. Elles sont des organisations apprenantes et missionnaires. Elles affichent ouvertement et résolument une ambition de réforme sociétale. Le livre s'appuie sur l'examen de huit entreprises multinationales..

TURNER Patrick and Chris BOULTON
Magic Numbers for Entrepreneurs. John Wiley & Sons. Forthcoming.

In this book, the process of becoming an entrepreneur and running a start-up company is seen as a series of 'magic numbers' – from how many pages the business plan should have, through to working capital ratios and valuations.

WATKINS Michael

Shaping the Game: The New Leader's Guide to Effective Negotiating. Harvard Business School Press. 10 July 2006.

Michael H. Watkins' best-selling book *The First 90 Days* has become the business bible for accelerating leadership transitions. Now, Watkins zeroes in on the most critical skill leaders must master to secure new roles and accelerate their transitions: negotiation. In *Shaping the Game: The New Leader's Guide to Effective Negotiating*, Watkins draws from extensive research and practical consulting work to reveal four fundamental objectives that should guide new leaders' actions in every negotiation they undertake: create the most possible value, capture that value for yourself and your company, carefully tend to key relationships, and preserve your reputation. Watkins lays out hands-on strategies for becoming a world-class negotiator, including how to match your negotiation strategy to the situation, influence the perspectives of key counterparts, shape negotiation outcomes in your favor, and create the learning discipline necessary to become a world-class negotiator. Navigating the myriad of complex, high-stakes negotiating challenges that confront new leaders, this book provides all the tools readers need to make the right moves up the career ladder – and succeed in those roles once they get there.

ZENG Ming and Peter WILLIAMSON

Dragons at Your Door: How Chinese Companies Will Disrupt Global Business. Harvard Business School Press. Forthcoming 2006.

Chinese companies are “going global”. As they do, they are starting to have a big impact on the global competitive landscape. The rise of Japanese and Korean firms like Toyota (poised to overtake GM as the world's largest car maker) and Samsung has already highlighted the danger of underestimating the emergence of new competition from Asia. But the implications of the rise of Chinese firms are likely to be even much more far-reaching. The sheer scale of resources they can muster, especially fast developing human resources, the leverage afforded by China's huge home market, and the new opening of international markets for everything from capital through to technology and design (which favors latecomers) means that the emergence of Chinese multinationals promises to have an even greater impact on global competition. Chinese companies are poised to become the ultimate source of disruptive competition in the global market.

In this book, we help Western companies to understand these new, Chinese competitors (or potential partners) and realize what strategies can be successfully adopted in response to this new challenge and opportunity. We answer questions such as: How did Chinese companies get into a position where they can attack the global market? What are their ambitions? What factors contribute to the success of Chinese firms first in their home market, and then in the global market? How will the rise of Chinese competitors impact the global competitive game? How should Western multinationals compete and/or cooperate with these emerging Chinese firms?

Journal articles

DIKOLLI Shane and Igor VAYSMAN

Information Technology, Organizational Design, and Transfer Pricing. *Journal of Accounting and Economics*. Vol. 41. Issues 1-2. Pp. 201-234. April 2006.

The authors show how information technology affects transfer pricing. With coarse information technology, negotiated transfer pricing has an informational advantage: managers agree to prices that approximate the firm's cost of internal trade more precisely than cost-based transfer prices. With sufficiently rapid offers, this advantage outweighs opportunity costs of managers' bargaining time, and negotiated transfer pricing generates higher profits than the cost-based method. However, as information technology improves, the informational advantage diminishes; the opportunity costs of managers' bargaining eventually dominate, and cost-based methods generate higher profits. The authors' results explain why firms generally prefer cost-based methods, and when negotiated methods are preferable.

ECHAMBADI Raj, Inigo ARRONIZ, Werner REINARTZ and Junsoo LEE

Empirical Generalizations from Brand Extension Research: How sure are we? *International Journal of Research in Marketing*. Vol. 23. Issue 3. Forthcoming 2006.

Bottomley and Holden (2001) conducted a secondary analysis of Aaker and Keller's (1990) seminal brand extension study and seven other close replications, generated several empirical generalizations, and hence called for a revision of the extant understanding of brand extension evaluations. We re-examine Bottomley and Holden's conclusions. We prove analytically that the residual-centering approach used by them to alleviate collinearity problems is inappropriate, thereby rendering their generalizations suspect. We re-analyze the same data, and our new results clarify the understanding of how consumers indeed evaluate extensions. Specifically, we find that, although the simple effects of neither parent brand quality nor measures of fit affect evaluations of brand extensions, the interaction effects of parent brand quality with fit are important determinants of brand extension evaluations. We discuss the substantive implications of our findings and offer directions for future research.

FATÁS Antonio, Ilian MIHOV and Andrew ROSE

Quantitative Goals for Monetary Policy. Conditionally accepted to *The Journal of Money, Credit and Banking*

Also INSEAD Working Paper N° 2004/51/EPS

The authors study empirically the macroeconomic effects of an explicit *de jure* quantitative goal for monetary policy. Quantitative goals take three forms: exchange rates, money growth rates, and inflation targets. They analyze the effects on inflation of both having a quantitative target, and of hitting a declared target; they also consider effects on output volatility. Their empirical work uses an annual data set covering 42 countries between 1960 and 2000, and takes account of other determinants of inflation (such as fiscal policy, the business cycle, and openness to international trade), and the endogeneity of the monetary policy regime. They find that both having and hitting quantitative targets for monetary policy is systematically and robustly associated with lower inflation. The exact form of the monetary target matters somewhat, but is less important than having a quantitative target. Successfully achieving a quantitative monetary goal is also associated with less volatile output.

GEYER Roland, Luk VAN WASSENHOVE and Atasu ATALAY
The Economics of Remanufacturing under limited Component Durability and Finite Product Life Cycles. *Management Science*. Forthcoming.

This paper models and quantifies the cost-saving potential of production systems that collect, remanufacture and remarket end-of-use products as perfect substitutes while facing the fundamental supply-loop constraints of limited component durability and finite product life cycles. Our results clearly demonstrate the need to carefully coordinate production cost structure, collection rate, product life cycle and component durability in order to create and/or maximize production cost savings from remanufacturing.

GUIDE Daniel jr., Gilvan SOUZA, Joseph BLACKBURN and Luk VAN WASSENHOVE
Time Value of Commercial Product Returns. *Management Science*. Forthcoming.

Manufacturers and their distributors must cope with an increased flow of returned products from their customers. The value of commercial product returns, which we define as products returned for any reason within 90 days of sale, now exceeds US \$100 billion annually in the US. Although the reverse supply chain of returned products represents a sizeable flow of potentially recoverable assets, only a relatively small fraction of the value is currently extracted by manufacturers; a large proportion of the product value erodes away due to long processing delays. Thus, there are significant opportunities to build competitive advantage from making the appropriate reverse supply chain design choices. In this paper, we present a network flow with delays model that includes the marginal value of time to identify the drivers of reverse supply chain design. We illustrate our approach with specific examples from two companies in different industries and then examine how industry clockspeed generally affects the choice between an efficient and a responsive returns network.

HAU Harald
The Role of Transaction Costs for Financial Volatility: Evidence from the Paris Bourse. *Journal of the European Economic Association*. Forthcoming.

This paper analyzes the causal linkage between transaction costs and financial volatility under two methodological improvements over the existing literature. First, we use panel data in which exogenous transaction cost differences in the French stock market are induced by price level dependent minimum price variation rules (tick size rules). Unlike in previous studies based on one-time regulatory tick size changes (like the US decimalization), we can separately identify and control for market-wide volatility changes. Second, we avoid the pitfalls of biased volatility measurement across regimes by using the range as a tick size robust volatility metric. Panel regressions controlling for market-wide volatility effects show at high levels of statistical significance that the (log) range volatility of individual stocks increases by more than 20 percent for a 20 percent exogenous increase in transaction costs due to tick size variations in the French trading system. In the light of this evidence, higher transaction costs in general, and security transaction taxes in particular, should be considered as volatility increasing.

JAP Sandy D. and Erin ANDERSON
Testing a Life-Cycle Theory of Cooperative Interorganizational Relations: Movement Across Stages and Performance. *Management Science*. Forthcoming 2006.

Abstract not available.

KRISHNAN V. and C. H. LOCH

A Retrospective Look at Production and Operations Management Articles on New Product Development. *Production and Operations Management*. Vol. 14. Issue 4. Pp. 433-441. Winter 2005.

We present a retrospective look at the articles on New Product Development that appeared in the first 50 issues of *Production and Operations Management (POM)*. We discuss some of the strengths and weaknesses of this *POM* literature stream. This article is not intended to be a literature review or an exhaustive review of the articles. Rather, we seek to identify new opportunities for rigorous and relevant research, research that has the potential of differentiating and enhancing *POM* within the Operations Management literature.

LAURIE Donald L., Yves L. DOZ and Claude P. SHEER

Creating New Growth Platforms. *Harvard Business Review*. 1 May 2006.

Sooner or later, most companies cannot attain the growth rates expected by their boards and CEOs and demanded by investors. To some extent, such businesses are victims of their own success. Many were able to sustain high growth rates for a long time because they were in high-growth industries. But once those industries slowed down, the businesses could no longer deliver the performance that investors had come to take for granted. Often, companies have resorted to acquisition, although this strategy has a discouraging track record. Over time, 65% of acquisitions destroy more value than they create. So where does real growth come from? For the past 12 years, the authors have researched and advised companies on this issue. With the support of researchers at Harvard Business School and INSEAD, they instituted a project titled The CEO Agenda and Growth. They identified and approached 24 companies that had achieved significant organic growth and interviewed their CEOs, chief strategists, heads of R&D, CFOs, and top-line managers. They asked, "Where does your growth come from?" and found a consistent pattern in the answers. All the businesses grew by creating new growth platforms (NGPs) on which they could build families of products and services and extend their capabilities into multiple new domains. Identifying NGP opportunities calls for executives to challenge conventional wisdom. In all the companies studied, top management believed that NGP innovation differed significantly from traditional product or service innovation. They had independent, senior-level units with a standing responsibility to create NGPs, and their CEOs spent as much as 50% of their time working with these units. The payoff has been spectacular and lasting. For example, from 1985 to 2004, the medical device company, Medtronic, grew revenues at 18% per year, earnings at 20%, and market capitalization at 30%.

LOCH Christoph, Charles GALUNIC and Susan SCHNEIDER

Balancing Cooperation and Competition in Human Groups: The Role of Emotional Algorithms and Evolution. *Journal of Managerial and Decision Economics*. Vol. 27. Issue 2-3. Pp. 217-233. 27 March 2006.

We examine *emotional algorithms* and their role in a fundamental dilemma that confronts human groups – whether actors should take care of ‘me’ (compete) or take care of ‘we’ (cooperate). We argue that human emotions, triggered in algorithmic fashion through four common, although culturally specified, mechanisms, powerfully direct humans to compete or cooperate. Drawing on evolutionary psychology, we first define and characterize these hard-wired emotional algorithms, presenting evidence for their independent influence. Their regulatory influence on human groups, however, can only be appreciated once we examine them as a system. We show how, as a system, these algorithms help explain the dynamic balance that members of human groups can (and often must) achieve between competition and cooperation. We derive three propositions regarding how these algorithms play out in groups. We suggest that understanding these dynamics can help leaders better manage cooperation and competition in organizational groups.

MAENHOUT Pascal

Robust Portfolio Rules and Detection-Error Probabilities for a Mean-Reverting Risk Premium. *Journal of Economic Theory*. Vol. 128. Issue 1. Pp. 136-163. May 2006.

I analyze the optimal intertemporal portfolio problem of an investor who worries about model misspecification and insists on robust decision rules when facing a mean-reverting risk premium. The desire for robustness lowers the total equity share, but increases the proportion of the intertemporal hedging demand. I present a methodology for calculation of detection-error probabilities, which is based on Fourier inversion of the conditional characteristic functions of the Radon-Nikodym derivatives. The quantitative effect of robustness is more modest than in i.i.d. settings, because model discrimination between the benchmark and the worst-case alternative model is easier, as indicated by the detection-error probabilities.

MARKUS Christen and Miklos SARVARY

Competitive Pricing of Information: A Longitudinal Experiment. *Journal of Marketing Research*. Forthcoming.

Abstract not available.

MASSA Massimo and J.M. GASPAR

Idiosyncratic volatility and product market competition. *CEPR Working Paper, 4812. Journal of Business*, Forthcoming.

This paper investigates the relation between a firm's competitive position and the idiosyncratic volatility of its stock price. We focus on two particular aspects of competitive conditions: the firm's market power, interpreted as its ability to price above marginal cost, and the firm's investment in innovation, proxied by the amount spent on research and development (R&D). We test the prediction that greater market power provides a firm with a natural hedge against idiosyncratic shocks. The empirical results show that firms with higher market power exhibit a lower absolute level of idiosyncratic volatility and also a higher ratio of systematic to total volatility. These findings are further supported by Granger causality tests, where we show that an increase in market power reduces idiosyncratic volatility, but not the reverse. We also produce evidence that investments in innovation make the firm more opaque to outside investors by showing that R&D spending increases idiosyncratic volatility but do not change the ratio of systematic to total risk. Our overall results contribute to the understanding of recent empirical trends of idiosyncratic volatility, and confirm the important link between stock market performance and the competitive environment of firms.

METIU Anca

Owning the Code: Status Closure in Distributed Groups. *Organization Science*. Vol. 17. Issue 4. July-August 2006.

An ethnographic study of a team of software developers working on a new product across two groups – the West Coast of the US and Bangalore in India – is used to analyze status dynamics in distributed groups. While existing literature has emphasized the importance of communication, task design, and incentives for cooperation, the paper shows how status differentials and geographic distance reinforce each other to affect the work processes and collaboration in distributed teams. The focus is on two elements: the relationship between the collaboration across the two groups and their members, and on the members' interpretations of this relationship. Status influences the perceptions of the remote group, as well as the willingness to cooperate with its members. The key findings specify the informal closure strategies used by the high-status group in relation to the low-status group. Furthermore, the superimposition of geographic and status distance in remote work lowered the cost of exclusion of one group from the collaboration, and led to the deepening of status differences between remote groups. By showing status to be both an input and an output of inter-group relations, the paper specifies some of the mechanisms through which status orderings are maintained and reinforced.

MIHOV Ilian and Anne SIBERT

Credibility and Flexibility with Monetary Policy Committees. *Journal of Money Credit and Banking*. Vol. 38. Pp. 23-46. February 2006.

Also INSEAD Working Paper N° 2002/37/EPS

Independent monetary policy committees are a simple way of attaining relatively low inflation without completely sacrificing an activist role for monetary policy. If central bankers' types are unknown, for a wide range of parameters, an independent committee achieves higher social welfare than either a zero-inflation rule or discretionary policy conducted by an opportunistic central banker. A key reason for the committee's superior performance is that committee members are quite likely to opt for low inflation and building a reputation when shocks are small. When large shocks hit the economy, the incentive to react outweighs the reputation-building benefit.

MONAHAN Steven

Discussion of Why Do Managers Voluntarily Issue Cash Flow Forecasts? *Journal of Accounting Research*. Forthcoming 2006.

I discuss the difference between studies that focus on *ex post* disclosure choices (i.e., situations in which management makes disclosure decisions that are contingent on the nature of the information) and *ex ante* disclosure policy (i.e., situations in which management commits to a particular disclosure strategy before knowing the nature of the information). The primary issue is that in an *ex post* setting it is very difficult to say anything about the economic consequences, whereas studies of *ex ante* commitments shed more light on the issue of efficiency.

NETESSINE Serguei and Nils RUDI

Supply Chain Choice on the Internet. *Management Science*. Vol. 52. Issue 6. Pp. 844-864. June 2006.

Abstract not available.

PLESS Nicola M.

Responsible Leadership in a Stakeholder Society – A Relational Perspective. *Journal of Business Ethics*. Vol. 66. Issue 1. 2006.

We understand responsible leadership as a social-relational and ethical phenomenon, which occurs in social processes of interaction. While the prevailing leadership literature has, for the most part, focused on the relationship between leaders and followers in the organization and defined followers as subordinates, we show in this article that leadership takes place in interaction with a multitude of followers as stakeholders inside and outside the corporation. Using an ethical lens, we discuss leadership responsibilities in a stakeholder society, thereby following Bass and Steidelmeier's suggestion to discuss "leadership in the context of contemporary stakeholder theory" (1999: 200). Moreover, from a relational and stakeholder perspective, we approach the questions: What is responsible leadership? What makes a responsible leader? What qualities are needed? Finally, we propose a so-called "role model" of responsible leadership, which gives a gestalt to a responsible leader and describes the different roles he or she takes in leading stakeholders and business in society.

SINACEUR Marwan and Larissa Z. TIEDENS

Get Mad and Get More than Even: When and Why Anger Expression is Effective in Negotiations. *Journal of Experimental Social Psychology*. Vol. 42. Issue 3. Pp. 314-322. May 2006.

The authors hypothesize that anger expressions increase expressers' ability to claim value in negotiations, but only when the recipients of these expressions have poor alternatives. This effect occurs because anger expression communicates toughness, and only recipients who have poor

alternatives are affected by the toughness of their counterpart. In Experiment 1, participants read a scenario in which a negotiator was either angry or not. In Experiment 2, dyads negotiated face-to-face after one negotiator within each dyad was advised to show either anger or no emotion. In both studies, recipients of anger expressions, who had poor alternatives, conceded more. Experiment 2 also provided evidence that toughness ascribed to the expresser mediated the effect of anger expression on claiming value.

SOBERMAN David and Philip PARKER

The Economics of Quality-Equivalent Store Brands. *IJRM*. Vol. 32. Issue 2. June 2006.

Also INSEAD Working Paper N°2004/38/MKT

A key change in the retail environment over the last 20 years has been the emergence and growth of lower-priced quality-equivalent store brands. Nevertheless, advertising of national brands has continued to rise and, in many categories, average prices have increased. The authors explain this apparent contradiction using a model where a national brand manufacturer engages in heavy advertising, and its retailer introduces a store brand to better serve its customers. Their analysis shows that when both the manufacturer and the retailer have market power, the launch of quality-equivalent store brands can lead to either higher or lower average category prices. In addition, both members of the channel benefit when quality-equivalent store brands are launched. As a result, a dominant manufacturer often agrees to a retailer's request to supply a quality-equivalent store brand.

SORENSEN Olav and Jasjit SINGH

Science, Social Networks and Spillovers. *Industry and Innovation*. Forthcoming.

Also INSEAD Working Paper N°. 2006/09/ST

Although prior empirical research has established that science appears to stimulate the widespread diffusion of knowledge, the exact mechanism through which science catalyzes information flow remains somewhat ambiguous. This paper considers whether the observed knowledge diffusion associated with science-based innovation stems from the norm of openness and incentives for publication, or whether scientists maintain more extensive and dispersed social networks that facilitate the dissemination of tacit knowledge. Our analysis supports the former mechanism: we use patent citation patterns to track the movement of knowledge, and find that science-based innovations diffuse more rapidly and widely, even after controlling for the underlying social networks of researchers as measured using information on prior collaborations. We also find that publication and social networks act as substitutes in the diffusion of knowledge.

THOENIG Jean-Claude

Rescuing Publicness from Organization Studies. *Gestión y Política Pública*. 2 June 2006.

This paper questions whether organizational knowledge provided by empirically grounded social sciences has really explored publicness in an exhaustive manner. Classic organizational sociology has not fully explored or addressed the agenda about public organizations as such. Public organizations are organizations of a specific nature. They are in charge of public policy effectiveness, of a production function that generates societal impacts. While large similarities may exist between public and non-public entities on some aspects of their organizational models, the function they are accountable for is quite specific, both from an action as well as an order standpoint.

VAN WASSENHOVE Luk

Humanitarian Aid Logistics: Supply Chain Management in High Gear. *Journal of the Operational Research Society*. Vol. 57. Issue 5. pp. 475-489. May 2006.

This article builds on the idea that private sector logistics can, and should, be applied to improve the performance of disaster logistics, but that before embarking on this, the private sector needs

to understand the core capabilities of humanitarian logistics. With this in mind, the article walks us through the complexities of managing supply chains in humanitarian settings. It pinpoints the cross learning potential for both the humanitarian and private sectors in emergency relief operations as well as possibilities of getting involved through corporate social responsibility. It also outlines strategies for better preparedness and the need for supply chains to be agile, adaptable and aligned – a core competency of many humanitarian organizations involved in disaster relief and an area which the private sector could draw on to improve their own competitive edge. Finally, the article states the case for closer collaboration between humanitarians, businesses and academics to achieve better and more effective supply chains to respond to the complexities of today's logistics, be it the private sector or alleviating the suffering of those blighted by disaster.

WANSINK Brian and Pierre CHANDON

Meal Size, not Body Size, Explains Errors in Estimating the Calorie Content of Food. *Annals of Internal Medicine*. Vol. 144. Issue 5. September 2006.

Abstract not available.

WARR Benjamin and Robert U. AYRES

REXS: A Forecasting Model for Assessing the Impact of Natural Resource Consumption and Technological Change on Economic Growth. *Structural Change and Economic Dynamics*. Forthcoming 2006.

This paper describes the development of a forecasting model in the tradition of system dynamics. It is called Resource Exergy Services (REXS). The model stimulates economic growth of the US through the 20th century and extrapolates the simulation for several decades into the next century. The REXS model differs from previous energy-economy models such as DICE and NICE [Nordhaus, W. D., 1991. The cost of slowing climate change: a survey. *The Energy Journal* 12 (1), 37-66] by eliminating the assumption of exogenously driven exponential growth along a so-called 'optimal trajectory'. Instead, we suggest a simple model representing the dynamics of technological change in terms of decreasing energy (exergy) intensity and endogenously increasing efficiency of conversion of raw material and fuel inputs (exergy) to primary exergy services ('useful work').

In our model, the traditional assumption of exogenous technological progress (total factor productivity) increasing at a constant rate is replaced by two learning processes based, respectively, on (i) cumulative economic output and (ii) cumulative energy (exergy) service (useful work) production experience. The initial results of simulation for the period 2000-2050 have significant implications for future trends in economic output. These implications are important for the purposes of scenario analysis. The REXS modules are the focus of ongoing research. We discuss briefly the many possibilities for elaboration of each module to enrich the feedback dynamics, policy levers and post-scenario analyses.

XIE Wei and Steven WHITE

Windows of Opportunity, Learning Strategies, and the Rise of China's Handset Manufacturers. *International Journal of Technology Management*. Forthcoming.

This paper examines the linkage among the industry and policy environment, firm-level resources and capabilities, and the success of learning strategies by China's handset makers. Within a particular context—characterized by a large domestic market, disintegrated technological regime, established foreign firms, and supportive government policies—these firms have been able to exploit their own specific advantages, acquire new resources and capabilities, and emerge quite rapidly as serious competitors in the domestic market *vis-à-vis* global incumbents. These latecomers have tightly linked their product innovation efforts to the local market characteristics and created competitive advantages through their distribution channels. Our findings have

strategic implications for new entrants in other industry and national contexts, and also for research on the critical conditions and processes supporting successful technological learning.

Chapters in books

CARLOCK Randel, Manfred KETS de VRIES and Eizabeth FLORENT-TREACY

Family Business. *International Encyclopedia of Organizational Studies.* Stewart Clegg and James Bailey (eds.). Sage Publications. Forthcoming August 2007.

The International Encyclopedia of Organization Studies will be the definitive description of the field, spanning individual, organizational, societal and cultural perspective in a cross-disciplinary manner. Its aim is to be the premier reference tool for students, educators, scholars and practitioners to gather knowledge about a range of important topics from the unique perspective of organization studies with extensive international representation. The IEOS will be arranged alphabetically with thorough cross-referencing of entries around a series of broad themes. Contributors will come from the fields of Management, Psychology, Sociology, Communications, Education, Political Science, Public Administration, Anthropology, Law and other related areas.

DERMINE Jean

Strategic Management in Banking, in Medio Virtus. *Competition and Profitability in European Financial Services: Strategic, Systemic, and Policy Issues.* M. Balling, F. Lierman and A. Mullineux (Eds.). Routledge. April 2006.

Abstract not available.

GIMENO Javier, Ming-Jer CHEN and Jonghoon BAE

Dynamics of competitive repositioning: a multidimensional approach. *Advances in Strategic Management: Ecology and Strategy* (Volume 23). J. A. C. Baum, S. D. Dobrev and A. van Witteloostuijn (Eds.). Elsevier. June 2006.

We investigate the dynamics of competitive repositioning of firms in the deregulated US airline industry (1979-1995) in terms of a firm's target market, strategic posture, and resource endowment relative to other firms in the industry. We suggest that, despite strong inertia in competitive positions, the direction of repositioning responds to external and internal alignment considerations. For external alignment, we examined how firms changed their competitive positioning to mimic the positions of similar, successful firms, and to differentiate themselves when experiencing intense rivalry. For internal alignment, we examined how firms changed their position in each dimension to align with the other dimensions of positioning. This internal alignment led to convergent positioning moves for firms with similar resource endowments and strategic postures, and divergent moves for firms with similar target markets and strategic postures. The evidence suggests that repositioning moves, in terms of target markets and resource endowments, are more sensitive to external and internal alignment considerations, but that changes in strategic posture are subject to very high inertia and do not appear to respond well to alignment considerations.

KETS DE VRIES Manfred and Katharina BALAZS

Where is the Beef? A Clinical Perspective on Organizational Consultation and Change. *Handbook of Organizational Development.* Thomas Cummings (ed.). Sage Publications. 2007.

This chapter addresses the theme of clinically oriented consultation in the workplace, offering an example of an intervention to illustrate the limitations of more traditional forms of organizational consultation. The authors suggest, in these pages, that unconscious intrapersonal, interpersonal, and group-related dynamics have a serious impact on many decisions and policies in organizational life. Such processes are a powerful force in explaining otherwise incomprehensible human motivations and actions. The argument put forward is that the clinical approach to organizational consultation can make a significant, positive contribution in situations of problematic organizational transformation, dysfunctional leadership, collusive superior-

subordinate relationships, destructive social defense mechanisms, ineffective intra- and intergroup relationships, and neurotic organizational culture. To help readers understand the dynamics of these irrational forces, a number of salient themes in contemporary psychoanalytic theory—a domain that includes contributions from dynamic psychiatry, developmental psychology, ethology, neurophysiology, cognitive theory, family systems theory, and individual and group psychotherapy—are discussed. The breadth of that grounding makes in-depth interpretations of organizational phenomena more powerful. The main parameters of the clinical paradigm are also reviewed in this article. In the final section, the role of the clinically oriented consultant is dealt with and attention is given to the impact of transference processes in the client-consultant interface. Finally, a few comments are made on so-called authentic organizations—that is, organizations in which people feel truly alive and are creatively and efficiently productive—and the challenges executives face as they attempt to create such organizations.

LOCH Christoph and Stephen CHICK

Management Quality and Factory Performance. *Lean Manufacturing Practices in the Pharmaceutical Industry.* Jürgen Werani and Michael Kickuth (Eds.). Forthcoming.

In this chapter, we explain a model of industrial excellence that has been validated across a number of different industries. It focuses on *management practices* (as opposed to specific technical procedures). In conversations, managers implicitly seem to agree that they can recognize a good factory when they see one; they believe that a successful management team is likely to succeed when placed in a different plant, even one with completely unrelated technologies. Based on the “Industrial Excellence Award” survey and competition that we have carried out in Germany and France since 1995, we develop an *operational framework* of excellent plant management (reported in Loch *et al.* 2003), which a manager can translate into actions and which leads to competitive advantage. The framework is applied to pharmaceutical manufacturing, the topic of this book.

REINARTZ Werner, Oliver GOTZ, Wayne D. HOYER and Manfred KRAFFT

Der Einsatz von Customer Relationship Management zur Steuerung von Kundenzufriedenheit. *Kundenzufriedenheit: Konzepte – Methoden – Erfahrungen.* 6th edition. C. Homburg (ed.). Pp. 410-430. Gabler Verlag. May 2006.

Abstract not available.

STAHL Geunter K. and C. H. CHUA

International Assignments and Boundaryless Careers: A Study of the Career Orientations of German and Singaporean Expatriates. *International Human Resource Management and International Assignments.* M. J. Morley, N. Heraty and D. Collings (eds.). Palgrave Macmillan. Forthcoming.

Abstract not available.

STAHL Geunter K., C. H. CHUA and A. PABLO

Antecedents of Target Firm Members’ Trust in the Acquiring Firm’s Management: A Decision-Making Simulation. *Advances in Mergers and Acquisitions.* Vol. 5. C. I. Cooper and S. Finkelstein (eds.). JAI Press. Forthcoming.

Abstract not available.

WILLIAMSON Peter

From National to Metanational: Harnessing the Value of Global Knowledge Diversity. *Towards Digit Business Ecosystems*. A. Corallo, G. Passiante and A. Prencipe (Eds.). Forthcoming 2006.

This chapter argues that, despite globalization, few companies have developed their strategies and structures to harness the potential value of global knowledge diversity. Indeed, most companies still see diverse, context-specific knowledge as an impediment to their globalization strategies, rather than as a fount of new competitive advantage. The paper explores the changes in mindsets, organizational forms and processes that will be required for companies to break free of globalization strategies based on projecting home-grown advantages around the world and to more fully harness the latent value of global knowledge diversity within DBEs. Using China as a core example, it proposes that as the planet globalizes, companies will need to fundamentally re-think the way different locations within their international networks can contribute to success.

WILLIAMSON Peter and Ming ZENG

The Global Impact of China's Emerging Multinational Firms. *The China Impact: Capitalism in the Dragon's Lair*. C. A. McNally and E. Van Wie Davis (Eds.). Forthcoming 2006.

In this chapter, we detail the nature and scale of the emergence and future growth potential of internationally competitive Chinese firms. We examine the conditions that are giving rise to the international expansion of Chinese firms, their goals of becoming substantial global players, and their strengths, weakness and strategies. Specifically, we discuss five categories of emerging Chinese multinationals: the Focused Exporters, the Globalizing National Champions, the Networked Competitors, the Resource Seekers, and the Technology Leaders and how these firms' internationalization is both fuelled and hindered by China's (incomplete) capitalist transition.

We then turn to exploring the likely impacts of global competition in the sectors where Chinese multinationals are expanding. Finally, we speculate on some of the implications for China's future policy stance and international relations.

As it has gathered pace over the past 25 years, China's capitalist transition was almost universally welcomed around the world. Today, however, there is evidence that sceptics outside China are becoming reluctant to accept some of the unanticipated implications and outcomes of China's capitalist transition. Despite the potential frictions, however, the emergence of Chinese multinationals is likely to play a significant role in deepening global economic integration. The corporate sector is beginning to shift its focus more on more to harnessing the unique capabilities and economics of China to improve its global competitiveness through new, fully-fledged partnerships with Chinese companies.

We argue that these developments open to the way to a new set of benefits from China's capitalist transition. But there remains the question of whether, in an environment of increased frictions, the world is prepared to make the adjustments necessary to capture this upside potential.

Working papers

CHANDON Pierre and Brian WANSINK

Health Halos: How Health Claims Bias Calorie Estimations and Lead to Overeating

INSEAD N° 2006/42/MK (revised version of 2005/59/MKT)

Why is America a land of low-calorie food claims yet high-calorie food intake? We suggest an answer to this paradox by showing that health claims can actually increase overeating. In four studies, we find that consumers' calorie inferences are assimilated toward the health claims of the restaurant brand. We further find that these biased calorie estimations lead consumers to choose higher-calorie side orders, drinks, or desserts when the restaurant claims to be healthy (e.g., Subway) compared to when it does not (e.g., McDonald's). Importantly, the halo effect of health claims on calorie estimations and on overeating can be eliminated by asking consumers to consider whether opposite health claims may be true. The studies reported here suggest innovative strategies for consumers, marketers, and policy makers searching for ways to fight obesity.

KATONA Zsolt, Joseph LAJOS, Amitava CHATTOPADHYAY and Miklos SARVARY

CAM: A Spreading Activation Network Model of Subcategory Construction

INSEAD N° 2006/41/MKT

A large body of research suggests that people process the entities that they encounter by placing them into mental categories (Barsalou 1992). Although previous research examines how people access information in hierarchical category structures, it does not examine how people construct individual new categories and, in particular, how the locus of these new categories may depend on the structure of the entire hierarchy. We describe this latter process with a spreading activation model of hierarchical category structures that we call the Category Activation Model (CAM). In an experiment and an empirical study, we show that the CAM reliably predicts the probability that a person will construct a new category at a specific location within a category structure, and we provide evidence that accessibility is the mechanism that underlies category construction.

KETS DE VRIES Manfred

Decoding the Team Conundrum: The Eight Roles Executives Play

INSEAD N° 2006/35/EFE

In this article, a number of leadership "archetypes," ways of leading in a complex organizational environment are explored. These archetypes represent prototypes for understanding leadership behavior. Ideally, an executive team—representing a number of leadership archetypes—should be able to cover all the leadership needs that are required to make an organization effective.

Eight commonly found leadership archetypes are identified. Each of these leadership archetypes will prove more or less effective depending on the organizational situation. The archetypes listed are strategist, change-catalyst, transactor, builder, innovator, processor, coach and communicator. A description is given of each archetype including what it means working with, and managing each of these types. These in-depth descriptions form the foundation of a Leadership Archetype Questionnaire (LAQ).

KETS DE VRIES Manfred

Making Sense of "Fuck-You Money" and Beyond

INSEAD N° 2006/45/EFE

The objective of this article is to explore the role money plays in our lives. First, I touch on the symbolic role of money, especially as it relates to developmental forces such as rivalry, competitiveness, envy, greed, and love. Then, I contend that the mindless pursuit of money

contributes to a mortgaged life. In this context, I explore the relationship between money and health, and money and happiness. Finally, I discuss ways that the money conundrum can be made more manageable. What can be done about managing our needs? And if wealth has been acquired, what is the most appropriate way to deal with it?

KETS DE VRIES Manfred F. R. and Konstantin KOROTOV
Creating Identity Laboratories to Enable Executive Change and Transformation
INSEAD N° 2006/36/EFE

This article concerns the design of transformational executive programs. To understand what happens in the transformational process, three triangular conceptual frameworks (taken from short-term dynamic psychotherapy) are presented: the mental life triangle, the conflict triangle, and the relationships triangle. The first shows that cognitive and emotional processes need to be taken into consideration to create changes in behavior. The second describes how psychic conflict arises from unacceptable feelings or thoughts that prompt anxiety and defensive reactions. The relationships triangle explains how an individual's childhood experiences create patterns of response that are repeated throughout life. Five major challenges in program design are also examined: the criteria for selecting participants; identifying the focal problem on which participants need to work; the creation of a safe transitional space that enables the change process; how to use the group dynamic to arrive at internalization of the change process; and the educational implications for faculty, facilitators, and coaches.

LANKOSKI Leena
Differential Economic Impacts of Corporate Responsibility Issues
INSEAD N° 2006/44/IBiS

The study examines whether there are systematic differences in the economic impacts of different corporate responsibility issues and finds that the content of corporate responsibility does matter for the economic impacts. Economic impacts are more positive for corporate responsibility issues that reduce negative externalities rather than generate positive externalities, as well as for issues whose outcome benefits market stakeholders rather than non-market stakeholders.

LIOUKAS Constantinos S. and Maurizio ZOLLO
The Impact of Information Technology Capability on Alliance Design and Performance
INSEAD N° 2006/37/ST

Many changes in the forms of interfirm cooperation have been attributed to advances in information and communication technologies that allow firms to exchange a large amount of information at low cost. However, few studies have attempted to examine these relationships. The primary goal of this paper is to investigate the impact of firms' information technology (IT) capabilities on (i) the design of strategic alliances and (ii) alliance performance. Two aspects of the alliance design are examined: the governance structure and the alliance scope. Contrary to the received wisdom from transaction cost economics, the results show that IT capability leads to alliances with more hierarchical governance structures. Results also show that IT capability either shrinks or expands the alliance scope depending on the nature of the alliance task, and in particular on task analyzability. Finally, firms derive greater benefits from an alliance when they design the alliance so as to leverage their IT capability. Two broader theoretical implications are derived: the first has to do with the boundaries between the contractual and competence perspectives, while the second extends the resource-based view by suggesting how alliances can be designed to leverage a certain class of resources and capabilities.

WARR Benjamin and Robert Ayres

Economic Growth, Technological Progress and Energy Use in the US over the Last Century: Identifying Common Trends and Structural Change in Macroeconomic Time Series

INSEAD N° 2006/31/IBiS

In this paper, we argue two theses. First, we suggest that economies evolve along a long-term trajectory that corresponds closely to increases in the production and consumption of *useful work* (in the thermodynamic sense) rather than energy (exergy) inputs *per se*. Second, we argue that when economies experience sudden shocks and structural changes, due (for instance) to wars or major economic depressions, they are accompanied by significant changes in the quantity and patterns of energy (exergy) consumption and useful work output. To support these assertions, we have performed unit root and structural change tests to characterize the temporal behavior of the factors of production. These results have implications for understanding the role of energy in the economy, for modeling co-variation between output and factor inputs and for identification of the most appropriate form of the production function.

XIANG Yi and Miklos SARVARY

News Consumption and Media Bias

INSEAD N° 2006/39/MKT

Bias in the market for news is a well documented phenomenon. Based on the assumption that consumers want non-partisan, unbiased information, traditional economic theory cannot explain media bias in free societies as it suggests that competition forces media to be unbiased. Recent research in economics proposes an alternative theory assuming that consumers want to read (watch) news that is consistent with their tastes or prior beliefs rather than to seek information about the truth (Mullainathan and Schleifer, 2005). The present paper builds on this idea but recognizes the dual nature of news consumption. Specifically, in contrast to Mullainathan and Schleifer (2005), besides 'biased' consumers we also assume the presence of 'conscientious' consumers whose sole interest is in knowing the truth. Furthermore, consistent with reality, we assume that media bias is constrained by the truth. These two factors were expected to limit media bias in a competitive setting. Our results reveal the opposite. Specifically, we find that media bias increases when there are more conscientious consumers. However, this increased media bias does not necessarily hurt conscientious consumers who may be able to recover more information from multiple media outlets, the more these are biased.

XIANG Yi and Miklos SARVARY

Pricing Market Research: A Normative Framework

INSEAD N° 2006/30/MKT

The pricing of market research exhibits complex patterns with large variations in both price levels and selling formats. Previous research shows that these patterns may result from competitive externalities on either the buyer or the seller side (Sarvary and Parker 1997, Iyer and Soberman 2000). Our goal is to understand the *interaction* of these externalities to provide normative guidelines for the pricing of market research.

We define market research as information sold for decision making. Our game-theoretic model consists of two market research firms selling research reports (imperfect information) to two competing clients, and allows for different research quality levels as well as varying degrees of client competition.

We find that previous results on how information quality affects price competition between information sellers are strongly mitigated by the degree of competition on the buyer side. Our results indicate that stronger client competition tends to make market research reports substitutes, leading to stronger seller competition and lower prices. Beyond price levels, client competition also affects equilibrium selling contracts. In particular, research firms tend to choose exclusive selling contracts (sell to one buyer only) when client competition is strong, but sell to multiple buyers when client competition is weaker. Finally, we also find that the quality of information has a very different impact on market research firms' profits, depending on the degree of client competition.

Case studies

ANDERSON Philip & Filipe SANTOS

AtomSchockwave (A&B): A Venture Rollercoaster in the Online Entertainment Industry

This case describes the founding, rapid expansion, and fall of an online entertainment venture through the Internet boom and bust. After a merger and painful restructuring, the entrepreneur was able to survive the downturn and reach cash flow break-even in 2002. He is now faced with difficult strategic questions about his ability to compete in each of its businesses: a small niche market where the company is the clear leader, and a larger, fast growing market where it faces powerful competitors.

Pedagogical Objectives:

This case can be used to illustrate the start-up process, from the initial vision and fundraising efforts, to rapid growth and subsequent downturn and restructuring. The case is useful to discuss the issues of identifying new revenue sources as a process of exploration, the identification and exploration of cross-business synergies, and the role of vision and focus in new ventures.

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CAPRON Laurence

Acquisition Wave in the Fine Chemicals Industry (A, B & C)

Case Writer: Laurence Capron & Andrew Horncastle

Most cases on M&As focus on the value of an individual deal (synergies, price, integration issues). In the case series "Acquisition Wave in the Fine Chemicals Industry", we take another perspective. We aim to describe how managers' decisions to make an acquisition and to determine the acquisition price are likely to be influenced by the merger activity in their industry and their competitors' actions.

Driven by shareholder pressure to focus their portfolios, leading specialty and fine chemicals players such as Degussa, Clariant and Rhodia entered into major fine chemicals acquisition in 2000 and overpaid. Subsequently, this led to decreasing stock prices and financial turmoil. The fact that the other firms overpaid, despite publicly available signals from stock markets indicating the overpayment, and the nature of the chemicals industry and management, are clear indicators for irrational herd behavior.

Pedagogical Objectives:

This case allows MBA students and executives to analyze a series of deals in 2000 by comparing transaction multiples, average premiums paid and acquirer stock price changes. The discussion of the case will ultimately lead to why the managers overpaid and what role irrational aspects and herd behavior can play in M&A transactions.

This case can be used at an early stage of the course to illustrate how a deal takes place within an acquisition wave, when competitors' actions are likely to influence both the decisions to make an acquisition and to determine the acquisition price. Alternatively, it can be used at the end of the course to illustrate irrational aspects and herd behavior associated with M&As.

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Also available: Teaching Note
Teaching Slides

CHILINGERIAN Jon**Managing Transplant Decisions at University Medical Center Leuven: Physician Behavior (A & A1) – Capacity and Medical Strategy (B & B1)****Case Writers:** Jon Chilingerman and Philippe Vanderkerckhove

Successful healthcare management positively impacts both the primary objective of quality patient care and the crucial bottom line. At times, it is a question of life and death, particularly in the specialized area of organ transplant. Here we see what could be considered as a typical 'day at the office' within a large medical center in Belgium. Looking at such a day, Jon Chilingerman and Philippe Vandekerckhove present in detail the challenges and operational issues in the high-risk medical world.

Pedagogical Objectives:

This case is an in-depth study to provoke thought and encourage class discussion on the various issues at play within a major healthcare institution. It provides students with an overall view of the functioning: operational, managerial and strategic, the conflicts that may arise and what can result from a mismatch of interests. The case is suitable for both operations management and healthcare management audiences.

Copyright: 2006 INSEAD**COHEN Jacob****PricewaterhouseCoopers: Addressing the Indian Ocean Tsunami Disaster****Case Writers:** Jacob Cohen & Chad Myers

This case talks about how PwC carried out its corporate responsibility with regard to the Indian Ocean Tsunami tragedy which happened in December 2004. In retrospect of PwC's contribution to affected communities and nations, a corporate governance issue was raised – whether the firm's profits should have been invested in the firm instead of being used for social causes. A section of the case explains the two views of corporate governance, i.e. shareholder value and stakeholder value perspectives.

Pedagogical Objectives:

The teaching objective of this case is to show the differences in corporate social responsibility and corporate governance of a firm.

Copyright: 2006 INSEAD**COHEN Jacob****Recapitalization of Trump Hotel & Casino Resorts Inc. (A)****Case Writers:** Jacob Cohen & Anne Yang

Since 1995 to 2003, Trump Hotels & Casino Resorts Inc. has been reporting annual losses, which resulted in the decrease of the company's equity base and an increase in its leverage. In 2003, Donald Trump was struggling with his collapsing empire. This case discusses the issues the company were facing and how it decided to rework the capital structure and reduce its debt levels in the hope of escaping a cash squeeze.

Pedagogical Objectives:

The teaching objective of this case is to illustrate restructuring alternatives and create a discussion of the pros and cons. This case will make students think and analyze as part of the Management of Trump Hotels & Casino Resorts Inc. with regard to recapitalization plans.

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COHEN Jacob**The Acquisition of Unocal Corporation****Case writers:** Jacob Cohen & Anne Yang

By the summer of 2005, the US and China were crossing swords on a plethora of issues including intellectual property rights, yuan valuation, underwear imports, and nuclear concerns. The friction stemmed from China's rapid rise as a political, military and economic power as well as from US domestic concerns over loss of jobs and the nuclear threats posed by North Korea and Iran. These issues, which had been simmering for quite some time, reached boiling point when Chinese government-owned CNOOC announced its unsolicited bid for Unocal Corporation, a California-based US oil and gas company.

Pedagogical Objectives:

To discuss (1) equal price versus equal value (2) fiduciary responsibility of board members to maximize shareholder value (3) stock versus cash deals (4) free trade versus fair trade. A key issue raised in this case is the time value of money. What would be the appropriate discount rate for delays in closing the deal? What would be the various percentages to assume for the likelihood of consummation of the deal?

The case can be used for business students (undergraduate and graduate) as well as non-degree participants such as business executives attending courses, workshops or seminars.

Copyright: 2006 INSEAD**COHEN Jacob****PricewaterhouseCoopers: Education and Leadership Development****Case Writers:** Jake Cohen & Chad Myers

This case gives an overview of training opportunities of employees in business organizations and focuses on education and leadership development initiatives in PwC. The two main projects that PwC have embarked on with regard to its professionals' leadership development are Genesis Park and Project Ulysses. Genesis Park aimed to develop the next generation of PwC leaders, drive cultural change in the organization, and promote a global perspective on the firm and its clients. Project Ulysses however, was targeted for new partners and senior managers who were confirmed near-term partner admission, to take on senior leadership responsibilities at national and international levels.

Pedagogical Objectives:

The main objective of this case is to evaluate the benefits of employee education and leadership development within a business organization. The second objective is to outweigh the pros and cons of an in-house training program and that of an outsourced program.

Copyright: 2006 INSEAD**HANSEN Morten****Scaling social enterprises: the case of ENVIE and ACTIF in France (A&B)****Case Writer:** Anne-Claire Pache

ENVIE and ACTIF are two French social enterprises that aim at creating employment opportunities for long-term unemployed people through refurbishing and selling used goods. Both organizations are regarded as successes in their field, as both their economic and social performances are superior to the averages of other organizations in the field, yet ENVIE scaled much further than ACTIF. The case describes how they were founded as well as how each of them grew from one local site to a national network. Their respective scale-up strategies are illustrated at length, emphasizing how each of them designed a new organizational structure, selected new sites, hired new site entrepreneurs, raised start-up funds, developed partnerships and built systems and capacity.

Pedagogical Objectives:

The case's major purpose is to help students understand the managerial challenges of scaling up a social enterprise. When it comes to replicating an activity from one initial site to other geographical locations, a social entrepreneur can choose different strategies. In presenting two different strategies, the case allows students to contrast the different approaches and to understand what the key success factors of scaling efforts are.

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Also Available: Teaching Note

KETS DE VRIES Manfred**St. George Triangle: A Multi-party Simulation**

Case writer: Robert Dick

The Saint George Triangle multi-party simulation centers on decision making at a top organizational level. Designed for executives, MBAs, HR professionals, executive coaches and consultants, the exercise presents participants with a series of interconnected case studies, since every decision made creates, in effect, a new case and new circumstances.

This simulation requires a minimum of about 24 players. Participants work in small teams of about six people, with each team representing one of six to seven different interest groups. The simulation should be supervised by at least one Principal Facilitator with a deep knowledge of group dynamics. It is suggested that the Principal Facilitator(s) should be assisted by two or three other Facilitators.

Pedagogical Objectives:

As with more traditional case studies, the participants are required to think in strategic ways, and organize themselves for competitive advantage. The participants work through a team-based decision-making process in a pressurized (but relatively "risk-free") environment. Theory, experience, action, and reflection are all put into the same activity, helping participants to internalize the concepts of group dynamics, communication, negotiation, conflict resolution, authority, power, influence, and leadership.

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KOGUT Bruce**Governance, Human Rights, and the Question of Prison Privatization (A)**

Case Writer: Hans Wahl

The Kenyan Prison Services confront the problem of too many prisoners living in inhumane conditions. Jane Mwenda is a young manager in KPS, who is one of the people pushing for change. An NGO, Prison Reform International, is providing training and advice. Private sector companies are encouraging the government to privatize the prisons. The IMF and World Bank are also encouraging privatization. Mwenda is considering three alternatives to privatizing, plus the fourth option not to privatize. At the heart of the question is whether governments should contract out prison services and if so, why would the governance of prisons be better or worse under private control.

Pedagogical Objectives:

The case is written to portray the question of privatization from the point of view of a government in a developing country. There is a clear case for privatization, conditions are abysmal and there is a lot of suffering. At the same time, the primary problem lies in the criminal justice system and the political failure to make capital investments. The private companies consist of a variety of players who propose different ways to run the prisons. The students are asked to be put into the seat of a government official in a poor country weighing up the merits of private governance of the system against the loss of sovereignty of state control. In this way, the case asks if efficiency is the primary

criterion (and if so, what is the strategy of firms to deliver this efficiency) or whether a state needs, for its own legitimacy, to take responsibility for the welfare of the prisoners it incarcerates.

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LOCH Christoph
American Switching Systems: Development Project Choice

Development project selection is a key link between company strategy and the development of new products. Project selection is an integral part of the overall product development process, and should be done systematically. The case presents a company where project selection is divorced from strategy and performance is *ad hoc*.

Pedagogical Objectives:

The teaching objective in this case is understanding the strategic implications of project choice. Firms often do not have criteria for project selection; the case discussion helps managers to better understand the strategic implications of their own decisions. In addition, the structure of a systematic process of project choice is outlined.

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LOCH Christoph
The PCNet Project (A) Project Risk Management in an IT Integration Project
The PCNet Project (B) Dynamically Managing Residual Risk

The case describes a large and complex IT integration project, after the acquisition of one metals mining company by another. As part of the integration, 40,000 PCs, applications, and the network had to be consolidated into one system. The project lasted two years and involved 1,000 people across the organization.

Pedagogical Objectives:

Case A illustrates competent project risk management, including risk identification, assessment, and management. Case B illustrates the management of “residual risks”, which may persist, despite thorough planning at the outset. This case prompts interesting discussion on the methods of project risk management, including their implementation and limitations.

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Also Available: Teaching Note

VISSA Balagopal
MeritTrac (A)

The case describes the founding process of a unique human capital assessment venture based out of Bangalore, India. Particular emphasis is placed on how the founding team was assembled and the contributions and inducements offered to the different team members. The case focuses on four structural aspects of founding teams: (i) incentive alignment within the team (ii) complementarity of skills and social capital (iii) Fit in terms of values and (iv) Governance issues when the shareholders are also operating executives. The key short-term challenge facing the protagonists revolve around how to rescue the venture from a cash flow crisis which could lead to bankruptcy. The longer term issue is whether structural flaws in the current founding team could lead to significant governance issues that could drive an otherwise promising venture into the ground. The case is designed to have users (i) identify the key structural issues in founding team design and (ii) diagnose what could go wrong with a particular structure – especially if the venture gets into a growth trajectory. In addition, the case can also be used to illustrate the importance of cash management in new ventures and raising funds in a tight market.

Pedagogical Objectives:

The key teaching objective of the case is to lay out a framework on founding team composition so as to minimize predictable tensions and conflicts and maximize the chances of building a solid organization. The case is useful to illustrate the importance of aligning incentives within the team, paying attention to complementary skills and social networks, and the importance of shareholder agreements as a way to set the rules of the game governing shareholder behavior in start-ups. In addition, the case outlines the importance of cash management in start-ups.

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WHITE Steven**Outblaze (A) – Coming of Age in Hong Kong****Outblaze (B) – International Expansion**

Case writer: Sarah Harper

From the perspective of its young and non-local founder, this case charts the growing pains of an Internet start-up in Hong Kong, established at the height of the dotcom craze in 1998, as it overcomes problems with investors, the local business environment, the collapse of the Internet bubble worldwide, and subsequent remodeling of the business in mid-2000.

Pedagogical Objectives:

The case challenges students to consider the organizational and environmental issues involved in establishing and later changing the corporate business model, from various stakeholder perspectives – including the entrepreneur, employees of the business and existing and prospective clients. With a multicultural central character, the case also highlights the strategic implications of conducting business across international borders and invokes discussion about what environmental variables could change in the future and how the company might prepare for these changes.

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WILLIAMSON Peter**Kodak in China (C-1)**

This case updates the earlier series (A through C written in 2000 by Wilfried Van Honnakker) that described Kodak's strategy for using acquisitions to consolidate a fragmented industry in China and position themselves as the dominant player. Immediate actions post acquisition are discussed. Subsequent strategies to build distribution and the Kodak brand in China are described. The case concludes by describing the sudden switch to digital cameras that took place in 2005 and the consequences for Kodak's strategy.

Pedagogical Objectives:

Used in conjunction with the earlier cases, the purpose is to analyze the strategic role of acquisitions in strategies for the China market, strategic logic and evaluation, deal making, and post acquisition management. The case can also be used to discuss the risks and potential of an M&A strategy in rapidly changing markets.

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Conference proceedings

BENSAOU Ben and Gokhan ERTUG

Expectations and Satisfaction in Trust-based Relationships.

This paper investigates the relationship between an actor's expectations of trustworthy behavior from its partner and the actor's subsequent satisfaction. In addition to helping one foster a more trustworthy outlook, signals of commitment and cooperative intent also generate expectations in others about one's prospective cooperation and commitment. We argue that within already established partnerships, such expectations are more prone to being negatively disconfirmed than met or exceeded. Thus, even though signals of cooperative intent and the expectations they generate might increase the other party's trust in the actor, they also make it more likely that the other party will be dissatisfied with the relationship. The dissatisfaction obtains through the negative disconfirmation of expectations. This negative relationship between initial trustworthiness and subsequent satisfaction qualifies the idea of trustworthiness from being an invariably beneficial resource to being more of a mixed blessing. Findings from a sample of 131 international joint ventures furnish support for the argument.

WANG Heli and Weiru CHEN

Firm-Specific Innovation and Market Value Creation: Test of Contingencies. *Best Paper Proceeding. Academy of Management Conference 2006. August 2006.*

Should firms commit to developing firm-specific innovations – innovations that are valued higher inside a firm than in the market? Departing from the existing innovation literature, this paper argues that firm-specificity in innovations functions as an effective isolating mechanism that helps firms appropriate innovation rents. However, such an advantage turns out to be a liability when the operational environment is fast-changing. Moreover, firms that have high levels of firm-specificity in their innovations, but conduct their innovative activities in diverse technological areas, are likely to prevent the potential value erosion of their firm-specific innovations due to environmental changes. Results from patent citation data of US manufacturing firms support these key arguments.

Other publications

DOZ Yves

Innovation: Is Global the Way Forward?

Booz Allen Hamilton/INSEAD, June 2006

Booz Allen Hamilton and INSEAD's Initiative for Metanational Learning joined forces to conduct a detailed global research study into how organizations configure and manage their R&D and innovation networks. The first results, investigating strategic approaches to configuring and managing global innovation networks, are now available, with interesting insights into India and China's role in the globalizing of innovation.

Seminars/Workshops

Faculty seminar series

Accounting and Control Seminar Series

The following seminars took place within the Accounting and Control Research Seminar Series. For further details, please contact Myriam Diakhate (Ext. 4-6337).

- 4 May 2006 Presentation by Mary Ellen Carter, Wharton University of Pennsylvania, entitled: *The Relation between Executive Compensation and Earnings Management: Changes in the Post-Sarbanes-Oxley Era.*
- 22 May 2006 Presentation by Sudhakar V. Balachandran, Columbia Business School, entitled: *Conservatism and the Value Relevance of Accounting Information.*
- 23 June 2006 Presentation by Stephan Hollander, Tilburg University, Center for Economic Research, entitled: *Financial Analysts and the Exchange Effect.*
- 23 June 2006 Presentation by Paul Fischer, Pennsylvania State University, entitled: *Does one-share, one-vote maximize share price when investors disagree?*

Decision Sciences Seminar Series

The following seminar took place within the Decision Sciences Research Seminar Series. For further details, please contact Anis Ithnin (Ext. 5-5264).

- 9 May 2006 Presentation by Aleksandar Sasa Pekec, Fuqua School of Business, Duke University, entitled: *Assembling Teams.*

For further details of the following seminar, please contact Melissa Wojciechowski (Ext. 4-9296).

- 12 May 2006 Presentation by Shlomo Benartzi, UCLA Anderson School of Management, entitled: *Understanding the Psychology of the Save More Tomorrow Program.*

Finance Seminar Series

The following seminars took place within the Finance Seminar Series. For further details, please contact Laetitia Guyot (Ext. 4-4482).

- 19 May 2006 Presentation by Itay Goldstein, Wharton School, University of Pennsylvania, entitled: *Government Supervision of Banks using Market Prices.*
- 26 May 2006 Presentation by Malcolm Baker, Harvard Business School, entitled: *The Effect of Dividends on Consumption.*
- 2 June 2006 Presentation by Luis Viceira, Harvard Business School, entitled: *Optimal Value and Growth Tilts in Long-Horizon Portfolios.*
- 9 June 2006 Presentation by Robert Engle, New York University, entitled: *Measuring and Modeling Execution Cost and Risk.*

HMI/OB Joint Seminar Series

The following seminar took place within the HMI/OB Joint Research Seminar Series. For further details, please contact Ana-Cristina De Sa (Ext. 4-4189).

- 9 June 2006 Presentation by Anita Tucker, Wharton School of Business, University of Pennsylvania, entitled: *Effects of Team Learning Activities on Best Practice Implementation Success in Hospitals.*

Marketing Seminar Series

The following seminars took place within the Marketing Research Seminar Series. For further details, please contact Suzanne Sellier Di Sano (Ext. 4-4248).

- 5 May 2006 Presentation by Joseph Lajos and Zsolt Katona, INSEAD PhD, entitled: *CAM: A Spreading Activation Network Model of Sub-Category Construction.*
- 12 May 2006 Presentation by Elie Ofek, Harvard Business School, entitled: *Market Research and Innovation Strategy.*
- 19 May 2006 Presentation by Leaf Van Boven, University of Colorado at Boulder, entitled: *Other Minds, Other Times: Immediacy Bias in Judging Different Emotions over Psychological Distance.*
- 26 May 2006 Presentation by Frank Kardes, University of Cincinnati, entitled: *The Role of Selective Hypothesis Testing in Price-Quality Inference.*

Organizational Behavior Seminar Series

The following seminars took place within the Organizational Behavior Seminar Series. For further details, please contact Miranda Helmes (Ext. 4-4983).

- 17 May 2006 Presentation by Isabel Mateo Fernandez, London Business School, entitled: *Mediated Employment and the Perpetuation of Gender Wage Inequality: The Case of a Staffing Firm.*
- 13 July 2006 Presentation by Fabrice Cavaretta, INSEAD, entitled: *Impacts of In-group Diversity on Variance of Group Performance: When Extreme Diversity Induces Extreme Performance and Counters Mean Effects.*

For further details on the following seminars, please contact Chloé Etié (Ext. 4-4322).

- 7 June 2006 Presentation by Viviana Zelizer, Princeton University, entitled: *The Seductions of Intimacy.*
- 22 June 2006 Presentation by William Ocasio, Kellogg School of Management, entitled: *Governance Channels, Structures, and Corporate Capabilities in Multibusiness Organizations: A Historical Case Analysis of the General Electric Company.*

For further details on the following seminar, please contact Muriel Moureaux (Ext. 4-4983).

- 29 June 2006 Presentation by Prashant Deshpande, INSEAD PhD student, entitled: *Changing Role of Boundary Spanning Individuals: The Case of Relationship Managers in IT Outsourcing.*

Organizational Behavior and Marketing Joint Seminar Series

The following seminar took place within the Organizational Behavior and Marketing Joint Seminar Series. For further details, please contact Miranda Helmes (Ext. 4-4983).

- 16 June 2006 Presentation by Olivier Corneille, Catholic University of Louvain, entitled: *Aware and (Dis)Liking: Item-based Analyses Reveal that Valence Acquisition via Evaluative Conditioning Emerges only when there is Contingency Awareness.*

Strategy Seminar Series

The following seminar took place within the Strategy Seminar Series. For further details, please contact Marie-Françoise Piquerez (Ext. 4-4349).

- 27 June 2006 Presentation by Donald Palmer, Graduate School of Management, University of California, entitled: *Developing the process model of collective organizational wrongdoing.*

Technology and Operations Management Seminar Series

The following seminars took place within the Technology and Operations Management Seminar Series. For further details, please contact Isabelle O'Carroll (Ext. 4-4003).

- 5 May 2006 Presentation by Dave Goldsman, Georgia Technological University, entitled: *Exact Expected Values of Variance Estimators in Steady-State Computer Simulation.*
- 12 May 2006 Presentation by Sandra Slaughter, Tepper School of Business, Carnegie Mellon University, entitled: *An Empirical Analysis of Economic Returns to Open Source Participation.*
- 26 May 2006 Presentation by Sergei Savin, Graduate School of Business Columbia University, entitled: *Going Bunkers: Inventory Replenishment meets Route Selection.*
- 9 June 2006 Presentation by Cheryl Gaimon, College of Management, Georgia Institute of Technology, entitled: *Knowledge Management for Technology; Acquisition and Implementation.*
- 16 June 2006 Presentation by Margaret Brandeau, Stanford University, entitled: *Modeling the Logistics of Response to Anthrax Bioterrorism.*
- 30 June 2006 Presentation by D. J. Wu, College of Management, Georgia Institute of Technology, entitled: *Business Value of Enterprise Software Investment: The "Virtuous Cycle", Contract Structure and Learning.*

Technology and Operations Management and Entrepreneurship and Family Enterprise Joint Seminar Series

The following seminar took place within the Technology and Operations Management and Entrepreneurship and Family Enterprise Joint Seminar Series. For further details, please contact Isabelle O'Carroll (Ext. 4-4003).

- 7 June 2006 Presentation by Marco Becht, ECARES, Université Libre de Bruxelles and ECGI, entitled: *Returns to Shareholder Activism: Results from a Clinical Study.*

INSEAD-EAC workshop

Euro-Asia and Comparative Research Centre Workshop

The following workshop took place within the EACrc workshops. For further details, please contact Nathalie Gonord (Ext. 4-4201).

8 June 2006 Presentation and discussion by Suzana Rodrigues and John Child, University of Birmingham, entitled: *A Political Interest Approach to Co-evolution*.

Off-Campus Conference Attendances

ADNER Ron: *Academy of Management Annual Meeting* (11 – 16 August 2006: Atlanta, USA). Paper presented: **“Diversification and Performance: Linking Relatedness, Market Structure and the Decision to Diversify”**.

Specific Roles: Presenter and Discussant.

ADNER Ron: *Atlanta Competitive Advantage Conference* (15-17 June 2006: Atlanta, USA). Paper presented: **“To have a Cake and Eat it too? Structural holes’ influence on market and network performance in collaborative networks”**.

ADNER Ron: *SMS Conference* (29 October – 1 November 2006: Vienna, Austria). Paper presented: **“Diversification and Performance: Linking Relatedness, Market Structure, and the Decision to Diversify”**.

ADNER Ron: *The DRUID Summer Conference 2006* (18-20 June 2006: Copenhagen, Denmark). Paper presented: **“Entry Timing and Performance in Innovation Ecosystems: Evidence from the Optical Photolithography Industry”**.

BENSAOU Ben: *66th Annual Meeting of the Academy of Management* (11-16 August 2006: Atlanta, USA). Paper presented: **“Social Embeddedness of Service Professionals”**.

BHATTACHARYA Shantanu: *POMS Conference: OM in the New World Uncertainties* (28 April – 1 May 2006: Boston, USA). Paper presented: **“Installed Base Management versus Selling in Monopolistic and Competitive Environments”**.

BIDWELL Matthew: *Academy of Management* (10-16 August 2006: Atlanta, USA). Papers presented: **“Problems Deciding: How to Make or Buy Decision Leads to Transaction Misalignment”** and **“Thinking about Employment: How Managerial Reward Assumptions Shape the Employment Relationship”**.

BIDWELL Matthew: *SMS Conference* (29 October – 1 November 2006: Vienna, Austria). Paper presented: **“Putting Structure into the Theory of the Firm”**.

BLACK Stewart: *2006 Academy of Management Annual Meeting* (11-16 August 2006: Atlanta, USA). Paper presented: **“Developing Global Leaders in China: Who, What and How?”**

BRESMAN Henrik: *SMS 26th Annual International Conference* (29 October – 1 November 2006: Vienna, Austria).

CAPRON Laurence: *2006 Academy of Management Annual Meeting* (11-16 August 2006: Atlanta, USA).

Specific Roles: Speaker, “Using M&A as a Context for Studying Organizations”; Author, “Renewing Firms Capabilities through Internal Development and External Sourcing: Resource and

Institutional Considerations”; Author, “Diversifications/M&A: Buyers who beat the odds?”; Chair, “Diversification/M&A: Making Marriage Work (Dimensions of Acquisition Performance)”.

CAPRON Laurence: *26th SMS Annual International Conference* (29 October – 1 November 2006: Vienna, Austria). Papers presented: “**Acquisitions of Private versus Public Firms: Private Information, Target Selection, and Acquirer Returns**” and “**How does the Market Cope with Uncertainty about the Value of Newly Public Firms?**”

CAPRON Laurence: *Academy of Management Conference 2006* (11-16 August 2006: Atlanta, USA). Papers presented: “**Shadow of IPO Process on Post-IPO Acquisition Returns**”, “**Renewing Firms Capabilities through Internal Development and External Sourcing: Resource and Institutional Considerations**” and “**Acquisitions of Private vs. Public Firms: Private Information, Target Selection and Acquirer Returns**”.

Specific Roles: Presenter, Author of Papers, Session Chair: “**Diversification/M&A: Making Marriage work, Acquisition Performance**”, Speaker at Workshop: “**Using M&A as a Context for Studying Organizations. M&A as a Research Context**”.

CAPRON Laurence: *Atlanta Competitive Advantage Conference* (15-17 June 2006: Atlanta, USA). Paper presented: “**How does the market cope with uncertainty of newly public firms? Role of underwriter reputation and lockup on post-IPO acquisition returns**”.

CAVARRETTA Fabrice: *Academy of Management* (11-16 August 2006: Atlanta, USA). Paper presented: “**Mechanisms of Stratification in Social Networks: Two Competing Social Dilemmas around Brokerage**”.

CAVARRETTA Fabrice: *Academy of Management Learning and Education Conference on “Executive Education: Challenges and Opportunities”* (3-4 June 2006: IMD Lausanne, Switzerland). Paper presented: “**Risk in Executive Education: Simultaneous Increases in Failures and Successes using a Facilitation Style**”.

CAVARRETTA Fabrice: *Santa Fe Institute Complex Systems Summer School* (June 2006: Santa Fe, USA).

Specific Role: Invited Participant.

CHATAIN Olivier: *26th Conference of the Strategic Management Society* (29 October – 1 November 2006: Vienna, Austria). Paper presented: “**The Competitive Impact of Supplier Expertise and Client-Based Economies of Scope: Evidence from the UK Legal Market**”.

CHATAIN Olivier: *3rd Atlanta Competitive Advantage Conference* (15-17 June 2006: Atlanta, USA). Paper presented: “**The Competitive Impact of Supplier Expertise and Client-Based Economies of Scope: Evidence from the UK Legal Market**”.

CHATAIN Olivier: *Academy of Management Annual Meeting* (11-16 August 2006: Atlanta, USA). Paper presented: “**Buyer-Supplier Relationships and the Horizontal Scope of the Firm**”.

CHATAIN Olivier: *Clifford Chance Conference on Professional Service Firms* (12-13 June 2006: Barcelona, Spain). Paper presented: **“The Competitive Impact of Supplier Expertise and Client-Based Economies of Scope: Evidence from the UK Legal Market”**.

CHATAIN Olivier: *EGOS Colloquium* (6-8 July 2006: Norway). Paper presented: **“Competition and Cooperation in the UK Legal Market”**.

CHRISTEN Markus: *INFORMS Marketing Science Conference* (8-10 June 2006: Pittsburgh, USA). Paper presented: **“Disentangling Pioneering Cost Advantages and Disadvantages”**.

COOL Karel: *26th SMS Conference* (29 October – 1 November 2006: Vienna, Austria). Papers presented: **“Beating Winners of Winners – Take all Battles: When and How”** and **“Overcoming Risk Avoidance through the Size and Depth of Experience – Top Management Tenure and Investment Timing Decisions”**.

Specific Roles: Presenter and Discussant.

D’AUNNO Thomas: *22nd EGOS Colloquium* (6-8 July 2006: Bergen, Norway). Paper presented: **“Forms of Organizing in Health-Care Services”**.

Specific Roles: Presenter and Workshop Facilitator.

D’AUNNO Thomas: *Past, Present and Future of Institutional Theory* (1-3 June 2006: Canada). Paper presented: **“Explaining Change in Institutionalized Practices: A Review and Roadmap for Research”**.

Specific Roles: Presenter and Discussant.

DELQUIE Philippe: *12th International Conference on the Foundations and Applications of Utility, Risk and Decision Theory (FUR XII)* (22-26 June 2006: Rome, Italy). Paper presented: **“The Value of Information is Highest when Strength of Preference is Lowest”**.

Specific Roles: Presenter and Speaker.

DELQUIE Philippe: *IAREP-SABE Congress* (5-8 July 2006: Paris, France). Paper presented: **“Disappointment without prior exception: A unifying approach to decision under risk”**.

Specific Roles: Presenter and Speaker.

DEMERS Elizabeth: *American Accounting Association Annual Meeting* (6-9 August 2006: Washington, USA). Paper presented: **“IPO Failure Risk”**.

DEMERS Elizabeth: *European Finance Association (EFA) Annual Meeting* (23-26 August 2006: Zurich, Switzerland). Paper presented: **“IPO Failure Risk”**.

DEMERS Elizabeth: *London Business School Accounting Symposium* (21-22 July 2006: London, UK). Paper presented: **“IPO Failure Risk”**.

DIECIDUE Enrico: *BDRM 10th Biennial Behavioral Decision Research in Management Conference* (15-18 June 2006: UCLA, USA). Paper presented: **“A Quantitative Measurement of Regret Theory”**.

Specific Roles: Presenter and possible Chair of a session.

DIECIDUE Enrico: *FUR XII: Foundations and Applications of Utility, Risk and Decision Theory* (22-26 June 2006: Rome, Italy). Paper presented: **“A Quantitative Measurement of Regret Theory”**.

Specific Roles: Presenter and possible Chair of a session.

DOZ Yves: *SMS 26th Annual International Conference* (29 October – 1 November 2006: Vienna, Austria). Paper presented: **“Strategy Process: Classification and a Timeless Question”**.

DOZ Yves: *Third IEEE International Conference on Management of Innovations and Technology (ICMIT 2006)* (12-23 June 2006: Singapore). Paper presented: **“Metanational Innovations and Emerging Locations: Creating Knowledge for the World”**.

Specific Role: Keynote Speaker.

DUTT Pushan: *2006 North American Summer Meeting of the Econometric Society* (22-25 June 2006: Minnesota, USA). Paper presented: **“Inequality and the Instability of Polity and Policy”**.

FANG Lily: *The Financial Intermediation Research Society Conference* (1-3 June 2006: Shanghai, China). Paper presented: **“Reputation as a Disciplinary Device in Sell-side Research”**.

Specific Roles: Presenter and Discussant.

GABA Vibha: *Academy of Management Annual Meeting* (11-16 August 2006: Atlanta, USA). Paper presented: **“Learning from Peers or Other Populations? The Adoption of Corporate Venture Capital Programs”**.

GABA Vibha: *SMS 2006* (29 October – 1 November 2006: Vienna, Austria). Paper presented: **“Learning while Innovating? The Abandonment of Corporate Venture Capital Programs”**.

HILLEGEIST Stephen: *6th Conference on Contemporary Issues in Capital Markets and Financial Economics* (30-31 May 2006: Cyprus). Paper presented: **“The Effect of Meeting or Missing Earnings Expectations on Information Asymmetry”**.

HILLEGEIST Stephen: *An International Meeting of the American Accounting Association 2006 Annual Meeting* (6-9 August 2006: Washington, USA). Papers presented: **“Corporate Ownership Structure and Conference Calls”**, **“Do Managers Talk Down Overvaluation?”** and **“Disclosure Decisions and Search Costs in the Mutual Fund Industry”**.

Specific Roles: Presenter and Discussant.

HOANG Ha: *SMS Conference* (29 October – 1 November 2006: Vienna, Austria). Paper presented: **“Do Firms Learn from Collaboration?”**

HUY Quy: *SMS 26th Annual International Conference* (29 October – 1 November 2006: Vienna, Austria). Paper presented: **“How Emotions can Enhance Competitive Advantage”**.

LAZONICK William: *Globalization and Business History* (16-17 June 2006: London, UK). Paper presented: **“Globalization of the ICT Labor Force”**.

Specific Roles: Presenter and Session Chairperson.

LEPINEUX François: *Spirituality and the Economics of Frugality* (International workshop organized in cooperation with the SPES Forum) (20-21 April 2006: Belgium).

Specific Role: Chaired the session: **“Sociology and Economics of Frugality”**.

MAAK Thomas and Nicola M. PLESS: *Annual Meeting of the International Association for Business and Society (IABS)* (23-26 March 2006). Paper presented: **“Coming back changed – Developing Responsible Leaders for Sustainable Business”**.

MAENHOUT Pascal: *European Finance Association 2006* (23-26 August 2006: Zurich, Switzerland). Paper presented: **“Explaining the Level of Credit Spreads: Option-Implied Jump Risk Premia in a Firm Value Model”**.

MAKRIDAKIS Spyros: *26th International Symposium on Forecasting 2006* (11-14 June 2006: Santander, Spain). Paper presented: **“An Advanced Forecasting System: Architecture and Implementation”**.

MASSA Massimo: *European Finance Association (EFA)* (23-26 August 2006: Zurich, Switzerland). Papers presented: **“Portfolio Choice and Menu Exposure”** and **“The Rise of Teams in Fund Management”**.

Specific Roles: Presenter, Discussant and Chair of 1 Session.

MASSA Massimo: *Western Finance Association* (21-24 June 2006: Colorado, USA). Papers presented: **“Shareholder Diversification and the Decision to go Public”** and **“Mimicking Repurchases”**.

MIHOV Ilian: *NBER Summer Institute (Monetary Economics Group)* (10-14 July 2006: Boston, USA). Paper presented: **“Sticky Prices and Monetary Policy: Evidence from Disaggregated U.S. Data”**.

MIHOV Ilian: *The Growth and Welfare Effects of Macroeconomic Volatility* (17-18 March 2006: Barcelona, Spain). Paper presented: **“Policy Volatility, Institutions and Economic Growth”**.

ONCULER Ayse: *12th International Conference on the Foundations and Applications of Utility, Risk and Decision Theory (FUR XII)* (22-26 June 2006: Rome, Italy). Paper presented: **“Reverse Preference Reversal for Temporal Prospects”**.

Specific Roles: Presenter and Speaker.

ONCULER Ayse: *IAREP-SABE Congress* (5-8 July 2006: Paris, France). Paper presented: **“Discounting Behavior with Short Front-End Delays”**.

Specific Roles: Presenter and Speaker.

PINSON Christian: *Colloque Doctoral AFM and Congres AFM* (9-12 May 2006: Nantes, France). Paper presented: **“Comment Publier dans les Revues IJRM, Recherche et Application marketing, Decision Marketing”**.

Specific Roles: Intervention dans Colloque Doctoral, Reunion des Comités RAM, Reunion de Board AFM.

PLESS Nicola M. and Thomas MAAK: *Academy of Management Annual Meeting* (11-16 August 2006: Atlanta, USA). Paper presented: **“Towards a Relational Theory of Responsible Leadership: Paradigmatic Thoughts and Ethical Reflections”**.

PLESS Nicola M.: *Annual Conference of the European Business Ethics Network* (21-23 September 2006: Vienna, Austria). Paper presented: **“Understanding Responsible Leadership: Roles Identity and Motivational Drivers”**.

PLESS Nicola M.: *International Conference on Executive Education* (3-4 July 2006: Lausanne, Switzerland). Paper presented: **“Service Learning in Executive Education – Lessons from the PwC Ulysses Program on Developing Responsible Global Leaders”**.

RANGAN Subramanian: *SMS Conference* (29 October – 1 November 2006: Vienna, Austria). Paper presented: **“Does Institutional Similarity really explain MNE Host Market Relative Performance”**.

RINGOV Dimo and Maurizio ZOLLO: *26th SMS Annual International Conference* (29 October – 1 November 2006: Vienna, Austria). Paper presented: **“The Cultural Roots of Corporate Responsibility”**.

RUDI Nils: *Euro XXI 2006* (2-5 July 2006: Reykjavik, Iceland) Paper presented: **“Teaching the Soft-Optics case using Qmacros”**.

SANTOS Filipe: *3rd Atlanta Competitive Advantage Conference* (15-17 June 2006: Atlanta, USA). Paper presented: **“Constructing Markets and Organizing Boundaries: Entrepreneurial Action in Nascent Fields”**.

SANTOS Filipe: *Strategic Management Society: 26th Annual International Conference* (29 October – 1 November 2006: Vienna, Austria). Papers presented: **“Constructing Market and Organizing Boundaries”** and **“Strategic Organization in Traditional Industries”**.

SEGAL Benjamin: *American Accounting Association* (6-9 August 2006: Washington, USA). Paper presented: **“The Impact of Debt-Equity Reporting Classifications on Firms’ Decision to issue Hybrid Securities”**.

SHIPILOV Andrew: *Atlanta Competitive Advantage Conference* (15-17 June 2006: Atlanta, USA). Paper presented: **“To have a cake and eat it too? Structural holes’ influence on market and network performance in collaborative networks”**.

SINACEUR Marwan: *Academy of Management* (11-16 August 2006: Atlanta, USA). Papers presented: **“Hearing the Crying of the Lamb”** and **“Suspending Judgments to Create Value”**.

SOBERMAN David: *Marketing Science Conference* (8-10 June 2006: Pittsburgh, USA). Paper presented: **“Behavior-Based Discrimination: Is it a winning play and if so when?”**

STORY Jonathan: *20th IPSA World Congress* (9-13 July 2006: Fukuoka, Japan). Paper presented: **“The Case of Danfoss in China”**.

SZULANSKI Gabriel: *IACMR 2006* (15-18 June 2006: Nanjing, China). Paper presented: **“Presumptive Adaptation and the Growth of Foreign Franchises in China”**.

Specific Roles: Presenter and Keynote Panel.

SZULANSKI Gabriel: *Knowledge Economies: Innovation, Organization and Location* (29-30 May 2006: The Netherlands). Paper presented: **“Standard Practice and the Survival of Franchised Units”**.

SZULANSKI Gabriel: *SMS 26th Annual International Conference* (29 October – 1 November 2006: Vienna, Austria). Paper presented: **“Strategy Process: Classification and a Timeless Question”**.

TEBOUL James: *II Annual Meeting – The Art and Science of Services: Managerial Research Issues in Services* (24-26 May 2006: Madrid, Spain). Book presented: **“Service is Front Stage”**.

Specific Role: Speaker.

VAN ZANDT Timothy: *EEA-ESEM 2006 – 21st Annual Congress of the EEA and ESEM* (24-28 August 2006: Vienna, Austria). Paper presented: **“Communication Complexity and Mechanism Design”**.

Specific Roles: Presenter and Organizer of Invited Session: **“Complexity, Organizations and Markets”**.

VERMAELEN Theo: *European Financial Management Association* (28 June – 1 July 2006: Madrid, Spain). Paper presented: **“The Nature and Persistence of Buyback Anomalies”**.

VISSA Balagopal: *2006 Academy of Management Annual Meeting* (11-16 August 2006: Atlanta, USA). Paper presented: **“Entrepreneurs’ Networking Styles: Impact on Tie Formation and Dissolution during Venture Emergence”**.

Specific Roles: Presenter and Speaker.

VISSA Balagopal: *Strategic Entrepreneurship: The Role of Networking* (3-4 July 2006: Amsterdam, the Netherlands). Paper presented: **“Conceptualizing Entrepreneurs Network Styles and its Impact on Tie Formation”**.

Specific Roles: Presenter and Speaker.

WARR Benjamin: *Seminaire* (24 April 2006: Paris, France). Paper presented: **“On economic growth, technological progress and energy consumption”**.

WEEKS John: *22nd EGOS Colloquium* (6-8 July 2006: Bergen, Norway). Paper presented: **“Lay Ethnography and Unpopular Culture”**.

WEEKS John: *Academy of Management* (12-16 August 2006: Atlanta, USA). Papers presented: **“Identity Work in ENG: Coherence in a Time of Change”** and **“Photocopiers and Water-Coolers: The Affordance of Informal Interaction”**.

WERTENBROCH Klaus: *BDRM (Behavioral Decision Research in Management) Conference* (15-18 June 2006: California, USA). Paper presented: **“On the Perceived Value of Money: The Reference Dependence of Currency Numerosity Effects”**.

WERTENBROCH Klaus: *EMAC (European Marketing Academy) Conference, Colloquium* (21-26 May 2006: Athens, Greece).

Specific Roles: Co-Organizer and Track Chair for Doctoral Colloquium.

WHITE Steven: *International Association for Chinese Management Research* (15-18 June 2006: Nanjing, China). Papers presented: **“Imitation to Creation”** and **“China’s Venture Capital Industry”**.

Specific Roles: Presenter; Chair, FDI and Knowledge Transfer Session; and Symposium Discussant: **“Chinese Firms and the Management of Strategic Tensions”**.

ZEMSKY Peter: *26th Annual International Conference SMS Strategic Management Society* (29 Oct – 1 Nov 2006: Vienna, Austria). Paper presented: **“The Timing of Resource Development, Causal Ambiguity, and The Sustainability of Competitive Advantage”**.

Specific Role: Discussant

ZEMSKY Peter: *Academy of Management Annual Meeting* (11-16 August 2006: Atlanta, USA). Paper presented: **“Buyer-Supplier Relationships and the Horizontal Scope of the Firm”**.

Specific Roles: Presenter and Discussant.

ZOLLO Maurizio: *SMS Conference* (29 October – 1 November 2006: Vienna, Austria). Papers presented: **“Understanding the Performance of Corporate Acquisitions”** and **“The Cultural Roots of Corporate Responsibility”**.

ZOLLO Maurizio: *2006 Academy of Management Annual Meeting* (11-16 August 2006: Atlanta, USA). Paper presented: “**When Experience Hurts Learning**”.

Specific Roles: Participant; Presenter; Coordinator.

Projects managed by R & D

Research

ANGEHRN Albert

AtGentive (Attentive Agents for Collaborative Learners)

Attention appears to represent one of the key factors of learning performance. The most effective learners are not necessarily the most intelligent or brightest ones, but those who are able (1) to organize efficiently their time; (2) to sustain concentrating on their key activities and complete them; (3) to have the psychological strength to mobilize all their energy for the last miles that will really make a difference.

This situation is even aggravated in an online setting, for which learners are left on their own, have fewer points of reference to situate themselves, do not receive any direct pressure from a tutor or from their peers, and can more easily procrastinate, or engage in learning activities that are very ineffective.

The objective of this project is to investigate the use of artificial agents for supporting the management of the attention of young or adult learners in the context of individual and collaborative learning environments. In practical terms, this project consists in the design of artificial agents (that are able to coach the learners in reaching higher level of performance in managing their attention in the learning process. These agents, which appear as embedded characters, are able to profile the (short- or long-term) state of the attention of the learners by observing their actions, to assess, to analyze and to reason on these states of attention, and to provide some proactive coaching (assessment, guidance, stimulation, etc.).

These attentive agents will be designed and delivered as part of two different learning infrastructures/contexts: (1) AtGentSchool: an artificial character enhanced eLearning platform for child education; (2) AtGentNet: an advanced virtual community platform supporting knowledge exchange in knowledge communities.

The result of this project will be validated with two pilot sites:

- A school pilot
- A learning network of managers from SMEs

CARMON Ziv and Dilney GONCALVES

Option Attachment and Choice Efficacy

Abstract not available.

DESHPANDE Prashant

Interaction between Personality and Social Network: Implications for Organizational Culture.

Personality and network positions of individuals show systematic co-variation (Burt *et al.*, 1998). Self-monitoring, a characteristic of personality trait, is a fairly reliable predictor of individual attainment of strategic positions in social networks (Mehra and Kilduff, 2001). However, we still do not know how interactions among individuals in an organization, with different personalities and network positions, shape organizational culture. We plan to build a bridge between individual level analysis of personalities and collective constructs such as organizational culture by examining network configurations among individuals belonging to a single organization whose personality traits are known.

DIECIDUE Enrico**Regret Theory: A Preference Foundation and its Implications for Measurement.**

Since the 1940s, expected utility has been the standard theory for decision making under uncertainty. However, for the last twenty five years, several psychologists and economists have challenged the descriptive validity of expected utility. Nonexpected utility models have been developed to capture behavioral anomalies. Regret theory is one of the most popular alternative theories of decision under uncertainty. The theory has intuitive appeal and has a simple structure relative to other nonexpected utility models. The intuition behind regret theory is that individuals anticipate *ex ante* – when evaluating a risky alternative – regret or rejoice feelings that might arise by comparing the outcome they get with the outcome they could have got having chosen the other alternative, under a particular state of nature. In this paper, we propose an alternative axiomatization of regret theory based on the trade-off method.

GARGIULO Martin**The Effect of Social Structure on Workplace Cooperation**

Workplace cooperation – conceptualized as collaborative interactions through which one employee adds value to another – is vital as firms pursue cooperation-intensive structures, such as cross-functional teams, flat structures, and knowledge-intensive processes. Research on workplace cooperation, however, has produced too few studies which are set in real organizations, and has underexplored the influence of social network structure. The main question behind this study is how social structure can help us explain workplace cooperation – its presence, absence, and efficacy. Accordingly, we focus not on actors but on the relationship-level network constructs that affect the level of cooperation in the relationship.

HUY Quy**Group Emotional Attunement in Management of Strategic Change.**

Managers' ability to accurately decode and manage specific group emotions represents an important skill in the management of strategic change. Specific group emotions serve specific change goals. For example, the ability for leaders of change to elicit comfort and pride can help reduce employees' resistance to ambitious change goals. Aside from the importance of addressing certain individuals' emotions, successful management requires a broader focus called holistic emotional attunement.

This skill is defined by an ability to process and recognize specific group level emotions. For example, a walk through the customer service department might draw one's attention to one highly anxious employee and several others who appear angry. A holistically attuned manager would have the ability to process the broader collective affective experiences – both in the aggregate and the proportional numbers who feel, for example, anger rather than fear.

Empirically, this study examines individual managers and business units' skills at holistic emotional attunement and their link to outcome measures of interpersonal rapport, organizational climate, and organizational performance. Empirical measures will include validated measures of holistic perception and thinking in addition to a novel methodology for directly measuring holistic emotional attunement at both the recognition (of individual and group emotions) and accuracy level (specific emotions and intensity of each specific emotion).

HUY Quy**Middle Managers' Emotional Interactions with Top Executives in Strategic Change.**

There has been very little empirical research that explores the emotional interactions between middle managers (i.e., managers at director and vice president levels) and the top team (CEO and direct reports), and how these emotional interactions influence the outcomes of various change

projects in a planned strategic change context. What factors arouse middle managers' emotions? How are their emotions communicated (or not) to top executives? What factors block the expression of authentic emotions and opinions? Do top executives pay attention to middle managers' emotions, and how do they deal with these emotional states? What are the organizational consequences? The research seeks to develop a grounded theory based on over 200 interviews conducted with middle managers over a 3-year real time study of radical change in a large organization.

KLEIN Jill**Constricted Consumption among the Poor in India**

Most models of consumer behavior are based on the characterization of consumers as people with more than adequate resources faced with a complex assortment of consumption options. The capacity to look for and acquire products is posited to be without significant limits, thus ignoring the majority of the world's peoples who suffer from economic, physical, emotional and political constraints. The present research is part of a new and growing area within consumer behavior that examines consumption under restriction. Our work will examine how very poor consumers in India make their product choices.

SHIPILOV Andrew**The Performance Impact on Personnel Mobility in the UK Corporate Legal Market.**

We want to study how the mobility of key productive personnel across firms affects firm performance. The mobility of highly skilled individuals is a salient feature of business life in knowledge intensive industries. Previous studies have linked moves of individuals across firms to knowledge transmission, innovativeness and strategic change. However, there is a paucity of studies that actually look at the firm-level economic performance impact of these moves. We aim to fill this gap with a study of the mobility of partners of UK corporate law firms in the 1996 to 2005 time span and its consequences on organizational performance. This setting is especially appropriate due to the industry's reliance on individuals' talent and the existence of a well-defined job market. In order to perform the analyses, we need to gather detailed information about individual lawyers' demographics, education, and employment history, and conduct in-depth interviews with a few industry players.

SOBERMAN David and Ganesh IYER**Social Values, Mission and Marketing Strategy**

A number of companies, from the Body Shop to Ben and Jerry's Ice Cream, have positioned themselves as having missions that extend beyond maximizing profits. These marketing approaches reflect society's increased concern for topics such as the environment, animal rights, social justice and the need to fight poverty and disease. The research examines the role of social values and mission in the marketing strategy of firms. In particular, the analysis isolates the critical difference between "social values" as a marketing attribute and standard horizontal attributes that are used to position products. We isolate the trade-off that a firm faces when making a decision to position itself as mission-oriented or as a purely profit-oriented firm. We demonstrate the impact that mission-oriented positioning has on the provision of product quality. We further show how customer heterogeneity attenuates the appeal of mission-oriented positioning.

Case development

COHEN Jacob

Business Law Course Material – EU Directives

Currently, material used is too US focused. Thus new material will be developed to better cater to INSEAD participants by also focusing on Asia, Latin America, Europe and the Middle East.

DOZ Yves

Mitsubishi Corp.

Mitsubishi Corp., the leading company of the Mitsubishi Group, is attempting to move beyond its trading tradition into becoming a “solutions” company for major societal (e.g., aging of population) or worldwide economic problems (e.g., safety of energy supply). This case describes the renewal process the company engaged in, as it brings together expertise in financial services, logistics, consulting, infrastructure development and project management to deal with complex issues, and lets innovations develop from its periphery.

HANSEN Morten

Social Entrepreneurship Case Study: Envie vs Actif

The purpose of the project is to write a teaching case on the scaling of two social entrepreneurship organizations in France – ENVIE and ACTIF.

KETS DE VRIES Manfred

The Flying Blue Alliance: Promises, Promises?

Air France and KLM decided to join forces, as they announced, to “build a new entity [Flying Blue]... with a single ambition, which is to be one of the few airlines that are powerful enough to play a leading role in the future of global airline alliances. In other words, to be a key player on the world stage, in order to improve our profitability, offer the best service possible to our customers and protect jobs over the long term.” This case study takes the perspective of Mr. X, an elite Flying Blue card-holder with umpteen-thousand frequent flyer miles to his credit. He has recently been stranded on the tarmac in Tunis, in the pouring rain, during an unscheduled emergency landing. As his luggage, and the specialized high-tech equipment it contains, is wheeled away, he wonders if he will ever see it again.

He doesn't. The case takes up his *crie du coeur*: “Unfortunately, every time I call Air France and ask what is the status of my lost luggage, I need to start from the beginning, as every time I talk, there is a new employee on the line, and every time I am left with the distinct feeling that nobody knows anything and nobody cares.” Why is an elite client treated this way? The case examines a perceived disconnect between the espoused vision of “best service” and the reality of day-to-day operations in the new alliance. Who is responsible, and what should be done?

KLEIN Jill

Turning the Tide

There are close to 767.8 million people in rural India living in more than 600,000 villages. Of these, there are close to 160 million people who belong to the more educated level of rural inhabitants, who have higher occupation levels and tend to live in “pucca” houses (brick houses with a firm foundation). This set of people in rural India hold a lot of promise for marketers. They are on the same level of media awareness as their urban counterparts, they respond well to advertisements

and promotions, and most of them are redefining their consumption needs, increasingly buying into the great consumption boom.

This case follows P&G marketing manager, Mohit, and his team as they develop a rural strategy for the penetration of Ariel and Tide washing detergents. The sheer numbers indicated that the potential was immense. But they had to decide who to target and how to position their products and communicate the positioning. Further, they had to decide on their marketing mix, particularly their pricing and distribution strategies.

We will also develop two readings on Indian consumers based on recent research conducted in India.

VAN DER HEYDEN Ludo

Orange Group's Open Seamless Alliance (OSA)

The project studies Orange Group's OSA, an innovative way for the mobile telecom company to manage its large number of partners and affiliates in the roaming business.

Other news

CAPRON Laurence

Member of the Executive Committee of Academy of Management's Business Policy and Strategy (BPS) Division

Laurence Capron has been elected for a two-year tenure (2006-2008) as a Member of the Executive Committee of Academy of Management's Business Policy and Strategy (BPS) division – the largest professional association of strategic management academics and practitioners, with over 4,700 members worldwide.

DOZ Yves

Yves Doz has been elected as Academy of Management Fellow.

As stated in its constitution, the purpose of AOM's Fellows Group is to recognize and honor AOM members who have made significant contributions to the science and practice of management, and to provide opportunities for fellowship and a forum for discussion among persons so recognized and honored.

DOZ Yves

R&D Offshoring: Is it Working? BusinessWeek.com. 10 May 2006.

This article presents the findings of a survey conducted by INSEAD Professor Yves Doz and consulting company Booz Allen Hamilton. The survey of 186 large corporations found that while these companies are increasingly moving projects to India and China, they have not fully integrated or exploited the potential of these two regions.

URL ~ http://www.businessweek.com/globalbiz/content/may2006/gb20060510_613772.htm

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