Sharing Information on Progress, April 2010

ALTIS, the Postgraduate School Business & Society of the Università Cattolica del Sacro Cuore of Milan, Italy, is an international research and education centre for the study and promotion of a responsible and competitive business culture. Since October 2007 ALTIS is committed to advance the Global Compact’s principles by means of forming new leaders well prepared and ready to adequately face the most pressing global challenges. In particular ALTIS’ endeavor is toward forming future leaders of the emerging markets.

Message from ALTIS’ Director, Professor Mario Molteni

ALTIS was founded according to one, simple principle: business exists for the benefit of man, rather than man for business. Business displays the creativity and energy with which men and women attempt to fulfill the needs that drive both their lives and those of others: to think and live business for the common good is not a task for “ethics specialists”, but rather a rational attitude. Business activity is often geared towards the interests of the lucky few, whereas ALTIS endeavors to contribute to this rational approach.

In order to achieve this aim, we have adopted the cause of Corporate Social Responsibility, representing, as it does, many of the business elements close to our hearts. We do not limit ourselves to CSR, however, but rather use it as a framework for solving strategic and operational problems of both small and large, profit and non-profit organizations. Accordingly, from our mission statement of “Entrepreneurship and management for sustainable development” six thematic areas have emerged: CSR and sustainability, Small and medium enterprises and
industrial clusters, Non-profit and socially-oriented firms, Globalization and new markets, Finance and development, Public management.

ALTIS does not conform to well-known formulae: it is not a pure research centre, a business school, or a consultancy firm. So what is it? Rather than attempt a definition, we propose a metaphor: a \textit{bridge}.

ALTIS is and aspires to be:

\textbf{A bridge between research, training and action}: From international scientific research to offering MBAs and other Master's diplomas and courses; from training to field projects and services to companies: a productive circle which expresses a desire to mould and affect reality;

\textbf{A bridge between university and business}: ALTIS develops training courses and undertakes research together with commercial and non-profit companies; it proposes internships, invites entrepreneurs and managers into class, promotes the Italian network of managers of sustainability, and is the research partner of a network of environmentally-friendly companies;

\textbf{A bridge between profit and not-for profit}: ALTIS encourages partnerships between companies, non-profit organizations and public administration through the Social Projects Exchange. It promotes Social Entrepreneurship in Italy and abroad through various initiatives, including the Italian round of the Global Social Venture Competition;

\textbf{A bridge between the Northern and Southern Hemispheres}: ALTIS is truly international, and organizes an MBA in Global Business and Sustainability, involving students from Latin America, Africa, India, China and Eastern Europe, a Euro-Mediterranean School for young managers from North Africa and the Middle East; a Master’s in Public Governance and Management in Peru, a Master’s in Management and Social Entrepreneurship in Kenya, micro-credit projects in Uganda and micro-insurance in India and has partnerships with some of the finest business schools from the BRIC countries.

\textbf{A bridge between financial and social performance}: From the very outset, we have created examples of entrepreneurship which simultaneously generate economic and socio-environmental benefits at the heart of work. As stated in the recent encyclical letter \textit{Caritas in Veritate}: “If love is wise, it can find ways of working in accordance with provident and just expediency.”

Now, by its very nature, the “bridge” leans confidently on both sides of the bank: it isn’t suspicious of either, but unites them. It is in this sense that ALTIS wishes to express the attitude at the origin of the Catholic University to which it belongs. Etymologically speaking, catholic means “according to totality”: it expresses sympathy for every authentically human endeavor.

January, 6\textsuperscript{th} 2010

Prof. Mário Molteni
Principle 1

Purpose: We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

The first principle is fully embedded in ALTIS’ mission.

ALTIS’ Mission: Entrepreneurship and management for sustainable development

ALTIS promotes innovation in businesses in order to simultaneously foster competitive advantages and meet the ever growing social and environmental needs of stakeholders.

For ALTIS Corporate Social Responsibility implies an understanding of:

• The unavoidable implications - economic, social, cultural and environmental - of business’ activities;
• The creative tension that exists when business’ attempt to reconcile competitive and sustainability goals;
• The importance of the professional and human resources that contribute to a business’ success.
The mission of ALTIS is therefore to foster:

- The synthesis of competitiveness and social responsibility;
- The development of entrepreneurs and managers, both experienced and young, to become the protagonists in international sustainable business initiatives;
- The good governance of both for profit and non profit enterprises
- The collaboration between for profit and non profit initiatives as a tool for economic development.

ALTIS’ principle areas of interest are:

- Corporate social and environmental responsibility;
- Business globalization, with particular attention paid to emerging and developing countries;
- International promotion of the business model of "Industrial districts";
- Corporate governance;
- Partnerships between private companies, non-profit organizations and the public sector;
- Management of non-profit organizations.

ALTIS is carrying on a few projects aimed at fostering a full participatory approach toward a sustainable global economy.

FamigliaLavoro Award: A competition with the aim of highlighting the best projects implemented by companies in Lombardy for the reconciliation of work and home life and, for the business sector as well as for the public sector.

The aim of the competition is highlighting the work undertaken by businesses and public bodies in Lombardy to devise and implement projects for their employees or the community in integrating working life with family life. The competition implies the following:
- Involving organizations in an in-depth informative campaign on this subject.
- Supporting them in a process of growth towards greater awareness and advanced policies.
- Incentivizing work-family integration policies and practices in Lombardy.

Global Social Venture Competition: The Global Social Venture Competition (GSVC) is an international Business Plan competition, launched ten years ago by Haas School of Business, UC Berkeley, aimed at fostering the start-up and development of new economically visible and socially valuable entrepreneurial initiatives. ALTIS, as of the year 2008, is the outreach partner for Italy and is now spreading the competition among its international alumni.
ALTIS dedicates special attention to those geographical areas which are also of particular interest to the growth of Italian business: Latin America, China, India, Africa and the Mediterranean Region.

As an example of ALTIS’ interest in those geographical areas a series on encounters have been organized for MBA students and for business people in order to favor an inclusive and sustainable global economy. The latest event centered on Brazil, was held on November 16, 2009 at ALTIS. The previous Focus Areas were on Russia in October, Africa in September, China in September, and China in July.

MBA New Markets and Europe: Open lesson

Focus Brazil

Lunedì, 16 novembre, 2009 - h. 9.30 - 17.30
ALTIS - Università Cattolica del Sacro Cuore
Via S. Vittore 18 - Milano
Sala degli Storchi
La location e in inglese

Un paese che sta giocando un ruolo sempre più rilevante sia nell'ordine sud-meridionale, sia nell'ordine trasnazzionale internazionale e che, secondo il World Economic Forum, ha registrato, nel 2009, il più significativo tratto di sviluppo tra tutti i paesi del bral, grazie al suo boom economico e alla crescita del numero di imprese che operano in Brasile.

ALTIS e vi svolge una lezione aperta dei New Markets and Europe, l’MBA dell’Università Cattolica, un nucleo costiero di alto profilo che, pur essendo parte integrante del master, è aperto anche a:

- gli studenti di altri settori o branch che vogliono approfondire la materia;
- gli studenti che vogliono "mangiare" una lezione di un MBA;
- imprese e società che vogliono confrontarsi con chi ha già aperto business in Brasile.

Programma

9.30 – 11.30 Brazil: economy and role within the global geopolitical and economical framework
Emilio Columbo, Professor of International Economics – Università degli Studi Milano Bicocca Professor of International Economics, Università Cattolica del Sacro Cuore

11.30 – 11.45 Break

11.45 – 13.00 Brazil: institutional overview and legal framework for foreign investments
Roberto Moiti, Layer and expert on Brazil, Mancetti & Associati

13.00 – 14.00 Break

14.00 – 15.00 From Brazil to Europe: a human and professional experience
Luiz Locatelli, Pirelli Tyre Kazien Office Manager, Pirelli

15.00 – 16.00 From Europe to Brazil: the bridge case
Ruggero Gambini, Corporate Director Finance and Control, Ibagro

Evento speciale - Special event

16.00 – 17.30 From Brazil to Europe, Working for a market leader: the AB InBev Global Management Trainee Program, an opportunity for students.
Chris Cool, BU President SE, AB InBev

All InBev, group leader nella produzione e commercializzazione di birra, presenta il progetto GLOBAL MANAGEMENT TRAINEE PROGRAMMA, un progetto volta alla selezione, alla formazione e all’impianto accesso dei più brillanti studenti universitari.

AB InBev, worldwide leader for beer, will present its GLOBAL MANAGEMENT TRAINEE PROGRAM, a project aimed at the recruitment, training and employment of the best university students.
**Principle 2**

**Values**: We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

The curricula of our international MBA programs include the following core courses:

1. **Corporate Social Responsibility and Sustainability**: is a 32h course which focus is on the ways in which an increasing number of companies are attempting to address a range of social and environmental challenges through developing practices for assuming social and environmental responsibility in doing business. In addition the course is aimed at presenting the strategic implication of CSR for business activity within particular issues and areas of corporate responsibility. To do that, each lesson will consider a specific corporate activity and will discuss the implications for and impacts on both companies and stakeholders. Experienced speakers have been invited to address from a practical and actual perspective the different implication of CSR in finance, global supply chain, environment, and community. The course has been developed and delivered by Dr Stephen Brammer, (Professor of Business & Society Director, Centre for Business, Organizations and Society at the School of Management - University of Bath UK) in collaboration with ALTIS’ faculty.

2. **Social Entrepreneurship path**: the 20h course fully addresses the emerging concept of ‘Social Entrepreneurship’ as it should be understood in its wider conceptual framework including the provision of public goods in the age of globalization, the role of civil society for the emergence of institutions, the theoretical aspects of ‘entrepreneurship’. The course has been developed and delivered by Dr. Andrè Habisch (Professor for Christian Social Ethics and Society at Catholic University of Eichstätt-Ingolstadt, Germany) in collaboration with ALTIS’ faculty.

3. **The specific part presenting the international initiative of the United Nations Global Compact** has been introduced for the first time by Dr. Carolyn Y. Woo (Martin J. Gillen Dean, Ray and Milann Siegfried Professor of Entrepreneurial Studies, Dean at Mendoza Business School, Notre Dame University IN) in May 2009 in Milan at ALTIS.

4. **For the two upcoming international MBA programs, one in Italy and the other one in Kenya, Professor Molteni, with international colleagues, is preparing a course on social responsibility and ethic in business in which, beside presenting in detail the initiative of the UN Global Compact, there will be ample space given to testimonials of Italian and foreign corporations and enterprises witnessing how they have applied and even went beyond the 10 points of the UN Global Compact. In addition several organizations have been lead and supported by ALTIS in preparing their social report; representatives of those organizations will explain the work that has been done in order to comply with the UN Global Compact points.**
**Principle 3**

**Method:** We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

ALTIS endeavor regarding the method to form responsible leaders has been initiated following two main directories:

- **a)** International environments and frameworks: participants to our programs come from all over the world. Our first program (2008-2009) had 25% of the students came from Asia (India and China), 20% from Brazil, 38% from Africa, 8% from Eastern Europe and the Mediterranean basin and 9% from Italy. Our next MBA program 2010-2011, *Global Business and Sustainability* has been developed in partnership with the Loyola Institute of Business Administration, Chennai India in order to give also the opportunity to our students to attend their elective courses in India.

- **b)** Each MBA student is required to undertake a three-month Action Project which goal is two folds: to gain a firsthand experience of real world business issues and solutions and the opportunity to initiate contacts for future business and partnerships. The ALTIS network of companies, financial institutions, industry clusters and Chambers of Commerce allows for the structuring of an Action Project customized to the specific interests of each participant. In particular, students will be involved with Italian firms that are operating or are planning to operate in their countries of origin. Our first group of students were given the opportunity to learn and develop professionally both in the classroom and through internships in a variety of sectors, in businesses of different sizes, chosen on the basis of the student’s individual interests: great names of industry, finance and Italian and international consultants such as *Artsana, Perfetti, Telecom Italia, Auchan, Deloitte* and *Price Waterhouse Coopers*. And also with small and medium sized businesses in the emerging economies or even struggling family run businesses needing new ideas, skills and growth. They also participated in development projects with institutions such as Chambers of Commerce and NGOs.
**Principle 4**

**Research:** We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

ALTIS is equipped with a team of researchers and operators who have the expertise to carry out extensive permanent projects. Recently, ALTIS has been involved with the following projects:

a) ALTIS-OPERANDI Observatory for Corporate Social Responsibility. In 2005 the collaboration between the Operandi Foundation and ALTIS gave birth to the Italian Observatory for Corporate Social Responsibility, which organises research projects and workshops on important CSR topics. For example: The Evolution of Responsible Consumption in Italy; Policies for the Ethical Supply Chain Management; CSR in Small and Medium Size Enterprises; Responsible Delocalization.

b) ALTIS-ISVI Observatory for Sustainability Reports. ALTIS, in collaboration with the Institute for Business Values, monitors the phenomenon of socio-environmental accountability in Italy, checking annually the publication of reports based on CSR, and extrapolating key characteristics. The Observatory, which is divided into three sections (profit, not-for-profit and public administration) provides academics, companies and citizens with an executive summary for each social or sustainability report examined.

c) Observatory for Small Size Enterprises in the Milan Area. This Observatory aims to monitor the evolution of small size businesses in and around Milan, paying particular attention to the main problems and challenges that entrepreneurs must face. The range of topics under examination is broad: internationalisation, investments, finance, jobs and training, information technology, corporate social responsibility, quality, health and safety.

d) Social Projects Exchange. The Social Projects Exchange (SPE) promotes partnerships by helping profit companies to identify business opportunities in collaboration with the world of not-for-profit organisations, in a win-win context. The SPE also assists not-for-profit organisations in the search for financial, human and material resources to carry out social projects. Services offered are of two types: services for connecting, i.e. facilitating meetings between profit and not-for-profit organisations, and services for starting up, i.e. facilitating the creation of partnerships (tuning the project to maximise returns for both parties, development of monitoring systems, taxation issues, etc.). SPE is sponsored by the Lombardy Federation of Cooperative Credit Banks and the Lombardy Region.

**Principle 5**

**Partnership:** We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

The fifth principle is fully implemented at ALTIS at the national level due to the CSR Manager Network Italia. The network has been initiated by ALTIS’ director five years ago in collaborations with Italian institutions and research centers in order to adequately support top management in facing their social and environmental responsibilities.
The CSR Manager Network Italia was created for managers and professionals who work in companies of any size and are responsible for CSR, either full-time or part-time. Its two main objectives are:

- To create a community in which managers can analytically compare their own experiences, identify ways for improvement and innovation, and learn about the latest managerial trends in Italy and abroad;
- To promote a lobby of representation, which works to influence the world of politics, business and union associations and not-for-profit organisations, and which is able to take part in national and international debates. Currently, the Network is the point of reference for the new role of CSR managers.

All CSR Network’ members are invited to participate to five open workshops every year and they also have private access to an ongoing forum on line on the themes of CSR. Thank you to this online forum they can exchange information, ask for suggestions, reach the CSR scientific committee for advice and guidance on matter of social responsibility for an annual fee of 1000$.

In addition ALTIS has established lasting partnership in Italy and abroad with Associations and Agencies, Financial Institutions and Banks, Public Administrations, Foundations, NGOs, Non for Profit Organizations, Multinational Corporations, Companies and Enterprises, Research Centers, Press Agencies and Media, along with several universities in al five continents.

**Principle 6**

**Dialogue:** We will facilitate and support dialog and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

Two projects testify to ALTIS’ attention to Principle 6.

1. The first one is a new project in progress: the MBA Social Entrepreneurship and Management (SEM) in collaboration with the Catholic University of Eastern Africa - Tangaza College, Kenya.

**Philosophy of the MBA program**

The program focuses on social entrepreneurship. Social entrepreneurs act as the change agents for society, seizing opportunities others miss and improving systems, inventing new approaches, and creating solutions to change society for the better. While a business entrepreneur might create entirely new industries, a social entrepreneur comes up with new solutions to social problems and then implements them on a large scale. An innovative, social entrepreneurship-based approach to development in Africa is also a mean of implementing the Catholic perspective in the continent. In his encyclical “Caritas in Veritate”, Pope Benedict XVI promotes the idea that public good is a practical translation of the fundamental principles of Catholic Church social doctrine principles, and must be a criterion in everyone’s moral action. Therefore, everyone have to contribute to the creation and strengthening of the public good, that in ultimate analysis is the social, economic and environmental good of the society where one lives. Social entrepreneurs set themselves the goal to reach a sustainable development in their own societies by introducing innovation and change in diverse aspects of the social life and economic sectors, hence being an instrument of creation of public good and well-being. The United Nations have declared a Decade of Education for Sustainable Development starting in January 2005. The MBA Social Entrepreneurship and Management contributes to UN goals by educating high potential young African in the concepts of Social Entrepreneurship, while giving them the tools and competencies to effectively implement their own social ventures. Particular attention will be also given to presenting the UN Global Compact Initiatives.
Rational of the MBA program

The MBA program aims at developing competencies for high potential young professionals as entrepreneurs and managers who are advocates for social, environmental and economic development. The MBA programme combines managerial and entrepreneurial training with key aspects of social development and Corporate Social Responsibility, an internationalisation centred approach, and sector specific concentrations, creating practical tools and competencies to fill the lack of social enterprises in African countries.

Two global trends have reinforced the need to forge a class of new sustainability oriented entrepreneurs. The recent financial crisis that severely affected the global economy has deepened some of the historical drawbacks of African countries. The number of unemployed have surged, as well as the number of those who work full time and are still poor. On the other end, Climate Change is causing weather unpredictability and catastrophes that severely impact those living at the bottom of the social pyramid in African countries. The circle of poverty makes unemployment, droughts, flooding, illnesses hitting harder on those who already suffer poverty and underdevelopment. Those emergencies are strictly linked to structural problems in most African countries. Therefore, development have to be created from the roots of society, educating and training social entrepreneurs who can serve as changing agents within nowadays social and economic structure in the light of Christian values.

Social enterprises mean employment creation, cultural and social development, environmental sustainability and protection. Social entrepreneurship in Africa means also approaching sustainable development with a bottom-up approach that starts from Africa’s most important resources: its young people. 50 years of top-down, donors-driven approaches have proven inefficient if not dangerous. The MBA programme aims at setting the path for a change in the sustainable development process.

The MBA program is highly innovative in its contents and approach: main goal is to create actual social enterprises that can start a proactive and effective network throughout the African Continent. The MBA programme aims at: i) giving students the tools to effectively manage all the aspects of start-up development and business implementation; ii) educating them in social, environmental and economic sustainability; and iii) concretising their proneness to entrepreneurship by linking them with international and local success stories and business networks and stimulating them in developing innovative for profit or not-for-profit ventures to solve their societies’ most pressing needs.

The program aims at educating and training young professionals as social entrepreneurs active in the creation of for profit as well as not-for-profit ventures which contribute to African countries sustainable economic and social development.

Goal of the MBA program

The most important goal of the MBA program is to stimulate the birth of new actual social enterprises in Africa. These will then start a proactive and effective network throughout the African Continent, giving qualified and motivated students a concrete and precise vocational training in order to become social entrepreneurs and to create local social enterprises. To pursue this goal, the MBA programme will: i) give students the skills to know and manage successfully the aspects of start-up development and business implementation; ii) train and educate them in social, environmental and economic sustainability; iii) improve and concretise their ability to entrepreneurship by linking them with international and local success stories and business networks and stimulating them in developing innovative for profit or not-for-profit ventures to solve their societies’ most pressing needs.

In a global vision, one “macro-goal” and expected outcome of the MBA SEM programme is to contribute to the development process throughout Africa: promoting the creation of social enterprises is an actual and effective way to social and economic development.
Main sponsors of the MBA program

- Vodafone Foundation (http://www.vodafone.com/start/foundation.html). The Vodafone Foundation is at the centre of a network of global and local social investment programmes. Globally, the Vodafone Foundation makes a social investment by funding projects which benefit some of the most disadvantaged young people and their communities. The projects we support are regional in scope.

- The Italian Episcopal Conference (C.E.I. )’s Office for Charitable InterventionsFavour of the Third World (http://www.chiesacattolica.it/cci2009/index.html).

The faculty of the MBA program is from ALTIS-Italy, Loyola Institute of Business Administration-India, and Tangaza College, Kenya.

The MBA SEM will begin in January 2011: the recruitment process is now in progress.

We understand that our own organizational practices should serve as example of the values and attitudes we convey to our students.

2. The second project is a Master in Public Administration: Maestria en Gestión Pública y Desarrollo Económico Local (Public Management and Local economic Development). This program also testifies to ALTIS’ openness and readiness to facilitate and support dialogue among government and civil society.

From ALTIS’ cooperation with the Peruvian Ministry of Production and with Universidad Catolica Sedes Sapientiae, ALTIS is now completing the design, development, and delivery of Maestria en Gestión Pública y Desarrollo Económico Local a double degree program for public administrator of the newly created regions in Peru. The program aims at fostering local socio-economic sustainable development in accordance with the principle of Subsidiarity.

The idea of the program came out of an empirical research carried out by ALTIS’ Public Management Davison. The research focused on identifying best practices in local government that while enhancing the concept of democratization foster sustainable socio-cultural and economic growth. The research presented four examples actualized in Peru, Lambayeque Region, which support sustainable economic and social development at the local level with a bottom up and full participatory approach. The four Peruvian cases related to SMEs growth, have been reviewed with comparable Italian cases realized in Lombardy Region. In order to simultaneously guarantee vertical and lateral participation from bottom up the principle of Subsidiarity has been identify as respondent to those characteristics. The research highlighted an innovative and effective role of local governments in fostering sustainable economic and social development by involving all the participants present at the local level in a given region (community). The research testifies to the value of the principle of Subsidiarity: it has been possible to draw from real cases some clear guidelines for the public management sector in order to guarantee economic development and sustainability assuring full involvement of all actors involved in enhancing the growth of SMEs starting from the individual capability and potential as well as from local available resources. The research findings have been included in the core courses of the Master program. The starting date of the program is April 16, 2010 with a number of enrolled participants of 45.

We understand that our own organizational practices should serve as example of the values and attitudes we convey to our students.