



**PRME**

Sharing Information on Progress

**IESA 2009-2010**



## **I. Letter of renewed commitment**

To:  
PRME Steering Committee  
c/o Dr. Manuel Escudero, Head PRME Secretariat at United Nations  
Global Compact Office  
DC2-612  
2 United Nations Plaza  
New York, NY 10017, USA

Caracas, June 25th, 2010

### ***Renewed Commitment to the Principles for Responsible Management Education***

*As an institution of higher learning involved in the education of current and future managers, **IESA** is committed to engage in a continuous improvement process in the application of the Principles for Responsible Management Education, reporting on progress to all stakeholders and exchanging effective practices with other academic institutions.*

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

*We encourage other academic institutions and associations of management schools to adopt and support these Principles.*

A handwritten signature in black ink, which appears to read "Francisco Sanáñez". The signature is fluid and cursive, with a large flourish at the end.

Francisco Sanáñez  
President  
IESA



## II. Report on Principles:

Follow the links below to access information submitted to Beyond Grey Pinstripes.

<http://beyondgreypinstripes.org/rankings/school.cfm?cid=153>

[http://beyondgreypinstripes.org/search/search\\_activities\\_results.cfm?intProgramLinks=1&intProgram=7&keyword=&cid=0&cids=153](http://beyondgreypinstripes.org/search/search_activities_results.cfm?intProgramLinks=1&intProgram=7&keyword=&cid=0&cids=153)

### 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.
- **Overview:**

At IESA this principle is featured in course content and student assignments, including field exercises, individual and team projects. Additionally, students may volunteer to participate in extra-curricular activities that contribute to building leadership skills. Examples include the annual Idea Contest and the San Bernardino Project (outreach to a nearby slum community).

- **Achievements:**

#### ***Courses and content:***

##### **Graduate programs**

<b>Ethics, corporate governance and the Law</b> <b>Professor</b> Hugo J. Faría	Elective seminar that employs the Liberty Fund approach, featuring a short lecture followed by questions and class discussion.
<b>Corporate governance</b> <b>Professor</b> Carlos Molina	Elective course that reviews the rules and mechanisms employed to balance the interests and duties of 1) company shareholders, both, controlling and minority, 2) board members, and 3) key managers. The Andean Corporate Governance Code proposed by the Andean Development Corporation is examined. Corporate governance practices employed by Venezuelan business firms are assessed. Teams of 4 students examine corporate governance practices in a particular firm and propose recommendations for improvement.
<b>Growth and Corporate governance</b> <b>Professor</b> Hugo J. Faría	This course addresses the following issues: Why does the world's richest country have a per capita income 100 times greater than the poorest country? Is income inequality unfair? How do economic miracles occur? What policies and institutions promote economic development? What is the relation between democracy and economic growth? How important is technology for human progress? How does corruption impact economic growth?



<p><b>Business development: Serving majority markets</b> Professor Raquel Puente</p>	<p>This course aims to view low income consumers in a different light, and discuss business practices and tools that enable companies to understand and address the challenges of serving this market. Field visits to poor communities are required to pass the course. Includes visits to firms serving this market and homes of poor consumers. Students must prepare a business plan to serve new markets.</p>
<p><b>Social responsibility in Latin America</b> Professor Josefina Bruni-Celli</p>	<p>Elective course to enable students to learn different concepts concerned with corporate social responsibility (CSR) and the CSR debate in light of Latin America's local communities, the relevance of partnering to implement CSR goals, and the relation of CSR and sustainable development. Students must make presentations; participate in class discussion centered on readings and case analysis.</p>
<p><b>Business with low income sectors</b> Professor Patricia Márquez</p>	<p>Elective course reviewing business strategies to include low income sectors as consumers, suppliers and partners in profitable market-based initiatives that also generate social value. Can business ventures mitigate poverty? Can markets be expanded by tapping low income suppliers and consumers? How can civil society organizations, co-operatives and state enterprises employ innovative strategies in relation to the poor? Students work in teams to examine an inclusive business experience, how it can become part of the value chain, assessing its financial, social, and context performance</p>
<p><b>Social enterprise business plans</b> Professor Rebeca Vidal</p>	<p>Elective course to review different kinds of social enterprises, how they are organized, and how they tie in with corporate social responsibility. Drivers of social enterprises, opportunities, and elements of a business plan. Sustainability, financial planning, and measurement of social impact. Field research and class discussion of readings and cases, and development of a viable business plan.</p>
<p><b>Business, the state, and society</b> Professors Rosa Amelia González &amp; Michael Penfold</p>	<p>Required course enabling students to discuss issues concerned with failures of the market, the government and volunteers. Seeks to better understand the nature and relevance of relations between business, the state, and non-profit organizations. Economic and social value creation. Field exercises include working with NGOs on issues dealing with public agency performance.</p>
<p><b>Social responsibility workshop</b> Professor: Josefina Bruni-Celli</p>	<p>Required MBA workshop on CSR viewed in the context of a growing world movement in corporate citizenship, sustainable development, and global standards of responsible performance and compliance. Readings, cases, and class discussion.</p>
<p><b>Ethics in action (MBA / MF / MPM)</b> Professors María Helena Jaén, Josefina Bruni-Celli, José Malavé, Armando Barrios, Ramón Piñango</p>	<p>Required workshop to promote student awareness of ethical behavior in relation to their own decisions and how they affect family, the workplace, and the lives of others. Values, practices, and customs that help build fairer organizations and better societies.</p>
<p><b>Social marketing and image management</b> Professors: Jorge Menéndez &amp; José Luis Giménez</p>	<p>Elective course on the basic concepts of social marketing and the management of an organization's image. Social marketing is defined as the process of applying marketing principles and methods to create, communicate, and deliver value in order to influence the behavior of target groups and benefit society (e.g., public health, security, environment, and communities); and public image as features that distinguish a person or an organization, which can be identified, assessed, and influenced by a variety of factors. These factors can be evaluated,</p>



	controlled and optimized for public image purposes. Students must develop a marketing plan
<b>Introduction to management</b> <b>Profesor:</b> José Malavé, Ernesto Blanco, Ramón Piñango	Elective course on basic notions such as strategy, structure, context, learning and change, identifying and examining essential features of organizations and the possibilities and limitations of a manager's actions. Acquaints managers with their responsibility as managers, challenges to their work and what society expects from them. Identifies personality features that will affect their professional performance, as a basis for self-assessment and application in organizations they work for. Students develop a team project describing a firm operating in Venezuela, examine a decision (quality and consequences) taken by one of its managers, and the management lessons derived from it.
<b>Ethics workshop applied to Finance</b> <b>Professors</b> Eduardo Pablo, Javier Llanos	Required workshop where students learn the main conceptual frameworks developed by the CFA Institute considered necessary to understand the context of ethics in the investment process, and investor, corporate and security markets. Also discussed is an overview of professional designation and advances under way in this area.
<b>Finance for entrepreneurs</b> <b>Professor</b> Federico Fernández	Includes interviews with entrepreneurs and development of a case, ending with recommendations to entrepreneurs.
<b>Fundraising entrepreneurship</b> <b>Professor</b> Nivarío Rancel	This course features a series of exercises whereby funds are raised for social causes in order to apply entrepreneurial principles, explore capacities, initiative, and social entrepreneurship. Funds raised at the last offering were donated to recognized charities, including Haitian earthquake victims.
<b>Internet initiatives</b> <b>Professor</b> Nunzia Auletta	Web-based entrepreneurship
<b>Product launching</b>	Students counsel startup companies on entrepreneurship
<b>Social immersion workshop (PAG)</b> <i>[Última edición: marzo 2009]</i>	8-hour workshop attended jointly by Advanced Management Program (PAG) participants and those of the BP-sponsored Management for Micro-entrepreneurs program. Two PAG participants (mid-career managers) were assigned to tutor each micro-entrepreneur in developing a business plan.

### **Executive Education:**

The following activities, often scheduled several times, have been carried out in 2008-10

- Management for Micro-entrepreneurs (2)
- Small Business Management. Cases and experiences
- Social responsibility project formulation (6)
- Finance for Entrepreneurs (3)
- Event: Successful women - AVAA
- Program for young political and community leaders (incumbent and opposition) (2)
- Entrepreneurship program (7)
- Entrepreneurship development program – TRANE (2)
- Marketing for entrepreneurs
- Corporate social responsibility - ACP
- Management for micro-entrepreneurs - L'OREAL



- Entrepreneurship development for women
- Management for small transport firms - POLAR
- Entrepreneurship development IBM-IESA

### **"Ideas" Contest:**

Venezuela's most successful business plan contest, with more than 700 teams of participants annually. IESA students and other community members participate as coordinators, tutors, and social enterprise jury members.

### **Volunteer activities**

- Unpaid teaching by faculty members for micro-entrepreneurs and community leaders
- Consulting for entrepreneurs
- Faculty, alumni and student coaching in business plan development for micro-entrepreneurs
- Coaching for community social enterprises by IESA faculty, alumni, and students

## **Principle 2**

1. **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.

### 2. **Overview**

Social Responsibility global values as specified by the United Nations Global Compact initiative are featured by the Social Responsibility Workshop, required for the MBA.

### 3. **Achievements**

Corporate Social Responsibility Workshop: Students are acquainted with the corporate citizenship movement, and compliance with globally institutionalized standards. The workshop spans:

- Different concepts of social responsibility
- CSR vs. sustainability
- Compliance with globally institutionalized standards
- Business responsibility with local community development
- The CSR debate as respects scope and limits of business responsibility

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[http://beyondgreypinstripes.org/search/search\\_course\\_results.cfm?sCourseType=core&keyword=&dept=all&cids=153&search.x=59&search.y=14](http://beyondgreypinstripes.org/search/search_course_results.cfm?sCourseType=core&keyword=&dept=all&cids=153&search.x=59&search.y=14)

[http://beyondgreypinstripes.org/search/search\\_activities\\_results.cfm](http://beyondgreypinstripes.org/search/search_activities_results.cfm)

### **Principle 3**

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

2. **Overview**

IESA implements this principle by means of participant-centered learning, and by combining a variety of different experiences in course content that places context and process emphasis on responsible leadership.

Teaching methods employed in the MBA closely follow the philosophy of student-centered learning, focused on "preparing students for the exercise of leadership." This teaching focus requires active student involvement in study programs. Emphasis is placed more on learning than on teaching, as well as on student sharing and exchanging ideas and experiences. The key is to provide students with support to develop their own solutions through learned methods. Student centered learning means "learning by doing." Class dynamics are based on group assignments, games and simulations, case discussion, and other activities generating participation and exchange, and encouraging student commitments.

3. **Achievements**

Participant-centered learning (PCL) is promoted by means of workshops held at IESA for new faculty members, as well as annual sponsorship of two or more senior faculty to attend the PCL Workshop at the Harvard Business School. IESA faculty who have attended the Participant-Centered Learning colloquia at HBS, or taken a similar workshop periodically offered at IESA for younger faculty, have acquired skills needed to employ cases effectively and deploy the learning benefits of case method instruction.

IESA has invested considerable resources to adapt the school's technology and physical plant to the Participant-Centered Learning model, and changing management education needs. Accordingly, the layout of various classrooms has been specially adapted for case discussion and group activities

Practical experience is highlighted in the following courses under Principle 1: Business development: Serving majority markets; Business with low-income sectors; Business plans for social enterprises; Business, the state, and society; Social marketing and image management;



Finance for entrepreneurs; Entrepreneurship; Product launching; and the Social immersion workshop offered to participants in the Advanced Management Program (PAG).

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## Principle 4

1. **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.

### 2. Overview

IESA is a member of the Social Enterprise Knowledge Network (SEKN), together with Harvard Business School, US; INCAE, Costa Rica; Universidad de San Andrés, Argentina; Universidad de Los Andes, Colombia; Universidad del Pacífico, Peru; EGADE, Mexico; ESADE, Spain; Pontificia Universidad Católica, Chile; Universidad de Sao Paulo, Brazil; and AVINA Foundation, US.

### 3. Achievements

#### **SEKN teaching cases 2007-2010**

- Bruni-Celli, Josefina: Cativen\*, Harvard Business Publishing, SEKN Network. Forthcoming 2010. (\*name may change)
- González, Rosa Amelia: Cruzsalud: Health care for low-income sectors Harvard Business Publishing, SEKN Network, 2008
- González, Rosa Amelia: Fe y Alegría Harvard Business Publishing, SEKN Network, 2007
- Jaén, María Helena y Patricia Márquez, Cantv y la responsabilidad social Harvard Business Publishing, SEKN Network, 2007

#### **Other SEKN 2007-2010**

- Five chapters in "Socially Inclusive Business. Engaging the poor through market initiatives in Ibero-America". Patricia Márquez, Ezequiel Reficco, and Gabriel Berger (Eds.). The David Rockefeller Center Series on Latin American Studies, Harvard University and Inter-American Development Bank, 2010:
  - Introduction: A Fresh Look at Markets and the Poor. Patricia Márquez, Ezequiel Reficco, and Gabriel Berger
  - Market Initiatives of Large Companies Serving Low-Income Sectors. Josefina Bruni-Celli, Rosa Amelia González, and Gerardo Lozano



- How Small Firms and Startups Shape Inclusive Business. Henry Gómez-Samper, Mladen Koljatic, and Mónica Silva
  - Market-Based Initiatives for Low-Income Sectors and Economic Value Creation. Josefina Bruni Celli and Rosa Amelia González
  - Conclusions: Developing Inclusive Business. Patricia Márquez, Ezequiel Reficco, and Gabriel Berger
- One chapter in "Responsabilidad Social Empresarial. Visiones complementarias". Victor Guédez (Ed.). Alianza Social – Venezuelan-American Chamber of Commerce and Industry (Venamcham), 2010:
    - Responsabilidad Social Empresarial y Negocios Inclusivos. Josefina Bruni Celli & Rosa Amelia González
  - Two articles in *Harvard Business Review América Latina*, May 2009:
    - "Negocios inclusivos en América Latina". Patricia Márquez, Ezequiel Reficco & Gabriel Berger
    - "Las empresas grandes y las Pymes como emprendedoras sociales". Josefina Bruni-Celli, Rosa Amelia González & Henry Gómez-Samper
  - One article in *Debates IESA*, Vol. XIV, No. 1, 2009:
    - "Las claves de la rentabilidad de los negocios con las mayorías." Josefina Bruni-Celli & Rosa Amelia González

Follow the links below to access information submitted to Beyond Grey Pinstripes.

[http://beyondgreypinstripes.org/search/search\\_activities\\_results.cfm?cid=153&intProgram=3](http://beyondgreypinstripes.org/search/search_activities_results.cfm?cid=153&intProgram=3)

## Principle 5

1. **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.
2. **Overview**

This principle embraces:

- Teaching case development in various aspects of Corporate Social Responsibility, in close collaboration with several Venezuelan organizations and management schools elsewhere in Latin America
- Entrepreneurship 2015 program undertaken with a large number of organizations promoting business and social enterprise in Venezuela
- Attention to environmental issues in programs, courses, and workshops offered to companies and other organizations by the IESA Energy & Environmental Center



### 3. **Achievements**

The following recently held activities illustrate **Principle 4**.

Entrepreneurship 2015 program activities:

<b>Program</b>	<b>Sponsor</b>	<b>Description</b>
Management for Community leaders (2 offerings)	La Electricidad de Caracas & European Commission (Venezuela).	Program spanning over 180 hours of class instruction and other exercises offered to community leaders in the blighted San Bernardino area of Caracas that includes several slum communities
Management for Micro-entrepreneurus program (2 offerings, April- Sept 08, Nov – April 09)	BP (Venezuela)	128-hour program offered to micro-entrepreneurs from San Bernardino and other poor communities in the capital city
Management for Micro-entrepreneurus program (Oct 09 – April 2010)	L’Oreal	128-hour program for beauty & hair care micro-enterprises in poor communities
Entrepreneurship for Women <i>Feb-May 2010</i>	Cisneros Foundation & Venevisión	48-hour program for women operating a small business or about to launch one
Entrepreneurship development (under way since May 2010)	IBM-Venezuela	92-hour program offered to information technology & communications entrepreneurs
Management for small transport firms (under way since May 2010)	Polar	72-hour program for owners and managers of small transport businesses serving Polar, a large food & beverage firm

### **Principle 6**

1. **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.

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

2. **Overview**

IESA plays an active role in society by preparing managers with entrepreneurial and leadership skills, and by fostering dialogue between different stakeholders and sectors, especially corporate leaders and CEOs, to promote solutions aimed at societal wellbeing and socio-economic progress.



### 3. **Achievements**

Teaching cases developed in this area include:

- “Dialogues for Venezuela”, colloquia offered to CEOs and top management to debate issues of current national and international interest that bear on Venezuela’s future
- Lidera Program, aimed at training young political and social leaders of varying ideology (100 participants in three phases, 152 hours plus a visit abroad).

In 2009-10, four “Dialogues for Venezuela” were held, each featuring international guest speakers (Carlota Pérez, Michael Coppedge, Diego Fernando Gómez, and Noel Maurer) attended by 45 corporate leaders. Topics included competitiveness, financial crisis, technology revolution, strategy in turbulent times, and political regimes in Latin America.

Executive Education offerings mentioned earlier also feature short dialogues often focusing on the above issues.

### **III. Future perspectives/Key Objectives**

Plans are currently under study for each of the following:

- Research:
  - Continue producing knowledge related to CSR under support from companies and other organizations that seek assistance from IESA
  - Continue SEKN network output under new sources of sponsorship
- Teaching:
  - Continue teaching case development by relying on output incentives already in place
  - Expand CSR content in course study programs
  - Feature sustainability in all curricular content offered under the Entrepreneurship 2015 program
- Partnerships:
  - Search for opportunities to strengthen and integrate efforts under way in teaching and research in corporate social responsibility, environmental management, and ethics.



#### **IV. Support that may be of help from other PRME signatories or from the PRME Steering Committee**

An area to be explored together with other PRME subscribers might be the identification of complementary strengths among different institutions in relation to CSR, Ethics, and the Environment, looking toward potential partnerships in teaching and research..