A code for SUCCESS
Insights into Andrew Lawrence’s entrepreneurial journey

ALSO INSIDE:
CAN PAY REGULATION KILL?
10 YEARS ON – MSc INTERNATIONAL HEALTH MANAGEMENT
NETWORKING OPPORTUNITIES FOR YOU ACROSS THE GLOBE
Welcome

In this edition of Business matters we are celebrating the 10th Anniversary of the MSc International Health Management programme. Academics highlight for us some of the latest healthcare research emerging from the Business School, including a study by Professor Carol Propper, Head of Healthcare Management Group, into the alarming implications of regulating nurses’ pay in the UK (page 13).

On page 8 Ian Manovel, Health Management 2004 alumnus and Alumni Advisory Board member, interviews Professor Peter Smith who we are delighted to welcome to the Business School’s Healthcare Management Group.

We also have news of alumni who are working in the health industry. Andrew Lawrence (MBA 2002) shares with us how he came to be an entrepreneur in the health sector (page 10) and we catch up with Professor Nicholas Fisk (MBA 2007), Director of the Centre for Clinical Research at the University of Queensland (page 34).

We continue to be inspired by so many of you who share your expertise and time with current students, fellow alumni and the Business School. Your engagement and commitment is hugely valuable – indeed invaluable – to the Business School and is helping to ensure that we continue to grow a world-class institution with a vibrant alumni network. Read more about how to make the most of your network and how you can continue to help build a strong and engaged alumni community on page 37.

Please do continue to give us your feedback, whether by email or by giving me a call, to help us make the alumni network even more relevant to you. Above all, to remain connected with each other and the Business School, and to learn more about developments in alumni benefits and services, please ensure that we have your updated contact details and in particular your email address.

You can update these directly on the online alumni directory www.imperial.ac.uk/business-school/alumni or drop us an email at alumni-business@imperial.ac.uk.

I look forward to hearing from you and hope to see you at one of our many alumni events over the next year.

Nicola Pogson
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“
We continue to be inspired by so many of you who share your expertise and time with current students, fellow alumni and the Business School”
The past year has been a challenging time globally, as we all know, and the Alumni Advisory Board (AAB) has been working closely with the Business School to ensure that alumni are able to forge closer links with each other and to benefit from stronger connections with the Business School.

Developing your community

We believe that the Alumni Advisory Board (AAB) has a responsibility to contribute to growing the strong reputation of the Business School and that it is only through early engagement with future alumni that we can ensure that this message continues to be reinforced. We have therefore sought to increase our support of Business School activities over the past year so that students can benefit from our insights and expertise right from the start of their postgraduate studies.

Alumni career talks are already a popular feature with students and a new initiative this year was a series of alumni-led MSc Finance lectures. These were well-received by students and we were delighted to learn that a number of you contacted the Business School to enquire about opportunities for giving future lectures. Your continued support is greatly appreciated.

AAB members also met with students in March and we are pleased to now be welcoming students to a number of alumni-focused events, including Special Interest Groups (SIGs) and the Alumni Summer Party.

Increasing opportunities for your professional development

We are excited to be contributing to driving forward the professional development offerings of the Business School to alumni. Electives are now offered not just on campus but also internationally, and the Business School is spearheading an innovative Study Tour to China in April 2010 for alumni across Imperial College London (see page 47 for more details).

Most recently, the AAB has acted as a focus group for the Business School, giving feedback on some interesting initiatives to ensure alumni have greater opportunities to benefit from the latest strategic thinking emerging from the Business School. We will be working hard over the year ahead to bring these initiatives to you – so watch this space!

Please get in touch with the AAB if you wish to share your views on developing your alumni community. Board members now have a dedicated web page on the Business School’s website through which you can contact us directly – www.imperial.ac.uk/business-school/alumni/advisory-board.

Lastly, I encourage you to make the most of your alumni network over the next year by reconnecting with your old class mates and building on the first-class contacts available to you. The Alumni Relations Team is available to help you re-establish contact with those you have lost touch with. Do also try to make it to an alumni event near you. These get-togethers are an excellent way of forging new links with alumni from other cohorts and I’m sure will bring the memories of your Imperial days flooding back!

Christopher Cosgrove, MBA 2003
Alumni Advisory Board Co-Chair

www.imperial.ac.uk/business-school/alumni/advisory-board

2009 ALUMNI MEMBERS OF THE AAB:

- Michael Barker, Executive MBA 2002
- Laurence Bird (née Bour), Executive MBA 2006
- Christopher Cosgrove, MBA 2003
- Bruno Cotta, MBA 2002
- Stefano della Chiesa d’Isasca, MSc Finance 2004
- Shabbab Khan, MBA 1996
- Ian Manovel, MSc Health Management 2004
- Konstantinos Mavros, MSc Finance 1999
- Tobias Parker, Executive MBA 2008
- Emma Richmond, Executive MBA 2006
- Andrew Robertson, MBA 1993
- Alexis Scorer, Executive MBA 2006
- James Slaughter, Executive MBA 2005
- Frank Smith, Executive MBA 2001
- William Wong, MBA 1998
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Alumni Study Tour to China
Experience China’s thriving business environment, culture and landscapes in April 2010 47
This year the global economy shook. As the economic crisis unfurled, we found ourselves in the middle of an exceptionally lively and vital debate. Last October, Prime Minister Gordon Brown turned to the Business School to meet academics, business leaders, alumni and current students. With him, we discussed ways of calming the immediate financial turmoil and looked forward to how innovation could protect us in the future.

Innovation has never been more important than it is today, as organisations face fierce global competition, rapidly developing technologies and diminishing world resources. This year the Innovation, Entrepreneurship and Design (IED) module was launched on the Imperial MBA programme. It is a lively entrepreneurial journey in which multi-disciplinary teams explore the feasibility of taking a new idea to market. This edition of Business matters looks at how students learned an array of entrepreneurial, design and commercialisation skills. We eagerly look forward to hearing how our first IED graduates go on to capture the value of inventive products and services.

Since I wrote to you last, the Business School, in conjunction with the University of Cambridge, has won a major research funding award worth over £2 million, allowing us to create a joint national Research Centre. The UK Innovation Research Centre will focus on how innovation can make business more competitive and will ensure that new research in both the public and private sectors has the greatest affect on policy and practice.

Further acknowledgement of our academic quality came in December with the results of the Research Assessment Exercise, which assesses research standards across all UK universities. This ranked us as joint first for research activity that is world-leading or internationally excellent.

As our reputation continues to grow, so we attract an ever increasing number of leading academics across our disciplines. This year the newest of our Research Groups, Healthcare Management, has seen the arrival of both Professor Peter Smith, joining us from the University of York, and Jonathan Haskel, Professor of Economics. Read an interview with Peter Smith on page 8.

We are truly excited about the trajectory the Business School finds itself on and I invite you to join us on this journey. Why not come along to our annual Alumni Summer Party in London on 25 June 2010 or join friends from the Business School at one of the many events we hold annually around the world? Please do keep in touch and let us know how you are doing.

Professor David Begg
Principal, Imperial College Business School
From interviews with leading academics to the latest thinking emerging from our world-renowned research, news from Imperial College Business School continues to be covered in a range of international media. Here’s a quick glance at some of the stories from the past year.

**In the media**

- **Training the Next Generation of Builders**
  Professor David Gann, Head of Innovation and Entrepreneurship Group, explains how education must respond to changes in modern construction techniques.
  *Sunday Times, 12 July 2009*

- **Bright Sparks**
  Design London is held up as an example of how the UK can best harness the power of creativity.
  *Director Magazine (I.O.D), 1 June 2009*

- **Profiting in Choppy Markets**
  Professor Gerry George, Director of the Rajiv Gandhi Centre for Innovation and Entrepreneurship, provides an expert view on the potential of an Indian start-up.
  *Economic Times (India), 13 February 2009*

- **Profiting in Choppy Markets**
  Director of the Rajiv Gandhi Centre for Innovation and Entrepreneurship, provides an expert view on the potential of an Indian start-up.
  *Economic Times (India), 13 February 2009*

- **Masters Briefed on Imperial System**
  Nigel Masters, President of the Institute of Actuaries, visited the Business School to learn about the specialist MSc Actuarial Finance programme.
  *The Actuary, 1 May 2009*

- **Euros Best**
  Imperial College Business School, the Imperial MBA and the new Innovation, Entrepreneurship and Design (IED) course are showcased as European highlights.
  *Business Week, 17 March 2009*

- **Judge and Imperial Collaborate on Innovation**
  The new UK Innovation Research Centre, a £5 million joint project with Cambridge, is launched. *Financial Times, 9 December 2008*

- **Hit or Miss**
  Professor James Barlow, Director of the Health and Care Infrastructure Research and Innovation Centre, comments on the UK’s track record with healthcare IT programmes.
  *Economist, 16 April 2009*

- **Why Companies Should Educate Their Customers**
  Dr Andreas Eisingerich, Organisation and Management Group, on his research into financial services companies and the benefits they derive from demystifying their products.
  *Financial Post (Canada), 2 January 2009*

- **We’re Running Out of Options, But This One Just Might Break the Credit-Markets Logjam**
  Professor William Perraudin, Head of the Risk Management Lab, writes on the issue of quantitative easing.
  *Evening Standard, 5 March 2009*

- **Why Companies Should Educate Their Customers**
  Dr Andreas Eisingerich, Organisation and Management Group, on his research into financial services companies and the benefits they derive from demystifying their products.
  *Financial Post (Canada), 2 January 2009*

Keep up to date with the latest news at [www.imperial.ac.uk/business-school](http://www.imperial.ac.uk/business-school) and via your monthly Business School e-bulletin.
Head to head

Peter, how did you start out in a career of health economics and public policy?
I’m actually a mathematician by background and over the years I’ve worked not only in economics but also in statistics, operational research and accountancy, all with the objective of being able to inform policy better. Through my career I’ve tended to focus on the policy questions and adopt what I believe to be the appropriate research methodology to inform those questions, rather than starting with the research methodology and then trying to find a policy problem that it fits.

Can you tell us about the findings from your recent study into the effectiveness of NHS spending?
I’ve been working on a new system of accounting called ‘Programme budgeting’ which takes NHS spending and allocates it to specific disease categories. By looking at how spending relates to improvements in mortality we found that it costs roughly £8,000 to save a life year for a patient with heart disease and about £13,000 for a cancer patient. These results show that healthcare services are pretty good value for money and I believe they strengthen the argument that even more should be spent on healthcare in the future.

You say that spending in healthcare should be increased, yet the government has recently announced a reduction in future NHS investment, contributing to a potential deficit of £20 billion per annum in the NHS budget over the next 5 years. In your opinion, where does that leave the numerous performance measures, such as clinical audit and quality indicators, which have been increasingly imposed upon healthcare systems over the last decade?
Faced with the prospect of having to reduce services, the need to know where the least benefit is currently being generated becomes even more pressing. Therefore, the case for performance measurement of the NHS and indeed every health system is even more urgent than it used to be.

Rather than wiping out complete service lines, I believe the biggest scope for retracting spending is to look at ‘treatment thresholds’ – that is, to decide in certain areas that NHS care will only be funded if your condition goes beyond a pre-determined level of seriousness. So, cataract surgery, for example,

Professor Peter Smith is a leading policy advisor to UK and international government bodies. He works on a range of public sector issues and specialises in healthcare. This October he joined the Business School’s Healthcare Management Group and is working with Dr Peter Piot, former Executive Director of UNAIDS, on the development of Imperial College’s Global Health Institute (GHI). He explains to Ian Manovel, MSc Health Management alumnus, why he believes the NHS provides good value for money and what he sees as crucial steps to be taken in the name of global healthcare.

“The case for performance measurement of the NHS is even more urgent than it used to be”
would only be available on the NHS if your vision is impaired beyond a certain threshold, though of course people could still pay privately if they haven’t already reached that stage.

Is it really possible to measure whether healthcare services are actually improving patient well-being and enabling people to live healthier lives?

Clinical professionals are coming round to the view that they have got to measure the outcomes of what they are seeking to achieve. Through a new NHS initiative, patients undertaking rudimentary procedures, a hip replacement or hernia repair for example, will be asked simple questions on their post-operation well-being, such as whether they are experiencing any pain and if they are able to do everyday tasks.

This is the first big advance since the days of Florence Nightingale in measuring the outcomes of hospitals and will enable commissioners and Primary Care Trusts (PCTs) to see if their hospitals are really achieving the required outcomes in those domains.

How important do you think preventive work is in the context of wider healthcare services?

It’s absolutely essential. One of the key developments in healthcare within the last decade is the GP Quality and Outcomes Framework (QOF), through which GPs are incentivised to do much more preventive work such as keeping blood pressure under control and reducing cholesterol in at risk populations. This scheme has really focused the attention of GPs on prevention and keeping people healthy.

Together with colleagues from a number of institutions I have been looking at the impact of improved preventive work on hospital admissions and subsequent costs. The work is at an early stage but it’s exciting to see whether the public health approach does actually lead to improved health and, perhaps even more importantly for the NHS, to reduced expenditure.

As well as advising on UK health policies, you also have extensive experience of health systems in an international context. What will your work within Imperial College’s Global Health Institute (GHI) involve?

I’ll be focusing in particular on an issue which is attracting huge attention across the world and especially in developing countries – that of non-communicable disease. Countries of all sorts now have ageing populations and many have increasing risk factors such as obesity and diabetes which, if they’re not careful, are going to place an intolerable burden on their fragile health systems.

This will tie in with my work as part of a World Health Organisation expert panel on health promotion through which I am seeking to understand how both promoting good health and preventing illness can be done in the context of very low income settings.

Lastly, what do you think the NHS and indeed the UK private healthcare sector can do to help improve the health of countries that don’t benefit from as sophisticated a health system as we enjoy in the UK?

I always advise overseas governments to look with great interest at the ideas that are coming out of the UK’s numerous policy experiments, yet it is frustrating that the UK is particularly bad at evaluating the outcomes of new health initiatives. My one plea to the UK government is that we start to take evaluation seriously so that we can really learn and then be in a stronger position to share these findings with healthcare officials around the world.

**PROFESSOR PETER SMITH**

**BORN:** Tynemouth, 1952

**EDUCATION:** Birkenhead School

MA Mathematics, Class I, University of Oxford

**CAREER HIGHLIGHTS:**

- Board member of the Audit Commission (2003 – 2009)
- Member of the NHS Cooperation and Competition Panel
- Founding Editor-in-chief, *Health Care Management Science*
- Consultant to a range of national and international agencies, including the World Health Organisation, the World Bank, the International Monetary Fund and the Organisation for Economic Co-operation & Development

**EXAMPLES OF PUBLICATIONS:**

I think the biggest decision I ever made was to give up my job to do the MBA
Andrew Lawrence (MBA 2002) may be a successful entrepreneur but, as he tells the Business School’s Amy Whiddett, starting up his own company was certainly not the toughest move he’s ever made.

A code for SUCCESS

When I meet Andrew Lawrence in the foyer of Imperial College Business School he is quickly finishing off a few emails before we sit down to chat. It’s clear that this is a man who is used to making the most of every spare moment he has to hand. And at 37 years old, Andrew certainly hasn’t wasted a minute in developing his career.

After completing an MBA at Imperial College Business School in 2002, Andrew started up his own healthcare consultancy company, Westhill Consulting Ltd, which he grew over six years from a single-handed practice to a permanent team of 30 people. In October 2008 he sold Westhill to Tribal Consulting Ltd where he is now Managing Director of the Health Services arm of the company.

Andrew’s career within consultancy began in 1994 after he graduated from Oxford University with an MSc in Economic and Social History.

“I felt consultancy gave me the right blend of problem solving and using my analytical and persuasive skills,” he says. Applications to a range of consultancies paid off and a part-time role within Newchurch, a healthcare consulting company, eventually led to a full-time position with them.

“I kind of fell into healthcare really,” explains Andrew. “But I soon discovered it was a really interesting sector to be in as there is never a right answer, only a best one, since you tend to deal with very complex problems.”

“I enjoy dealing with lots of stakeholders in addition to working on the data side of things. And once you build experience in this sector there’s not necessarily such a big pool of people within it who are really good, so it’s probably easier to create room for yourself.”

Seven years later, Andrew decided to consolidate the business skills he had learnt at Newchurch by embarking upon an MBA, a move that he didn’t take lightly.

“I think the biggest decision I ever made was to give up my job to do the MBA,” he admits.

Having previously met and worked with alumni from the Business School, he was convinced that Imperial College Business School was the right choice for him. “There was a sense of trust that it was a good place to go.”

“Everyone says that one of the best things you get out of the programme is the people you meet and that was definitely true for me. It was a fantastic year,” he recalls.

Gaining confidence

He’s quick to put much of his success as an entrepreneur down to his experience of studying for his MBA at the Business School. “I saw a lot of positive examples of entrepreneurs on the entrepreneurship course – we looked at case studies of people who had done it themselves and considered what we would do in their situation.”

“If you’ve never previously worked in an entrepreneurial setting you have quite a narrow frame of reference. You’re always told you need to go through the competitive application and interview process to get a job, but you don’t necessarily think of yourself as being the person who can create that job. The year of my MBA gave me the chance to expand my horizons.”

“The programme also allowed me to become very confident about the things I could turn my hand to. It basically helped me have the guts to go out and do it.”

I’m keen to know how Andrew prepared himself to take the risk of going it alone and setting up his own business but, as he tells me, in his opinion entrepreneurship is less about taking risks →
and much more about considered decision making.

“I’m actually pretty cautious in terms of the decisions I make. I just tend to say that once I’ve made a decision I’m going to stick with it and go ahead and do it.”

The next big move for Andrew came when, after working alone for a few years, he decided to invest in the growth of his business by employing staff.

“The minute you decide to seek people to employ – that’s quite a big call.”

He recalls with amusement how he went about recruiting his first employee for Westhill.

“I rented a serviced office just off the City, so you couldn’t tell if I owned the entire building or if I was just visiting for the day,” he laughs.

“One person in particular looked like she was going to be a really good consultant.

She’d done an MBA and had a medical background and so I offered her a job. I then had the difficult task of admitting that I was the only person in the business but credit to her she decided to go for it!”

Successful entrepreneurship

The key component of Westhill’s consulting work has been clinical coding, the system which underpins payments to healthcare providers according to the treatment received by a patient, with clients ranging from major multinationals to NHS Trusts and local primary care organisations.

“Over the last five years or so there has been a whole revolution in the way healthcare activity is reimbursed in the UK, with a shift from block contracts to money following the activity. For that to happen you have to have the supporting bits in the chain working effectively.”

“We exploited a capacity and capability gap both nationally and within Trusts, and built up a set of skills within our team that allowed us to help develop the coding, audit it and train on it so that the whole process could become more effective.”

So what does Andrew see as the most important considerations for successful entrepreneurship?

“You need to be absolutely sure that you understand what it is the customer wants and constantly ask yourself that question, because what you thought the customer wanted six months ago has probably changed.”

Carefully selecting the people to work within your team is also crucial and, he admits, one of the biggest ongoing challenges that he faces.

“Making a mistake with your team can take months if not years to unwrap in terms of the damage they can do.”

“And you absolutely have to manage cash flow. Actually P&L and the balance sheet kind of look after themselves if you are looking after cash flow.”

The right fit

It was an unexpected call from a head hunter in 2008 that started the ball rolling towards the sale of Westhill. Andrew was clear that he was only interested in being recruited for a new position if his business could move with him, though he also knew he had to choose carefully to ensure it was the right choice for both himself and his employees. He explains, “Having created something I didn’t really want to just give it away.”

Andrew already knew about Tribal and it was the “continuity of ethos” between the two organisations that was a big factor in deciding to go ahead with the sale in November 2008. “From a cultural point of view I could see that we would fit together quite well. “

These days Andrew is focussing on integrating Westhill into Tribal’s Health Practice, while also working as part of a broader management team to shape the development of Tribal’s health offerings in the future.

When he’s not at the office or visiting clients, Andrew likes nothing more than spending time with his wife and two boys, aged one and three. He also admits to having a “secret, deluded idea” of sailing a boat round the Mediterranean at some point in the future, even having done some basic boat courses in preparation. “Though with young kids it’s not such a good idea as they would probably fall off the back of the boat, so maybe I’ll wait a couple of years yet!” ■
Can pay regulation kill?

Nurses’ pay in England is set centrally with little local variation. This means that hospitals in high cost areas like London and the South East struggle to recruit and retain staff. As a consequence, our research finds that they treat fewer patients and have higher fatality rates among patients admitted with emergency heart attacks.

These effects are not trivial: the results suggest that a 10% increase in the gap between the wages paid to National Health Service (NHS) nurses and those paid to women working in the private sector locally raises the fatality rate among people admitted with a heart attack by about 5%.

Centralised pay setting is common in many countries around the world and typically happens in public sector labour markets such as health, teaching and the police. In England, people often worry that minimum wage pricing will mean employers can’t afford to pay their employees, and will thereby price people out of jobs. But when pay in a sector is set to be almost the same across the entire country, it effectively imposes a maximum wage on people living in parts of the country where labour markets are tight and the cost of living is high (the South East of England in this instance), both of which push up wages outside the public sector.

Recruitment difficulties

Nowhere is centralised pay setting more important in England than in the NHS, in which more than a quarter of a million nurses have their pay set by a single pay review body. The process allows some local flexibility, but in practice the gap between the wages...
paid to a nurse in the north of England and one in London is small compared with the pay gap between women in those areas who are not nurses.

We looked at how centralised pay setting for nurses in the NHS affects hospital performance by tracking changes in the outside wage and changes in performance in over 100 English hospital trusts over a six-year period. Common sense would suggest that hospitals located in places where outside opportunities are better are going to struggle to recruit, retain and motivate staff. This is exactly what the study finds: in areas like London where the outside labour market is strong – where the wages of nurses are lowest compared with their non-nurse counterparts – nurse vacancy rates are higher and fewer qualified nurses work in the NHS.

Higher fatality rates
However, these recruitment difficulties are not confined to the human resources department.

More worryingly, they feed into a lower quality of service provision and poorer outcomes for patients. Hospitals in areas where the outside labour market is strong treat fewer patients per healthcare professional. They also have higher fatality rates among patients who are admitted with emergency heart attacks.

We checked to see if this was a problem common to other firms (both within the health sector and beyond) who do not have centrally regulated pay, and found that none of these effects are present in those operating in the private sector. Nor do they seem to arise because hospitals in high cost areas face greater financial problems or have patients who are sicker – in fact, patients in many high external wage areas generally have better health than those in low external wage areas.

Use of agency staff
One key problem is that hospitals which find it difficult to recruit permanent staff rely more on temporary agency staff. These nurses can be paid at a higher rate to get around the pay regulation, yet they often have less experience and training and will not know the hospital as well as someone on a permanent contract.

“Centralised pay setting for nurses means that hospitals in high cost areas struggle to recruit and retain staff”

“The NHS recognises the clear link between a sufficient, well trained and engaged workforce and optimising health outcomes. Professor Propper’s research is a challenge to the service to consider whether a more clearly market related pay strategy would improve and sustain the supply of a quality workforce as opposed to merely increasing the price of a scarce resource. Her findings offer new insights and will promote an important debate within the service.”

DR CLAIRE PERRY, MANAGING DIRECTOR OF IMPERIAL COLLEGE HEALTHCARE NHS TRUST
The link between outside wages and use of temporary agency nurses

**MAP A**: Pay in the local area (outside wages)

**MAP A** shows the areas in England with the highest outside wages (in red) and those with the lowest outside wages (in blue): it is clear that the large cities and the South East of England have higher outside wages. **MAP B** shows the intensity of use of agency nurses, and the spatial distribution is very similar to that of map A: where outside wages are high, use of agency nurses is high.

**HEALTHCARE MANAGEMENT GROUP**

Imperial College Business School’s Healthcare Management Group, headed by Professor Carol Propper, brings together a multidisciplinary group of operations researchers, economists and psychologists to look at the latest issues in healthcare provision.

**The Group’s three primary areas of research are:**

- **HEALTHCARE SYSTEM DESIGN** – how can we better spend money to make health systems more effective?
- **INCENTIVES FOR INNOVATION AND SERVICE ORGANISATION** – how do we get innovative ideas in healthcare out of the lab and into the patient population?
- **QUALITY OF LIFE** – what do patients and consumers value, both in terms of paying for healthcare and looking after their own health?

Working closely with clinicians from Imperial College’s world-renowned Faculty of Medicine, the Business School’s Healthcare Management Group is delivering innovative, cutting-edge research that feeds not only into academia but also into the key policy debates of today and ultimately into the needs and desires of the tax payer and the users of healthcare systems.

**Professor Carol Propper**

Head of Healthcare Management Group

www.imperial.ac.uk/people/c.propper

This article summarises ‘Can Pay Regulation Kill? Panel Data Evidence on the Effect of Labour Markets on Hospital Performance’ by Emma Hall, Carol Propper and John Van Reenen, CMPO Working Paper No. 08/184.
A quick chat with Dr Benita Cox, Director of the MSc International Health Management programme

Dr Benita Cox, more popularly known as Baggy, became Director of the MSc International Health Management programme in 2003 after previously working as Deputy Director of the programme for four years.

Baggy, what major changes have you seen on the programme over the years?
The curriculum has moved to focus on both business and health issues. And the course itself has become more international, attracting students from around the world.

What do you enjoy most about your role as Programme Director?
My interactions with the students, not to mention some of our funny conversations. I’ll never forget when one of my students asked me whether I was going to publish my lectures. When I told her, “Maybe posthumously”, she replied, “Good, Dr Cox, and the sooner the better!”

What is your vision for the future development of the programme?
The globalisation of healthcare presents a real opportunity for us and I’d like to see the programme provide management education to improve healthcare, not only in the developed world, but with equal focus on developing countries.

In 2009 the MSc International Health Management programme celebrates its tenth anniversary. Over 350 people have graduated from the programme and while many are working within the healthcare industry, other alumni from the programme are now employed in a range of industries across the globe, including education, consulting, government and finance.

Which parts of the world do MSc International Health Management alumni come from?

- Africa 6%
- Asia Pacific 32%
- Europe (except UK) 18%
- Latin America 3%
- Middle East 4%
- North America 4%
- United Kingdom 33%

Rifat Atun, Founding Director of the MSc International Health Management programme

Rifat Atun founded the MSc International Health Management programme at Imperial College Business School in 1999 and was the programme’s director until 2003. Rifat has worked extensively with the World Bank, the UK Department for International Development and the World Health Organisation (WHO) and advises governments across Europe, Latin America, Central Asia and the Middle East on a range of health management issues. In September 2008, Rifat took extended leave from the Business School in order to take up the position of Director of Strategy, Performance and Evaluation Cluster at The Global Fund to Fight AIDS, Tuberculosis and Malaria in Geneva.

READ ALL ABOUT IT

In this edition of Business matters, we look at some of the recent health-related research emerging from the Business School, including a recent study by Professor Carol Propper, Head of the Healthcare Management Group, into the wider implications of centrally regulated nurses’ pay (page 13) and Ian Manovel, MSc Health Management alumnus, meets Professor Peter Smith who has recently joined the Healthcare Management Group (page 8).

Want to know what those from your cohort are up to these days?
Check out alumni profiles on www.imperial.ac.uk/business-school/alumni/alumniprofiles or email the Alumni Relations Team on alumni-business@imperial.ac.uk if you want help contacting old friends from the Business School.
As increasing numbers of people become direct owners of financial assets through their pension accounts, investment guarantees have been suggested – even by some governments – as a way of protecting people against poor investment outcomes in their pension plans. **Dr David McCarthy**, Senior Lecturer in the Finance and Accounting Group, takes a closer look and explains why these products may not actually be fit for this purpose.

## Is your future guaranteed?

It used to be the case that employees would collect a fixed pension from the day they retired. Someone else, usually their employer, would own and manage the assets backing the promise of their pension. Nowadays, workers often contribute a portion of their wages to a personal pension account and are then able to choose how these funds are invested. When they retire, the pension they get depends on the accumulated value of the assets in the account.

In fact, from 2011, UK employees without pension arrangements will be automatically enrolled into this type of personal account. So the number of people who are bearing substantial amounts of investment risk is therefore set to increase dramatically – even though many have little idea how to invest sensibly for the future.

One suggested way of helping people to manage this risk effectively is through guaranteed investment products. Countries such as Belgium, Germany, Switzerland and the Czech Republic already require workers to be offered such guarantees and in other countries, including the UK, guaranteed products can be bought from banks or insurance companies.

On the face of it, guarantees seem like a very good idea. But they are actually extremely expensive to provide, and may not represent good value for many people. In the UK, for instance, a five-year capital guarantee from a high street bank could cost you up to 20% of your capital, and pay you nothing in return.

**Portfolio allocation model**

In order to assess whether holding or providing guaranteed investment products makes financial sense, I built a portfolio allocation model for a hypothetical worker. I let this worker construct his own portfolio guarantee by choosing how much to invest in a guaranteed mutual fund. However, unlike most people, I ensured he was financially savvy and made the best possible investment decisions which balanced risk and return in a rational way. To be as realistic as possible, I allowed for many of the real risks that he might face, such as changes to his salary, unemployment and death. I also took account of special features of pension account assets, such as their special tax treatment and the fact that they can’t be touched until workers retire.

Reassuringly, my portfolio allocation model confirmed two main pieces of advice that financial planners give individuals:

1. **Firstly, hold risky assets which pay a high return when you are young, but shift into safer assets as you approach retirement.** This makes clear financial sense since, when you are younger, the income you are still going to receive from working helps to protect you against bad investment outcomes from the early days.

2. **Secondly, hold riskier assets in your retirement account rather than in your private portfolio.** If you lose your job or become ill, you may need to rely on your private funds but you won’t be able to touch your pension assets.

But unlike many financial advisors, my study recommended strongly against buying guaranteed...
investment products inside your pension account. The key reason for this is that much of the cost of guarantees pays for protection against the poorest investment outcomes which are very unlikely to happen. Therefore, you would actually be better off bearing the risk than buying insurance against it. Surprisingly, the more risk averse you are, the less attractive guarantees would be. In this case you would do better by simply rebalancing your whole portfolio towards safer assets.

**Recommendations for investment**

Only investors who are more risk tolerant than the market as a whole – and very few investors who are worried about their pensions are likely to fall into this category – would actually benefit by investing in guarantees rather than in a portfolio of bonds and stocks. This is because by providing protection against downside risk guarantees allow these investors to take very large amounts of upside risk, more than most people would choose to take in their pension plans.

The institutional framework in many countries also makes guarantees less attractive. In the UK, for example, the government already provides poorer investors with a form of portfolio guarantee because, if things turn out badly, they will pay less tax and may even become net recipients of benefits. Rolling investment guarantees over by buying a new guaranteed product when the old one expires is also likely to be very poor value by the time you retire. Most of the time they will not have paid out, leaving you with a very large bill (for certain) and a very small (risky) benefit.

So how should people invest their pension fund money? My work suggests that you will be better off investing your pension assets in a low-cost mutual fund which closely tracks the broad stock market and which, unlike most guaranteed investment products, pays the dividend income to you rather than to your bank manager. For those who are very risk averse, I would recommend increasing the proportion of your pension account held in safer assets, such as bonds, rather than purchasing guarantees.

**Understanding the costs**

Investment guarantees are only appropriate for people who would be substantially harmed if they miss a specific financial target, even by a very small margin (perhaps they are saving for a particular event or occasion), and who are so risk loving that they cannot bear the idea of investing in anything other than stocks.

Investors who are thinking about buying guarantees also need to be very careful that they understand the costs. For instance, you will often need to read the fine print of any product brochure to see that the FTSE-100 index explicitly excludes returns due to dividends, so any product whose payoff depends on this index will actually underperform a plain old mutual fund invested in the same underlying assets by around 15% over five years.

*Caveat emptor!*

**Dr David McCarthy**

Senior Lecturer in the Finance and Accounting Group

www.imperial.ac.uk/people/dg.mccarthy

"Much of the cost of guarantees pays for protection against the poorest investment outcomes which are very unlikely to happen, so you would actually be better off bearing the risk than buying insurance against it."

Imperial College’s Rajiv Gandhi Centre for Innovation and Entrepreneurship has been established and strategically positioned to act as a link between India and its global collaborators in innovation and entrepreneurship. The Centre generates insights into trends, technologies and new business models while also providing a vehicle for dissemination of best practice activities.

One of the key areas of current focus for the Rajiv Gandhi Centre is the global issue of sustainable, affordable and secure energy. Professor Gerry George, Director of the Centre, together with colleagues from the University of Southampton, is examining innovations in business models in off-grid rural electrification in India and east Africa. This work is being carried out with a view to improving well-being in these communities, as well as capturing global best practices for industry partners.

There are many technical models by which you can generate electricity for a small village but not all of them are economically sustainable. We are revisiting techno-economic feasibility in order to simulate which business model is likely to work given certain characteristics and constraints of that particular rural community. We will then know how electricity pricing or supplier costs, for example, will influence whether a project will be a long term success in these villages.”

PROFESSOR GERRY GEORGE, DIRECTOR OF THE RAJIV GANDHI CENTRE

Ratika Jain, Chief Operating Officer of the Rajiv Gandhi Centre for Innovation and Entrepreneurship at Imperial College London, explains how interdisciplinary collaboration is providing a lifeline for the latest innovations in green energy solutions.

Green collaborations

Imperial collaborations drive sustainable energy solutions

The Rajiv Gandhi Centre also promotes collaborative innovation across Imperial College London and a number of exciting inter-faculty initiatives concerned with developing sustainable energy solutions are already under way.

At the juncture of project management, design and engineering, Dr Ritsuko Ozaki and colleagues in the Business School are collaborating with Imperial College’s Engineering Faculty and the University of Tokyo on conceptualisation, design and creation of Urban Energy Systems with a view to at least halving the energy consumption of the world’s cities.

The EPSRC-funded Eco-cities project, led by Dr Andrew Davies and Dr Lars Frederiksen from the Business School’s Innovation and Entrepreneurship Group, examines how radically new designs and business models can create and deliver zero-carbon cities.

In partnership with the Indian Institute of Science, Imperial College’s Grantham Institute of Climate Change is studying the impact of the changing patterns of the monsoon in India. The findings from this research will undoubtedly have significant economic implications not only for India but on a far wider global scale, and corporate partners such as BP are giving a huge impetus to this work.

Ratika Jain
Chief Operating Officer, Rajiv Gandhi Centre for Innovation and Entrepreneurship
www.imperial.ac.uk/people/r.jain

For more information on the latest initiatives emerging from the Rajiv Gandhi Centre and to learn about other areas of focus of the Centre, please visit www.imperial.ac.uk/rajivgandhicentre
Design London’s Business Incubator

The Design London Business Incubator is funded by NESTA (the National Endowment for Science, Technology and the Arts) and brings together talented teams from business, technology and design backgrounds, helping them transform innovative ideas, products, service concepts and prototypes into viable start-up ventures.

HOW DOES DESIGN LONDON’S BUSINESS INCUBATOR WORK?

There are four main steps before a start-up venture can be invited to join the Incubator:

➜ Alumni from the Royal College of Art, Imperial College’s Faculty of Engineering and Imperial College Business School submit their entrepreneurial ideas, or EXPRESSIONS OF INTEREST, to a selection panel of Design London and NESTA business experts.

➜ Those selected by the panel are invited to a MATCHMAKING EVENT where they share their ideas with other business, technology and design graduates. They then form interdisciplinary teams with the best range of skills for developing their entrepreneurial proposals further. The proposals are submitted to the selection panel a second time.

➜ The shortlisted teams are invited to participate in a five-day BOOT CAMP on which they receive intensive coaching to make their business proposal stronger.

➜ The three innovation projects with the strongest potential to be developed into viable business propositions are invited to join the Incubator.

These teams receive MENTORING AND SUPPORT OVER THE COURSE OF TWELVE MONTHS to develop their business case, and benefit from invaluable introductions to mentors, specialists and sector experts.

Get involved with an innovative entrepreneurial venture!

The third round of early stage start-ups joined Design London’s Business Incubator in October 2009 and we invite you to join us on this exciting entrepreneurial journey. There are a number of ways in which you can get involved:

TIME – Your business expertise can be invaluable in the mentoring of our talented entrepreneurial teams as they transform innovative ideas into the ventures of the future.

MONEY – We are looking for varying levels of investment, not only for the ventures themselves but also to ensure the continuation of the Business Incubator.

IDEAS – If you have an innovative idea you are keen to explore further, or would like to add your business leadership skills to help move a venture towards start-up and beyond, why not put it to the test? The fourth round of the Incubator Programme will open in April 2010.
Wave II ventures prepare to hatch

Artica
MATTHEW JUDKINS, MBA 2008

IN BRIEF: We’ve developed an environmentally friendly cooling solution for commercial buildings which uses only 10% of the energy requirement of a traditional air conditioning system. This is a radical step change in efficiency which in turn reduces emissions and offers financial savings to the client.

Who are you working with?
I’ve teamed up with four graduates from the Royal College of Art Industrial Design Engineering Masters course who between them have a broad spectrum of design and manufacturing skills. I’m focusing on building the business case, initially looking at how to commercialise the technology, and now following that plan to take the business forward and secure buyers and investors.

What have you found to be the biggest challenge of being involved in an early stage start-up?
Prior to my MBA I was the Finance and Commercial Director of a leisure business with £15 million turnover. With this venture I’ve moved away from the comfort blanket of a sizeable organisation into an environment where that level of certitude and security just isn’t there. But the MBA provided me with the skills I needed to confidently walk into the unknown.

What does the future hold for Artica?
We’re currently marketing our product to serviced offices. Getting into the public sector will be the →

Design London
Royal College of Art | Imperial College London

Design London is a collaboration between Imperial College Business School, Imperial College’s Faculty of Engineering and the Royal College of Art. It combines design, engineering, technology and business to enhance business and public sector innovation.

Please contact me directly and I will be delighted to discuss potential partnerships with you:
Bradley Hardiman, Head of Business Incubation
E: bradley.hardiman@designlondon.net
T: +44 (0)20 7594 7353
W: www.designlondon.net

We hope you’ll take us up on the opportunity to get involved!
next significant breakthrough for us. We provide a fantastic solution for hospitals and schools as the system doesn’t circulate stale air but actually puts fresh air into the building. Given it’s a low carbon product we’re bringing into the market, it’s not just cost savings but also green credentials which we’re offering – something the public sector takes very seriously.

Artica has won a number of prizes, including the prestigious Low Carbon Innovation Competition Prize at the Carbon Connections conference in March 2009.

WANT TO KNOW MORE?
E: matthew.judkins@articatechnologies.com
W: www.articatechnologies.com

How did you get involved with Orbel?
Design London ran a matchmaking event to link designers with alumni from the Business School and this is where I met Adam Sutcliffe, my business partner. Adam had developed the concept of Orbel whilst studying at the Royal College of Art and his idea fitted perfectly with my background of running a water purification and hospital disinfection company. My contacts and experience enabled us to short circuit a lot of the leg work involved in understanding who the players are in the market.

What opportunities have been opened up for your venture through the Design London incubator?
During a five-day boot camp we received invaluable input from Design London coaches in developing our value proposition and considering how we can best take our product to market.

Having Imperial College Business School and the Royal College of Art behind us has added real weight to our venture. As soon as people hear where we’re from they really sit up and pay attention. Our association with Imperial College London has also led to major breakthroughs for us, including the opportunity to work with Mark Enright, Professor in Molecular Epidemiology at the Medical School on St Mary’s Campus. Professor Enright’s expertise has been crucial as we conduct trials to test the product and we’re thrilled to have him on board with the development of Orbel.

Orbel
DAMIAN SOONG, EXECUTIVE MBA 2008

In Brief: We’ve designed and developed a personal applicator for alcohol hand gel which clips onto the uniform of doctors and nurses. By dispensing the gel through a series of roller balls, our product has three main advantages over those currently in the market – it’s simple to use, easily accessible and pleasing to the touch. Through this combination of qualities, we aim to increase the use of alcohol hand gel by healthcare professionals and thereby help combat the spread of MRSA (the hospital superbug methicillin-resistant Staphylococcus aureus) and other hospital acquired infections.

WANT TO KNOW MORE?
E: info@orbelhealth.com
W: www.orbelhealth.com
What prompted you to get involved with an early stage start-up venture?

ALAN: I previously worked in consultancy for 11 years and, despite enjoying my job, I got to a point where I knew I needed a change. The full-time MBA provided me with the catalyst to do that by forcing me to stop, cut ties, pick a new direction and take the risk that it might not work out. Before my MBA I had felt like I was on a treadmill and had to keep running the whole time just to stay alive. Life as part of a start-up venture is more like a sprint – we have a finishing line in sight and when we get there we’ll take a moment to pause for breath, to reflect and make changes.

How has being a part of the Incubator contributed to the development of your venture?

WILLIAM: The funding we received from Design London has given us the opportunity to spend time developing our business and the coaching has added enormous value to our business plan. Our initial proposal received positive feedback from potential funders but it was too immature for anyone to invest in it. Being in the Incubator allowed us to develop a much clearer understanding of who our customer is and also to build a pre-production prototype. Now we’re in a position to go back to investors with the confidence of having a solid proposal.

What advice would you give to others embarking upon an entrepreneurial journey?

ALAN: Working with the right people in relationships that really work is important for any business development, but for a start-up venture these strong relationships are absolutely critical. When faced with so many other variables which can make your business vulnerable, a solid team made up of a good combination of skills and experience makes all the difference as you seek to exploit a business opportunity. There’ll be times when your relationships are tested to the limit, and you’ll be glad they were robust in the beginning!

The automatic fire suppression system developed by Plumis was awarded the James Dyson Award 2009.

IN BRIEF: We have developed an automatic fire suppression system for domestic kitchens which fits onto a conventional tap on a sink and uses water mist to safely suppress both liquid and electrical fires. 60% of domestic fires start in the kitchen and are often caused by leaving cooking unattended. The system is triggered by a heat detector and can maintain a room temperature of 50 degrees Celsius in a fire that would otherwise reach upwards of 350 degrees Celsius - that’s the difference between a fatality and actually surviving a fire.

Plumis
WILLIAM MAKANT, MBA 2008
AND ALAN HART, MBA 2008

WANT TO KNOW MORE?
E: fireprotection@plumis.co.uk
W: www.plumis.co.uk
Alumni events have been many and varied across the year, providing opportunities for Business School alumni to learn, network, catch-up with old friends and stay connected to the alumni community. Here’s a snapshot of some of the events that have taken place over the last year.

**2008 – 2009**

Alumni events have been many and varied across the year, providing opportunities for Business School alumni to learn, network, catch-up with old friends and stay connected to the alumni community. Here’s a snapshot of some of the events that have taken place over the last year.

**ALUMNI SUMMER PARTY**
The popularity of this annual London event continues to grow and this year’s party was a sell-out event. Alumni, students and guests enjoyed a gourmet BBQ, live Caribbean music and the chance to catch up with old friends in the beautiful courtyard garden of 170 Queen’s Gate in June 2009.

**MASTER CLASSES AND SPECIAL INTEREST GROUPS (SIGs)**
A master class by Professor Nelson Phillips in February 2009 on *Leading Innovation* and another by Professor Paul Dolan in June 2009 on *Behaviour change and the art of SNAP decision-making* enabled alumni to learn more about current strategic thinking. Over 60 alumni attended each presentation.

Guests were given an insight into *Managing major organisational change* from Jonathan Sedgwick (MBA 2001), the Deputy Chief Executive of the new UK Border Agency, at the first meeting of the Public Sector Special Interest Group (SIG) on 27 May 2009. Read more on page 41.
ALUMNI SOCIALS
Two alumni socials were held in London during November 2008 and March 2009, both attracting over 80 Business School alumni. Meanwhile our alumni country networks, including those in China, Greece and Singapore, provided opportunities for alumni living internationally to connect with one another.

MSc FINANCE 10TH ANNIVERSARY CELEBRATION
Alumni were among 100 guests who joined the Business School in celebrating 10 years of the MSc Finance programme in October 2008. The event featured keynote speaker, Sir Callum McCarthy, the ex-Chairman of the Financial Services Authority, and David Miles, Visiting Professor of Finance and Member of the Bank of England’s Monetary Policy Committee.

ALUMNI AND STUDENT NETWORKING
A record number of alumni volunteered their time this year to connect with current students through special networking events, alumni presentations and career panels. Many thanks to all involved for their valuable contribution!

VISITING ACADEMICS
Visits from Business School academics to different parts of the world, including Oman and the United States, provided an opportunity for alumni to reconnect with one another and the Business School.

STUDY TOURS AND ELECTIVES
Business School alumni joined current students and fellow alumni in programme electives and on study tours in China, Japan, Russia and South Africa.
Spanning more than 100 countries, Imperial College Business School’s alumni network is a diverse community with truly international connections. It is our goal to build a strong global network of alumni who stay connected with one another and with the Business School from every part of the world.

**COUNTRY Correspondents**

We have recently been focusing on growing and strengthening our Alumni Country Networks. As part of this initiative, many alumni from across the globe are becoming Business School Alumni Country Correspondents.

**What is a Country Correspondent?**

Country Correspondents are alumni volunteers who provide an important link between the Business School and the international alumni community. They act as the first point of contact for students or alumni planning to return or relocate to a country or region, and also assist prospective students by providing insights into study at the Business School and life in London.

We currently have over 30 Country Correspondents from more than 20 countries around the world and the network is growing.

Find out who and where your Country Correspondents are via the website: www.imperial.ac.uk/business-school/alumni/countryconnections

Our aim is to have at least one Country Correspondent representing each Business School programme in every country that our alumni come from. We are on our way to meeting this goal but we really need your support!

**ARE YOU INTERESTED IN BECOMING A COUNTRY CORRESPONDENT?**

To find out how you can get involved with your growing international alumni network by becoming a Country Correspondent, please contact Sarah Watson, Alumni Relations Executive. E: alumni-business@imperial.ac.uk

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**SPOTLIGHT on a Country Correspondent**

**Dr Chukwunonso Nwanze**

MSc International Health Management 2008

Country Correspondent for Nigeria

Lives: Lagos, Nigeria

**What does your work involve?**

I work for Diageo Africa as an Associate Corporate Relations Executive, primarily on Corporate Social Responsibility (CSR) projects. This includes a robust water initiative called ‘Water of Life – 1 million challenge’ which aims to provide 1 million people in Africa with safe drinking water year on year until 2015. I also work on public policy for public health issues, such as pandemic flu.
COUNTRY Networks

Business School alumni around the world can enjoy a range of events and networking opportunities through country networks. Here we take a look at some of the many alumni get-togethers that have taken place around the world this year.

Greece
In February the Imperial College Business School Alumni Association in Greece, which was established over 20 years ago, teamed up with Business School staff to provide a special alumni-supported information session in Athens for prospective students living in Greece. The event was a huge success with 35 prospective students coming along to find out more about studying at the Business School and living in London.

Get connected with alumni in Greece
Dr Konstantinos Aravossis (Management Science 1987)
E: arvis@otenet.gr
Dimitri Paschaleris (Management Science 1987)
E: dpas@hol.gr

Singapore
Business School alumni in Singapore have been busy with a range of events this year together with the Imperial College Alumni Association of Singapore. With get-togethers including a trip to the Tiger Beer Brewery and a reunion with the Rector of Imperial College and former tutors from the Business School, the alumni network in Singapore continues to thrive.

Get connected with alumni in Singapore
Dr Hing-Yan Lee (Management Science 1982)
E: hingyan.lee@gmail.com

Oman
Alumni had the opportunity to meet with Dr Tim Heymann from the Business School’s Centre for Health Management when he travelled to Oman in May 2009 at the invitation of the Omani Ministry of Health. We are also delighted that Hannah Macki (MBA 2005) has agreed to be Alumni Country Correspondent for Oman for both the Business School and Imperial College.

Get connected with alumni in Oman
Hannah Macki (MBA 2005)
E: hannah@oosc.net

What do you enjoy doing in your spare time?
I love good Nigerian novels and would recommend ‘Things fall apart’ by Chinua Achebe for any lover of written art.

What advice can you give to alumni considering moving to or returning to Nigeria?
Nigeria is a regional power with ambitions to become a significant world player, and the best human resources are demanded by Nigerian businesses. Keep up-to-date with news coming out of Nigeria and never lose touch with your useful contacts here. For those returning to Nigeria, be genuinely prepared to give back to the community that has formed you. You can only be truly wealthy when everyone around you enjoys the same wealth.

What do you enjoy about being a Country Correspondent?
It gives me an opportunity to maintain a strong connection with the Business School. I am also Nigeria-centric and any opportunity that provides me with a platform to ‘announce’ Nigeria to fellow alumni is always welcome.

How can alumni connect with you and other alumni in Nigeria?
Facebook is the perfect way to keep in contact. In fact, I don’t think I know anyone on the planet (bar my mother) that is not on Facebook!

Please contact alumni-business@imperial.ac.uk if you would like help making contact with any Business School Country Correspondents.
The last century has seen three fundamental changes to the retail industry:

**Early 1900s** – the rise of chain **grocery stores** which, through eliminating several middlemen at different levels of the supply chain, were able to undercut prices charged by smaller, independent grocers.

**Mid 1900s** – the birth of the suburban **supermarket** which offered the consumer an unprecedented choice. This rapid growth went hand-in-hand with the increase in car ownership and the establishment of national brands.

**Late 1900s** – the expansion of the **megastore** as larger retailers gained a stronger position in negotiating with powerful manufacturers and suppliers of branded goods. This growth was encouraged by significant changes in technology, particularly with regard to distribution and store management.

Research confirms that, when it comes to retail, size really does matter. Larger retailers are in a much stronger position to negotiate bigger discounts from their suppliers. Mergers between retailers also increase the ‘buyer power’ of the resulting company, with studies showing that mergers negatively impact a supplier’s profit margins. Over the past few years the gap between the buyer power of large and small retailers has widened, and continues to widen, as a small number of big retailers dominate the market.

**Tommaso Valletti**, Professor of Economics and advisor to the UK Competition Commission, explores how the power of this new breed of megastores is impacting the wider retail industry.

**Virtuous or vicious retailers?**

If a powerful retailer obtains a discount that is, at least partially, passed through into lower retail prices, this should inevitably be of benefit to us, the consumer. As Galbraith (*American Capitalism – The Concept of Countervailing Power* by John Kenneth Galbraith 1952) envisaged, the power of buyers acts here in the interest of consumers. This in turn may give rise to a **virtuous cycle** – as lower retail prices lead to a further growth in sales, the retailer, having grown in size, is now in an even more powerful position to negotiate further discounts. By inducing more competition among retailers, this process could also lower retail prices at rivals’ outlets, thereby benefiting the consumer further with lower prices across the retail sector.

Yet with this argument we are making two presumptions. The first is that competing retailers will not be squeezed too much and exit the market, resulting in a higher concentration of retailers with the power to increase prices for the consumer. The second presumption is that even if all other buyers stay in the market, the discount that is given to the more powerful buyer will not result in a **vicious cycle**, or ‘waterbed effect’, of increasing the purchasing prices of other, less powerful retailers. So just as depressing one part of a waterbed mattress will cause another part of the mattress to rise, discounts negotiated by one party (or retailer) could be said to push up prices available to other parties.

**Caught in the ripples of the ‘waterbed effect’**

A basic argument that can be used to support the existence of such a waterbed effect is that, in order to remain in business, suppliers are simply forced to recoup elsewhere the margins they lost in their

![Market domination - Grocery sales share of UK grocery retailers](image-url)
transactions with more powerful retailers.

Yet this begs the question of why suppliers are able to charge significantly higher prices without rivals undercutting them in the market and also leaves unanswered the question of why suppliers could not have set higher prices to these retailers before.

Recent research has, however, provided theoretical foundations for a waterbed effect. The theory of the waterbed effect that I have developed jointly with Professor Roman Inderst, Chair of Finance and Economics at Frankfurt University and Professor of Economics at Imperial College Business School, cautions against what could be an overly-positive perception of powerful buyers as consumers’ champions.

If the rise of a powerful buyer erodes suppliers’ profits, over time some suppliers may be forced to exit the market or to merge with other suppliers in order to survive. This in turn may put upward pressure on the wholesale prices faced by less powerful retailers. Yet even if the upstream market structure remains unchanged, the bargaining position of smaller buyers may deteriorate in the face of more competitive pricing by their larger rivals.

The economic logic is as follows: a larger buyer’s additional discount allows it to reduce retail prices and, thereby, attract additional business, some of which will be captured at the expense of other, less powerful buyers. As this lowers not only sales volume, but also purchase volume, for these weaker retailers, their bargaining position vis-à-vis suppliers is further worsened, resulting in less favourable terms of supply. As a consequence, prices paid to suppliers by a large buyer fall, and prices paid by smaller retailers are subsequently pushed up.

My research was presented to the UK Competition Commission, of which I am a member of a panel of advisors, and has been used to influence the development of a Code of Practice imposed upon the five largest retailers in the UK. Steps have been taken to restrict abusive contracting practices, such as one-sided termination of contracts, with respect to vulnerable retailers as they struggle to maintain their place within the changing landscape of the retail industry.

Over the past few years the gap between the buyer power of large and small retailers has widened

Professor Tommaso Valletti
Professor of Economics, Organisation and Management Group
www.imperial.ac.uk/people/t.valletti

FURTHER REFERENCE
Innovation, Entrepreneurship and Design (IED) is a course undertaken as part of the Imperial MBA programme. Interacting with key researchers and practitioners, students evaluate the commercial potential for their own idea, or an idea being developed by one of our growing community of project partners, including Imperial Innovations and InnovationRCA, the Royal College of Art’s (RCA) network for business.

Is it feasible?

The IED course goes beyond lectures to offer students a real entrepreneurial journey and the chance to put into practice the theory taught on the MBA as they take an innovative idea and explore its commercial feasibility. Every year a number of MEng and postgraduate students from Imperial College’s Faculty of Engineering, and students, Research Associates and recent graduates from the Royal College of Art have the opportunity to gain Design London Fellowships which enable them to follow the IED module of the Imperial MBA together with current Business School students. Students and Design London Fellows share their skills and expertise as they develop their IED projects. Business matters spoke to team leaders on a couple of this year’s IED projects.

Cognitive Behavioural Therapy for Leadership

The way you think about events in your life profoundly influences the way you feel about them; change the way you think and this will, in turn, change the way you feel.

Using cognitive behavioural techniques tailored to meet the individual’s needs, we have created a Leadership Development programme for the corporate environment. For example, you may be anxious about public speaking and avoid it because you fear your performance will be less than perfect. Changing this viewpoint will enable you to deliver a better performance, which will improve your competence and confidence.

The process has involved running focus groups with HR Executives, Psychologists, Coaches and high potential executives. Nine areas in which cognitive behavioural techniques have been shown to be effective, including self-esteem, time management and exploring how successfully you work in a team, have been selected as core modules for individuals to choose from. The sessions can be delivered on or off-site by an association of Coaches who have been trained and accredited by Clinical Psychologists.

WANT TO KNOW MORE?
E: emma.stanton07@imperial.ac.uk

LooWatt

There are currently 2.6 billion people who don’t have toilets worldwide. That’s 40% of the global population. The result is no laughing matter – a death toll of about 2.5 million people a year to waterborne illnesses, and most of them are children.

Building on a concept I first explored through my RCA degree project, we’ve developed a waterless toilet system that creates a local infrastructure where waste (human!) becomes two important commodities – energy and fertilizer.

Our system uses a simple hand-operated mechanism to wrap human waste in biodegradable packaging which can then be taken to a local anaerobic digester and exchanged for energy and fertilizer, byproducts of the digester.

One of our target markets is urban Sub-Saharan Africa, so we conducted focus groups in Lagos, the most populous city in Nigeria. One of our most surprising findings was that people don’t especially mind the thought of cooking food with fuel derived from human waste.

We are planning to develop the project further, kick-starting with the installation of biodigesters that will tap into existing waste-collection infrastructures. We also hope to get support through private investment and the Design London Incubator Programme.

WANT TO KNOW MORE?
E: design@loowatt.org

VIRGINIA GARDINER, DESIGN LONDON FELLOW 2009
Business in South Africa

An integral part of the Executive MBA programme, the annual study tour is an opportunity for students to see business in action within an international context. In March 2009, Executive MBA students visited South Africa to focus on how different organisations are managing business development and change in the context of the country’s social and political challenges and opportunities.

South Africa is very much Africa’s superpower with the continent’s biggest economy. Tourism is a key source of foreign exchange and the country is a leading exporter of minerals. Not only is South Africa the engine for growth in Southern African but increasingly it is also the gateway for investment in the sub-Saharan Africa region and the continent at large.

This year’s study tour enabled students to meet top executives from a contrasting range of South African companies, including Anglo-American, MTN Africa and The Business Place, a national network of youth-friendly support centres for budding entrepreneurs. Presentations given by the executives gave students an appreciation of the business environment within which South African companies operate and revealed some of the core business issues that affect them. Some of the key themes addressed included the challenges of managing political transformation, improving the quality of service delivery, making positive contributions to job creation and combating the pandemic of HIV/AIDS.

Starting in Johannesburg and then moving on to Cape Town, students also enjoyed the opportunity for tourism pursuits, including dawn viewing of ‘big five’ game in a national park, a visit to Nelson Mandela’s old home in Soweto and wine tasting in the magnificent Cape Winelands. Alumni living in South Africa also caught up with staff and students over a few cocktails at the former Johannesburg Stock Exchange.

Don’t miss the chance to join the Alumni Study Tour to China in April 2010. See page 47 for more details.

“The Executive MBA study tour offers a unique opportunity to apply MBA knowledge to a real world context. Our visit to South Africa was a resounding success, both in educational and social terms, and many of the executives that we encountered were greatly impressed by the high calibre of students representing the Business School.”

EBRAHIM MOHAMED, DIRECTOR OF EXECUTIVE MBA PROGRAMME

“The study tour added enormous value to our MBA studies as well as enhancing friendships amongst the cohort which will be sustained beyond our studies. Visits to a wide cross-section of industries exposed us to business in a global context and the time away together allowed us the opportunity to share future career hopes and plans with one another.”

DR. EMMA STANTON, EXECUTIVE MBA 2009
As we know only too well, our behaviour can have important effects on health and well-being. I have been working closely with Professor Lord Ara Darzi, Hamlyn Professor of Surgery, on a new initiative that focuses on understanding changes in behaviour by applying lessons from a range of disciplines, including economics and psychology.

Traditional models of behaviour change in psychology focus on changing the person by targeting their beliefs and goals. For example, we have been told that eating fatty foods are bad for us in a bid to encourage us to eat less of them. Models from economics focus on changing the incentives. In the UK, for example, the price of cigarettes has rocketed in the last ten years, which gives us more incentive to quit smoking or not start in the first place.

Building on the work of behavioural economists in the US, we are developing models and interventions that focus on changing the situation within which an individual acts. This brand of

**SNAP decisions**

**SALIENCe:**

**WE PAY ATTENTION WHEN SOMETHING IS NEW AND EASY TO UNDERSTAND**

Faced with the challenge of ‘spillage’ occurring when men used the urinals, the weary cleaning authorities at Schiphol Airport in The Netherlands tested the theory of salience by drawing a fly on the inside of the urinals. Men responded by aiming directly at the fly and the toilet area was left noticeably cleaner! (*Nudge: Improving Decisions About Health, Wealth, and Happiness* by Richard H. Thaler and Cass Sunstein. Yale University Press, 2008)

**NORMS:**

**WE ARE AFFECTED BY THE CHOICES THAT OTHER PEOPLE MAKE**

A hotel in the US wanted to increase the re-use of towels amongst their guests staying more than one night. Signs explaining that the majority of previous occupants of the room had chosen to re-use their towels led to a 33% increase in towel recycling, compared with the more usual environmental message found in hotel rooms. The hotel guests demonstrated their desire to behave in the same way as their peers. (*Goldstein, Cialdini, and Griskevicius in press*)
behaviour change, which is based on ‘SNAP’ decisions, has the potential to shape academic debate and policy analysis and to bring about effective and sustainable changes in behaviour that reduce human suffering.

While there are still many unresolved questions, the SNAP framework provides a fresh perspective from which conceptual developments and empirical advances can be made.

Professor Paul Dolan
Chair in Economics, Healthcare Management Group
www.imperial.ac.uk/people/paul.dolan

“A made up my mind... that I would never try to reform man – that’s much too difficult. What I would do was to try to modify the environment in such a way as to get man moving in preferred directions.”

THE NEW YORKER, 1966
BUCKMINSTER FULLER, AMERICAN ARCHITECT, AUTHOR, DESIGNER AND INVENTOR

AFFECT:
WE BEHAVE ACCORDING TO FEELINGS

A campaign to promote loans in South Africa tested using a photo of a smiling woman on a direct-mail letter advertising the scheme. The results revealed a significant increase in take up of the loan amongst people who received the letter with the photo compared to those who received the plain letter version, showing that a smiley face provokes certain emotions that influence our responses.

(Karlan et al. in press)

PRIMING:
WE RESPOND SUB-CONSCIOUSLY TO STIMULI

Tests have confirmed that people are likely to be more co-operative and more generous in a business transaction if rucksacks rather than brief cases are present in the meeting room!

(Kay, Wheeler, Bargh, & Ross, 2004)
Professor Nicholas Fisk completed his Executive MBA at Imperial College Business School in 2007 while also working as Professor of Obstetrics and Fetal Medicine at Imperial College’s Faculty of Medicine. An internationally renowned researcher and outspoken opinion leader in his field, he was president of the International Fetal Medicine and Surgery Society and has authored over 350 publications.

Building blocks for healthcare

In January 2008, Nick returned home to Australia to take up the role of Director of the University of Queensland’s Centre for Clinical Research – a new US$60 million facility at the Royal Brisbane and Women’s Hospital. Business matters caught up with Nick to find out how he’s getting on.

Nick, why is the new Centre for Clinical Research (UQCCR) so important for modern-day medical developments?
UQCCR addresses a critical unmet need in medicine which is resulting from the growing gulf between biomedical science and increasingly complex patient care. Based within Australia’s largest teaching hospital complex, our mission is to translate clinical research for patient benefit with both a ‘bench to bedside’ and ‘bedside to bench’ focus.

What value do you feel the MBA and your experience at Imperial College Business School have brought to your current role at the Centre for Clinical Research?
The MBA was life changing in so many ways, but the legacies that stood me in greatest stead were leadership and change management. A real treat was Rifat Atun’s instruction in Biopharma and Global Health, turning student assignments into joint publications in the medical literature. Another plus is that I am less bamboozled by bean counter spiel.

You’ve been the star of a number of medical television documentaries in the UK, one of which attracted over 3.1 million viewers. How do you feel about being a TV star?
The nitty gritty of cutting edge medicine is pure drama anyway and I feel a duty to convey this realistically to the public.

How do you unwind after a busy time at work?
I’m travelling as much as ever, so the surrogate is often a gin and tonic at 38,000 feet. I swim or cycle most days, but to unwind properly my weapons of choice are skis, a keelboat or scuba tanks.

What’s next on the horizon for you?
I’m looking forward to a new challenge in 2010 when I’ll move up the University ladder to become Executive Dean of Health Sciences. This will involve overseeing 3000 staff and a budget of nearly $300M, while keeping my hand in at research and clinical practice.

To read more about other Business School alumni, check out: www.imperial.ac.uk/business-school/alumni/alumniprofiles
The ratio between executive compensation and average worker salary, and in particular its fluctuation over the years, has long been a controversial issue. The late management guru Peter Drucker advocated a ratio of 20:1. He firmly believed that pay gaps wider than that make it difficult to foster the kind of teamwork that most businesses require to succeed. However, in reality the ratio has rarely been close to this ‘ideal’.

The fall and rise in pay inequalities
Before World War II, the ratio was 63:1 but during the war it fell dramatically to 41:1, due in part to progressive wage and salary controls. As average wages increased, the ratio fell even further to about 30:1 by the early 1970s.

This narrowing of the gap between the level of bonuses received by executives and the average salaries paid to workers is most likely due to high economic growth and perhaps more importantly to high redistributive taxes. Prior to 1980, a series of economic packages starting with the Revenue Act of 1932 and President Roosevelt’s ‘New Deal’ in the wake of the Great Depression led to top marginal income tax rates of about 80%, even going as high as 94% in 1944 and 1945, but settling at around 70% in the 1970s.

During the period 1936 – 1980 in the United States, the inflation-adjusted increase in the compensation of CEOs in the Standard and Poor’s 500 (S&P 500) firms was close to zero. This was despite increases in the S&P 500 index which, in the broadly overlapping period of 1948 – 1970, multiplied by about five. Then, from 1980 – 2005, during which time the average American worker saw his or her inflation-adjusted pay increase by only 15%, real executive compensation went up six-fold – at exactly the same rate as the increase in market capitalisation of S&P 500 firms. The gulf between top management and workers grew at an increasing rate after 1980, with the ratio reaching a staggering 431:1 by 2004.

Theories for fluctuations in the pay gap
Various theories have been offered to explain this dramatic increase in ratio between executive compensation and average worker salary, including changes in income taxation and the fall of top marginal tax rates from 70% in 1980 to 35% in 2003. However, this reasoning explains only a small part of the massive increase in executive compensation levels.

The quest for top talent
Since the end of the 1970s, other changes which are important to consider include an increase in CEO turnover and...
greater competition between firms for recruiting talented executives.

Competition for top talent became more intense in the 1980s as firms increased their packages to hire or retain high flyers. This quest for talent was in part driven by the growing emphasis on shareholder value through a greater awareness of the need for corporate control, as well as an increase in mergers and acquisitions (M&A) activity. The higher the market capitalisation of a firm, the more important it is for executives to be able to create value. In a competitive market, executive pay increased in line with rises in the S&P 500 index and the most talented CEOs were recruited by firms with the largest market capitalisation. Competition for talent at various levels of top management was further increased by the fact that talented managers had greater opportunities, such as entrepreneurship and a variety of new ventures, more readily available to them.

Not only market forces at play

This simple argument has a number of implications. Firstly, spectacular increases in CEO pay appear to be primarily a consequence of market forces as firms compete to recruit talented executives, rather than being due to deficiencies in corporate governance systems which allow CEOs to benefit from shareholders' inability to monitor compensation committees. Secondly, increases in personal tax on CEO pay which aim to reduce the ratio of executive compensation to average worker pay may simply increase the cost to firms of paying high executive packages, without changing the fact that the most talented CEOs will still be attracted to large firms in which their talent is valued the most. In short, the implication is that companies are still being run efficiently.

However, even the theory that increases in executive compensation are primarily a consequence of an active market for attracting talent still leaves a lot of questions unanswered. Executive pay remains largely insensitive to the performance of firms, despite the use of performance-related instruments, such as stock options, which have developed in the past few decades. In large firms, executive compensation appears to increase by only a few dollars when shareholder value increases by $1000. Even if pay and performance are tied more closely over long periods than on a yearly basis, this fairly loose relationship suggests that there is more to the level and structure of executive compensation than simply aligning managers' interests with those of shareholders. In addition, even if market forces appear to be a very important determinant of the growth of CEO pay, there is evidence that firms with more powerful CEOs (for example firms in which ownership is more dispersed) and those which tend not to abide by the rules thought of as good practice in corporate governance (such as greater independence of the board of directors) are inclined to pay higher CEO packages.

Changing attitudes

Corporate governance issues may allow compensation committees to be excessively generous with CEOs in some firms. In extreme examples, some CEOs are able to appropriate significant resources from the firm they run at the expense of shareholders and other stakeholders. However, market forces do appear to explain a big part of the six-fold inflation-adjusted increase in executive compensation.

So does the type of pay gap ratio that we observe these days indicate that market forces are at odds with the good management practice recommended by Peter Drucker? If that is the case, perhaps higher tax rates for high income tax brackets would be desirable. But it may also very well be the case that inequalities are socially more acceptable today than they were at the time Peter Drucker advocated for a 20:1 ratio.

Dr Gilles Chemla
Head of Finance and Accounting Group
www.imperial.ac.uk/people/g.chemla

FURTHER REFERENCE

X. Gabaix and A. Landier, 2008, Why has CEO pay increased so much?, Quarterly Journal of Economics, 123(1), 49-100
Alumni network – are you making the most of yours?

Being an Imperial College Business School alumnus means you are among some of the best business leaders, thinkers and decision makers in the world. Over the years, Business School alumni have come together to solve challenging business problems and to develop innovative ideas.

Make [www.imperial.ac.uk/business-school/alumni](http://www.imperial.ac.uk/business-school/alumni) your first stop in order to:

- Register on the alumni online directory to:
  1. Update your personal and professional details
  2. Contact classmates and other alumni
  3. Manage your email forwarding account
  4. Access online career resources
- Find out about upcoming events
- Check out alumni profiles
- Enrol in professional development events and workshops
- Join the Business School’s LinkedIn group
- Get the latest Business School news and listen to guest lectures

An international community

With over 7,000 alumni spanning more than 100 countries, the alumni network allows for international connections and access to business leaders across all industry sectors. Our extensive web of alumni connections has helped stamp our reputation as a world-class business school.

**Business School to alumni**

Learning and development

The Business School is committed to providing you with life-long learning opportunities, from master classes and lectures through to professional development workshops, webinars and electives.

- Find out more about upcoming opportunities on [www.imperial.ac.uk/business-school/alumni](http://www.imperial.ac.uk/business-school/alumni)

“...a great service to offer electives to alumni – the resources of the Business School and its ability to attract top speakers and teachers is a real strength.”

-JANET MEIN (MBA 1994), HEAD OF ARTS SERVICE AT HAMPSHIRE COUNTY COUNCIL

Do we have your email address?

If not, you could be missing out on important events and networking opportunities. Email us on alumni-business@imperial.ac.uk or update your details via the alumni online directory [www.imperial.ac.uk/business-school/alumni](http://www.imperial.ac.uk/business-school/alumni) to ensure you receive your monthly alumni e-bulletin and stay in the loop.
We place a great deal of value in keeping alumni connected – both with one another and with the Business School. We host professional and social events throughout the year and also support class and country networks to help ensure you get the most from your alumni community, both professionally and socially, long after you graduate.

Class networks
Alumni Class Leaders and Class Correspondents play an important role in helping you stay connected with your fellow classmates, the wider alumni network and the Business School.

Country connections
Our international networks are important points of contact for alumni living and working around the world and for recently graduated students returning home. We have Alumni Country Correspondents in over 20 countries and this global network is growing.

“While most graduates will inevitably focus on career development post graduation, it is equally as important to maintain and build upon your existing network through keeping in touch with your cohort and fellow alumni.”

WARICK LEUNG (MSC FINANCE 2006), ASSOCIATE DIRECTOR AT ROYAL BANK OF SCOTLAND (RBS)
Alumni services and benefits

Back to campus

Alumni Network Card
With your Alumni Network Card you can access the Business School café forum area and computer room. We can also issue you a guest account to access the Business School’s Wifi system.

Please contact the Alumni Relations Team if you would like to apply for an Alumni Network Card.
E: alumni-business@imperial.ac.uk

Library
Business School alumni can borrow up to six items from Imperial College London Library at the South Kensington Campus as well as access a limited number of online resources.

Please note you must first register on the alumni online directory (www.imperial.ac.uk/business-school/alumni), and also at the Library Issue Desk, in order to use the Library.

Ethos Sports Centre
You can continue to benefit from special rates at Ethos, Imperial College’s flagship sports centre at the South Kensington campus.

See www.imperial.ac.uk/sports/ethos for details.

Conference and accommodation facilities
You can take advantage of reduced rates for room hire, catering and technical equipment at Imperial College’s conference facilities, as well as reduced accommodation rates in South Kensington.

Please contact the Conference and Events team to make a booking.
E: www.imperial.ac.uk/conferenceandevents
T: +44 (0)20 7594 9494

Transcripts and certificates
For copies of your transcript and degree certificate, please contact Imperial College Records Office.
E: records@imperial.ac.uk
T: +44 (0)20 7594 5888

Alumni to Business School

Alumni continue to actively engage with the Business School and volunteer their skills and experience to benefit the wider student and alumni community. There are a number of ways in which you can get involved – we’ll be delighted to hear from you.

Alumni Advisory Board (AAB)
The AAB, comprising of 15 alumni and the Principal and senior management from the Business School, provides an important vehicle to foster an active

Events and socials
The Business School offers you an impressive range of lectures and distinguished speaker events. Alumni Master Classes give you the opportunity to learn about the latest insights into strategic issues from our leading academics. This year we launched Special Interest Groups (SIGs) – see page 41 for more details.

We also organise socials in London, an annual Alumni Summer Party in June and regional get-togethers across the UK.

If you are living outside the UK, make sure you keep an eye on the alumni website and your monthly alumni e-bulletin for details of upcoming events in your area.

Online social networks
The alumni online directory and the Business School’s groups on LinkedIn and Facebook all provide excellent ways to grow your professional networks and to keep in touch with each other and the Business School.

Visit www.imperial.ac.uk/business-school/alumni to get connected today.

“The one key thing I learnt from my time at the Business School was that if I was ever stuck with a business problem, I have a vast network from which to draw to help me solve it.”

MICHAEL BARKER (MBA 2002), MARKETING AND SALES DIRECTOR, IWANTGREATCARE

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relationship between the Business School and our alumni. Each member’s term of office is three years and new members are elected each October. See www.imperial.ac.uk/business-school/alumni/advisory-board for more information.

Share your career experience
A number of alumni volunteer each year to give informal talks to current students or to participate in Industry Sector Groups. Insight into your current position, company or sector can be invaluable in helping students develop coherent career goals.

Corporate partnerships
You can raise your company’s profile and build partnerships with the Business School in a number of ways, such as giving company presentations, organising site visits and offering scholarships to students.

➤ MBA projects – Help your company address an important problem by creating and offering MBA projects for students. A call for projects is sent out in February each year – look out for more details in your alumni e-bulletin.

➤ Recruit new talent – Use the Business School’s searchable CV database for your recruitment needs and save yourself both time and money in targeting new talent.

Contact Mark Davies, Corporate Relations Manager, for further details.
E: m.davies@imperial.ac.uk
T: +44 (0)20 7594 9141

Information sessions and recruitment fairs
Prospective students really value the opportunity to meet alumni during information sessions and international recruitment fairs. You can play an important role in building the Business School’s reputation by ensuring that we continue to attract the right people to our programmes.

Keep in touch
Your news is a valuable way for us to continue to market the prestigious reputation of the Business School and plays an important role in maintaining connections amongst the alumni community.

“I was able to use the alumni network and Careers department to recruit other graduates and establish a regular yearly placement for dissertation students at the company,”
IAN MANOVEL (MSC HEALTH MANAGEMENT 2004), FORMERLY DIRECTOR AT WESTHILL CONSULTING

Your Alumni Relations Team is here to help you. Please feel free to get in touch.
Nicola Pogson Alumni Relations Manager
Sarah Watson Alumni Relations Executive
Amy Whiddett Alumni Relations Executive
T: +44 (0)20 7594 6137
E: alumni-business@imperial.ac.uk
W: www.imperial.ac.uk/business-school/alumni
Special Interest Groups (SIGs) provide a platform for alumni to build sector-specific professional networks while exchanging their ideas, challenges and knowledge with one another through interactive workshop sessions. With support from the Alumni Relations Office, alumni within a SIG develop their own agenda and objectives for meetings according to feedback and ideas from the group members.

In May 2009, we launched our first SIG for alumni with a particular interest in the Public Sector.

Launch of the Alumni Public Sector SIG
Frank Smith (MBA 2001) makes no apology for being an enthusiast and campaigner for worthwhile change. After successfully applying to serve on the Alumni Advisory Board (AAB), he was keen to get into conversation about how the Business School could strengthen its links with Public Sector interests. From these discussions the Public Sector SIG was born.

The first meeting for the Public Sector SIG was held on 27 May 2009 and brought together over 35 alumni and current students to share experiences of work in the sector and to build new networks.

The event was launched with a presentation from Deputy Chief Executive of the UK Border Agency, Jonathan Sedgwick (MBA 2001), on the subject of major organisational change.

As well as discussing the recent formation of the Agency from immigration, visas and the ports operation of HM Customs and Revenue, Jonathan also talked about the longer journey from the early 2000s as the immigration function was getting to grips with the challenges posed by globalisation and the growth in world travel.

‘Jonathan illustrated the importance of remaining focused on the long-term strategy, while also progressively tackling achievable targets and improvements, one by one. Over time this yielded major results for the Agency, and the organisation has built the confidence it needs,’ explains Frank.

Following Jonathan’s presentation, a forum for interaction and exchange was facilitated through break out groups. These provided the opportunity to seek views from SIG participants as to what they would like to deal with in future sessions.

‘The ideas were many and varied, so there is certainly plenty to cover in future sessions,’ says Frank. ‘Managing under increasing public accountability, IT change and ever stringent financial constraints were amongst the many interests expressed.’

Imperial College Business School’s alumni network is made up of people with a wide range of professional backgrounds, industry experience and interests. As part of the Business School’s ongoing objective to build and strengthen this network, this year we have introduced alumni Special Interest Groups (SIGs).

GET INVOLVED WITH SETTING UP A SPECIAL INTEREST GROUP
Following on from the successful launch of the Public Sector SIG, we are facilitating the establishment of SIGs for alumni in other sectors. If you have an interest in a particular industry sector and would like to become involved in the formation of a SIG, please contact the Alumni Relations Office at alumni-business@imperial.ac.uk.
If you would like to make contact with old friends from the Business School or connect with others within a particular sector or industry, visit the alumni online directory www.imperial.ac.uk/business-school/alumni or email the Alumni Relations Team on alumni-business@imperial.ac.uk

Alumni news

1970s

PETER DUNCAN
MSC MANAGEMENT SCIENCE 1971
I’ve lived in Langham, Rutland, since 1987 and am Managing Director of Cressall Resistors Limited in Leicester.

SATYABIR BHATTACHARYYA
MSC MANAGEMENT SCIENCE 1977
I spent 17 years in management consulting as a partner at Andersen Business Consulting, Accenture, KPMG and as Country Leader of IBM. I then worked for five years as Director of Corporate Strategy and Business Excellence in an integrated steel company producing HR and CR coils from January 2004 until March 2009. Now I am associated with Metal Bulletin Limited London. I’ve just completed a 500-page book report on the Indian steel industry that is being published in August 2009 by MBR and marketed in more than 100 countries in the world. I’m about to write a second book on value-creating strategies for global steelmakers. Anyone can contact me at satyabir@yahoo.com

1980s

LESTER WILLS
MSC MANAGEMENT SCIENCE 1981
The course at Imperial College Business School provided the transition from teaching to Investment Management which eventually led me to Australia. This developed into investment marketing and presenting around the world on retirement savings as well as a PhD. That in turn led me to the US and to a nascent career in financial planning.

DANIEL BEN-NATAN
MSC MANAGEMENT SCIENCE 1984
In May 2009 I was elected President of the World Federation of Friends of Museums (WFFM) in Glasgow.

1990s

FABRICE HAZARD
MBA 1991
I am CEO of Stereau Sud, a sewage treatment plant construction company.

PATRICIA DOWNING
MBA 1992
I’ve had a complete change of direction and I’m now a counsellor. I just got my accreditation through with the British Association for Counselling and Psychotherapy (BACP) and am going into private practice. I’m loving it, though it’s not financially lucrative.

SATORU KINOSHITA
MBA 1992
I am working for the Global Business Division in NTT

DOCOMO to provide mobile communication services and products to global partner operators and companies.

VINCENT SO
MBA 1994
I am proud to announce the arrival of my twins, Adrian and Aster, who were born on 28 February 2009 at Canossa Hospital in Hong Kong. They have been growing fast, are full of energy and demonstrate strong curiosity about everything. We will continue to engage and marvel at the beauty of life! More importantly, my heartfelt thanks to my wife, Daphne, who has been showing tremendous tender love and care to the bigger family. Professionally, I have just entered my 8th
year at Intermediate Capital Group, a leading global mezzanine investment firm based in Hong Kong.

NICK WINTON
MBA 1995
I am a Partner at Shirlaws (www.shirlawscoaching.com) where I coach organisations to develop effective strategies to grow, save money and get their lives back.

GEORGE PARKER
MBA 1996
I am just finishing three years with the European Union (EU) in Brussels and will be moving to The Netherlands to work for NATO as a Management Planner.

KIM CROSBY (NÉE HORNER)
MBA 2000
I still have my own business, CustomerClix, which provides Analyst Relations and Training Solutions. I’m very interested to hear from other Business School alumni to catch up on your news.

OLIVER DICK
MBA 2000
I set up my own executive search firm focussing on global equity markets.

RUPERT MACINNES
MBA 2001
I am Head of Legal and Company Secretary – Capital One Bank Europe plc. I am living in Hampshire and have three daughters, a wife and a dog.

FRANK SMITH
EXECUTIVE MBA 2001
I am working for the UK Border Agency on identity management issues – an interesting and challenging area involving business and technical development. I am a member of the Alumni Advisory Board for Imperial College Business School. Working with the Business School I helped to set up a Special Interest Group on the public sector. The first meeting was well attended and we are looking forward to further interesting sessions to come.

EVANGELOS BONORIS
MSC HEALTH MANAGEMENT 2003
After graduating from Imperial College Business School, I worked in a Clinical Trials Organisation in London for two years before returning to Greece to fulfill my military obligations. I am currently Corporate Development Manager in the biggest Greek pharmaceutical company. I’d like to make contact with other alumni within the pharmaceutical sector in order to create our own network. Furthermore I am involved with the Alumni Association of Greece, which I find extremely important since it keeps me ‘connected’ to my academic past and at the same time has created opportunities for cooperation with the Business School (Framework Programme 7 projects) and my classmates.

BRUNO COTTA
MBA 2002
I have started a new job as Director of Commercial Strategy at Imperial College London. A second addition to the family is due in October/November.

CHRISS KELLY
MBA 2003
I was appointed Non-Executive Director of my father’s company, Keltruck Ltd (www.keltruck.com), in June 2004. I also worked for the Leader of the Opposition, the Rt. Hon. Michael Howard QC MP, in Parliament until the 2005 Conservative Party leadership election. In January 2006 I was appointed Marketing Director at Keltruck Ltd and was selected as Conservative Parliamentary Spokesman for Dudley South in September 2007.

Chris Kelly (far right) with David Cameron, leader of the Conservative Party
ALUMNI NEWS

ANDREA DANTAS
MSC INTERNATIONAL HEALTH MANAGEMENT 2005
Since 2005 I have been working in Healthcare IT, mainly within Clinical Transformation, focusing on increasing patient safety and streamlining the clinical processes through IT. I worked initially for Accenture and I am now one of the Physician Executives for Cerner, a company which develops patient-centric Healthcare Solutions. I took a year off last year to study Neuroscience and Astronomy and I have been married since 2006 to an Imperial College Business School alumnus (though we didn’t meet at the Business School but back in Brazil over 13 years ago!). We love bike rides, travelling and the beauty of London under snow!

CHARLOTTE BRAY
MSC HEALTH MANAGEMENT 2003
I’m working as a Specialist Consultant in Occupational Health and Wellbeing at Aon Consulting.

CHRISTOPHER COSGROVE
MBA 2003
I am heading up a commercial transformation programme at Cable and Wireless in Berkshire, UK, where I’m actually applying some of the learnings from my Statistics and Accounting courses. I continue to stay involved with the Business School and am amazed by its transformation – from faculty to facilities.

TERRY POLLARD
MBA 2003
I have now left Oxford Catalysts to return to Isis Innovation, part of Oxford University, where I am working to help entrepreneurs commercialise new and emerging technologies, with a particular focus on low-carbon innovations. I am also part of a team that is advising and providing hands-on support to companies and research institutions from all around the world on how to commercialise high-tech innovations and early-stage IP.

HAITHAM ALFAYEZ
MBA 2004
I am currently working as a Senior Manager for Jadwa Investment, an Investment Company operating in Saudi Arabia. Prior to that, I worked for the United Nations Development Programme in Geneva, Switzerland, as an Economic Policy Associate.

STEFANO DELLA CHIESA D’ISASCA
MSC FINANCE 2004
I am currently working as a Structurer in Unicredit within Credit Markets and have celebrated one year of marriage!

LOUIS JENG
MSC FINANCE 2004
I am currently based in Berkeley Square and would be delighted to catch up with alumni for coffee!

OKAN KARAGOZ
MBA 2004
Hello everyone! There have been several developments in my life. I joined UBS after graduating from Imperial College Business School. I left the bank three years back and am now working for a Middle Eastern telecoms operator, still within Mergers & Acquisitions. In my personal life, I got engaged a few weeks back and am hopefully to be married soon – fingers crossed! I’m looking forward to visiting the Business School again next time I’m in London.
IAN MANOVEL
MSC HEALTH MANAGEMENT 2004
October 2008 saw the arrival of our little girl to delight us all. On the work front, I joined Bupa Health Dialog as Director of Analytics in September 2009.

PAUL CRAY
MBA 2005
Since April 2009, I’ve been Theme Leader – Natural Sciences at Imperial Consultants. It’s great to be back at Imperial College London and incredibly exciting to be working at the interface between business and research.

IBRAHIM KHALIQ
MSC FINANCE 2005
I got married in December 2008 and moved to Riyadh, Saudi Arabia, in July 2009 to work in Corporate Finance and research.

LISA MOK
MBA 2005
I gave birth to a beautiful baby daughter in January 2009.

AHMAD ALHORAIBI
MSC INTERNATIONAL HEALTH MANAGEMENT 2006
After being Manager of Advisory for a regional financial institution.

the Clinical Information Management Systems in a leading healthcare institution in Saudi Arabia, I recently became the Director of College of Public Health and Health Informatics where I am responsible for all administrative affairs. I am also a lecturer in the same College which is part of a university specialised in Health Sciences.

VICTOR GEUS
EXECUTIVE MBA 2006
I am Commercial Director, Central Eastern Europe, at GlaxoSmithKline Consumer Healthcare.

THEODOROS NIKOLOPOULOS
MSC FINANCE 2006
Hello from Dubai! I’ve been in the Middle East for almost three years and am currently working as Head of Treasury (ME) for a corporate.

KULDIP SANDHU
EXECUTIVE MBA 2006
I now work as a Senior Manager for PricewaterhouseCoopers (PwC) within the Performance Consulting Business where I advise clients on IT matters related to Transformation, Cost Reduction and Change. I am also helping to build and develop the practice in an exciting growth phase.

JAMES SLAUGHTER
EXECUTIVE MBA 2005
Despite the financial tsunami of the last 18 months, Liberty Syndicates has performed well and the specialist insurance sector continues to offer some exciting trading opportunities. I am spending a lot of my time focusing on a significant shift in regulatory supervision due in 2012. On the personal side, the family made its first tentative steps outside of London with the acquisition of a house in the Kentish countryside. I am also competing in the British Historic Rally Championship (www.hrcr.co.uk).

FILIPE RODRIGUES
MSC INTERNATIONAL HEALTH MANAGEMENT 2006
After graduating from the Business School, I returned to Portugal for the perfect blend of strategic challenges as a business analyst in the largest national pharmaceutical group together with the emotional happiness of getting married this year. However, I miss those lectures and the social activities at the Business School!

IOANNIS STOUFFIS
MSC MANAGEMENT 2006
Hello my classmates! I recently became a father when my wife gave birth to a beautiful baby girl who looks like me! I still work in the Athens Metro as a quality engineer – take a look at my company’s website: www.ametro.gr

OTOME OYO
MBA 2007
I’m currently working with Tetra Pak as a Category Manager and doing dome strategy and marketing consultancy for a fitness centre that my wife recently opened.

HANS RAJ
DISTANCE LEARNING MBA 2007
I’ve joined a new company since my MBA and had an improvement in role and salary despite the economic climate.

LEI WEI
MSC INTERNATIONAL HEALTH MANAGEMENT 2007
I am working for PricewaterhouseCoopers (PwC) London in the Government and Public Sector division.

JIN HONG ZHUANG
MSC RISK MANAGEMENT 2007
I am currently working at CCB International.
Since completing my course, I’ve been working as a freelance social enterprise and well-being consultant. I spend half my time on a long-term contract with The Salvation Army, the UK’s largest non-governmental provider of social services, where I am developing and implementing a social enterprise strategy encompassing 70 centres around the country. The remainder of my time is spent on other projects, mostly in the Third Sector, and increasingly using measures and theories of well-being to shape strategy and to improve service delivery and outcomes. On a personal note, my wife and I are expecting a second addition to the family in February.
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Contact Lyndon Worrall, Legacy Ventures:
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Country Connections

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