GLOBAL NETWORK FOR ADVANCED MANAGEMENT

IN THIS ISSUE

News and Events

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QUICK LINKS

- Member Schools
- Network Cases
- Network Weeks
- Network Courses
- Global Network Perspectives

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- Twitter
- YouTube
- LinkedIn

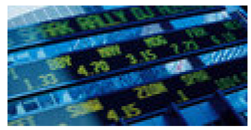
Global Network Courses Offer Unique Opportunities

Global Network courses filled up quicker than ever this term. Students who have registered for the courses want to tap into the expertise of faculty across the network and have the experience of working in remote teams with other students in the Global Network to solve complex, global problems like those they are likely to face as future leaders in business. Eighty-four students from thirteen schools, including Universitas Indonesia for the first time, have registered for the courses. The first day of class for *Mobile Banking Across Countries* and for *Inclusive Business Models* will be September 3, and for *New Product Development*, a half-term course, the first class will be held on October 12. In the meantime, several faculty who participated in the Workshop on Small Network Online Courses in July are designing new courses, or redesigning their traditional courses, to be taught as SNOCs in 2016. Any faculty considering offering a SNOC may contact Camino De Paz at camino.depaz@yale.edu.

Second Round of Global Network Week Spaces to be Allocated

The second round of Global Network Week spaces will be allocated in the first week of September. Several schools, including Fudan, Sauder and UCD, have increased their capacity to accommodate more students.

Looking ahead: Global Network Survey and Stock Pitch Competition



In September, students at Global Network schools will be invited to participate in a survey on issues that have an impact on business and society in the world. Participating schools will receive a short school-specific summary of key responses as compared to the average responses of students across the entire GNAM network, providing valuable information about the unique opinions their students. The aggregated data will offer insights about how future business leaders view pressing global issues.

Global Network school investment teams will be invited to participate in an investment pitch competition led by Yale SOM. Details will be distributed to school administrators in September.

From Global Network Perspectives

Chieftain of the Y-tribe

It was more than a decade ago that members of a new generation – the so-called Generation Y, or simply “GenY” – started entering the workforce. These young people, in their late twenties and early thirties, represent the first wave of “digital natives” in our organizations.

The information we have about them looks confusing. They were tested in Pisa studies when they went to school and – with the exception of students from Finland, South Korea, and Liechtenstein – did poorly. We stereotyped them for their obsessions with social media channels, first-person shooter games, “casting” shows, “twerking,” “tweeting,” and “chatting” and found them very different from Baby Boomers or Gen X-ers.

But according to an IBM survey from 2014, GenY members are actually not so different from their predecessors. **Read more >>**

From Global Network Perspectives

Increasing Latin American Competitiveness

As companies operate more internationally to meet global demands, excellence in logistics and administration in the supply chain becomes more important, playing a decisive role in competitiveness. Two challenges that can have a great impact on a company's results are to reduce operating costs and manage inventory efficiently, without sacrificing quality of service. In this interview, Dr. Eric Porras, research professor and chair of the MBA at EGADE Business School, Santa Fe, analyzes strategies that Latin American enterprises can adopt in order to improve their logistics within the regional context. His research shows that better practices, such as making more intense use of railway transportation and logistics outsourcing can considerably improve the levels of efficiency. Dr. Porras' research also explores the risks and challenges of sustainability that should be evaluated by the CCO or operational managers to assure that their supply chains can operate in such a highly competitive environment. **Watch interview >>**

From Global Network Perspectives
The Profits and Pitfalls of Earnings Surprises
Earnings surprises have been shown repeatedly to trigger standard responses from the market: if the surprise is a large earnings increase, the stock price will go up, and if it is a large decrease, the stock price will go down. Successful trading strategies have been built around this phenomenon, but research by Professor Mingyi Hung suggests that recent accounting developments are making such strategies more challenging for investors.

Her focus is post-earnings announcement drift (PEAD), in which stocks keep moving in the same direction months after the surprise earnings announcement. Studies have shown that trading strategies based on that drift can result in higher quarterly returns of two per cent to seven per cent.

"But before investors run away and work on this strategy, they need to consider why it happens and why it persists. How might profitability from this kind of signal vary across firms? If you know the answer to that, you could have a differential advantage and won't be surprised by subsequent changes," she said. Read more >>

From Global Network Perspectives
Who Needs National Champions?
Government support for private enterprises can help launch new industries, but it can also encourage stagnation and corruption. The American debate over whether the government should support private companies goes back at least to Alexander Hamilton's "Report on Manufactures." Yale history professor Jenifer Van Vleck talks about how the rise and fall of the airline Pan Am exemplifies the tricky relationship between government and the private sector. **Read more >>**

From Global Network Perspectives
Corporate Restructuring: Five Common Pitfalls
In the wake of the financial crisis some of the worst hit nations – including Greece and Ireland –

had to restructure their debts. Their incomes could no longer cover their debt payments. They were not alone. Recession pushed many companies to the brink. Some failed, others restructured their finances and operations and emerged on the other side.

Among those who restructured their way from the precipice was the Spanish toy company, Famosa. The onset of the financial crisis in 2007 decimated Famosa's sales and narrowed margins. The company racked up losses in 2007 and 2008. After more losses in 2009, bankruptcy beckoned. But, after restructuring, Famosa was able to survive. It set up a negotiated process so that the company optimized operations and adapted payments to its ability to generate cash flow.

Over recent years, many firms like Famosa have escaped bankruptcy and closure by restructuring their liabilities. They are the fortunate ones, but corporate restructuring is never easy. It is an arduous task which is fraught with difficulties and takes up a great deal of senior management's time.

The stakes are high. During any restructuring, the very future of the company is at risk. Each restructure is unique, dependent on the company and executive team, but to succeed five common pitfalls need to be avoided. **Read more >>**

Newsletter archive

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Your news?

Please send news from your school for the next edition of this newsletter to elizabeth.wilkinson@yale.edu.