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Università Bocconi: Transformation in the New Millennium

Dean Provasoli sat in his office at the end of a long day. He had just returned from the inauguration of the 2007–2008 academic year, and he was remembering the speech he just gave, the students he just met, and the many hands he shook. Bocconi had changed a lot during his tenure. Research, conferences, the “American way:” this was the buzz. This was what people talked about at lunch, in the corridors, and at their nightly aperitivo gatherings. The university now had a new spirit about it. Yet Provasoli also knew his vision was being challenged. Parts of Bocconi, particularly in the senior ranks, were somewhat resistant to his initiatives. Provasoli knew this resistance might have far-reaching consequences for the course he had set. He believed that for Bocconi’s transformation to be complete, something needed to be done. Yet he was not certain what that “something” should be, or what he should do to make it happen.

The “Libera Università Bocconi” (the Free Bocconi University): Historical Notes

The Origin

The Libera Università Luigi Bocconi was founded in Milan, Italy in November 1902 through a generous endowment from Ferdinando Bocconi, a successful Milan-born textile entrepreneur. Mr. Bocconi wanted to establish an institution for advanced studies in business administration that would offer professional education to future generations of Italians. In Mr. Bocconi’s words, it would create “first-class traders and entrepreneurs”¹—individuals who could lead firms and public institutions. At that time, a university degree in business administration was a revolutionary concept in Italy. No Italian university had a program in economics or management, which was considered a practical activity without scientific roots. Three Italian schools offered post-diploma management curricula, but they were two-year programs that emphasized specialized practical training.²

Mr. Bocconi and Leopoldo Sabbatini, a representative from Milan’s Chamber of Commerce who became Bocconi’s first dean, designed a four-year undergraduate program in Business Administration that was to “be a new type of degree, as it will try to successfully merge education concerning technical and practical disciplines with the development of a vast and rigorously

Professor Giovanni Gavetti and Dr. Anna Canato, Imperial College London, prepared this case. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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grounded scientific economic culture.”³ Sabbatini’s plan focused on providing “students with a scientific knowledge about economic phenomena and their underlying laws,”⁴ as “a university degree in commerce cannot remain within the boundaries of practical training. It has to rise to the vast, scientific and profound study of economic disciplines.”⁵ Key to Sabbatini’s conception was the principle that the next ruling class would be based not on status but on merit—talent, ability, and effort.⁶ Foreign languages were also integral to the program, reflecting Mr. Bocconi’s belief that graduates from the new university should “know the economic life of the most important countries and at the same time master their language.”⁷

As a private university, Bocconi was governed by a Board of Directors that included representatives chosen by the Bocconi family and local institutions such as the Chamber of Commerce in Milan. Its autonomy from the public education system meant Bocconi could develop curricula without the Italian Ministry of Education’s approval. Yet upon Sabbatini’s request, the Italian Republic officially recognized Bocconi as a University: in 1906, Bocconi’s first degrees were granted legal validity. Following Bocconi’s lead, various public universities in Italy began offering university degrees in business administration.

A History of Leadership

The seeds of a leadership and innovation culture From its inception, Bocconi attracted students from a variety of Italian regions and social backgrounds. By 1910, 40% of Bocconi’s students came from working-class families, and many of them benefited from the financial support offered by the Bocconi foundation.⁸ A good percentage of Bocconi’s early graduates were employed in senior positions at companies upon graduation. Other graduates ended up in public institutions, family businesses, or started their own enterprises or professional practices, particularly as accountants or consultants. Bocconi’s initial success cemented a culture of innovation and leadership in business education that was largely absent in most public Italian universities. **Exhibit 1** lists some key events in Bocconi’s history.

For example, by the 1920s, Bocconi had established good relationships with institutions in the U.S. and the U.K. These relationships led to lectures, seminars, or mini-courses that foreign experts and academics routinely offered to Bocconi students. At that time, a train trip from London to Milan lasted at least 25 hours; a boat trip from New York to Milan took at least eight days. Soon after World War II, Bocconi considered opening a satellite campus in the U.S. that it would use to absorb best practices in education and to educate Italian emigrants. The initiative was not pursued, however, due to the major investments it would require. For much of its history, Bocconi also granted degrees in various foreign languages. Even today, in contrast to other Italian management universities, Bocconi’s core curriculum continued to offer two foreign languages.

The seventies Pedagogical innovation has been the leitmotif in Bocconi’s history, and other Italian universities have typically followed Bocconi’s lead. In the early 1970s, for instance, Bocconi created two separate degrees and curricula for Economics and Business Administration. Although the distinction between these areas was normal in Anglo-Saxon schools, it was new to the Italian academic system. This change had major repercussions for Bocconi’s structure. A Business department and an Economics department were created; the latter included groups in Business History, Quantitative Methods (mathematics and statistics), and Law.

In 1971, some members of the business administration department founded the SDA (Scuola di Direzione Aziendale, or School of Management). SDA focused exclusively on graduate and executive education. In 1974, SDA launched Italy’s first MBA program. Although Bocconi had offered an evening program for managers since 1954, the new MBA program had more ambitious goals and

represented a major discontinuity vis-à-vis prior executive offerings. The SDA wanted to create a school for executives that not only disseminated state-of-the-art content but also borrowed best practices from the major business schools worldwide, particularly the Harvard Business School. Teaching excellence and the case method were core to the MBA program and to the SDA's other executive education offerings. Claudio Demattè, SDA's first executive director, introduced the use of cases at Bocconi after he saw case-based education in action when he was a visiting fellow at HBS.

"Since the beginning, we felt a strong drive to teach relevant subjects to Italian managers," commented Professor Vittorio Coda, a key player in SDA and long-time director of the business administration department. Professor Coda also noted that:

SDA faculty members were required to be very entrepreneurial, constantly looking for new customers and new executive programs to offer. SDA's entrepreneurial nature was driven by the lack of fundraising and external support, and the corresponding need to finance and support the development of the School's teaching body. We tackled real problems in current companies, our main customers. Our direct involvement with companies' managerial problems led not only to cases. It also inspired our research, which was relevant in its own way. Yes, this research might not be as careful as international academic standards seem to require, but it certainly led to the identification of relevant topics and questions, and to the production of relevant content, which we then used in the classroom and to market new executive programs. Quite often, this content would feed back to undergraduate courses. In a sense, you could see the SDA experience as the living example of our culture in the business department: autonomy in the creation of new pedagogical formats, and therefore innovation (which is lacking in most Italian universities), and especially relevance.⁹

Faculty involved with SDA frequently used this research to build their record in the Italian academic system, normally in the form of books or publications in national journals. Further, the SDA experience was typically used to complement private professional activities and practices. In Italy, it was common, and at Bocconi the norm, for management professors to be consultants (e.g., in accounting, law, strategy, and finance): most of Bocconi's management professors had their own private practice or worked at private consulting or professional firms.

Although other Italian universities quickly introduced similar initiatives, SDA was the most widely recognized Italian school for higher business education. It grew steadily from its inception. Within Bocconi, SDA was granted significant autonomy to create new open enrollment courses for executives and master's students. Although SDA's directors and most of its faculty also served in the business department, SDA had its own balance sheet and reported directly to Bocconi's board of directors instead of to Bocconi's dean.

In 1974, Bocconi's economics department began a new undergraduate program called DES (Discipline Economiche e Sociali, or Economic and Social Disciplines). DES offered a degree in social and economic disciplines that gave students rigorous methodological and theoretical foundations in the social sciences. Initially, DES was so selective that it admitted only 20-30 students annually. Its mission was to create a class of students who could pursue careers either as top managers or as academics. DES succeeded in training the first wave of Italian graduates who completed masters or doctoral degrees worldwide, most in the U.K. or the U.S., and built successful careers in economics departments and various international institutions (e.g., OECD, IMF, The World Bank, etc.).

The 1970s also saw the creation of numerous research centers at Bocconi in many branches of business and economics. The university did not fund these centers, which instead usually obtained financial support by "selling" research studies. The goals of these centers were to lecture at and to do applied research with companies and institutions, and to contribute through this effort to managerial

culture and economic progress in Italy. Many of them worked for Italian and European institutions. For instance, CERGAS was the first Italian center to consider how to use managerial research to improve the Italian public health system and local governments. ECONPUBBLICA often consulted for governments by predicting the effects of welfare policies and public debt financing. CRORA was credited for its studies on the diffusion of organizational structures in Italy and for seminars that helped Italian managers understand and import major organizational innovations from abroad.

The proliferation of research centers continued during the 1980s, following the increase of faculty members and specializations at Bocconi. In this period, a few of these centers started contributing more directly to the broader research community by publishing research in international outlets and participating in regular exchanges and common projects with analogous foreign centers. CESPRI (a center for research in innovation and internationalization) was founded in 1987 and became known for its excellence in studies on innovation and industry dynamics. In 1990, the Innocenzo Gasparini Institute for Economic Research (IGIER) was founded at Bocconi, with support from two prominent U.K. and U.S. research institutions, CEPR (Center for Economic Policy Research) and NBER (National Bureau of Economic Research). IGIER had been founded to create a research environment that would attract successful economics PhDs and senior scholars back to Italy. Since its inception, IGIER emphasized research rigor and productivity, where performance was measured primarily by publications in top international academic journals. Many observers regarded IGIER and CESPRI as the research centers at Bocconi with a culture most similar to that of fellow U.S. centers. As Professor Franco Malerba, long CESPRI's most prominent member, commented,

After receiving my PhD in economics from Yale University in the mid eighties, I had to choose between pursuing an academic career in the U.S. or returning to my home country, where the kind of research I was passionate about was not the norm—it was generally not financed, and there was no research culture like the one I had become accustomed to. For me, CESPRI represented a great opportunity to overcome both shortcomings. First, I've always thought of CESPRI as a group in which the research culture that I consider essential for producing rigorous research in applied economics could be created. Second, I thought that if CESPRI could gain legitimacy as a high-quality research center for policy issues, it would obtain adequate resources from the European Community. I spent a good portion of my time trying to create a place in which my initial vision of a great research center would be realized, and in retrospect I can say that a lot of what I was hoping for became reality. In the new Bocconi, I believe CESPRI, which will soon be called KITES (Knowledge, Internationalization, and Technology Studies), will continue to play a leading role in the context of research on innovation and technology.¹⁰

Exhibits 2a and 2b show Bocconi's organizational structure before 1970 and as of 2000, which is similar to the structure that resulted from the changes in the early 1970s.

Bocconi 2000: Continued innovation and expansion In 1989, while Professor Mario Monti was dean (1989–1994), Bocconi's board of directors approved "Bocconi 2000," a multi-year plan that envisioned an aggressive strategy of expansion and increase in pedagogical offerings. Soon after the plan was approved, three new undergraduate degrees in management were established (public policy and management, finance, and accounting), and Bocconi increased its total enrollment from 10,500 to 14,000–15,000 students,¹¹ and its annual admissions from about 2,000 to more than 2,500 students. At this time, SDA introduced new specialized master's degrees. The plan anticipated a 30% increase in tenured and non-tenured positions, distributed among all departments, with a target of 200 new faculty members, which would bring the total number of faculty from 500 to 700.¹² Major investments in new facilities were planned accordingly, and realized especially under Professor

Ruozi's deanship (1996–2000). Bocconi 2000 also emphasized major funds for basic university research and more attention to internationalization.

According to some observers, one of the key motivations for Bocconi 2000 was that, in order to be true to its original mission, Bocconi needed to increase its enrollment, whose size was limited by the introduction of an admissions cap and related admissions tests (contrary to practically all other Italian universities) in 1983. Further, tuition and fees were the major sources of operating income for the university. This self-sufficiency was a major point of pride for Bocconi's leaders—after the initial endowment from the Bocconi family, and despite close ties with corporate Italy, Bocconi was committed to intellectual freedom and independence from private parties. **Exhibit 3** lists Bocconi's sources of income in 2006. Bocconi's independence remained unchallenged even in the 1970s, when a recession and the financial distress of some key benefactors severely hurt Bocconi's balance sheet.

A Changing Landscape

Several different forces were coalescing in the mid-to-late 1990s to modify the landscape of business education in Italy and the rest of Europe.

Institutional Changes

Since its inception, a fundamental goal of the European Community has been to develop a common free market for people, services, and goods across Europe. In 1999, 29 countries signed the Bologna accord, which addressed academic degrees and university quality standards, with the goal of making them more comparable and compatible across the continent. This effort was considered pivotal for the creation of a European Higher Education Area (EHEA). Several years earlier, the European Commission had agreed that educational qualifications would be recognized as comparable across the entire continent, but realizing this goal was difficult because there was neither a common educational system nor uniformity in the content of national programs. The keystone of the Bologna accord was the decision that all participating countries would adopt a two-stage system of degrees based on the undergraduate/graduate system used in the U.K. and U.S. and would establish a system of academic credits to promote widespread student mobility and make course content more comparable. There were already various programs that partially covered expenses for students and young researchers who were willing to spend part of their studies at a foreign university.

European countries agreed to adopt the new framework by 2010, but many started implementing it earlier. During the 2001–2002 academic year, the Italian Ministry of University and Research mandated a new structure in which a bachelor's degree would require three years of undergraduate courses and a master's degree would entail two years of courses (a formula usually called the “3+2”).

Changing Demand

The rate of population growth in Italy has been slowing. Forecasts indicated that the total population might begin to decline by 2014. In addition, the median age of Italians has been increasing, so cohorts of potential undergraduates have become smaller, even after accounting for increased immigration. **Exhibit 4** shows the population trends for potential Italian undergraduates.

The percentage of Italian high-school graduates who enrolled in universities increased from 61% in 1999–2000¹³ to 72.6% in 2005–2006,¹⁴ somewhat offsetting the shrinkage of cohorts. Most industry observers believed, however, that the overall domestic demand for undergraduate and graduate education was likely to either remain stable or slightly decline. During this same period, the dropout

rate decreased from 27% to 20%, and the rate of inactive students also declined.¹⁵ This increase was attributed to the implementation of the 3+2 program, which was designed in part to increase the proportion of individuals who received a university degree by making it easier for people to finish their studies and thereby raise the Italian population's average education level, which was below that of many other countries. **Exhibits 5a** and **5b** offer details about worldwide education levels.

Starting in the late 1990s, an increasing proportion of European students began to study abroad. The number of international students in Europe (i.e., students pursuing university-level courses in Europe outside their home country) increased by 60% between 2000 and 2005.¹⁶ The United Kingdom, France, and Germany attracted the most students. See **Exhibit 6** for information on inflows and outflows of European exchange students. Italy attracted fewer students than other European countries did, mainly because most courses there were held in Italian. Also, Italian students were less likely to study abroad than were their counterparts from other European countries.¹⁷

With the greater emphasis in Europe on studying abroad, Bocconi received more applications from international students, especially from Central and Eastern Europe and the Mediterranean regions. Conversely, more of Italy's most capable and committed students, Bocconi's traditional student base, were more likely to consider studying in other countries. **Exhibits 7** and **8** present data on market demand for Bocconi University.

Foreign and Italian Competition

According to some observers, the ferment in European business education and the associated increase in competition among European business schools were beginning to produce tangible fruits. See **Exhibit 9** for the *Financial Times* rankings, which assess the quality of graduate management education based on outcome measures such as salary increases and career opportunities of MBA graduates, students' perceived satisfaction and business school characteristics (e.g., number of international professors). The global competitiveness of European business schools had increased considerably between 2000 and 2007 for both undergraduate and graduate education. Some European business schools, London Business School (LBS) and INSEAD in particular, were widely perceived to be among the best in the world, just below the top U.S. business schools in terms of both research productivity and teaching quality. Both LBS and INSEAD, two relatively new institutions, were pursuing a model that was very similar to that used by top U.S. business schools in terms of hiring procedures, promotion criteria, and course offerings. Several other European universities, such as Barcelona's IESE, the Copenhagen Business School, and the Stockholm School of Economics, despite being less cutting-edge than were LBS and INSEAD, were well known and respected in academic circles throughout the world. See **Exhibit 10** for an estimate of the research productivity at European management schools.

Competition in European business education was fairly specialized. Only a few of Europe's major business schools, including Bocconi, Copenhagen Business School, and Stockholm School of Economics, were present in every segment of the market. For instance, key players in the MBA market included INSEAD, LBS, IESE, ESADE, HEC, ESSEC, and IMD, but ESADE was the only one of these schools that also competed in the undergraduate segment. See **Exhibit 11** for details on these universities' programs.

Even as competition among existing players was increasing, new actors were entering the market for advanced education, especially private executive education firms. Further, corporate universities were becoming more prevalent throughout Europe.¹⁸ In Italy, for instance, many midsize and large companies, such as Barilla,¹⁹ Enel,²⁰ Generali,²¹ and Geox,²² started internal corporate universities, which offered proprietary courses or bought courses from extant business schools. Other companies,

such as management consultancies, started offering management courses to external customers, in effect creating their own business programs.²³

Competition in the Italian market for business education was also increasing. In 1989, the Italian legislature passed a law that gave public universities greater autonomy over funds for administrative, teaching, and research activities. This law also required these institutions to find more of their own funding. This legislation represented a dramatic shift from Italy's traditional centralized system, wherein the National Ministry funded public institutions almost completely, mandated the structure of university curricula, and governed a very centralized system. Although courses still needed to comply with national requirements in the new model, public universities had more freedom to innovate and design new courses that responded to specific educational needs in their territory. In Italy, several universities began to take advantage of this increased autonomy. In the early 1990s, for instance, Bologna University's management department began attempting to develop a first-rate research group in management-related disciplines. This group had become known internationally and was considered one of the most lively research groups in Italy. Closer to Bocconi, Milan's Politecnico (an engineering school), which was well known in Italy for its analytical rigor and challenging curriculum, began to offer courses in the early 1990s that spanned the gap between engineering and management. Bocconi's graduates, who had long been accustomed to being the preferred candidates for positions at prestigious consultancies and financial services firms in Italy, now faced tough competition for these jobs from Politecnico's graduates.

More broadly, subsequent to these institutional changes, the offerings for undergraduate and graduate study expanded significantly. From 2001 to 2005, the number of bachelor's and master's degree programs in Italy increased from 3,200 to 5,591.²⁴ This increase was attributable to several factors, including the creation of two-year master's courses as mandated by the 3+2 framework and the greater demand for postgraduate education.

Market for Talent

Until the early 1990s, Bocconi and other Italian universities hired few foreign professors. The dominant model was one of apprenticeship in which junior faculty members would become attached to and dependent on a senior professor in terms of both their intellectual development and academic careers. A junior faculty member's career thus occurred within the university from which the faculty member received her doctorate. Within this system, a professor had little opportunity to advance her career by moving from one university to another.

Further, academic salaries were set at the national level, and were homogeneous across universities. Given Bocconi's special status, salaries for its faculty were slightly above the national average (excluding external consulting, teaching, and SDA activities). Nonetheless, the base salaries for Bocconi's faculty were far below the averages at most comparable business schools in Europe, and were a fraction of those paid by top institutions. For instance, in 2000, the gross annual salary of an associate professor in strategy at Bocconi was approximately \$98,000. At the London Business School, a comparable associate professor earned more than \$200,000.

Transforming Bocconi: An Unfolding Agenda

A New Direction for Bocconi University

In 1994, Mario Monti (see **Exhibit 12a** for a brief biography) was appointed President of Bocconi University. President Monti was acutely aware of how business education was changing and foreign competition was increasing. He was deeply concerned about the effects these changes might have on

Bocconi's viability. Soon after his appointment, he and the board of directors commissioned an external audit of the University by three highly regarded European and U.S. professors, including Antonio Borges, former vice-president of Goldman Sachs International and former dean of INSEAD, who then became a member of Bocconi's board of directors. The study's findings provided an important impetus to Bocconi's strategic redirection. They clearly suggested that Bocconi needed to change profoundly if it was to remain a leading institution.

In 2000, the Board of Directors appointed Professor Secchi as Bocconi's new Dean (2000–2004) and gave him an explicit mandate to begin to respond to these challenges: The Board believed Bocconi had to become a true “research university” and a true international player. Dean Secchi worked hard to achieve this mandate, and began to revamp Bocconi. His efforts prepared the ground for his successor, Dean Angelo Provasoli (see **Exhibit 12b** for a brief biography), who vigorously pushed Bocconi to internationalize and become research-oriented. Provasoli articulated his vision for Bocconi's future and his model for its transformation in the strategic plan for 2006–2010 that he and his team developed. The plan was structured around three main points and was made widely available to Bocconi's faculty.

First, the plan called for Bocconi to generate rigorous academic research that would push the frontier of knowledge, as well as a culture that would support this goal. Bocconi was to use the best international institutions as benchmarks against which to measure itself. Second, it emphasized that Bocconi needed to enhance the quality and design of its educational programs, which it regarded as essential for maintaining and strengthening Bocconi's leadership in management education and attracting more international students. This goal was to be achieved with special attention to market needs, as well as Bocconi's long-standing mission to produce well-trained, skilled leaders. In addition, because Bocconi had increased the number and variety of degrees that it offered (e.g., three-year undergraduate programs, two-year MSc programs, and one-year specialized master's programs), the plan called for each program to be improved and the distinctions among them to be clarified. Third, it proposed that Bocconi should create the conditions necessary to fulfill its mission of educating a ruling class independent of social, racial, religious, or national characteristics. The plan suggested that Bocconi focus more on raising money from corporate and private donations, as did universities in other nations, so that it could admit students without regard to their ability to pay.

Zooming In

Many observers believed Bocconi's transformation was reaching its apex under Dean Provasoli's leadership. Provasoli had instituted a broad array of new policies and initiatives. The most important of these are summarized below.

Structure Exhibits 2b and 2c display a simplified version of Bocconi's organizational structure in 2000 and 2008. Some of the deepest structural changes had been carried out between 2006 and 2008. First, in addition to the existing SDA Bocconi School of Management, which was dedicated to post-experience education, four schools of “pre-experience” were created. Although faculty members were still affiliated primarily with their departments in regard to most academic activities, they were now responsible to the schools in regard to their teaching assignments. The schools were charged with organizing the pedagogical offerings. Exhibits 13–15 offer information about Bocconi's programs, students, and teaching. Second, like the other four schools, the SDA was placed under the Dean's control, although it was given economic and administrative autonomy (e.g., in the management of its program portfolio, faculty, and staff). Third, the old academic organization was restructured into seven departments. Most notably, the Marketing, Strategy, Organization, Operations, and Innovation units were consolidated into the Management department. Although

informal groupings that mirrored old units remained, hiring, promotion, and resource allocation decisions were negotiated with the University by department.

The academic organization was paralleled by a large administrative structure, which controlled a number of functions—the marketing of Bocconi’s education programs, communications, organization of events, admissions, placement, etc. The administration was placed under a CEO rather than the dean. Like the dean, the CEO was elected by Bocconi’s board of directors, which in turn was headed by Bocconi’s president. Dr. Giovanni Pavese was Bocconi’s CEO during most of the transformation. In early 2007, he was succeeded by Dr. Gianemilio Osculati, former Managing Director of McKinsey Italia, and well known in corporate Italy for his no-nonsense, abrasive managerial style. Dr. Osculati left Bocconi only six months after his appointment due to irreconcilable differences with some long-time administrative executives. Dr. Bruno Pavesi, former CEO of Honeywell Bull Italy, became Bocconi’s new CEO.

Human resource management Exhibits 16 and 17 offer data about Bocconi’s faculty. One of the first steps Dean Secchi took when he became dean was to appoint Professor Francesco Giavazzi as Associate Dean for research. An MIT-trained economist, Giavazzi was one of the driving forces behind IGIER’s creation. He was known for his religious faith in the “American way”—rigorous, scientific training of faculty and researchers, tough and a-political selection of faculty candidates, and promotion criteria based largely on publications in high-status international academic outlets. These principles were already part of the culture in Bocconi’s economics department, but were inconsistent with Bocconi’s traditional model, which still dominated elsewhere in the University. For instance, a key change that Giavazzi introduced was Bocconi’s participation in the international job market for assistant professors. Giavazzi resigned from his position in 2002 due in part to conflicts with other faculty members involved in Bocconi’s transformation, only two years after he had been appointed. Nonetheless, his imprint remained, especially regarding his identification of the American model as the one to which Bocconi should aspire.

Bocconi instituted numerous changes in its management of human resources, and the rate of such changes had accelerated under Provasoli, who believed “the management of human resources is a critical part of Bocconi’s transformation program. The approach that I adopted is inspired by criteria of management by objectives, which I introduced systematically for the entire Bocconi faculty.” The school established new procedures for faculty hires, such as the practice of evaluating a candidate based on a research seminar. It introduced tenure-track positions for assistant professors that were similar to those in the U.S. and U.K., along with monetary incentives for young faculty members from abroad. It instituted a Hiring Committee to evaluate all the job candidates that departments recommended. It created promotion criteria that were based largely on publications in peer-reviewed academic journals, especially international ones known for their impact (Dean Provasoli recently approved an updated list of such publications). It also introduced incentives to encourage research and based them on research productivity. In addition, it developed a tenure manual that included precise promotion criteria for each faculty position (e.g., number and type of publication). Further, it decided not to hire job candidates who held doctoral degrees from Bocconi until the candidate in question had built a career and demonstrated evidence of research productivity at other institutions. Moreover, it introduced research tracks that granted lighter teaching loads to particularly productive faculty.

Research centers For the first time in Bocconi’s history, Dean Provasoli and his team decided to allocate funds to support research centers selectively. Of the approximately 30 current research centers, they would identify between three and five as having special strategic significance and offered significant resources, as well as substantial autonomy in how they used these resources. Moreover, Bocconi now required all research centers to be aligned with current strategic imperatives

for increased academic rigor and internationalization. The allocation of funds to research centers would be determined as a function of their productivity. In addition, a large new research center associated with the new Management department was rumored to be in the making.

Ph.D programs In addition to strengthening research centers, an effort was made to increase the rigor and scope of doctoral education. Over the past few years, Bocconi greatly expanded its doctoral course offering, with a particular focus on the Economics and Management programs. As Associate Professor Stefano Brusoni noted, "today we can say that Bocconi's doctoral education is up to international standards of excellence. For instance, the Ph.D program in Management, the one I know well because I teach in it, is—I believe—among Europe's best, in terms of content, structure and job market performance of its students." Alfonso Gambardella, the current head of the Management program further explains that "since I joined Bocconi in 2004, and building on the efforts of the former head of the program, Anna Grandori, I have been trying to give the Ph.D in Management a true international stature, both through structured courses and attentive thesis supervision. A vibrant young Ph.D faculty has been a key asset for it."

Fundraising Bocconi also intensified its relationships with potential donors, especially private institutions and alumni. The school's ability to decrease its dependence on students' tuition was viewed by many as crucial to supporting its strategic objectives. Recently, Bocconi had strengthened its programs with partners that wished to underwrite research and innovative projects. Companies that participated in the partner program (around 40) enjoyed important advantages in their ability to recruit Bocconi's students. Another important outcome of the fund-raising campaigns was the institution of endowed chairs in various areas of management education. Endowed chairs were new to the Italian academic system. The first chair was created in 2003 in the area of Family Business and was awarded to Guido Corbetta. Several similar deals followed soon after, some of which were instrumental to recruiting well-regarded senior faculty from high-status foreign institutions. The ENI Chair in Strategic Management and the Dean's Founded Chair in Management attracted Robert Grant from Georgetown University and Maurizio Zollo from INSEAD, respectively. Nonetheless, Provasoli remarked when he inaugurated the 2007–2008 academic year that Bocconi "does not have an external subject who dictates its strategies"²⁵ and stridently maintained its independence from "any kind of political, religious, or social influence."²⁶ It remained committed to serving society in "raising young people who wish to become leaders and endowing them with competences, ability and work and social ethics."²⁷

Internationalization Bocconi also worked to augment its international reach and image. In particular, it increased significantly the number of course offerings in English, which resulted in more foreign students enrolling there and a larger number of foreign exchange students. **Exhibit 18** offers various indices of internationalization at Bocconi. In 2006, for instance, 7.9% of Bocconi's undergraduate students came from abroad; the average figure for Italian universities was 2.4%.²⁸ The quality of its foreign students as measured by GMAT scores²⁹ had also increased. Further, Bocconi had established several agreements with foreign institutions that gave their students the chance to study abroad. In 2008, 10 of its MSc programs provided students who were willing to spend part of their studies abroad to gain a second degree, which was granted by the foreign university (e.g., HEC, ESADE, RSM Erasmus, Copenhagen Business School, Indian Institute of Management) where a student enrolled. SDA also increased its offerings to international audiences. Twenty-eight percent of participants in SDA's master's courses came from abroad. In programs that were taught entirely in English, this number was 68%. In 2008, SDA launched an EMBA program taught entirely in English, in collaboration with UCLA's Anderson School of Management and Fudan's School of Management of Shanghai. Participants in the program's first year came from 13 different countries.³⁰ As a whole, the percentage of master's programs (where were taught in English for international audiences) grew from 32% to 48%. Among its other offerings, it developed new Executive Master's and Specialized

Master's degrees in collaboration with schools like ESADE, Cornell, and KDI (Seoul). It created still other programs that focused on specific areas of Italian expertise, like the Master's in Fashion, Experience, and Design Management and the Master's in Fine Food & Beverage.

Between 2005 and 2007, the number of foreign professors had increased from 8 to 21, or 6.5% of Bocconi's faculty. The university wished to increase this number further, especially for senior professors, as most of the foreign professors who had been hired thus far were junior faculty. Twenty percent of the junior faculty members hired in 2007 were foreign, and another 20% were Italians who had received their PhDs at foreign universities.³¹ The university's placement of its own PhD students had also improved, with its graduates going to Trinity College Dublin; Sidney University of Technology, University of Aston, the Bank of England, Michigan State University, and Tanaka Business School (among others).

Bocconi's faculty was also publishing significantly more in international peer-reviewed journals and was presenting work at international conferences more frequently. For instance, more than 50 Bocconi researchers and professors participated in the Academy of Management convention in 2007.

Internal processes and communication At Bocconi, the newly appointed dean typically appointed an associate dean for teaching and an associate dean for research. Dean Provasoli initially increased the number of associate deans to five, who were charged with responsibility for: undergraduate courses; graduate courses; PhD courses; and law courses. The four deputy deans dealt with research and human resources, internal organization; internationalization; and corporate governance. Between 2004 and 2007, this newly formed "dean's committee" met weekly to discuss plans and challenges.

Within the new organizational structure, Dean Provasoli created a new committee, the Academic Council. This committee included Bocconi's dean, the associate deans for Research, Human Resources, and Internationalization, the deans of the five Schools (Undergraduate, Graduate, Law, PhD, and SDA) and the directors of departments. It discussed and approved most operating decisions for Bocconi. The deans of the various Schools and director of departments had more autonomy within their own domains. Besides the Academic Council, the new structure included several smaller committees that dealt with specific issues, such as the central evaluation of proposals for research funds (Research Committee) and of prospective faculty members (Human Resources Committee).

In the past, the dean raised and discussed operating issues at the Faculty Council, a committee that included all Bocconi's faculty. Until recently, the relatively limited number of tenured professors made decision making in this forum possible. After the expansion entailed by the Bocconi 2000 plan, however, the Faculty Council became too large to allow effective discussion and decision making. Although the Faculty Council remained active, its responsibilities have been reduced. Recently, it served mainly as the locus for plenary discussion and for presentation and approval of more important decisions, such as new faculty hires and creation of new degree courses.

Most communications to Bocconi's faculty consisted of documents that were prepared by the dean and its delegates. After Bocconi's board approved these documents, it distributed them to members of the Faculty Council. Other changes, such as specific modifications in operating procedures, were often communicated via email to Bocconi's faculty.

Communication to external audiences occurred mainly at the beginning of the academic year, usually in November, following an old tradition in which the dean publicly introduced the university's activities. At Bocconi, most external communication was managed through a fully owned

press office, Bocconi Comunicazione, which was founded in the 1990s and reported to Bocconi's CEO.

Most communications from the dean's office to the rest of the faculty focused on the nature of changes in operating procedures. These documents were technical, detailed, and formal. They thoroughly discussed how such procedures had evolved, and did not refer to the broader content of Bocconi's transformation. Instead, the principles underlying the transformation were generally communicated to Bocconi's faculty and external audiences (media, firms, public institutions, etc.) in forums such as the inauguration of the academic year, or formal documents such as Provasoli's aforementioned strategic plan for 2006–2010. These communications usually represented faithfully the key priorities of Bocconi's transformation (research excellence, pedagogical excellence, internationalization, and social fairness), and they were generally introduced with the observation that national and international competition had profoundly changed over the past few years.

Bocconi in 2008: Roses and Thorns

How was Bocconi's faculty reacting to the University's transformation? At the level of concrete outcomes, it appeared that this effort was beginning to offer its first, tangible results: Bocconi's pedagogical offerings, students, and faculty had become younger and more international. Further, junior and mid-career faculty members were participating more in international conferences, and their research output was increasing. For instance, the average number of A and A+ publications (as specified in the recently updated list of publications) in 2007 for a member of Bocconi's strategy group was 0.33, compared to 0.17 for 2004. By comparison, a member of LBS's strategy group had published an average of 0.5 in 2004 and 0.68 in 2007.³²

Faculty members' perceptions of Bocconi's new direction and their beliefs about its viability and appropriateness were mixed; not everyone viewed these initiatives favorably. Formal interviews and informal conversations with approximately 35 faculty members in various departments and at different levels of expertise and seniority revealed several reactions.

Virtually all the faculty believed Bocconi's transformational efforts were credible and irreversible. They felt the Bocconi of the future would be different from the traditional Bocconi, especially in its emphasis on research and internationalization. Some faculty members were more optimistic regarding Bocconi's ability to become a relevant international player in a reasonable time frame. Others thought that a large constituency of influential senior faculty members would attempt to slow the change process.

Overall, Bocconi's researchers and assistant professors were convinced that Bocconi's model for the future was appropriate. Nonetheless, some were concerned about whether they would be able to navigate the transition. As an assistant professor in Management put it,

When I decided to pursue an academic career and go through my doctoral studies at Bocconi, the university was very different, and the doctoral program was less rigorous than it is now. It had a different culture. At some point when the new direction became clearer and more credible, which happened a couple of years after my graduation, I found myself at a fork in the road: should I stay around and take on the new challenges, which meant reinventing myself as a researcher, learning new tools and methodologies, and adopting a different mindset, or should I look outside for new academic or consulting opportunities? I decided to take the plunge and reinvent myself, and I still don't know if I made the right choice. You know, this is very hard. You spend many years of your life doing something, thinking about yourself and your role as a professor in a certain way, and all of a sudden the criteria change, your role takes on different meanings, and the capabilities required are different. This was a

very tough period for me and it was a very tough choice. Other people in my situation have been more reluctant. They're now waiting to see more clearly what future awaits them. They pay more attention to research, try to network with colleagues at other international universities, but they are not willing to reconsider what they are in some fundamental sense. Still others decided to leave. Mind you, these were not bad people, these were very talented fellows. Yes, I think many good people left Bocconi."

Other junior faculty members were less preoccupied with the challenges of Bocconi's new course. They felt ready to take on these new challenges and were excited about the opportunity this course might provide. Both junior and senior Economics faculty felt that their department had already moved in the directions that Bocconi's new model emphasized, and were following this transition with much interest.

The mid-career and senior faculty expressed the widest variety of opinions about Bocconi's new model. Yet despite these individuals' divergence of opinions about the transformation, which ranged from mild skepticism to outright opposition, a good portion of them shared the same or very similar objections.

First, this group generally believed that Bocconi's current emphasis on international publications would reward rigor at the expense of relevance. As one senior faculty member put it,

One thing that worries me is that most international academic journals emphasize rigor, but they do not pay equal attention to the type of questions that are asked. The other day, a junior faculty member in strategy presented a paper that he was working on with American co-authors. The paper was under review at a major journal, and it was very good, very sophisticated. While he was presenting it, I was thinking "is there anything here that any manager would find interesting or even understand?" The answer was a clear "No." I actually pushed him in his talk, and realized he not only didn't have a clue what a manager would care about. He did not care! If this is what we are doing—especially rewarding this kind of research—I think we are making a mistake. By doing so, we will lose touch with our audiences—future managers, current leaders, executives, and professionals. These are the people we need to educate, who support the university through the fees they pay. We may produce what people call scientific knowledge, but let's not forget who we are and why a university like us exists.

Second, many of them commented that by selecting individuals based on their devotion to research, the quality of Bocconi's pedagogical offerings would likely decrease. As an Organization faculty member remarked,

People who spend most of their time and energy thinking about their next publication or how to satisfy a petty reviewer will necessarily be less committed to the quality of their teaching. They will consider teaching as a cost, something to minimize, and we already see this attitude in many newly appointed junior faculty. Also, can you imagine someone who worries about his statistical models face a tough audience of executives? What will he be prepared to talk about? It is pretty obvious to me that if the current model is not corrected, our graduate offerings will suffer in the long run."

Third, a number of faculty members defended Bocconi's traditional apprenticeship model, which was jeopardized by the new rule that Bocconi's doctoral students could not be hired directly out of their program by the university. One faculty member argued:

We all know that the apprenticeship model can be dysfunctional: if I, your "maestro," have the final say on your promotion, and the promotion criteria are loose and vague so that

subjectivity rules, I have a lot of power over you. If I am not careful, I might use this power for anything except what I am supposed to: your development as a scholar. Bocconi's new policies clearly reduce this danger, perhaps they eliminate it. Yet I think they are too extreme. The apprenticeship model has often worked well; its success depends entirely on the ethics and values of the maestro. Further, in our field, the apprenticeship model is the best one, at least when the maestro has the right values. You see, a lot of what we do is based on experience, which is hard to teach or transfer in the classroom. The apprenticeship model can offer that kind of long-term personal relationship that makes it easy to transfer experience from one person to another. Also, it ties people to the institution, it makes them attached to it, and this connection is extremely important for many of the things we do. The effort that you have to put into being an excellent teacher, for instance, is enormous, and the fact that you care about not only your personal career but also the university helps a lot. My fear is that youngsters now are much less attached to Bocconi than they were ten years ago. If they are good and someone offers a good job to them, they go. This happens all the time. I truly hope that something will be done both to restore the apprenticeship model and to avoid its traditionally dysfunctional aspects.

Moving Forward

Given the many opinions about the course he had set, Provasoli knew his remaining tenure as Dean would not be easy. He believed that he now needed to address his skeptics more vigorously. As he thought about these individuals, he wondered how he might resolve their array of criticisms while still moving Bocconi's transition forward.

Exhibit 1 Key Events from Bocconi's Founding to 2004

Year	Event
1902	Founding and start of courses in the four-year degree in Economics and Trade with 65 students
1920	First institutionalized research centers within the research units of Economics and Management
1922	Start of international collaboration with the Serena foundation and the Italy-America society
1946	Start of university degree program in Foreign Languages
1954	Start of evening program for executives
1968	End of university degree program in Foreign Languages
1970	Separation between degrees in Economics and Business Administration
1971	Founding of SDA and start of MBA courses (which substitutes for the former evening program)
1974	Start of five-year degree in Economic Sciences (DES)
1975	Separation of departments of Management and Economics
1981	Creation of ISU, the administrative office in charge for financial support to students
1983	Introduction of admission caps
1989	The board of directors approved the plan for Bocconi 2000
1989	The number of enrolled students rose to more than 10,000
1994	Mario Monti was appointed President
1995	Creation of the PhD program in Management (in Italian)
1997	Institution of a CEO position (Dr. Giovanni Pavese)
1999	Deliberation over a 30% increase in faculty positions in the next five years
2000	Creation of the Ph.D. program in Economics (in English)
2001	Implementation of the "3+2" model. Introduction of 8 three-year degrees
2004	Introduction of 11 two-year Master's degrees (in addition to extant master's courses)

Source: Casewriter analysis based on M. Cattini, E. Decleva, A. De Maddalena, and M.A. Romani, *Storia di una libera università*, 1992. Egea editori.

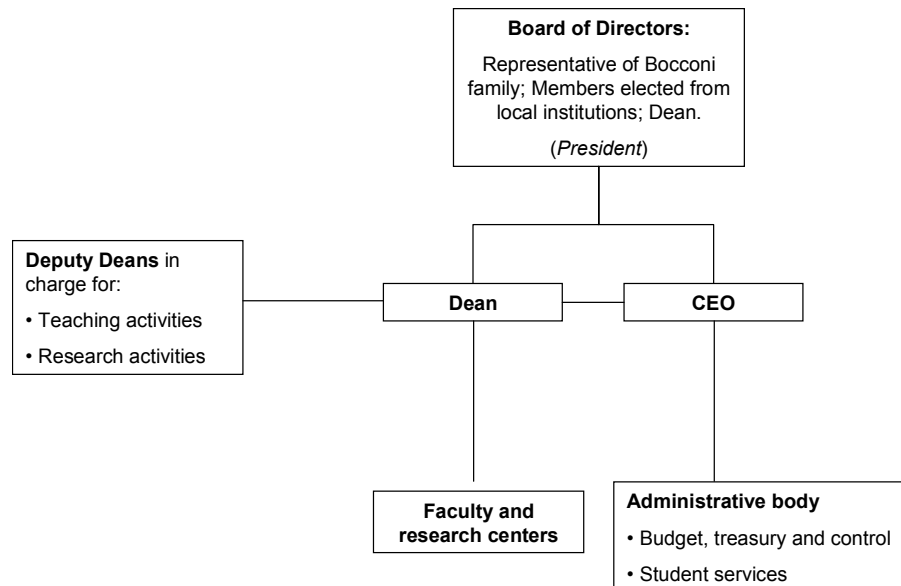
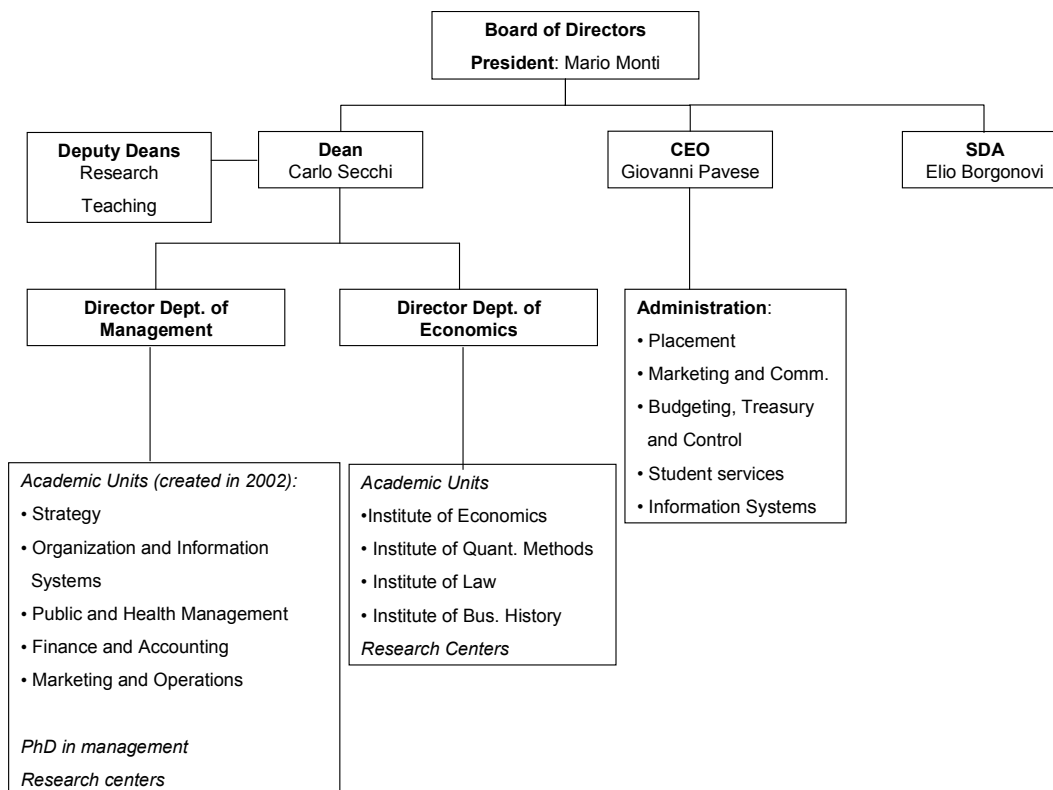
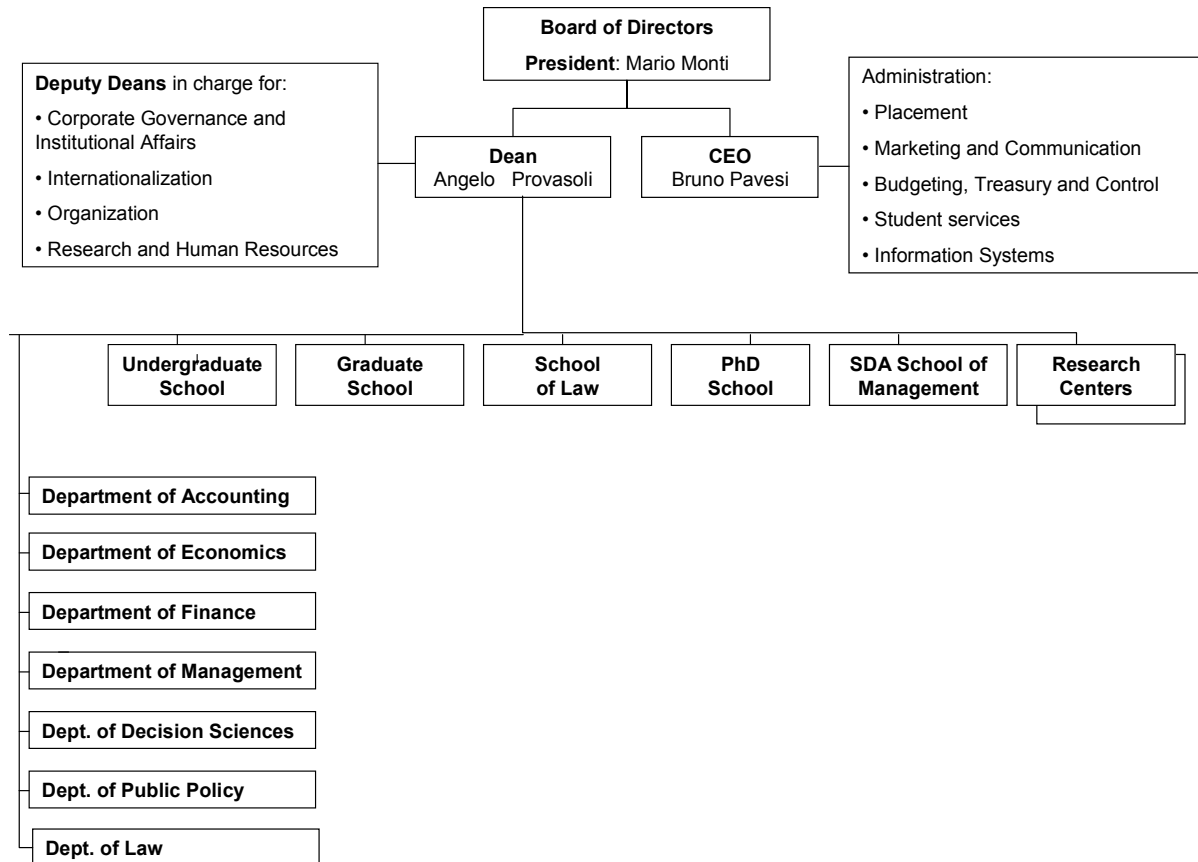
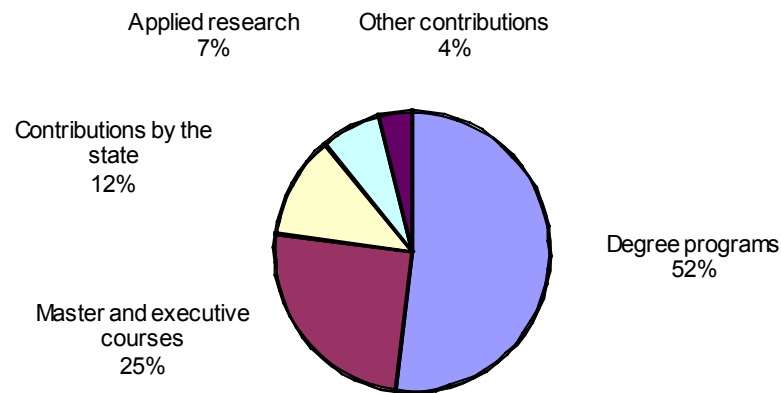
Exhibit 2a Bocconi's Organizational Structure before 1970**Exhibit 2b** Bocconi's Organizational Structure in 2000

Exhibit 2c Bocconi's Organizational Structure in 2008

Source: Casewriter analysis.

Exhibit 3 Sources of Income for Bocconi University in 2006

Source: *Bocconi Today—Facts and Figures*, 2006.

Exhibit 4 Cohorts of Potential Italian Undergraduates

Year	19-Year-Olds	Growth Rate
2005	595,437	—
2010	593,934	(0.25)%
2015	555,957	(6.30)%
2020	575,251	3.47%
2025	595,329	3.49%
2030	556,755	(6.47)%
2035	514,692	(7.55)%
2040	493,065	(4.20)%
2045	488,923	(0.08)%
2050	493,182	0.08%

Source: Compiled by casewriter using data from ISTAT—Italian National Institute of Statistics website, accessed February 16, 2008.

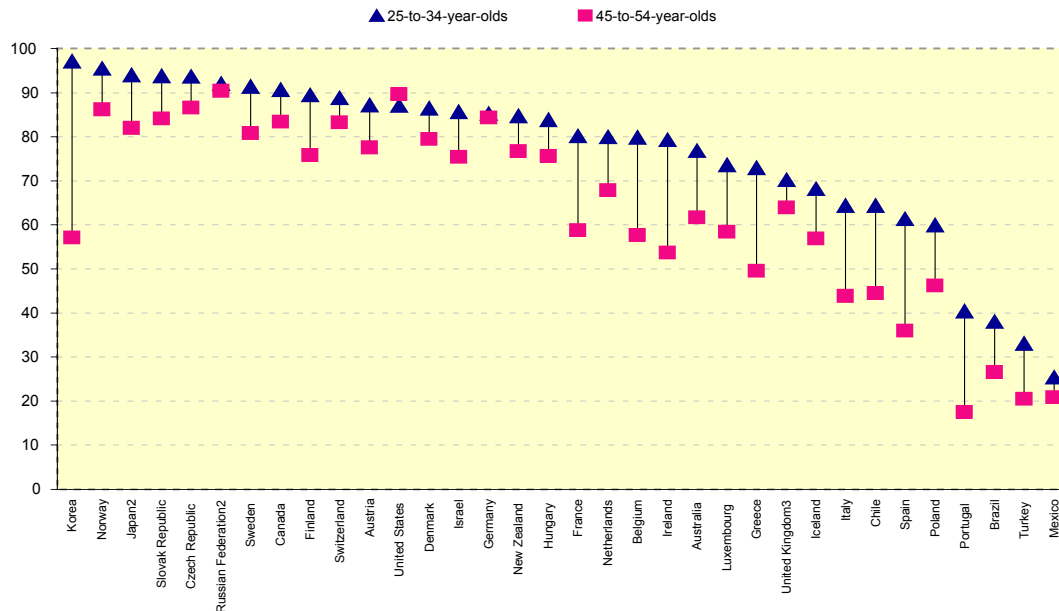
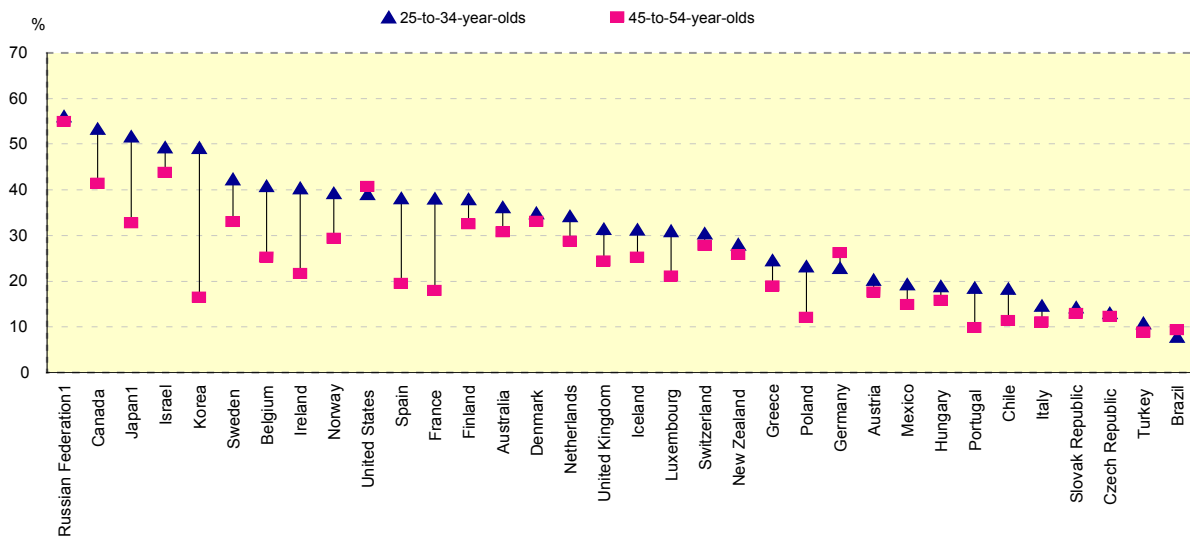
Exhibit 5a Percentage of Citizens (by Age) with a High-School Degree (2004)Source: OECD 2006, *Education at a Glance*.**Exhibit 5b** Percentage of Population (by Age) that Has Attended College (2004)Source: OECD 2006, *Education at a Glance*.

Exhibit 6 Inflows and Outflows of International Students (combined undergraduate and graduate)

	% of Incoming International Students (of national population)	% of Outgoing International Students (of national population)
Australia	6.5	0.3
Austria	1.3	0.4
Belgium	1.7	0.4
Canada	2.8	1.6
Denmark	0.6	0.2
Finland	0.3	0.3
France	8.7	2.0
Germany	9.5	2.4
Greece	0.6	1.6
Italy	1.6	1.4
Japan	4.6	2.3
Netherlands	1.2	0.3
New Zealand	2.5	0.1
Spain	2.2	1.0
Sweden	1.4	0.5
Switzerland	1.4	0.3
United Kingdom	11.7	0.8
United States	21.6	1.4
Russian Federation	3.3	1.6

Source: Casewriter analysis based on OECD 2007, *Education at a Glance*.

Exhibit 7 Evolution of Demand at Bocconi

	1984	1990	2000	2008
Admitted Students	1,668	1,755	2,527	2,440
Applicants	2,422	5,277	4,218	5,912

Source: Bocconi administration.

Exhibit 8 Percentage of Freshmen with Top Scores in High School Enrolled in Selected Italian Universities in the 2006–2007 Academic Year

	% of Freshmen with Highest Scores (90–100) ^a
Bocconi	53%
Milano Politecnico	36%
Catholic University (all courses)	25%
University of Bologna (economics and management courses)	22%
National data for economics and management courses	15%

Source: Compiled by casewriter using data from Italian Ministry for University and Research (MIUR), Statistical Office, 2008.

^aHigh school scores range from 60 to 100.

Exhibit 9 European Universities and Business Schools Listed in *Financial Times* Top 50 rankings, by Country

Country	Open Enrollment Executive Courses		Customized Executive Courses		MBA Programs	
	2001	2008	2001	2008	2000	2008
Belgium	Vlerick Leuven Gent (37)	Vlerick Leuven Gent (34);		Vlerick Leuven Gent (45)		
Finland	Helsinki School of Economics (36)	Helsinki School of Economics (39)				
France	INSEAD (11); HEC (29); ESCP-EAP (37)	INSEAD (16); ESSEC (25); HEC (26); ESCP-EAP (27); EM Lyon (37)	INSEAD (5); HEC (23); ESCP-EAP (31)	HEC (5); INSEAD (20); Essec (35); ESCP-EAP (37); EM Lyon (42); EDHEC (48)	INSEAD (9); HEC (50)	INSEAD (6); HEC (18)
Ireland					Smurfit university College (41)	
Italy	SDA Bocconi (26)	SDA Bocconi (18)	SDA Bocconi (33)	SDA Bocconi (16)	SDA Bocconi (48)	SDA Bocconi (48)
Nederland		Nyenrode (46)	Nyenrode (29); RSM Erasmus University (34)	Tias Nimbas, Tilburg University (36)	RSM Erasmus University (29)	RSM Erasmus University (34)
Norway		NHH/AFF (48)				
Portugal		Catholic University of Portugal (44)		Catholic University of Portugal (47)		
Spain	IESE (20); IE (11); ESADE (27)	IE (5); IESE (7); ESADE (32)	IESE (9); IE (14); ESADE (19)	IESE (9); ESADE (25), IE (41)	IE (24); IESE (25)	IE (8); IESE (11); ESADE (21)
Switzerland	IMD (5)	IMD (3); St Gallen (31)	IMD (3)	IMD (2); St Gallen (46)	IMD (11)	IMD (14)
Sweden	Stockholm School of Economics (20)	Stockholm School of Economics (45)	Stockholm School of Economics (20)	Stockholm School of Economics (11)		
United Kingdom	LBS (4); Cranfield (19); Ashridge (25); Henley (35)	LBS (13); Cranfield (29); Henley (35); Saïd Oxford (41); Ashridge (42)	Ashridge (10); LBS (13); Cranfield (15); Warwick (26); Henley (27)	Ashridge (11); LBS (27); Cranfield (21); Lancaster (44); Henley (42)	LBS (8); Cranfield (35); Manchester (43); Edinburgh (37)	LBS (2); Judge Cambridge (10); Saïd Oxford (19); Lancaster (22); Manchester (22); Warwick (29); Cranfield (30); Strathclyde (30); Imperial College Tanaka (35); Cass (41); Edinburgh (44); Leeds (48)
Total number	15	22	16	22	12	21

Source: Adapted from *Financial Times* rankings.

Exhibit 10 Research productivity of European Business School and Management Universities in 2006

European Rank	Institution	World Rank ^a	Growth 1992–2005 ^b
1	LBS (U.K.)	17	0.39
2	RSM Erasmus University /Netherlands)	18	0.49
3	INSEAD (France)	25	0.32
4	Tilburg University /Netherlands)	27	0.45
5	Manchester University (U.K.)	36	0.15
6	Nottingham University (U.K.)	42	0.30
7	Oxford University (U.K.)	57	0.21
8	Catholic Louvain (Belgium)	61	0.11
9	Groeningen University (Netherlands)	65	0.15
10	Center Economic Policy Res (U.K.)	75	0.10
11	Maastricht University (Netherlands)	79	0.26
12	Ghent University (Belgium)	84	0.07
13	Copenhagen Business School (Denmark)	93	0.13
14	Cambridge University (U.K.)	105	0.12
15	Warwick University (U.K.)	106	0.13
16	LSE (U.K.)	110	0.01
17	Eindhoven University (Netherlands)	114	0.12
18	Bocconi University (Italy)	117	0.21
19	Cranfield University (U.K.)	118	0.09
20	City University (U.K.)	120	0.08
21	Amsterdam University (Netherlands)	124	0.09
22	Manheim University (Germany)	134	0.10
23	Lancaster University (U.K.)	136	0.09
24	Stockholm School of Economics (Sweden)	141	0.08
25	University of Helsinki (Finland)	142	0.13
26	University of Vienna (Austria)	143	0.10
27	HEC (France)	146	0.02
28	University of Twente (Netherlands)	152	0.07
29	Aston University (U.K.)	154	0.12
30	St. Gallen University (Switzerland)	158	0.07
31	Max Planck Institute, Jena (Germany)	160	0.05
32	De Monfort University (U.K.)	161	0.10
33	Stratclyde University (U.K.)	163	0.14
34	Toulouse University (France)	166	0.06
35	Birmingham University (U.K.)	169	0.07
36	Bergen University (Norway)	177	0.06
37	University Carlos III Madrid (Spain)	179	0.08
38	Bath University (U.K.)	185	0.06
39	Aarhus università (Denmark)	189	0.10
40	Leeds University (U.K.)	193	0.03

Source: V. Mangematin and C. Baden Fuller, "Global Context in the Production of Business Knowledge. Long Range Planning," 41 (2008), pp. 126–129.

^aThis ranking is calculated by considering the number of articles published by members of a given institution in journals included in the Thomson ISI databases.

^bThis number measures the trend of growth from 1992 to 2005, considering articles published by members of a given institution in journals included in the Thomson ISI databases.

Exhibit 11 Offerings of Selected Major European Universities and Business Schools in 2008

Organization	Country	Undergraduate	MSc	MBA	Executive Education	PhD Programs
London Business School (LBS)	U.K.	–	X	X	X	X
INSEAD	France	–	–	X	X	X
IE	Spain	–	X	X	X	X
Judge Business School— Cambridge	U.K.	–	X	X	X	X
IESE	Spain	–	–	X	X	X
IMD	Switzerland	–	X	X	X	X
HEC	France	–	X	X	Y	X
Saïd Business School Oxford	U.K.	X	X	X	X	X
ESADE	Spain	X	X	X	X	X
Lancaster	U.K.	X	X	X	X	X
Manchester Business School	U.K.	X	X	X	X	X
RSM Erasmus	Netherlands	X	X	X	X	X
Bocconi	Italy	X	X	X	X	X
London School of Economics (LSE)	U.K.	X	X	X	X	X
Cranfield School of Management	U.K.	–	X	X	X	X
ESSEC	France	–	X	X	X	X
EM Lyon	France	–	X	X	X	X
Stockholm School of Economics	Sweden	X	X	X	X	X
St Gallen University	Switzerland	X	X	X	X	X
Helsinki	Finland	X	X	X	X	X
Copenhagen	Denmark	X	X	X	X	X

Source: Casewriter analysis based on universities' websites, March 7, 2008.

Exhibit 12a Short Biography of Professor Mario Monti

Since 1994, Mario Monti has been the president of Bocconi University in Milan, where he is also Emeritus Professor of Economics. His research has examined monetary economics, the central banking system, fiscal policy, and European integration. He is also the president of Bruegel (Brussels European and global economic laboratory), a European think tank, an international consultant for Goldman Sachs International, and an editorialist for the *Corriere della Sera*.^a He has served as president of ECAS (European citizen action service) and of Suerf (Société universitaire européenne de recherches financiers) a European society for financial research.

Professor Monti served twice as the European Commissioner: for internal competition, financial services, and taxation from 1995 to 1999 and for competition policy from 1999 to 2004. He has also served on commissions that focused on the Italian credit and financial system and Italian antitrust law.

Mario Monti was born in Varese in 1943. He received his undergraduate degree from Bocconi and pursued further education at Yale University. He holds degrees honoris causa from the Universities of Padua, Genova, Insubria (Varese), and St. Gallen (Switzerland).

Source: Casewriter elaboration from public press releases, accessed March 2008.

Exhibit 12b Short Biography of Professor Angelo Provasoli

Angelo Provasoli has been the dean of Bocconi University since 2004. Before that, he was Bocconi's associate dean and the director of the research unit of Management Accounting, Finance, and Control. He is also the President of the executive committee of the Italian Organization of Accounting (OIC). From 1975 to 2003, he was the director of the Italian *Journal of Certified Accountants*. He is a member of the national academy of management and a certified accountant. He consults to Italian and foreign companies. He has been a member of various boards of various Italian and foreign companies. Between 1982 and 1985, he was appointed President of "Il Corriere della Sera," Italy's major newspaper, which he saved from a deep organizational and financial crisis.

Born in Milano in 1942, he was graduated from Bocconi University, where he became full professor in 1975. In 1976, he joined Catania University and then moved to Bergamo University in 1978, where he was also associate dean. In 1983, he returned to Bocconi. Provasoli has authored numerous Italian publications on issues regarding accounting, corporate financial information, and corporate valuation.

Source: Casewriter elaboration from public press releases, accessed March 2008.

^a*Corriere della Sera* is the leading Italian newspaper.

Exhibit 13 Bocconi's Educational Offerings during the 2007–2008 Academic Year**Undergraduate Programs:**

Five three-year bachelor's programs:

- Business Administration and Management
- Economics and Finance
- Economics and Management for Arts, Culture and Communication
- Economics and Social Science
- International Economics and Management (in English)

One combined Bachelor and Master of Science Programs (five year program):

- Law

Graduate Programs:

11 Master's of Sciences Programs (one year)

- Management
- International Management (in English)
- Marketing Management (in Italian and in English)
- Accounting, Corporate Finance and Control
- Economics and Management of Public Administration and International Institutions
- Finance (in English)
- Law and Business Administration
- Economics Management for Arts, Culture, and Entertainment (in English)
- Economics and Social Sciences (in Italian and in English)
- Economics and Management of International Markets and New Technologies
- Law

14 specialized Master's Programs (one year)

- Accounting and Control
- Economics of Tourism
- Economics and Management of Public Utilities
- Environmental Economics and Management
- Management of Transport, Logistics, and Infrastructure
- Event and Experiential Marketing
- International Healthcare, Management Economics, and Policy (in English)
- Information Systems Management
- Public Management
- Marketing and Communication
- Organization and Human Resources Management
- Fiscal Law
- Quantitative Finance and Risk Management (in English)
- Healthcare Management

Advanced Education

Seven PhD Programs:

- Law of Business and Commerce
- International Law and Economics
- Economics (in English)
- Business Administration and Management (in English)

- Statistics (in English)
- Finance (in English)
- Economics and Social History

Two Second-Level specialized Master's Programs (one year)

- Law School
- Advanced school for high school teachers

Post experience programs

Seven Specialized programs (in Italian):

- Law of Business and Commerce
- International Law and Economics
- Economics (in English)
- Business Administration and Management (in English)
- Statistics (in English)
- Finance (in English)
- Economics and Social History

13 SDA Bocconi School of Management Master's Programs

- MBA (in English since 2008)
- Evening Course in Business Administration (Evening MBA)
- International Master in Management, Law and Humanities of Sport (in English)
- Corporate Finance (in English)
- Real Estate
- Fashion, Experience, and Design Management (in English)
- Entertainment Management
- International Healthcare Management, Economics, and Policy (in English)
- Management of Co-operative and Non Profit Organizations
- Public Management (in Italian and in English)
- Strategic and Entrepreneurial Management
- Small Business Management
- Fine Food and Beverage (in English)

Eight SDA Bocconi School of Management Executive Master's Programs

- Executive Master in Business Administration (in Italian)
- Global EMBA (English)
- Executive Master in Corporate Finance and Banking
- Executive Master in Accounting, Finance and Control
- Executive Master in Strategic Human Resource Management (in English)
- Executive Master in Local Government Administration
- Executive Master in Management of Healthcare Organizations
- Executive Master in Marketing and Sales

Executive Education (SDA Bocconi School of Management Executive Programs)

270 executive training programs taught in 2007; 116 open enrollment programs; 154 custom programs.

Sources: Bocconi website, accessed March 9, 2008; *Bocconi Today—Facts and Figures*, 2006; Bocconi administration, 2008.

Exhibit 14 Enrolled Students during the 2007–2008 Academic Year

Degree	Number of Students
Undergraduate (BSc)	7,683
First year	2,227
Second year	2,044
Third year	2,387
Non-degree	1,025
Graduate (MSc)	4,093
First year	1,963
Second year	1,820
Non-degree	310
Law (five-year program)	546
Pre-experience Masters	369
Post-experience Masters	86
PhD	143
SDA Bocconi Masters and EMBA	<u>728</u>
TOTAL	<u>13,648^a</u>

Source: Bocconi administration, 2008.

^aThis number does not include 550 enrolled students who were still completing four-year programs that were no longer offered in 2007–2008.

Exhibit 15 Teaching Hours during the 2007–2008 Academic Year

Degree	Number of Hours
Undergraduate and graduate	60,397
Master and specialization programs	20,018
PhDs	<u>4,095</u>
TOTAL	<u>84,510</u>

Source: Bocconi administration, 2008.

Exhibit 16 Human Resources at Bocconi, March 2008

	2008
Tenured and tenure track faculty	288
Full professors	89
Associate professors	91
Assistant Professors	66
Ricercatori ^a	42
Non-tenured faculty	223
Researchers with grants ^b	83
Lecturers ^c	32
Scholarship holders ^d	10
Adjunct full professors	5
SDA Bocconi collaborators ^e	29
Visiting professors (short term and long term)	64
Part- time faculty^f	890
Academics from other Italian universities	219
Professionals	671
SDA Faculty^g	322
Full-time SDA faculty	128
Adjunct SDA faculty	113
Part-time SDA Faculty	81
Administrative staff	593

Source: Bocconi administration, 2008.

^a“Ricercatore” is a traditional Italian academic position, equivalent to an assistant professor, but with a permanent contract. Bocconi stopped hiring for this position in 2002.

^bThis position is similar to a post-doctorate. Researchers with grants often have Ph.D. training and are given a three-year contract for doing research on a specific subject.

^cLecturers have a five-year contract for teaching undergraduates courses and manage teaching activity. This position does not include research.

^dThese individuals are typically young research assistants who have one-year research contracts.

^eThese are individuals who have a contract with SDA Bocconi but also teach undergraduates.

^fPart-time faculty members are affiliated professors from other universities or professionals who have ad hoc contracts for teaching undergraduate courses.

^gThis number also includes Bocconi faculty who hold a position in SDA. Approximately 60% of SDA’s faculty members are Bocconi faculty.

Exhibit 17 Backgrounds of Tenured and Tenure-track Faculty, March 2008

	Number	Number of Foreigners	Percentage Who Hold a Ph.D. (non-Italian Ph.D. only)	Average Age
Full professors	89	1	27% (12%)	55
Associate professors	91	4	57% (16%)	42
Assistant professors	66	11	95% (38%)	32
Ricercatori	42	0	50% (5%)	42

Source: Casewriter analysis.

Exhibit 18 Level of Internationalization

	2004	2005	2006	2007
International publications from Bocconi faculty in approved peer-reviewed journals	122	157	178	203
Bocconi students who spent a semester abroad	848	1,177	1,442	1,587
Internships abroad	505	531	549	556
Foreign students who spent a semester at Bocconi	477	648	718	986 ^a
Foreign students enrolled at Bocconi	888	924	967	1,120

Sources: *Bocconi Today—Facts and Figures*, 2006; Provasoli's speech at the opening of the 2007–2008 academic year; Bocconi administration, April 2008.

^aFifty percent from Europe, 28% from North America, 10% from Asia, 12% other.

Endnotes

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⁹ Interviews with Vittorio Coda, December 2007.

¹⁰ Interview with Franco Malerba, March 2008.

¹¹ E. Resti, *L'università Bocconi, Memorie di un testimone*. Egea, 1999.

¹² E. Resti, *L'università Bocconi, Memorie di un testimone*. Egea, 1999, p. 87.

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¹⁴ Ministero per l'Università e la Ricerca, 2007 Ottavo Rapporto sullo Stato del Sistema Universitario, Table 1.2.

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¹⁶ *Education at a Glance 2007: OECD Indicators*—OECD © 2007—ISBN 9789264032873.

¹⁷ *Education at a Glance 2007: OECD Indicators*—OECD © 2007—ISBN 9789264032873.

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²⁶ Provasoli's public speech at the opening of academic year 2007–2008, p. 43.

²⁷ Provasoli's public speech at the opening of academic year 2007–2008, p. 43.

²⁸ *Bocconi Today—Facts and Figures*, 2006.

²⁹ Provasoli's public speech at the opening of academic year 2007–2008.

³⁰ Provasoli's public speech at the opening of academic year 2007–2008.

³¹ Provasoli's public speech at the opening of academic year 2007–2008.

³² Casewriter analysis based on public websites and Business Surce Premiere data.