

ONLINE BMDA PRE-CONFERENCE

May 20, 2020

POST CONFERENCE
MATERIALS

Multidisciplinary approach
to assure high competitiveness
during and beyond the crisis

WELCOME

Dear Friends and Colleagues,

Today we were planning to see each other face to face at the BMDA conference in Tallinn to discuss the multi-disciplinary approach that secures the competitiveness of businesses during and beyond the crisis. We should have been chatting together, having coffee together, listening to music together, and enjoy each other's company.

However, the lockdown changed our plans. We accepted the challenge, adapted to the new reality, shifted the event to October, and decided to have an online pre-conference on the same day. The blended model of online and offline activities seems to be our future, which has already arrived.

Business and Business schools are naturally intricately connected. Business schools are educational hubs, where business, public sector, and academic expertise meet. We also need to see each other face-to-face and share intellectual achievements as well as create emotional ties.

Our lives are rooted in changes and we need to be always ready for it. To prepare for that, we



Virginijus Kundrotas

PhD., President of Baltic Management Development Association (BMDA),
Dean of Adizes Graduate School, USA

need to analyze data and do forecasting. However, we might never know, what and how exactly the changes will happen. There are many things beyond our control, such as global aspects, other people's decisions, that affecting us and the people, who we work with.

We need to be open and ready to everything that the world presents to us. To do that well we have to cooperate. That is why it is critical to identify both the challenges we are facing and the skillset, crucial for our competitiveness in the world of the "new normal". Let's discuss and learn together! ■

WELCOME

 **BMDA**
BALTIC MANAGEMENT DEVELOPMENT ASSOCIATION


MIM-KYIV

Dear friends,

An unprecedented event changed our plans. Nobody could ever have imagined the scale of what actually happened. The global lockdown affected all aspects of our lives. As a result, the BMDA Board decided to move the conference in Tallinn to October. But before we can enjoy our face-to-face discussion and the hospitality of Taltech, we were gathered together for an online pre-conference to discuss how to create competitive advantages during and after the crisis. This event is our take at finding the solutions for the most current problems with the help of a multidisciplinary approach.

We were lucky to attract a variety of business, academia, and public sector expertise to our pre-conference. Sharing our diverse experience, identifying promising opportunities, and discussing - potential actions is critical for navigating and thriving in the new normal. Blending the newest technologies and human touch ensures our competitive advantage under any circumstances although it is never easy.



Iryna Tykhomyrova

President of International Management Institute
(MIM-KYIV), Ukraine

Our online pre-conference is an element of the new reality too. It was a challenging undertaking for MIM-Kyiv. The lockdown did not make things easier. But our camaraderie made the online pre-conference happen. It proved that partnerships and education have been the best tools to finding answers to our challenges. We believe that doing things together makes us stronger. We believe that our joint efforts will secure a good future for all of us. Please enjoy the fruits of our discussion. ■

STRATEGIC INSIGHTS ON THE BUSINESS SCHOOL'S ACTIVITIES TO BE UNDERTAKEN IN THE FUTURE

With my deanship starting with the 11/09 terrorist attack and finishing with the financial tsunami of 2008 – 2009 I know what the uncertainty is. Uncertainty is inevitable, worrying is optional.

Alumni are a powerful resource

The terrorist attack of 11/09/2001 on American soil resulted in an economic downturn hitting 60 fresh graduates badly. They lost their promised jobs because of the situation. It was former students who helped. After I had personally addressed each of them to secure 60 job offers, I had 92 offers; and free publicity from CNN covering the story under the headline "Kellogg School Dean is Begging for Jobs". I was not begging for jobs but did what I could do to help our students.

Sometimes we have to make bold decisions that are not very pleasant in the short term.

In 2003, when SARS broke out in Hong Kong, I decided to remove any uncertainty or rather remove any worrying. So, I moved the program from April to September not to risk the lives of my professors and students. That year Kellogg was ranked among the top, that year and for many upcoming years.

As a leader, you should have your eyes on the horizon, but feet on the ground

In December 2004, I was invited by the Prime Minister of Thailand to do a project on branding Thailand. After my presentation as a State



Dipak Chand Jain

Prof. , European President, CEIBS, China

Guest, I and my family went to Phuket. We were on the beach when tsunami stroke resulting in many human casualties. But not a single animal died. It was a lesson of survival because of having feet on the ground.

People connect with people

I was finishing my term as a dean when the financial meltdown of 2008 happened. My big project was the new building for the business school. I needed serious fund-raising. People were telling me that it was not the right time to ask for money. But I went to my distinguished alumni and was able to raise enough funds to lay the solid foundation for the new building.

We need to make students feel financially secure.

Students think of 2 things: earning and learning. We need to think not only about the learning part. We need to make them feel financially secure. ■

THE WORLD'S RESPONSE TO UNCERTAINTY

All the countries around the world are facing the effects of Covid-19, but the size of those effects differs from one country to another. The era of "one size fits all" is over. Each country is looking for its own solutions to overcome this crisis. The implications of the pandemic have slowed economies, affected societies, disrupted financial markets as well as decreased revenues for business and industries, and disturbed global supply chains. What's next?

During the last few months, we observed the boost of digital transformation which will become invaluable moving forward. The key issues to address include technology, leadership, innovation, digitalization, people, data, culture and communication.

Digital transformation not only leads to connectivity, but it also affects economic empowerment, and helps create business opportunities across different sectors and industries, such as financial inclusion, healthcare, supply chain, entertainment, manufacturing, and agriculture. Previous business models were disrupted and need to be re-configured, and re-imagined.

The readiness for change is significant in staying relevant and competitive. We have to make sure that governments, private sector,



Sherif H. Kamel

Prof., Dean of School of Business at the American University in Cairo, Egypt

people, and civil society are ready for change; that they can capitalize on the opportunities presented to grow and thrive under the new norm. The core segment for such shift is people, the most important element in the society.

The impact on people will relate to our privacy, security, ownership, collaborations, friendship, ethics and more.

The impact on enterprise will be observed by adapting to changing expectations, and becoming more inclusive and sustainable. The role of environmental, social and governance issues will be growing. Also, by more focusing on data-enabled products or services, new types of virtual collaborations will emerge and evolve into new business models. Besides, the NextGen Entrepreneurs will focus more on tech and tech-enabled startups.

The core segment for such shift is people, the most important element in the society

The impact on society/economy will be noticed by the growth of different new business and operating models, changing structures and conditions for employed and self-employed people, the need for new skillsets and upskilling of human capital, talent retention.

Impact on the national level will be experienced by observing the growth in cities' competition versus countries for investments, sports events organization, human talents, entrepreneurs and innovators.

The innovation progress is very fast, and the significant change can be registered even in weeks or days, which is enormous compared to the pace of innovation progress in the past. As we move forward, there will be massive changes caused by the innovative technologies of the fourth industrial revolution and societies as well as economies will have to adapt. ■

STRATEGIC INSIGHTS – BUSINESS SCHOOL INNOVATION FOR AN UNCERTAIN FUTURE

The current crisis is going to impact our industry of business education. First of all, we need to be ready for the lingering effects which will last, in my view, at least until the autumn of 2021. We all will have to adapt to the new reality. Careful scenario planning and flexibility in applying those scenarios may help to survive the situation a lot, even help to prepare us for making tough decisions. Under the best-case scenario, the on-campus classes will be renewed in October 2020, whereas under the worst-case scenario, classes may not fully return to campus until the academic year starting in October 2021.

The first step was to accelerate the development of online learning. In some countries where student access to strong internet connection is poor, it has been easier for schools than for students. To support some students disappointed with temporary 100% online learning, some schools are also offering a subsequent second on-campus program at a much lower price. Some schools are offering additional career services or electives to compensate for the lack of tuition. Some students believe that online tuition is not as effective as face-to-face tuition and in the USA some students are preparing legal action to try and achieve a reduction in tuition fees – business schools worldwide will be watching to see the legal outcome of the challenge.



Andrew Main Wilson

Chief Executive – AMBA & BGA
(Association of MBAs & Business
Graduates Association)

Hybrid learning – a combination of face-to-face classroom and distance online learning – will be necessary, as schools gradually return to campus programs, although it will put stress on schools resource and faculty workload. A lecture will be taught in the classroom, where perhaps only a third of students are present, to secure adherence to social distancing rules. Another third of the cohort could be watching the lecture live, but off-campus. And the last third, mostly international students in different time zones could be expected to listen to the lecture within 48 hours.

Schools will struggle to recruit and retain students for campus-based programs, unless they clearly communicate reassuring social distancing and hygiene policies.

Over 90% of AMBA schools have agreed to their accreditation visit being conducted virtually

An estimated 15-25% of undergraduate students may decide to defer the start of their degrees by a year. However, with international travel currently restricted and job secondments difficult to find, these two attractions may not be possible in the current coronavirus crisis. There is an upside to online programs for those schools prepared to teach online throughout the whole year: you could attract and even larger and truly global cohort.

If campuses remain closed, business schools will have to differentiate themselves purely based upon degree program content and delivery. Prestigious accreditations will therefore become increasingly important, to convince and reassure potential students of a school's quality. AMBA moved fast to transition from physical accreditation campus visits to conducting business school accreditations virtually. Over 90% of AMBA schools have agreed to their accreditation visit being conducted virtually and Zoom conference technology is working very well for these accreditation panels.

Rankings will face a difficult two years, because data collected to measure issues such as pre and post degree salaries and employment success after graduation, has been and will continue to be dramatically affected by the virus impact.

Business Week have cancelled their 2020 MBA Ranking because of the difficulty in collecting meaningful data. By accelerating the need for online learning and video conferencing technology, the virus will ensure that business school education and communication will involve more online learning permanently. However, one of the great pleasures of the business school world is that it is a very people-oriented industry – and people like doing business with people they like. So while online learning will become a more influential element of student learning, both students and business schools will be very much looking forward to a return to face-to-face on campus learning and accreditation panel visits. ■

Business schools' reaction to the COVID-19 challenge has short and long time horizons. In the short run, business schools have demonstrated that they are much more flexible than they have probably ever anticipated. Many of them transferred their teaching to the remote domain overnight and even the most traditional professors proved to be technologically savvy. This is probably a huge, and certainly pleasing, surprise for both management/administrative staff of business schools, and for professors themselves. In the short term, we seem to be doing just fine.

In the long run, we have realized that delivering traditional courses via the internet is not really online learning but merely online instruction or remote teaching. Feedback from our students proves that they appreciate the programs being continued, but complain that the learning experience does not meet their expectations. That clearly indicates that online learning is a fairly different business that requires its own technology, methodology, and pedagogy. Hence we are most likely to complete the current semester using these teaching modes and tools but need to re-consider our readiness to offer a true online learning environment and convert our teaching competency to moderation and learning process management.

There are many more issues of a strategic nature. The major challenge will be to rethink the current business school model as it may prove irrelevant in the future. The model we have been running for several decades resembles a traditional manufacturing site, which gathers engineers, operators, and



Andrzej Popadiuk

President, Gdansk Foundation for Management Development (GFKM), Poland

machinery under one roof in order to get raw materials through the production process and ensure that the final product meets the technical and cost specification, and goes out through the factory gate at the right time. We can imagine several developments that may disrupt this manufacturing model, including 4D printing which will make mass production redundant. Business schools mostly follow a very similar approach. We gather professors, administrative staff, and lecture halls under one roof, bring in prospective students and take them through the educational process to ensure that graduates meet the ILO's specifications and leave the school gates in a timely manner.

So far, we ended up with all the resources and huge fixed costs and inability to utilize them, as our facilities remain empty. If this is a once-in-a-century occurrence, it will not disturb this model. But should it happen with some frequency in the future the existing approach will need to be re-thought, re-imagined, and re-designed to make educational institutions more responsive, agile, and thus sustainable. ■

THE SUCCESS STORY OF VILNIUS

Cities, municipalities, governments, businesses, families, and practically everyone are facing the same challenges. We need to act differently from normal times.

We, as a municipality have been acting very radically, actively and pro-actively. We have been brave and creative in our actions. But not necessarily all people in such situations act bravely and creatively.

For human beings there are three ways to act while facing challenges. We may fight; try to hide away or run. All these strategies, or a mix of them, have allowed humans to survive these tragedies for thousands of years.

Nowadays the crisis and the current circumstances are completely different. So, the creativity and spirit of a fighter are far more important than usual. As all crises pass, we should not overreact now.

We are going to have different kinds of fears and habits after the crisis. On the one hand, it is very objective. We might predict that when circumstances change, we will come back to normal life. On the other hand, there are more factors affecting us. We need to take into account all of them. Of course, we do not know how exactly it will be and we need to be creative.

Telling the truth is essential. At the very beginning of the crisis, at the end of November



Remigijus Šimašius

Mayor of Vilnius

2019, the Chinese Government was neglecting the fact, while the Taiwanese government was already talking about it. They made the right decisions to manage it. In Europe, we saw the same picture. Even in Lithuania, we were told not to panic, that it was not such a big problem, etc. But if you see the sign of the storm, it is better to think about the storm.

I can say that we have managed the first wave of the virus quite well. The recipes for the success in our case was that at the very beginning, at the end of January, we started public campaign teaching hygienic habits such as sneezing in the elbow, washing hands, etc. Children know it, but we need everybody to know it. We had it for almost one month and I am more than confident that the campaign helped us a lot in March when the virus came to Lithuania. People were more aware of the virus, the causes of the virus, the way it spreads. We saw fewer hugs on the street because of it as well.

So, telling the truth is very important and it helps us to make the right decision and not to be afraid. It is of serious importance. We had numerous discussions about testing, not testing, the number of testing, telling the truth about all the means, and equipment to the doctors. At the end of the day telling the truth, taking a straight forward approach to the problem is the main recipe for success while tackling the crisis.

Now we have reached the stage of being able to lift the restrictions. The decisions have been made by the government, but we as a municipality also participate. We are now facing two things. Firstly, we need clear data. When I see worldwide data, I see that the World Health Organization is doing very poorly about the information from different countries. We cannot compare the countries, cannot identify good examples from other countries, etc. Secondly, even the data in Lithuania could be of a better quality. For example, I, as a mayor, would like to know if anybody in Lithuania caught the virus from public transport. How did that happen? What do we need to change in order to avoid it, if this is the case?

Next, we must not overreact but act prudently and be creative. As a result Vilnius became famous throughout the world because of only one decision – easing the conditions during the quarantine for open-air bars, cafes, and restaurants. Although social distancing was essential, people were already looking and waiting for safe possibilities to sit in bars or cafes. So, we decided to declare Vilnius one big open-air café. We reopened

the parks, squares, streets, etc. In general, it was a huge opportunity which brought hope to people and gave them fresh optimism.

We have also launched a campaign for people to buy vouchers for future consumption. It is our attempt to help local businesses. It is working very well and brings good spirit into society.

Other measures have been taken as well and they all are united by the creative approach as we now need to behave differently from normal times. And it is my main message.

We presented a plan called the “Four-Three Plan”, “Four” because it covers four areas, “Three” because it covers three layers. The first layer is what we have already done. The second is what we are going to do very soon, and the third is what we are going to propose to the government.

The four areas include social assistance for people who have lost their source of income, liquidity issues for business, culture, and resources for future competitiveness. Our culture has been hit by the virus very hard. Positive emotions are very important for the talented people we are fighting for in the global market, such that the measures taken are aimed at protecting our culture.

We are facing the need for on-line services and it is dramatically increasing. So, the issue is how to make us ready for living in new normal times that are different from old normal times. ■

BUSINESS RESPONSE TO THE UNCERTAINTY

Stock exchanges are true indicators of economic situations. They all respond to crises in a similar way. We all are witnessing the unseen before domino effect when national governments simultaneously went on a lock down the whole world over. We were shocked. We have never seen before anything like this, and hopefully never will. But I would not be so sure about it.

What kind of companies or businesses could be ready for that kind of a shock? The answer is: the most adaptable to changes! The nature of such adaptation ranges from economic and environmental issues to technologies of all kinds.

A shift from the solely shareholders' focus to something different, something uniting corporate purpose and all stakeholders looking for a common goal is already here. Nowadays companies are expected to have a higher purpose, integrate all stakeholders' interests, care about the environment, look after those they are doing business with, and be conscious in leadership, culture, and management.

Within the next five years, companies' impact on society, government, and the environment will be growing and scrutinized. In other words, sustainable investment will be at the heart of future businesses.



Kaarel Ots

Chairman of the Management Board,
Nasdaq, Estonia

The demand is clear: global markets will have to adjust to the millennial investors. Every survey has shown that nearly 90 percent of them want investments to be ESG (Environment, Social, and Corporate Governance) tailored.

To meet this demand, Nasdaq launched the ESG Footprint to improve the impact of the investment decisions, and Sustainable Bond Network for issuers of green bonds for environmentally friendly investments etc. Last but not least, the largest ESG funds are actually beating the market. It is a good proof of the existing need.

People tend to prefer black and white approaches to almost everything. How does this relate to exiting the crisis?

Within the next five years the companies' impact on society, government, and the environment will be growing and scrutinized.

Under the "Black" approach, we should grow at all costs like we used to, have a 6-day working week paired with over-consumption and overspending. We should also put climate debate on hold until some distant recovery.

Under the "White" approach, we need to get back to "normal", downsize and consolidate as much as possible, create reserves, stay home, and do not buy anything unless the purchase is critical. Productivity should be proclaimed evil. That all reminds me of the financial markets style over-reactions ranging from the overly optimistic to the overly pessimistic.

We need a mixture of different skills and characteristics to keep evolving. I would especially stress the need in arousing curiosity, cherishing ambition, and striving for progress, and innovation. All those are in the DNA of the entrepreneurial human being. It was that DNA that brought us here and it is here to stay. Self-interest is the core of capitalism and we need it more than ever, as well as productivity. But we also need empathy for everybody, and we need common sense, especially during times of high uncertainty. ■

MANAGEMENT RESPOND TO THE UNCERTAINTY

The management role is to lead the company to consistently deliver reasonable top-line growth, bottom-line profit while keeping the company's stakeholders committed and engaged. Management always has to achieve this objective within circumstances that are typified by uncertainty.

Uncertainty is a situation where most (maybe all) possible scenarios are known, however, they all carry some probability, and management is expected to make the best choices. This is the reality at all times; crisis times and "regular" times.

Making the best choices is always a challenge, and commonly in spite of science, systems and data choices are made by intuition and personal bias. Managers are mostly governed by the rule of avoidance – avoiding risk and minimizing cost. Managers should move from minimizing mentality to opportunity advancement. They need to think about how they can expedite the value they generate for all stakeholders. And when a crisis happens. Not necessarily as severe as the COVID-19 one some companies do not survive. COVID-19 crisis is only different because many companies do not survive.

To break out of this vicious reality, business leaders must adopt a different approach, a bolder approach – embrace change, design and



Mickey Granot

Vice-president for strategic planning,
Elmo Motion Control, Israel

lead the execution of strategies aimed at achieving breakthrough performance, creating and sustaining business performance buffers that will allow the continued growth and provide the needed protection against future crisis events. ■



MULTIDISCIPLINARY
APPROACH IN BUSINESS
AND EDUCATION
TO ASSURE HIGH
COMPETITIVENESS

14-16, October, 2020
Tallinn, Estonia

18th
Annual BMDA
Conference



 **BMDA**
BALTO MANAGEMENT DEVELOPMENT ASSOCIATION



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