

# Making Management The Noblest Profession



Santiago Iniguez de Onzono,  
Dean of IE Business School

Last year, Marcela Torres, an IE Business School MBA graduate from Colombia, founded *Prospéritas*, a microcredit company based in her native country. Her previous career before joining our school was diverse: she started at Microsoft, later worked for the hospitality industry, then became a consultant specialised in finance and finally worked for the government on reintegrating ex-combatants into society. During her MBA, she confirmed her decision of creating a microcredit company, an area she had explored before coming to Madrid. She joined forces with other MBA fellow participants, equally passionate about her initiative, developed a detailed business plan and won the 2008 Best Entrepreneurial Project of the Year Award offered by IE Business School. Now, *Prospéritas*, incorporated as a microfinance institution under the Colombian Law, provides small-amount loans to low-income entrepreneurs, solely for productive uses. Although the company still has only some dozens of customers, it aims at attracting millions. Marcela's vision is not just offering loans to small entrepreneurs, but also a wide array of advisory services and products that keep their ventures sustainable. She emphasizes that *Prospéritas'* industry is not as high-risk as many believe since her clients pay better than regular borrowers. In fact, she says: "the market is still way bigger than we would like it to be and there is plenty of room for a lot of us to jump in. The more competition we have, the more clients get served and with better conditions".

The emerging microcredit business is not the only new frontier that today MBA graduates are exploring, looking for innovative ways of creating social wealth and breaking the mould. A significant number of IE's new generation of alumni are exploring business opportunities in

fields like biotechnology, renewable energies or the "green" industry. Philip Pausder, a German graduate, based in Sweden, of IE Business School's 2008 MBA Class, wrote to me from the Cayman Islands, where his company was helping a local mobile operator to increase the energy efficiency in its network. TripleP, his consulting company founded after graduation and focused on sustainable advice for corporations, will merge soon with another Berlin-based company, resulting in a company named Cleanventure. The new company, in the words of Philipp, "will enable client's companies to run as equally sustainable and profitable business. It will unlock value and transform its client's business by providing advice on how to reduce the carbon footprint and energy expenses". Philipp puts sustainability at the core of management values and rejects its confinement to CSR departments but at the same time realises that the best way to sell sustainability is to show its cost-saving returns. He also believes in the high potential of this business. A first assignment for Cleanventure will be helping mobile big phone operators to reach distant rural areas and consumers with low incomes at competitive costs.

Philipp's new company is just another example of how true entrepreneurs come with new needed ideas and concepts that will renovate industries. Traditionally, MBAs were looking preferentially for jobs in financial services and blue chip consultancies. However, today we live in a different environment where business schools are challenged to prepare not just good financial engineers or accomplished management technicians but primarily entrepreneurs who are at the same time good global citizens.

Interestingly, despite the economic crisis, MBA programmes have experienced an increase in applications this year. This shows that the credit

crunch has not and probably will not curtail demand for MBAs in the future. Business will remain the hottest ticket of higher education with the widest career opportunities. What is also true, as Lucy Kellaway remarked in *The Economist's* "The World in 2010", is that "in future those who stump up (for the cost of a business education) will do so because they want to learn the skills, not because they think they are buying entry into a cool end exclusive club". The MBA should mainly be a transformational experience, a hub where participants become entrepreneurs and innovative managers.

Indeed, Management can be one of the noblest professions in the world. It can create growth, wealth and development in society, and it provides jobs, fosters innovation and improves living conditions in the community. Good management is one of the best antidotes to most of the world's illnesses since it promotes convergence and understanding among civilisations. In times of crisis, like the one we are experiencing at a global scale, what is needed is more entrepreneurs and better management. Current circumstances provide the arena where true leadership is tested and where managers can identify new opportunities or reinvent their existing businesses: it is time for the survival of the fittest, in Darwinian terms, i.e. those that better adapt to this new environment.

Finally, I consider important to dismiss a sense of elitism or arrogance among our management students that, being real or not, some analysts of business schools have perceived in the past. Management, if performed with personal modesty and a sense of service to the community, can be one of the noblest professions. We need true leaders, good managers; and good management is synonymous to ethical management, nothing more but nothing less.