



Adventure into the real world

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Sue Chan, a student at the Massachusetts Institute of Technology's Sloan School of Management, spent the winter break in Mendoza, Argentina – in the plains beneath the Andes mountains, immersed in South American wine country.

But although Ms Chan became well acquainted with Malbec, the region's signature varietal, this was not a holiday. She was in Argentina as part of her Global Entrepreneurship Lab, an international internship for second-year business school students.

For three weeks, she worked long hours – sometimes until 3am – conducting market research for Dominio del Plata, a high-end wine producer looking to break into China and Japan.

“You go there and you know you're going to have fun, but it's also a lot of hard work,” says Ms Chan, who is originally from Taipei, Taiwan. “It's a mini-consulting project squeezed into three weeks and there's got to be a deliverable at the end.”

The course – known as G-Lab – was launched in 1999 in an effort to give students hands-on experience working with the management of international start-ups. The projects, which this year took place in 17 countries including Germany, Ghana, New Zealand and Russia, cover a wide range of topics. Students in São Carlos, Brazil, for instance, worked with S&V, a producer of smart cards seeking to enter international markets, while students in Hanoi, Vietnam worked with Vietsoftware to develop an outsourcing services model.

Richard Locke, the Sloan professor who started G-Labs, says he wanted to give students a more authentic entrepreneurial experience than they would get from standard case studies.

“There is a real glow around entrepreneurship – that you have all sorts of autonomy and that you get rich quickly – but it's important for students to see that these people are working in a very small space, working long hours and within an extremely tight budget. The way they make it work is through creativity,” he says. “It's not like in the movies, this is the real thing.”

Student participation in G-Labs has quadrupled since its introduction and today 160 students – or 54 per cent of the Sloan graduating class – enrol in the elective.

Richard Schmalensee, the dean of Sloan, says: “For many students this is a great eye-opening and transformative experience – particularly since most of these projects are in the developing world. Teams are working on important projects– so of course they work like dogs.”

Competition to get on the best projects is fierce. In September – the beginning of the term – the school posts potential internships on its internal website. Students scramble to form their own teams,

trying to build a strong mix of skills. Ideally, a team needs at least one student with a grasp of the technology being used by the company and another who understands the country's culture and infrastructure. After an intense bidding and matching process, team assignments are announced in early October.

"My team was lucky," says Ms Chan, a former television producer. "We got our first choice, which was considered one of the prize projects."

From October to December teams devote the equivalent of about one working day a week on their G-Lab projects, beginning their research on campus. They also communicate with their companies by telephone and e-mail to determine a feasible project timeline.

Prof Locke says: "We start preparing them with class sessions on global markets, raising venture capital and the problems of organisational development. Plus, all the background research – on the country, on the market, on the firm – is done during this time. It's a lot easier to do that here, at MIT, than it is, say, in Rwanda."

The heart of the internship occurs in January, when regular classes are not in session and the teams travel to their host countries and work full-time at their host company's offices.

The time spent overseas is the most enjoyable – and challenging – portion of the G-Lab, says Jyoti Singhvi, a student who spent last month in Portugal developing a US market strategy for YDreams, a Lisbon-based computing technology company. "G-Labs allow you to experience entrepreneurship in a new culture and be part of how business gets done in different countries," Ms Singhvi says.

It was also personally gratifying, says Ms Singhvi, a former consultant who hopes to one day start her own luxury goods company. "Since you're with the same four people for about 20 hours a day, it was a real growing experience that helps you develop your interpersonal skills."

Students often come back from their overseas assignments with increased confidence, Prof Locke says. "There can be an element of cynicism among business school students, but when they come back from G-Labs that cynicism is gone because they see they did something that mattered."

At the end of the internship, teams formally present their conclusions to their host company's senior management, and deliver written reports and back-up data detailing their analysis.

"In the end, we came up with a step-by-step strategy for YDreams with potential partners, timelines, money they could spend, money they could make. I feel great about it and I hope that it will be useful," Ms Singhvi says.

Antonio Camara, the chief executive of YDreams, says he was "pleased" with the team's commitment. "There was a clear investment [on the part of the students] before and during the visit," he says.

Danielle Crouse, who also hosted students at OTF group, the Rwandan mining company, was also impressed with her team's performance. "Once the students were here and were able to meet industry players, participate in meetings and share ideas among themselves, I felt they quickly became quite excited by the process," she says. "I gather that they spent many evening hours debating ideas, recommendations and potential approaches to addressing issues that they were seeing."

Ms Crouse says that her company will implement the ideas put forth by the team.

"They contributed many helpful and thought-provoking ideas," she says. "We will definitely

incorporate their thoughts and research into our work.”

MIT and Spain’s IE launch joint venture

Spain’s Instituto de Empresa and Massachusetts Institute of Technology are joining forces to launch a 19-month programme that combines one of Europe’s leading MBAs with a masters of engineering in logistics and supply chain management, *writes Mark Mulligan*.

The initiative, to be announced this week, is MIT’s first partnership in Spain since it set up its logistics programme with the Universidad de Zaragoza’s economics school 18 months ago.

MIT was a pioneer in combining business and technical skills in degree courses. In the late 1980s it introduced the Leaders for Manufacturing programme in response to the ascendancy of Japanese industry. Topics included improving product design, development and manufacturing processes.

Today’s challenges are more complex, says Yossi Sheffi, director of the MIT Centre for Transportation and Logistics. He says there is growing demand for executives who can administrate efficiently while managing international logistics.

“Globalisation has created the need for a new kind of business leader who has a sophisticated understanding of complex management issues and the ability to design and operate global networks that are constantly in flux,” he says.

Applicants must pass the admissions process at both schools and can study the engineering component in Cambridge, Massachusetts or MIT’s Zaragoza Logistics Centre. They will be expected to spend 10 months at the Instituto de Empresa’s Madrid campus and nine at one of the MIT facilities.

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