

# Comparative Study of Chairs in Management Schools

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## **Introduction**

Chairs were created at ESSEC to offer an in-depth study of a business sector or of a corporate function. As academic and research programs set up by professors and professionals and sponsored by firms, the ESSEC chairs are integrated in the academic curriculum. Each includes a class of handpicked specialisation students. They must follow courses selected from the general catalogue as well as specialized seminars.

## **The General Principle of the Chairs Today**

A chair is cofounded by a dozen firms and ESSEC that gather together to promote education and research in a field they wish to support and in which they have a vested interest. In order to do this they provide financial aid to the project, privileged contacts and the welcome of handpicked students who are motivated in the field concerned.

The founders wish to witness the development of a situation in which they have faith and whose accomplishment they believe they can speed up by placing specific resources at the disposal of a high-flying intellectual and professional community that will enable its evolution.

The selected students enjoy specific courses in which the founders take part. Besides, they follow a standard academic ESSEC curriculum and are compelled to attend certain management classes useful in the field of the chair.

The chair holder manages the program and oversees the interface between the chair founders and students. A genuine partnership is established between the founding firms and the school.

On its creation, the chair enjoys the advice of a scientific committee. This committee is composed of experts and is an intermediary to access the potential founders.

Here are the first chairs created at ESSEC between 1986 and 2001:

- Consumer Goods Chair,
- Sales and Marketing Strategy Chair,
- Urban Economics Chair,
- Communication and Management Chair,
- ESSEC Health Economics Chair,
- LVMH Chair,

- Chair for Real Estate,
- Private Equity Chair,
- International Sports Marketing Chair,

and other institutional chairs created more recently (2001-2012) which are sometimes only research chairs.

The concept of a chair with management students is novel. It uses all the infrastructures and opportunities of the ESSEC business school and its students are ESSEC students who have attended the standard curriculum of a major management school. Compared to other existing programs, its positioning is therefore original. It insures the technical competence of the chair students in fields such as finance, marketing or personnel management.

Its partners have various motivations. Generally speaking, they may enjoy:

- a better visibility among selected and motivated students (with the aim of hiring future employees and customers, etc.) ;
- the possibility to have students analyse the occasional needs of the founder thanks to targeted projects in the framework of a class or internships;
- the participation in quarterly events (forums, encounters...) created with the founders and generating for them and ESSEC media coverage ;
- the active participation with the founders in existing events ;
- a contribution to the chair seminars dispensed over one or two years under the form of a participation in the classes or practical work (visit of headquarters, of factories, launches, business events, press conferences...);
- the possibility for the founders to send their executives to enjoy on occasion training during the chair seminars dispensed at ESSEC.

Our partners share the wish to see an activity highlighted and evolve; they also want to hand down an expertise and an experience to a new and promising generation.

### **Organisation of the Chair Curriculums**

The partners and ESSEC meet each year in order to redefine the curriculums. All deem that a minimum theoretical apprenticeship should be compulsory and that the program should be adequately structured. A balance is established naturally between strategy and practice. A framework of the topics at the heart of the upcoming issue is laid out and the founders are involved in presentations on topics where they may put their professionalism to use. Some endeavour not to promote too strongly the creative aspects; others, in order not to fall prey to the appeal of current topics, prefer retrospective analyses; and others yet wish to demystify the aspects of consultancy.

### **Research Topics**

Each year, firms entrust research projects to groups of two students to take on while being tutored by them and their professor. A dozen or so projects are thus led simultaneously. The students are briefed by the founders while the follow-up is seen to by the chair holder. The latter helps students in terms of methodology, bibliography or professional contacts. More

occasional case studies come on top of the yearly research project.

These projects meet specific criteria: the project is entrusted by a chair founding firm to two member students. The official chair coordinator for this firm supplies the names of the people who will be briefing the students. The idea is to ponder over a genuine issue. The project is on no account descriptive. The work will therefore end by conclusions and recommendations. The contributed added value lies therefore not only in the analysis of the issue raised but also in the quality of the propositions. The control and assessment of the project fall under the responsibility both of the chair partner and of the chair holder.

The sole projects not entrusted to ESSEC by the chair founders are general-interest projects giving rise to events in which the founders are present and which contribute to the renown of the chair among professionals. The quality of the research assignments is one of the elements that determines whether a partner chooses to continue financing the chair. No below average report shall therefore be tolerated, no more than an entrusted report that remains unfinished.

The best works may be rewarded (eg: chair prize-giving in June), may be presented to the CEO or the concerned Department or may be an opportunity for a symposium or an article highlighting the program founders. Certain years, a group project may involve all chair members; it then takes on the form of a published study or report, or even a book followed by symposiums upon publication. The ensuing press relations will broaden the reach of ESSEC, its chair program and all those who have partnered it.

### **Further Activities**

The chair is the setting of other activities that may come in addition or replace some of the courses. Not only is it an academic place which is characterized by a permanent and close contact with partner firms but also a place promoting encounters and production or involvement in group projects. As a case in point, outside activities may take the form of seminars organised at the founders, open door communication days, scopies, factory or laboratory visits revolving around a specific topic, live broadcast news, etc.. The idea of initiatives led in partnership stems from the multiplication of contacts throughout the year.

Besides, the students take part in turn in certain specific chair activities: translations, relations with the ESSEC Clubs, newsletter, events file update, documentation, organisation of symposiums, etc.. according to the needs.

It is through motivating the best students to become involved in this program and by enabling them to produce quality projects that its partners will be proud to be its founding members. The scale of our success shall be confirmed when they will speak of their involvement in the chair and when the latter will become a landmark.

### **The Different Types of Chair**

If one excludes pure research that does not belong in a business school, there are academic and research chairs, and other chairs more geared towards research. A purely technical project may not constitute a chair.

Three types of chair cohabit today: chairs linked to a corporate function whose numbers are limited by necessity: for instance, sales in order to enhance it or communication when the function has recently been created. A second type of chair includes sector or trade chairs; they are transversal and may concern the luxury, insurance, car, real estate, aeronautics etc... sectors; last but not least, a third type of chair straddles several fields: for instance consumer goods between marketing and sales, sustainable development closer to strategy.

Although the border between those types of chair is sometimes ambiguous, the profiles of the chair holders differ. If the field is complex, it requires to look ahead towards the future; if the field is highly sectoral, a professional may take its lead under school guidance; the more global and academia-oriented the project, the closer the chair holder will have to be to the teaching profession.

Indeed chairs combine theoretical work and a relationship with the business world. They must serve the institution, the chairholders (who shall do less consultancy), the students, the founding firms and the progress of science. Their financing serves this purpose, and not that of selling a service to firms. Besides, if a chair were to depend on the management of a company, its professional and academic purpose would be lost.

### **The Consumer Goods Chair**

In 1985, the sole university chairs were those founded by the state, as for instance in medicine. The Consumer Goods chair was therefore the first chair created in France at the heart of a business school. An alumni meeting in selected areas triggered the idea of a relationship with retailers and of an industry/business interface. As a result, the « contribution » was shared out between numerous players, namely 20 people: 9 manufacturers, 9 retailers and 2 who are supplying service to them: an advertising agency and a market research company.

### **Financing**

Some 25 years ago in the USA, a chair enjoyed financial support amounting to a million dollars, generating 200 000 euro in yearly cashflow. In 1985, 1 million French Francs had to be collected, i.e. 8000 euro per founder, each engaged for three years, without this involvement being the subject of a signed agreement and each founder enjoying the same leverage in terms of financing.

In order not to be subjected to the pressure of more competent people, an initial choice was made not to recruit detergent manufacturers, a theoretical and short-lived choice, Procter & Gamble finally joining the chair, much to the distress of Unilever which was entrusted with a marketing strategy course... other classes based on case studies ensued with Colgate, then BSN (lately Danone), Procter & Gamble and l'Oréal.

### **Pitfalls and Warnings**

#### **- functioning :**

Two initial ideas did not meet with the expected success. The first one concerned the

chair committee. The meeting of the 20 partners was also aimed at encouraging them to talk about themselves, at creating a venue for debates; however the partners, starting with Carrefour, failed to see the point; only the committee presidency was a success.

The second idea concerned the impact of the founders on the school. A system of « check and balances » should have operated in order for partners to protect the chair from the school, the latter being in a position to hold onto the funds and use them for an alternative purpose. However the chair committee held no influence over the school.

- **succession :**

Since a chair is highly customized, the succession of its holder is often a delicate matter and very much linked to the three types of chair aforementioned. The successions are smoother when the new holder is linked to the permanent faculty and does not only come under managerial responsibility. Besides, a function-related chair requires adequate knowledge of the careers available in this field and of their evolution (recruitment often occurs in those chairs). Sector or trade chairs for their part require an excellent knowledge of those sectors and trades, leading to specific type, technical and informative teaching.

- **evolutions :**

The current chairs have fewer partners whose contributions are higher and involvement longer, requiring more services rendered. One can easily spot their advantages but also pitfalls. One should never forget that the role of a chair is to sustain progress in a field and that the students do not undertake studies under the direction of a professor responsible for their scientific value.