



Thunderbird 2020

Global Leadership for Global Impact Draft 1.0

1. A New Vision for Thunderbird

“We will dramatically grow the positive impact we have in a world economy that is in dire need of the global leadership talent we were founded to provide”

Over the last year we have engaged in an inclusive journey of exploration to craft a new vision for Thunderbird for the next decade. We asked our faculty and staff, students and alumni, advisers, recruiters, donors and friends how they see the world evolving over the next decade, what challenges and opportunities will the world face, how must business respond, and how can Thunderbird best deliver on its mission to educate global leaders who can make a positive, lasting difference in the world economy. This document summarizes what we heard.

First of all we heard, loud and clear, that **Thunderbird needs to stay true to its ideals**. Thunderbird was founded in 1946 on the idea that global business can help drive human and economic development, increase mutual understanding and maintain peace. Sixty-four years, forty thousand graduates, and tens of thousands of executive education participants later, that simple but profound original idea remains as valid as ever. Thunderbird didn't just stumble upon “global” as a convenient specialization or fashionable tag-line: it was founded to deliver on it.

Thunderbird's experience, now widely recognized as second-to-none in the international business field, has provided us with unique insights as to how to deliver on it best.

Throughout the years, Thunderbird's approach has evolved into a framework that describes global leadership around three complementary skill sets: an understanding of institutional and cultural differences (*global mindset*), an ability to build effective global organizations (*global entrepreneurship*) and a commitment to social responsibility and professionalism (*global citizenship*).

The overall sentiment among our constituencies is that the “Thunderbird way” is, if anything, more relevant today than it ever was. And it is the one thing that makes Thunderbird stand out. Whatever we do to change and innovate, one thing appears clear: Thunderbird must remain committed to educating globally minded, skilled and responsible leaders who can help construct a sustainable and inclusive global economy.

At the same time, we have reached the conclusion that preserving the status-quo will not be a viable option for Thunderbird over the next decade. To be fair, it never was. It was not in 1946, when the School was founded outside the mainstream of university-based business schools around a breakthrough multi-disciplinary curriculum. Or when it launched its pioneering executive education programs in the 70's, began delivering education via-satellite in Latin America and established a training center in Moscow



in the 90's, or designed a blended learning Global MBA and launched entrepreneurial training programs for thousands of business women in emerging markets in the 2000's.

Today, traditional higher education is under siege by a wave of innovation enabled by the Internet and driven by old and new actors in the education space. From MIT's Open Courseware initiative, which made its the entire course catalog available online for free, to the University of Phoenix, which has used the Internet and the power of capital markets to build the largest university in the US, to iTunes and YouTube, which channel free lectures from the best minds in the world to anyone with a decent cellphone, to Western Governors University, an outcomes-based school without traditional classrooms or faculty, we are witnessing a revolution in a model of higher education that had remained untouched for over a thousand years. One can only ignore these sweeping changes at their own peril.

Because of our entrepreneurial character, our institutional autonomy and our strong sense of mission and purpose—attributes that have served us well so far—we are in a unique position to take bold action and re-affirm our leadership position going forward. Thunderbird has always had a bit of the rebel in its blood. The thrill of thinking outside the box, of exchanging ideas with the most diverse community, of feeling a true sense of global citizenship as much as professional excellence, is what attracts faculty and students alike. Thunderbird's founding on the grounds of an old airfield in Arizona, the heart of the American West and a land of opportunity and open thinking, contributed to its allure as an innovative institution, not interested in walking the beaten path.

As we enter a new era in higher education, we are committed to using our enterprising spirit to aggressively explore new forms of delivering education and advancing global management, leverage new technologies to reach a much bigger scale, and apply innovative business models to secure the necessary resources. **Innovation will allow us to dramatically increase our impact**, to seek scale and touch many more lives, both because of a mission-born determination to making a difference in the world as well as an undeniable need to secure new financial resources.

How exactly we grow must be guided by an analysis of where Thunderbird can have the greatest impact. A trend that hasn't gone unnoticed to our various constituencies is the dramatic shift the world economy is experiencing from West to East and from North to South. China is no longer the manufacturing backyard of the world, but a driver of demand and the front-line of competition and even innovation. China and India together account for 37% of the world's population and about 9% of world GDP. Thirty years ago they barely accounted for half that. Since 2008, consumers in emerging economies have outspent American consumers. And last year, for the first time, takeovers by emerging market companies in the developed world were higher than the reverse.

This unprecedented success story has helped pull hundreds of millions of people out of poverty. But it is also creating new challenges of global proportions, including strains in basic commodity markets, a rapid depletion of fresh water and other resources, and a dangerous heating of the planet. On a per capita basis, people in America deliver 13 times more economic output than in China and 45 times more than in India, and they



consume 10 and 28 times more oil respectively. In building a sustainable and inclusive world economy, developed and developing nations will need to find new paths to economic growth.

The challenges and opportunities created by this historic economic shift creates an unprecedented demand of globally minded, entrepreneurial and responsible leaders that can operate effectively in emerging economies. Thunderbird is in a unique position to become the go-to place for that type of expertise. And doing so will require that we **actively engage in developing countries**, by developing cutting-edge research, offering degree and corporate programs, and pursuing initiatives that can both add value to the process of economic growth in emerging markets and strengthen Thunderbird's competitive position.

Lastly, our community, specially our alumni, has made it clear that for Thunderbird to fully fulfill its mission, our job shouldn't end the day our students graduate. On the contrary, successful global managers require ongoing access to a **professional community of learning and practice** where they can find new insights, new inspiration and new interactions with colleagues from around the world. The request from our constituencies is that we build a network which links our rich community of alumni, corporate partners, recruiters and supporters into one seamless global professional community. Delivering on this promise will require that we construct new platforms for physical and virtual interaction, and that we re-frame the very way in which understand our role within the community.

By building on our strong legacy and weaving together the bold aspirations of our global community, Thunderbird is committed to strengthening its market leadership over the next decade. We intend to remain steadfast in our core values, innovate to achieve scale and impact, engage in the process of economic growth in the developing world, and build a professional community of learning and practice. By doing these four things, we hope to expand the impact that we have in a world economy that is in dire need of the type of global leadership we were founded to provide. The next decade will need global leaders who can make a global impact. And Thunderbird is committed to doing just that.



Our Vision for 2020:

We will dramatically grow the positive impact we have in a world economy that is in dire need of the global leadership talent we were founded to provide

Our Mission:

We educate global leaders who create sustainable prosperity worldwide

Our Key Strategic Priorities:

1. Strengthen unique approach to global leadership
2. Innovate for scale and impact
3. Engage in the economic development of emerging markets
4. Establish global community of learning and practice

Our Beliefs:

- Global leadership is necessary in order to build an inclusive and sustainable global economy
- Global leadership involves a combination of global mindset, global entrepreneurship, global connections, and global citizenship
- Global leadership can be best developed in a multi-disciplinary, collaborative, multicultural, practice-oriented learning environment
- Global leadership education must be grounded on rigorous, practice-relevant scholarship
- Effective global leadership practice requires ongoing learning, inspiration and professional engagement with other leaders

Imagine Thunderbird in 2020

Imagine a news report in January 2021, looking back at what Thunderbird has accomplished over a remarkable decade (a report that we will most likely be reading on an electronic gadget we cannot fathom today, made by a company that may not have been created yet).

“As an incubator for innovative research and best practices, Thunderbird has discovered unique ways to extend its model of global leadership around the world and has become widely known as the go-to place for a special breed of global leadership talent.

In addition to its legendary, best-in-class, campus-based MBA program, Thunderbird now offers a revolutionary 3,000 strong Global MBA and a 9,000 strong Bachelor in Global Management through an innovative, technology-mediated, platform spanning the world. A flexible Master of Global Management program has set a new standard for those seeking a personalized curriculum. And a new doctoral program has helped dozens of experienced managers establish themselves as



respected global thought leaders, writers and lecturers.

Thousands of practicing managers take residential and online courses every year from Thunderbird Worldwide Inc., a commercial subsidiary operating through offices in Beijing, Mumbai, Moscow, Sao Paulo, Mexico City, Geneva, New York City, Seoul and Ha Noi. These offices are instrumental also in supporting the G-MBA and BGM programs.

The Thunderbird Research Institute, powered by more than 100 world-class scholars and the financial support of several leading foundations, is known around the world for its path-breaking scholarship weaving together the various strands of global leadership: an understanding of the challenges and opportunities in the world economy, insights into the most effective global management practices, and frameworks and tools to facilitate cross-cultural collaboration. This work is not only shaping the global agenda but is also providing the content used to educate thousands of new and experienced managers around the world.

Every year, thousands of experienced leaders of private and public enterprises, international development professionals, entrepreneurs, investors and diplomats, gather in Glendale for what has become one of the most influential global leadership forums in the world. The insights under discussion will be followed on-line, year-round by tens of thousands more.”

The Competitive Assets We Can Build On:

- Thunderbird’s value proposition to management professionals is growing with the advance of globalization and the increased challenges deriving from it
- Thunderbird’s hard won credibility and reputation builds on 65 years of consistent dedication to the education of globally minded, entrepreneurial and responsible global leaders
- Thunderbird’s diversified program portfolio has reduced risk, positioned the School in multiple markets, and contributed to a financially sound operation
Thunderbird has secured valuable, hard to imitate and copy, intangible assets in the form of:
 1. a diverse student body made of globally-minded, entrepreneurial, individuals committed to making a positive difference
 2. a faculty and an academic culture tightly aligned with the School’s global mission and values
 3. a curriculum that blends management skills, global affairs, regional studies and language and offers a multitude of hands-on learning opportunities around the world
 4. a high-profile research agenda in areas such as global mindset, strategy, entrepreneurship, and sustainability
 5. a highly regarded executive education practice
 6. and a unique global community of mission-driven alumni



The Challenges We Must Recognize and Address:

- In spite of the operational and financial improvements under the 2010 plan, the intensity of competition and magnitude of the challenges ahead require a qualitative leap in size and resources.
- Thunderbird's traditional competitive positioning as the leader in global management education is under threat by old and new players alike. Some of the most well-known business schools in the world are decidedly going global and are supported by endowments in the hundreds of millions of dollars. Meanwhile, a wave of innovation in distance learning, backed by billions of dollars from capital markets, is sweeping through higher education and rapidly globalizing.
- Thunderbird today is too small to withstand these competitive pressures. Our asset base is too narrow to allow us to compete with our peers on their terms. And our current operations cannot produce the kinds of surpluses that would build our base fast enough.
- In order to remain competitive Thunderbird needs to change the rules of the game. It needs to find new and better ways to deliver on its mission and increase its impact, while dramatically changing its underlying economics.



2. The Thunderbird Mission: As Relevant as Ever

The world that was envisioned by the School's founders, one in which nations around the world would engage productively with one another through trade and business partnerships is today a reality. Furthermore, the idea that international business can help build bridges of understanding and reduce the likelihood of war has also manifested itself in profound ways. As a remarkable example, in barely two decades, China has been able to break out of its isolation and literally pull hundreds of millions of its citizens out of poverty by opening up to foreign investment and engaging in trade with the rest of the world. At the same time however, most of the "bottom billion", the people who are suffering the most extreme forms of poverty and subsumed in war and civil unrest, live in countries that have not been able to successfully engage in the global economy.

The globalization of trade, direct investment and capital markets, the invention of the Internet and the "wiring" of the world via satellites and submarine cables has afforded a level of global interconnectedness and a period of economic growth never seen before. Globalization has affected all industries. Our cars, our computers and airplanes don't have a specific citizenship: they are designed, manufactured, assembled and distributed by companies spanning the world. Our accountants rely on support from overseas staff, and even medical services are tapping the talent available across the world. Most major business opportunities are global, and the markets of highest potential are no longer in developed nations that are comfortably similar culturally, but in vast and highly growing emerging markets in Eastern and Southern Asia and Latin America.

It is evident that business success in the 21st century requires leaders who can work across nations and cultural barriers.

But the very same process that has created so much opportunity has also laid in front of us new global challenges of a level of complexity never seen before. The economic growth that is bringing about hope and welfare to hundreds of millions of people is also putting a strain on the Earth's limited resources, from food crops to ocean fisheries, to minerals, fossil fuels and, most notably, fresh water. The combustion of fossil fuels to power factories, ships, trains, airplanes, cars and a multitude of new appliances is contributing to a dangerous heating of the planet, unpredictable shifts in climate patterns, and the emergence a host of new threats: from natural disasters, to draughts, to dramatic disturbances of ecosystems. Our interconnectedness is turning localized infectious outbreaks into global pandemics at the speed of commercial aviation. And electronic markets helped turn a domestic financial failure in 2008 into a global meltdown at an even faster pace.

Not only do global opportunities need well trained leaders who are globally minded, entrepreneurial and ethical. So do global challenges. The problems we confront today are too complex to be resolved by governments and international treaties alone. It is far more likely that the solutions to sustainable transportation and infectious diseases will come from a start up in California, Hyderabad or Singapore than from an intergovernmental summit in Geneva. Only by unleashing the ingenuity of thousands of global entrepreneurs (business, social or policy entrepreneurs) will we be able to find viable solutions.



In 2006, a social entrepreneur from Bangladesh, Muhammad Yunus, received the Nobel Peace Prize for his work in combating poverty not through aid, but through micro-finance. His genius was to prove that poor individuals—especially women—could lift themselves out of poverty if given access to small loans, and that microfinance organizations could be run in a financially sustainable way because poor borrowers will not necessarily default any more than rich ones usually do.

The very same year, University of Michigan Professor C. K. Prahalad (unfortunately deceased this year) published a revolutionary book, “Fortune at the Bottom of the Pyramid”, arguing that businesses could do more to combat poverty by treating poor people as clients, rather than charity targets. The idea that businesses can, in fact must, be part of any sustainable development agenda, is supported by thought leaders and organizations around the world, including the United Nations itself, which has formally incorporated the idea in the Millennium Development Goals.

The world of 1946 needed pioneers who would build a global marketplace. The world of 2010 needs global leaders who can navigate the global marketplace, seize opportunities and bring about solutions to extremely complex global challenges. And the world beyond 2010 will need global leaders who can foster this inclusive and sustainable global economy. Thunderbird was the answer in 1946, is the answer in 2010, and must find a way to be the answer beyond 2010.

Thunderbird took a bold step in 2005 by declaring its commitment to *educating global leaders who create sustainable prosperity worldwide*. This mission statement succinctly articulated Thunderbird’s historic view that global business can contribute to world peace and prosperity when led by globally minded, entrepreneurial, capable and socially responsible leaders. And it declared its intention to educate global leaders ready to deal with the complexities of the world we live in.

Over the last four years Thunderbird has not only been fully consistent with this mission in all strategic choices it has made, but it has led the business education industry in several important ways:

- In 2004 Thunderbird welcomed a group of high potential women entrepreneurs from Afghanistan for a two week intensive seminar and mentorship program—Project Artemis. This program, which is now on its fourth edition, not only helped those women grow their businesses and create opportunities in their war-torn country, but it attracted the attention and support of individual donors, the US AID agency and even the White House. In 2007, Thunderbird became the first member of a global partnership led by Goldman Sachs to train 10,000 women entrepreneurs in the developing world. The partnership now includes schools like Harvard, Columbia, and Wharton and serves women around the world. Thunderbird—which now runs programs in Afghanistan, Jordan and Peru—has become a benchmark in women entrepreneurship development through its Walker Center and Thunderbird for Good.
- In 2005, a group of Thunderbird professors set out to investigate the make up of a global mind. This effort resulted in the creation of a new assessment tool, the Thunderbird Global Mindset Inventory, which has been administered to several



thousand managers around the world and has been hailed by practitioners and thought leaders around the world as a best-in-kind tool. The theory and practice of Global Mindset has been reported in the top journals and discussed in the top conferences in the world, and it is becoming a standard in the assessment of global leadership capabilities.

- In 2005, Thunderbird became the first business school in the world to adopt a professional oath of honor, a modern-day “Hippocratic oath” for business leaders that is now embedded in the curriculum from admissions to commencement. Thunderbird’s Oath expresses a commitment to acting with integrity, defending human rights, opposing corruption and creating sustainable prosperity worldwide. The oath has inspired similar initiatives around the world (most notably at Harvard) and has gained the outspoken support of influential thought leaders and institutions, from Harvard to the World Economic Forum and the Aspen Institute.
- In 2007, Thunderbird helped the United Nations create the Principles of Responsible Management Education, which we were asked to announce at a global summit in Geneva of 1,000 of the world’s most influential business leaders. The Principles were authored by an international taskforce chaired by Thunderbird’s president and supported by Thunderbird’s Lincoln Center. Today, 250 schools from around the world as well as the most influential organizations in business education—AACSB, EFMD, GMAC, the Aspen Institute and NetImpact—have endorsed the Principles.

In more than one way, Thunderbird has led the industry in the field of international management. The events of the last two years have made it evident that the world needs global leaders who are capable of building bridges around the world and who are committed to creating true, sustainable value. And it has shown that the values espoused by Thunderbird are more relevant than ever before.



3. Thunderbird 2010: What Has Been Accomplished So Far

Our current strategic framework, *Thunderbird 2010*, was forged in the aftermath of an industry-wide crisis that tested the financial viability of Thunderbird. In the early part of this century, a dramatic increase in business education providers combined with a steep decline in demand for MBA degrees reduced Thunderbird's enrollments by half, resulting in significant operating losses. Thunderbird's over reliance on a single program, the Masters of International Management (now the MBA in Global Management), and the impact of world events that created barriers for foreign students attending American universities compounded these problems.

Thunderbird 2010 provided a road map for addressing the School's most immediate and set up a foundation for the future. Four years hence, the plan succeeded in stabilizing the School's finances and strengthening its reputation among the leading business schools in the world. The global economic crisis of 2008-2009, which impacted private and public institutions alike, tested Thunderbird's operational resilience. Thanks to the changes introduced under *Thunderbird 2010*, the School was able to weather the storm, and even out-perform the market by avoiding operational losses.

These successes notwithstanding, Thunderbird continues to have a relatively weak balance sheet, with a small endowment for a school of its size and reputation and significant outstanding debt. This reality must be at the forefront of whatever plans we consider for the future. Our actions must allow us to strengthen our competitive position, enable us to better deliver on our mission and strengthen the School's resources. Only that way we will be able to ensure that Thunderbird continues to deliver on its mission for generations to come.

Recent world events have highlighted the relevance of our mission and the need for our expertise. The continued march of globalization and the emergence of unprecedented global challenges calls for a kind of leadership that can navigate an increasingly inter-dependent world, can perform in an increasingly multi-cultural business environment and is ready to find innovative solutions to increasingly complex problems. The values espoused by Thunderbird since 1946 have never been more important and needed, but the competition for resources has never been so fierce. It is essential that we find new ways to ensure that Thunderbird values keep shaping the minds of new generations of globally minded, responsible, entrepreneurial leaders who can make a positive difference in the world.

The Thunderbird 2010 Plan in Review

The Thunderbird 2010 roadmap can be summarized around the following dimensions and lines of action:

1. It established an identity that resonates with constituents and differentiates Thunderbird in the market place, around a new mission, vision, core beliefs and values.
 - a. Mission: We educate global leaders who create sustainable prosperity worldwide



- b. Vision: To be the foremost learning community for global managers and global enterprises
 - c. Core beliefs (how we define global leadership): Global mindset, global entrepreneurship, global connections, global thought leadership and global citizenship
 - d. Core values (how we're committed to managing the enterprise): Community, professionalism, enterprising spirit, impact and shared joy
2. It aligned the organization along three core business areas and established specific objectives and performance measures for each of them.
- a. Academic programs. The goal was to build a diversified portfolio of graduate programs serving individuals at various career stages and life circumstances, seeking to advance their careers as global managers and grow as global leaders. All programs would be required to deliver on critical learning outcomes (derived from our mission and beliefs and in line with the needs in the marketplace), student experience, and financial results.
 - b. Corporate learning. The goal was to offer an integrated set of leadership development, advisory and training solutions to global or internationally expanding corporations seeking to develop their management talent to drive business success. Each program would be expected to deliver a world class client experience, help clients become more successful and generate sufficient financial resources and other opportunities for the School.
 - c. Knowledge network. The goal was to build the capabilities to develop new insights about global management in partnership with global organizations and to become a meeting point for global managers and thought leaders. Success would be measured by the quality and quantity of research outputs as well as by our capacity to influence the thinking of practicing managers.
3. It improved the efficiency and effectiveness of all operations by applying four principles to all programs and initiatives (the four Rs):
- a. Relevance: All offerings would need to be aligned with our unique mission, vision and beliefs.
 - b. Reach: New programs would help increase our impact around the world whether through technology, partnerships or satellite operations (nodes).
 - c. Resources: Every program and initiative would be required generate its fair share of financial resources to guarantee Thunderbird's long-term viability and competitiveness.
 - d. Research: Thunderbird would be positioned as a premier source of ideas for the advancement of global management practice, and that innovation would shape all offerings.
4. It added new resources in critical areas (human resources and technology in par-



ticular), authorized the development and sale of real estate assets, and launched a \$65M fundraising campaign.

As of June of 2010, the bulk of Thunderbird 2010 has been executed. The mission and beliefs permeate all programs and have shaped all external messaging and brand. Academic programs have been diversified and the new programs—Global MBA On Demand, MS in Global Management, and MA in Global Affairs and Management—have become the drivers of enrollment growth. A new learning management system (Thunderbird Learning Environment) has been rolled out and distance learning technology has been successfully introduced with remarkable learning outcomes and student satisfaction ratings. Placement data and student quality indicators are up and our various rankings are either on par or higher than they had been before.

Corporate Learning revenue had grown significantly prior to the world crisis of 2008-09, with average rates 50% higher. The crisis severely affected our business in Russia (which is yet to return to profitability) but the operations in the US and Europe have continued to deliver a meaningful contribution to the School. From a reputation standpoint, international media rankings have placed our programs in the top 10 worldwide.

In terms of research and thought leadership, three centers of excellence were either created or strengthened along the key values of the School. The Walker Center allowed us to recruit world-class faculty in entrepreneurship and family business and become an industry leader in the training of women entrepreneurs in developing markets. The Lincoln Center of Ethics helped position Thunderbird as a leader among our peers in responsible management education and ethics. And the Garvin Center helped launch a strategic research initiative—Global Mindset—that has created new assessment techniques used in numerous programs at Thunderbird and elsewhere. New faculty recruits contributed to strengthen our research output and several faculty members received awards from the top academic associations.

The School's debt was successfully restructured in 2005—which provided the necessary resources to fund the restructuring and financial turnaround—and in the summer of 2008 the letter of credit backing the bonds had been renewed for another three years. The growth in enrollments and corporate education business, as well as the early results from the fund-raising campaign have put an end to the operational losses and turned revenues onto a growth path.

Among the disappointments, we were not able to complete the development of the vacant real estate—which we had anticipated would add \$15M or more to the balance sheet—due to a nationwide real estate crisis that hit Arizona particularly hard. Also, we did not succeed in building a mechanism of corporate support for our research.

Overall, Thunderbird 2010 played an effective role in turning around enrollments, revenues and financial performance. It also helped make Thunderbird less vulnerable to market shifts through diversification. And it helped Thunderbird claim a visible position among the best schools in the world, not only as the leader in international management—re-affirmed by a number of historically high media ratings—but as a benchmark in critical areas such as global mindset, business ethics and global citizenship.



4. The World Leading to 2020

The higher education industry in which Thunderbird operates has continued its march towards global integration and increased competition in the last five years. The following are the major trends which are likely to affect Thunderbird in the next decade:

Increased competition from well-funded global competitors

Thunderbird's previously "blue ocean" has gone decidedly red over the past decade. Most major business schools claim to have a global focus and global curriculum. Several notable business schools around the world have taken bold steps toward developing a global presence for delivery and research. INSEAD's campus in Singapore offers degree and executive education programs and houses a significant share of its faculty. In 2007, it added a center for executive education and research in Abu Dhabi, a research center in Israel and a representative office in New York. University of Chicago Booth Business School operates campuses in London and Singapore. Duke Corporate Education established centers with top-quality partners in London and Hyderabad, and its academic sister organization, the Fuqua School extended its blended Cross Continent program through a network of offices in key markets worldwide. The Kellogg school at Northwestern University offers its Executive MBA not only in Chicago, but also in Miami, Israel, Germany, Hong Kong and Canada—its new mission statement "to develop global leaders who make contributions of lasting significance for the world" comes very close to Thunderbird's. ESSEC Business School established a campus in Singapore. Even newer players in the developing world are beginning to expand internationally as well.

The rise of for-profit education

For-profit players are coming of age. Laureate Education, a privately held holding of universities around the world is approaching 500K students worldwide, with business being the most popular major. Apollo Group's University of Phoenix has grown to more than 400K students in the US, becoming the largest university in the nation. In 2007, Apollo Group launched Apollo Global, a \$1B joint venture with the Carlyle Group, to develop a global education platform through targeted acquisitions. In 2009 Apollo Global acquired BPP, the first for-profit organization to receive degree-granting powers in the UK. In our own backyard, Grand Canyon University, a traditional college on the brink of bankruptcy in the early 2000s, went public in the fall of 2008 to reach a market capitalization of about \$700M. While these players are yet to achieve the reputation, academic values and thought leadership that characterize traditional higher education, they are ahead in terms of educational technology, marketing, student recruitment and service, learning outcomes assessment, and the capacity to scale up delivery. Meanwhile, traditional players are facing unprecedented difficulties in securing appropriate funding. During 2008-09, public universities experienced the most dramatic cuts in state appropriations in recent history and were forced to undertake equally dramatic cost reductions. Public universities are under pressure to educate more students with fewer resources and have become very active in exploring alternative on-line delivery methods, not unlike those used by for-profit players

The growth of technology

Educational technology continues to press ahead offering alternatives that were unimaginable a short while ago. MIT has made virtually its entire curriculum available on the Internet for free (syllabi, materials, reading lists, video lectures, etc.). Its OpenCourse-



Ware website averages 1.5 million visits each month, with only 41% of them coming from North America, and 48% being self-learners. Apple Computer's iTunes University offers hundreds of free video and audio lectures by faculty from the best universities in the world (including, for example, the whole freshman-level Physics I course from MIT, a class on how to write a business plan from Yale and an entrepreneurship course series from Cambridge). Whatever is not available in the iTunes library can be easily found on YouTube (such as complete lecture series in computer science, biology, or climate change from Berkeley). For learners seeking social interaction, "Peer 2 Peer University (p2pu.org)" offers a free space "to enable communities of people to support learning for each other" and is run and governed by volunteers. Those seeking a degree to demonstrate their competence (rather than their patience to sit through a specific list of courses) can enroll in Western Governors University, a fully accredited, fully online non-profit university in Utah. With so much content in the public domain, universities will increasingly differentiate themselves not so much by the specific content they teach, but by how they structure that content and how they facilitate the learning of diverse students. The focus is shifting from "teaching" to "learning" and even the traditional role of the "teacher" is evolving into curriculum design, learning facilitation and coaching roles.

The economic shift to emerging markets

Overall global economic growth is being led by emerging economies. China is no longer the manufacturing backyard of the world, but a driver of demand and the front-line of competition and even innovation. China and India together account for 37% of the world's population and about 9% of world GDP. Thirty years ago they barely accounted for half that. Since 2008, consumers in emerging economies have outspent American consumers. And last year, for the first time, takeovers by emerging market companies of developed world companies were higher than the reverse. This unprecedented success story, which has helped pull hundreds of millions of people out of poverty and into a massive middle class with significant purchasing power, has increased the demand for qualified management talent and has spurred the creation of new business schools and the geographic extension of existing ones. In the last three years, we have even seen some of the new schools become true regional champions. China's CEIBS (China Europe Business School) is now ranked by the Financial Times among the world's best schools. The Indian School of Business, established initially under the tutelage of Kellogg, Wharton and the London Business School, has also reached the top of international rankings.

The very process of economic growth is at the same time posing new challenges of global proportions, including strains in basic commodity markets, a rapid depletion of fresh water and other resources, and a dangerous heating of the planet. On a per capita basis, people in America deliver 13 times more economic output than in China and 45 times more than in India, and they consume 10 and 28 times more oil respectively. In building a sustainable and inclusive world economy, developed and developing nations will need to find new paths to economic growth. We will need to deploy new technologies and business models to provide energy, water, health and food to literally billions of people. Graduates of business schools in 2020 will be confronting challenges that we can only begin to imagine today.



5. Strategic Priorities

In looking at the major trends over the next decade, with a focus on Thunderbird's strengths but a realistic consideration of current weaknesses, we have identified four strategic priorities that should drive strategic planning and decision making in the coming years. The four priorities are complementary. Each of them is articulated around a small number of strategic goals. Ultimately priorities and goals will materialize in the form of specific initiatives that will be reflected in annual (or multi-year) plans. The objective at this point is not to determine what specific initiatives will make the most sense or how they should be sequenced or executed. Rather, potential initiatives are included for each of the four priorities for illustration purposes. These ideas were suggested throughout the multi-stakeholder consultation process as exciting possibilities or examples of how the priorities and goals can take form in compelling and impactful ways.

Priority #1: Strengthen Our Unique Approach to Global Leadership

Thunderbird will stand out for its unique approach to global leadership, reflected in its values, its multidisciplinary, innovative curriculum, its collaborative, multi-cultural, hands-on, technologically sophisticated learning environment, and its thought leadership which weaves together global business, global affairs and global leadership.

Thunderbird is differentiated in the global management marketplace by virtue of its unique approach to global leadership. Since its inception, Thunderbird has stood out for its commitment to educating globally minded, responsible, entrepreneurial leaders who can make a positive difference through international business. Unlike mainstream business schools, Thunderbird melds together business with international political economy, global affairs, languages and cross-cultural communication with the objective of helping individuals develop as global leaders. Thunderbird's competitive advantage lies precisely in its unique approach to global leadership. It is in the intersection of business, global affairs and cross-cultural leadership that Thunderbird holds its own against competitors, some of which have significant resources.

Our analysis of current trends in the world economy indicates that the values Thunderbird stands for, its approach to global management, and its educational philosophy will only gain in relevance over the next decade. Therefore, the first strategic priority for the new decade must be to not only preserve, but further strengthen Thunderbird's unique value proposition and brand positioning. The objective must be not just to be "truly global" but "uniquely" so, to stand out for the very unique type of global leadership we deliver.

Thunderbird's uniqueness must be reflected in what we do, how we do it, and how we portray ourselves externally.

Thunderbird's approach to global leadership has evolved to include a combination of global mindset, entrepreneurship and citizenship. Developing a **global mindset** requires an understanding of multiple political, cultural and institutional settings, familiarity with the dynamics of global decision making in trade and economic matters, and the skills to communicate, collaborate and negotiate with individuals from various cultural backgrounds. It also requires the ability to form trusting, productive global connections.



As a result, exposure to individuals and organizations of different cultures, whether through study abroad opportunities or technology-mediated collaborative work will have to play an even bigger part of our programs.

Global entrepreneurship requires robust competence in all core areas of global business (from strategy, to branding, finance, accounting and people management) as well as an attitude of risk taking and tolerance of ambiguity and uncertainty. Thunderbird alumni mention as one of our strengths the practical orientation of our curriculum and cite among our most effective learning experiences initiatives that allow students to engage in real business issues (e.g. Inter-ad, Business Intelligence projects, business plan development, consulting engagements). Going forward we will explore more ways for students to learn in action, and to develop the attitude of value creation and enterprise building that is so central to effective global leadership.

Finally, effective global leaders are committed to creating sustainable value for their company, their community, and the world. Becoming a **global citizen** also requires both knowledge as well as attitudes. Thunderbird students must stand out in their understanding of economic development challenges, on the interrelation between human development, economic development and business success. They must also be familiar with best practices in the areas of human and labor rights, corruption avoidance and environmental sustainability as well as advanced frameworks of corporate responsibility and multi-stakeholder engagement. A sense of pride as members of an honorable profession dedicated to building a sustainable and inclusive world economy, and a commitment to professional ethics should be a hallmark of a Thunderbird education.

One of Thunderbird's priorities must be to strengthen its research around these three areas and to ensure that each of our programs delivers world-class learning outcomes on each individual area. Thunderbird's learning methods should be continually improved and be a constant industry standard in effective global leadership development. The "Thunderbird Way" must be synonymous with multi-disciplinary, collaborative, technologically sophisticated, experiential, creative, and practical learning.

As the external reflection of our value, Thunderbird must build a strong value identity based on solid functional, emotional and self-expressive fundamentals. Functionally, Thunderbird must be known for its capacity to increase an individual's or an organization's capacity to succeed in the global market place. Our programs must have proven career benefits for our graduates and performance benefits for our corporate clients. Emotionally, Thunderbird must be associated with global citizenship and leadership. Furthermore we must be seen as an institution dedicated to building an inclusive and sustainable global economy, and as a community committed to creating opportunity and tackling the most complex challenges around the world. Finally, the name "Thunderbird" must say something about the individuals and organizations that are associated with it. Among other attributes, it must signal a superb understanding of the global economy, a superior ability to negotiate cross-cultural differences, and a unique resourcefulness in the face of complex global business challenges.

Goals:

1. Grow and strengthen the academic core and become a center of excellence at



the intersection of business, global affairs and cross-cultural understanding and in areas that advance our understanding of global leadership, entrepreneurship and citizenship.

2. Further differentiate every program in content, format, and pedagogical approach (the “Thunderbird Way”, collaborative, experiential, multi-disciplinary, multi-cultural, hands-on)
3. Build a strong Thunderbird brand identity with solid functional, emotional and self-expressive fundamentals that reflect its unique value proposition

Ideas:

- Double the faculty by attracting exceptional individuals with multidisciplinary backgrounds and global experience in core disciplines
- Extend Garvin Center of Cultures and Languages role to become resource center for global research and case-writing
- Create new global experiences for the MBA: including modules abroad in Russia, India and Brazil
- Create new doctoral program, for experienced professionals, focused on the intersection of business, global affairs and cross-cultural management
- Create new EMBA site in the Middle East or Asia
- Merge MA and MS into a Master of Global Management program, with flexible curriculum leading to careers in business, social or government enterprises
- Create “learning innovation team” to explore new approaches to global leadership education
- Launch new marketing campaign: “Think global. Act global” or “Global leaders for global impact” or “Define the world you want to live in”

Priority #2: Innovate for Scale and Impact

Thunderbird will test and implement new models of education, new technologies, partnerships and funding structures to increase scale and reach, generate new resources and maximize its impact on the world economy.

The traditional model of higher education is under threat by a combination of new technologies, new education paradigms and new business models. Technology has already revolutionized music, TV, journalism, publishing and cinematography. Higher education is next. To stay in the game, universities around the world have been forced to incorporate new technologies and adopt new models. Thunderbird itself has been able to deliver an MBA to hundreds of working professionals in Latin America via satellite and to many others around the world through a web-based, asynchronous, collaborative methodology. And technology is only one of the destabilizing factors. Private equity and public capital markets have injected billions of dollars into the industry and have created new platforms to scale up delivery at reasonable costs.



Thunderbird's goal in evaluating and adopting new technologies is not to keep up with the times, but rather to lead the transformation in the industry by finding ways to increase our impact around the world. Thunderbird is committed to testing and implementing new and different models of education, new technologies, partnerships and funding structures that will help generate new resources, increase scale and reach, and, ultimately, maximize the impact it can have on the world economy.

Thunderbird is also committed to providing educational opportunities to individuals around the world with the potential to extend global prosperity. To increase our reach and touch thousands more lives every year, it is essential that we leverage technology to its full potential, that we create centers of expertise in key markets and that we build much stronger brand recognition and business development capabilities.

As an independent, non-for-profit organization with a small endowment and relatively few discretionary assets at our disposal, new corporate structures and business models will be needed to raise alternative sources of capital (e.g. private equity, venture capital or even public equity) and leverage the operational and marketing capabilities of commercial organizations.

As an independent institution, Thunderbird enjoys much greater flexibility than some of its competitors in exploring hybrid models of funding and program delivery. The recent success of for-profit education has greatly enhanced interest in the higher education sector among for-profit investors. This combination of flexibility and favorable market trends offer an excellent opportunity for Thunderbird to scale its programs, create new lines of business, and dramatically broaden its impact by engaging in partnerships with investors or others who wish to invest in Thunderbird's future.

Any redefinition of Thunderbird's business model should (a) extend Thunderbird's current reach to markets currently not served, (b) allow us to take the lead in leveraging new educational technologies and paradigms, and (c) produce new sources of capital and ongoing revenues. The underlying assumption here is that Thunderbird's brand could be leveraged in new markets with the right level of investment. It so happens that several for-profit operators and private investors have expressed an interest in partnering with Thunderbird to capture those opportunities. A partnership with the right for-profit entity or investor could provide a combination of up-front resources and ongoing royalties. More importantly, it could provide a vehicle to reach out to new constituencies and a testing ground for new educational approaches (distance technology) that can eventually be of strategic value to the traditional graduate and executive markets.

Goals:

1. Establish for-profit subsidiary with third-party financial sponsors or strategic partners to develop worldwide corporate learning services
2. Create scalable, distributed, technology-mediated platform to deliver degrees (e.g. GMBA, Bachelor or Master in Global Management)
3. Establish new public reporting system focusing on Thunderbird's impact on the world economy



Ideas:

- Recruit and train Thunderbird Corps of Instructors, including Thunderbird alumni, to cover needs of CBSD, and future on-line, scalable programs
- Create commercial subsidiary with financial sponsors and/or strategic partners to develop and market new scalable Global MBA for global reach and access
- Create and launch Bachelor of Global Management (blended program)
- Transform “Investors Report” into “Impact Report” including how Thunderbird contributes, directly and indirectly, to creating sustainable prosperity around the world
- Create a for-profit unit as an online delivery platform for certificate programs and potentially create the business and technology platform for a wide range of degree and non-degree offerings
- Create a partnership built on CBSD to extend its presence to other emerging markets
- Create commercial joint-venture to commercialize and deliver on-line degrees according to the “cracked egg” approach.
- Establish joint or dual master’s level programs with highly rated schools in such disciplines as law, medicine and engineering.
- Establish partnership between our Corporate Learning organization and a consulting firm
- Partner with another party to offer Thunderbird-branded undergraduate degree
- Create partnership with compatible and prestigious “think tank” to extend Thunderbird’s thought leadership visibility and reach.

Priority #3: Engage Deeply in Emerging Markets

Thunderbird will prepare global managers to navigate the complexities of emerging markets, build bridges with the developed world, seize opportunities and deploy new solutions to global challenges.

As the world economy continues its shift from developed to developing economies, the demand for global leadership talent will be increasingly driven by emerging markets. In order to have the global impact to which we aspire, we will need to pay special attention to the leadership development needs of the developing world. This includes serving the learning needs of leaders from emerging economies as well as leaders from advanced economies interested in engaging in the process of economic growth in the emerging world.

Thunderbird is uniquely positioned to develop the type of management talent that is necessary to navigate the complexities of emerging economies, innovate, drive business growth, and craft solutions to complex development problems. Much of Thunderbird’s historical success has derived from the independence, entrepreneurship, and curiosity of its graduates. Thunderbirds are “global explorers” who revel in diversity and



actively seek challenges on the frontier of global business. The combination of institutional competitive advantage and a growing market argue strongly for an enhanced Thunderbird focus on both current and next-stage emerging markets.

Thunderbird is therefore committed to participating in the process of economic growth in emerging markets through scholarship and education. This commitment will require a strategic focus of our research on better understanding the realities of emerging economies and the best business practices to operate in those environments. It will also require the creation of learning programs to help individuals and enterprises succeed in emerging economies. This focus should translate into both efforts to educate leaders *from* emerging economies as well as efforts to educate leaders *about* emerging economies.

Goals:

1. Further develop expertise in business and development in emerging markets
2. Create programs in and for emerging markets

Ideas:

- Produce case series focused on emerging markets
- Produce annual flagship Thunderbird Report focused on opportunities and challenges in the world economy, including relevant index
- Establish a center of research specialized in emerging countries
Include relevant experiential learning modules (including internships and applied/consulting programs, TEM Labs) in emerging markets for all degree programs
- Establish new, technology-mediated degree program for students and managers in emerging markets
- Expand CBSD to other key emerging markets to provide scalable, affordable solutions
- Increase (triple?) scholarship budget (e.g. SHARE) available for students from emerging markets

Priority # 4: Build a Global Community of Learning and Practice

Thunderbird will become a platform of information, inspiration and interaction for practicing global managers throughout their professional careers.

Thunderbird's mission does not end with the education of new global leaders. It is the contribution these leaders make to the world economy that ultimately justifies our existence as an institution. For Thunderbird to fully deliver on our mission, we must see ourselves as not only a think tank that conducts research or a school that educates, but as a community of learning and practice that enables its members to be effective global leaders.

Thunderbird is in fact more than a location, a campus, or a set of educational programs. Thunderbird is a diverse, global, professional community committed to creat-



ing an inclusive and sustainable world economy by inspiring, informing and interconnecting its members. Sustained global leadership requires the constant challenging of one's assumptions, the ongoing development of relationships, and the inspiration of new ideas. Students and executive education participants do not graduate "out of" but "into" a Thunderbird community which will support them throughout their professional careers. Better connecting this existing network and at the same time broadening it to include those in the global management community who share Thunderbird values will create a powerful global fabric of support for the school, its mission, and its objectives going forward.

Goals:

1. Create physical and virtual platforms of interaction, information and inspiration
2. Integrate community members in the learning cycle at Thunderbird

Ideas:

- Establish a Thunderbird Global Annual Forum open to all members (alumni, former corporate learning participants, donors, recruiters, friends) and with the participation of the entire faculty
- Create mechanisms of mentorship and networking between students and experienced members of the community
- Tap the power of the community to gather data and develop new insights in global management
- Use the locations of Thunderbird's potential commercial subsidiary around the world to support the Thunderbird community's interactions
- Open up specific learning experiences (e.g. Winterims, modules abroad) to members of the community
- Turn Thunderbird For Good into a learning and engagement platform for entire community
- Engage community members in the process of knowledge generation