It was the early days of globalisation. There was a thrill about different cultures and experiences. And Professor Lynda Gratton had the idea of bringing six companies together to learn from each other. Six executives from six companies travelled to visit each other, studied each other’s business problems, and shared experiences. This was London Business School’s ‘Global Business Consortium’, or GBC.

In that first group in 1995 was Lucky Goldstar of South Korea, soon to rename itself LG. Gratton remembers being amazed at the company’s ambitions. “We went to see their factories in Seoul, it didn’t seem possible,” she says, “but some of those first cohorts are now running LG all over the world. It’s a very creative way for executives to learn. How does an aspirational company like that get from being Lucky Goldstar to building an electronic marketplace all over the globe?”

**How to run a global business**

The programme was a great way to develop the kind of connections that are at the heart of Gratton’s work. “I’ve always been interested in building links from academia into companies and from one company to another,” she says. “So I just thought I’d like to build a consortium of global companies.” Gratton developed the idea with fellow faculty member Sumantra Ghoshal, and the GBC was born.

The first members of the Consortium ranged from manufacturers through to telecoms companies, and the pattern of membership has remained constant, with current members Emirates, Nokia and Oracle, alongside banks and consumer companies like Mars.

**Things in common**

That initial idea of bringing together six senior executives from each of six global companies and giving them a year to work on each other’s challenges has stood the test of time. “You may ask, what can a telecoms company learn from an airline, what can an airline learn from a bank?” says Gratton. “But they’re all facing problems of globalisation, they’re all learning.”

The Consortium works in several ways, with workshops at London Business School and company visits where all members of the Consortium get to see the other companies at work, “One innovation was that we wrote a business case about each company and then we visited one of their businesses to investigate it further,” says Gratton.

**Tough questions**

“It’s a fascinating experience,” says Brendan Noonan of the airline Emirates. “You have to go with open minds to the other companies, and you’ll learn what works and what doesn’t work, but you’ll also find that despite the diversity of the companies involved many people are facing the same sorts of problems. It’s really amazing how solutions tend to go in similar directions.”

Don Fraser, Head of Executive Development at Nokia’s network business (formerly known as Nokia Siemens Networks) agrees and adds that the company visits can be quite challenging for the host company.

“You’ll often find your executive board can have some very tough questions fired at them,” says Fraser. “It might be tougher than they’re used to. They may even find it a bit of a shock. But the other GBC members have no vested interest, so they can be as tough as they like.”

**The CEO Challenge**

The structure for each year’s programme is given by what the Consortium calls the ‘CEO Challenge’ where each individual company CEO challenges the group to come up with solutions to a big problem the company is facing. The challenge may be fairly general, such as how to approach an entirely new market, or very specific, to do with products and how to improve them.

“The great thing is that the Consortium does come up with answers,” says Noonan of Emirates. “It’s this combination of your own challenge and the learning from others, along with the constant moral support from all the other participants in the programme. They want you to succeed, and you’re close to them – so for example you never sit with your own people, you’re immediately broken up as a group to sit with people from other companies.”

**New ways of thinking**

The Global Business Consortium is a huge organisational challenge both for the organisers and the participants. Apart from anything else, all the participants are at a senior or fast-track level in their companies and the calls on their time are heavy. But for Donald Fraser of Nokia, it’s all time well spent. “For us a lot of inspiration has come just from seeing the organisation and the corporate culture of other GBC members,” he says.

“For example, in our first year in the GBC we were number two in market share in our business, and because we were number two we were very self-critical and lacked confidence. Yet there was another company in the Consortium that was number seven in their market share, but there they were walking around and acting as if they were number one. We thought, OK, maybe we
should learn from that and not have a loser’s mindset!”

And Fraser adds that the most valuable part of the Consortium programme may be the way it forces companies to rethink first principles. “I think it’s taught us that we were too narrow in our thinking, too much influenced by the industry logic,” he says. “It has made us reflect on what’s possible, and where our future lies.”

The view from Mars
Manel Weerasinghe who runs the internal learning programme at confectionary company Mars (which has been in the GBC for 11 years) agrees that the Consortium is invaluable in introducing top managers to new possibilities. “We have a significant number of alumni now in president or VP roles, and the programme has played an important role in enriching the skills and capabilities of our most senior leaders,” she says. “Many of our alumni have talked about the impact the programme has had on them – widening their horizons, giving access to an external network that sustains over time, and being able to take the external perspectives and learning to create a more open culture.”

Weerasinghe stresses that for Mars and its employees (the company calls them ‘Martians’), the Consortium is all about real world learning, and the differences between real companies. “All our delegates take away a really clear sense of the radically different corporate cultures and approaches to business, having experienced them in action rather than just read about them.”

Building connections
And along with the hard work, there’s time for fun as well. Back in 1995 when the team from BT hosted their fellow Consortium members at the BT Tower, they wanted it to be a night to remember. Many of BT’s people on the programme were Scottish and they had the idea of getting everyone to wear a kilt. So to keep their plan secret they told everyone they were measuring them for lab coats and got their measurements that way.

“But when they showed up they had full kilts ready for all of them,” says Gratton. “And the South Koreans from LG were absolutely beyond delighted. It was all a huge amount of fun.”

Lynda Gratton is Professor of Management Practice at London Business School.