

STRATEGIC PLAN 2019 – 2023

Document for validation in SAP 2019



BACKGROUND

FGVEAESP has a history of success, leadership and internationalization. Founded in 1954, its undergraduate program became a primary source of influential leaders underpinning São Paulo's leadership in the industrialization of Brazil. In the 70's, the school diversified and started the internationalization process, becoming an AACSB member in 1970 and joining the recently founded PIM (HEC, NYU and LBS were the founding members). The diversification included the successful creation of MBA-like programs of CEAG and CEAHS that became a synonym of high level graduate studies in São Paulo, and Research Masters and PhD programs. Launched in 1974, the PhD program was one of the only two programs in business in the country until late 80s. In 1990, EAESP launched a second PhD program in Public Administration and government. In 1993, the school launched a full-fledged MBA, awarding a Master's degree (*stricto sensu*) within its Research Master program. The program was converted to a professional Master in 1997, when the Ministry of Education regulated professional Masters.



The school continued to grow and solidify its reputation and leadership in the 90s, launching executive education programs and consulting activities. In 2000, it received its first international accreditation by AACSB, followed by EQUIS accreditation in 2001. In 2004, it received the AMBA accreditation, becoming a triple crown school at a time when no more than two dozen schools in the world had that status¹. It was the only triple crown school in Brazil until 2017 when Insper achieved its third accreditation.

In the early 2000, the school underwent a significant change with its integration with FGV, when its consulting and executive education activities were moved to national FGV divisions. FGV also created new schools in São Paulo: Economics (2003) and Law (2000). Adapting itself to this new scenario, the school continued its internationalization and development successfully renewing the accreditations until today. New international partnerships were developed with over 100 schools, joint programs like the OneMBA, CEMS, memberships in international networks as the GNAM and several others. The school, with the triple accreditation was the first choice of a partner in Brazil. The school is clearly the best internationally connected and known Brazilian business school in the world. It is part of a group of leading business schools worldwide.

During the last two decades the school continued to develop launching a new and specific undergraduate programs for Public Administration (CGAPG) (2010), a professional Master in Public Administration and Public Policy (MPGPP) (2009), a pre-experience professional Master in International Business (MPGI) (2009), a specialization program (MBM – Master in Business Management, 2012) targeted at young professionals, and a professional Master in Management for Competitiveness (MPGC) (2016). The PhD program in Business achieved the maximum grade 7 in the Ministry of Education evaluation of graduate programs in 2012, confirming this status in 2016 when the PhD in Public Administration and Government was raised to level 6. Several double degrees at the undergraduate level were implemented in the last four years. Currently, the undergraduate program has seven double degree agreements with international schools. One section of the undergraduate program has been entirely taught in English since 2015 expanding the possibilities of recruiting and receiving international students.

The last two decades also showed points of concern. The demand for the *lato sensu* programs has dropped. Some of our professional master could have a higher number of students. Some consider that other local schools are preparing very competitive graduates, especially in Finance and Marketing and studying abroad is becoming increasingly popular.

1. In August 2018, 90 schools in the world out of 13,670 schools offering business degrees have the triple crown (https://en.wikipedia.org/wiki/Triple_accreditation)

DIAGNOSTIC

FGV EAESP had clearly a success record that seems to have reached a plateau in the last 15 years with some mixed outcomes. Several factors are probably contributing to this situation such as: increased competition, changes in the workplace and career, technological and conceptual changes about learning and education, the Brazilian environment with crises and uncertainty, questioning about the role of research in business schools, and the natural aging of the school, its faculty, in a complex and not so flexible structure.

Borrowing the idea of the Second Curve from Charles Handy², it seems the school is in a transition period and would need to find new ways to continue to develop itself to engage in a second curve of success. The challenge is to develop the school in a way that it fully fulfills its national and international reputation acquired through its history of past successes, solidifying its ability to follow its mission and pursue its vision.

MISSION

To develop and disseminate business, government and civil society administration and organizational knowledge that help improve the quality of collective life and the socio-economic development of Brazil. To maintain standards of excellence in research and teaching comparable to those of other leading institutions around the world.

VISION

To be a School internationally acknowledged for its excellence.

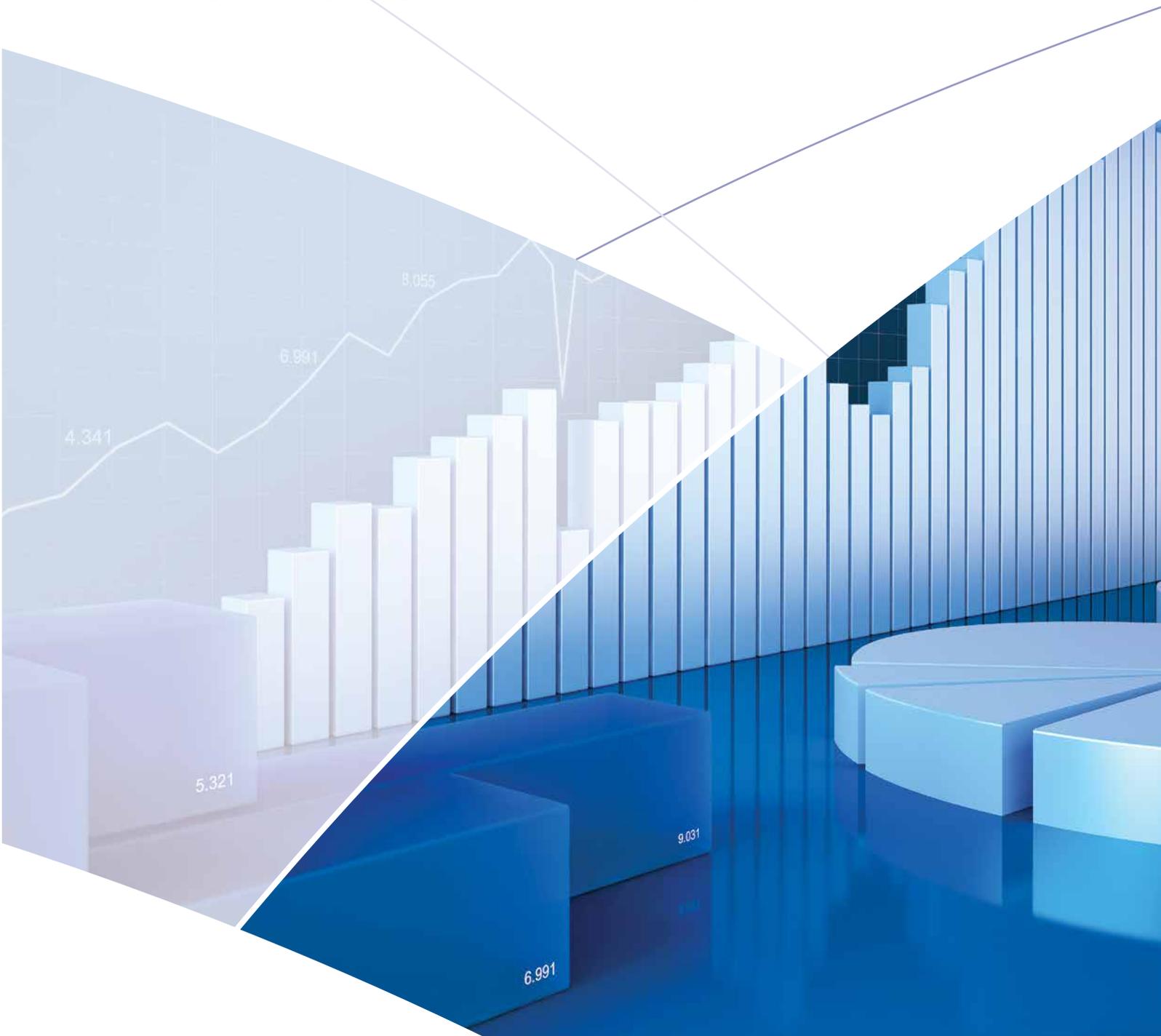
Our mission characterizes our school as a comprehensive school of management, covering all areas of management including businesses and public administration and policy. Differently from other competitors we do not focus on specific knowledge areas or industry sectors. The most unique aspect of our mission is the focus on Brazil, consistent with FGV's mission. This focus is also related to impact on Brazilian society. We aim to develop and disseminate knowledge that helps to improve the quality of collective life and the socio-economic development of Brazil. The third aspect is our ambition to continue to be a leading institution internationally in research and teaching.

Our vision probably needs further development. It needs to be more detailed and ambitious. We already have a high international recognition and the vision should describe a status we aspire to reach in the future.

2. Handy, C. (2016). The second curve: Thoughts on reinventing society: Random House.

Our target for the next five years, aligned with our mission could be stated:

- **To be the undisputed leader in Management in the country, and generating impactful knowledge that not only reacts to market demands but leads organizations actions. We should aim to re-establish a position equivalent to our history in São Paulo. This could be achieved by:**
 - **Being a world-class institution that influences the Brazil and not only the state of São Paulo, attracting the best students from the whole country and internationally.**
 - **Creating impactful proprietary knowledge, customized to our context, imbedded in our programs, that guide organizations actions and not only responds to their demands.**



Several changes and actions are needed to achieve this target, facing the new environment at national and international levels.

The target requires some changes of our taught programs taking in account the future changes in the workplace, local and international competition, and the changes in learning eco-systems. The ambition to impact the whole country requires a level of growth combined with technology.

Knowledge in Management is becoming commoditized and easily available from multiple sources. Translating and adapting knowledge publicly available is not enough. To be distinctive we need to create new, unique, contextualized knowledge that guides future demand. If this new knowledge is imbedded in our taught programs they will be truly distinctive and unique. The school needs to continue to develop a comprehensive research strategy, including applied and basic research, aligned with the current movement about impactful and responsible research³.

In a globally connected world, this target cannot be achieved without a full internationalization and we have a sound basis to continue its development. Given our location and history, we should aim to be more engaged and take a leadership position in Latin America, an example for Africa, be connected with the growing influence of Asia and remain connected and recognized in North America and Europe.

3. <https://rrbm.network>

Recent developments (2015 – 2018)

In the last four years (2015 to 2018), the school started a restructuring program attempting to promote this new cycle. Several initiatives were started leading to a controlled growth and a more focused financial management. The school grew, despite the adverse economic environment, resulting in a financial surplus that could be invested in the development and renewal of the school. An incentive plan for retirement of faculty was promoted with over 35 faculty members retiring between 2016 and 2018. New faculty members were hired tapping on the attractiveness of the school within the Brazilian context. Additional incentives for research were introduced. Results are promising as shown in Figure 1.

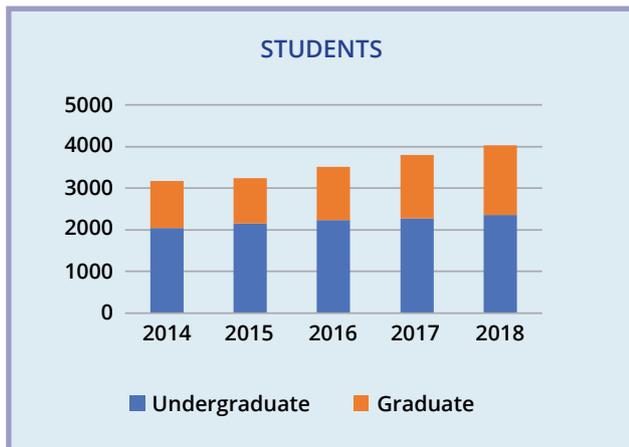


Figure 1

Five strategic directives were developed to guide school's initiatives:

- *Connect with practice* – exploiting an historical feature of the school and its 18 applied research centers and following international trends in research and well as FGV's overall strategy. Actions were the successful launch of the professional masters MPGC and the DBA and new incentives for applied research and professional masters and doctorates.
- *Adapt to new teaching and learning trends* – following the changes in education worldwide. Actions were the Intent project and immersion weeks in undergraduate, modular structure in professional masters, increased use of synchronous on-line teaching using Zoom in several courses, consulting with Kaos Pilot school for new programs development.
- *Increase internationalization* – exploiting the strong position of the school and following the globalization trend. Actions were the implementation of six new double degrees for undergraduate, English section of undergraduate in business, active participation in GNAM and including GNAM

weeks in the MPA curriculum, new double degrees at master's level with Yale, UBC, HEC, and HKUST, increased hiring of international faculty, increased faculty exchange and post-doctoral opportunities for existing faculty.

- *Develop research to international level* – having achieved a clear leadership in Brazil in the PhD programs, we continued to develop research to international standards. Actions were the redesign of the research incentives scheme based on international rather than national standards, hiring of new faculty with international research record, joint appointments of international faculty.
- *Engage in a leadership role within FGV* – taking a more pro-active role within FGV and collaborating and guiding other FGV's units. Actions were an open collaboration with EBAPE, expanding the participation in the Global MBA with Manchester and participation of both deans in the international advisory boards of both schools. Also, the school engaged in a closer relationship with Dicom (Communications for FGV), executive education (IDE).

There is a need now to further develop these initiatives into a more comprehensive, structured, integrated, and participative plan to engage the whole community of a complex and large school. To allow coordination this new plan would need to have clear targets, indicators to monitor its execution, and a broad communication plan.

A structured initiative was started in the second semester of 2017 using a common framework (based on Rumelt, 2011⁴), engaging the 14 program coordinators, 6 support areas, and 8 departments. Each unit was required to develop a summarized proposal (one-page) containing: a short diagnostic describing of the main challenge they face in the coming years; main guiding policies for the future; main initiatives with dates; and main indicators for monitoring the development. Several meetings and discussions took place in the second semester of 2017 and first of 2018 to develop and align these views. The SAP 2019 (*Seminário Anual de Planejamento*), in May 2019, finalized and integrated our strategic plan.

4. Rumelt, R. (2011). *Good Strategy/Bad Strategy: The difference and why it matters*: Profile Books.

MAIN GUIDING POLICIES FOR THE FUTURE

Seven main guiding policies emerged so far, building on the previous initiatives.

1. Financial sustainability and growth
2. Connection with practice – research and teaching
3. Adaptation to new teaching and learning trends
4. Internationalization
5. World-class research
6. Leading role in Ethics, Social Responsibility, and Sustainability
7. Faculty development and renewal

The first policy, financial sustainability and growth, is a fundamental enabler of the overall plan. Its results will provide the resources needed to develop the other policies. The five following policies describe the main avenues to move towards our target discussed earlier and sustain a position among the world top schools. The last policy, faculty development and renewal, is a necessary initiative to evolve the school, being also an enabler to the plan.



Financial sustainability and growth

The development of the school in all dimensions discussed in this plan requires additional financial resources for the investments and additional costs. We judge the school is able to generate these resources internally with its own operation as it has done in the last few years. This will result from a controlled growth of its operations in both undergraduate and graduate programs as well as from a more efficient management of several areas of the school. The moderate growth environment also facilitates the implementation of several initiatives offering more opportunities for current faculty. The main avenues for growth include:

- *Continuation and promotion of the evenings undergraduate program.* Exploiting the opportunities of a more comprehensive education for these students with activities and guided work experience during the day-time, and opportunities for double degrees with other FGV schools are ways forward.
- *Continued growth of graduate programs through a more effective recruitment of high-quality students.*
- *Modularization of graduate programs.* This would allow students to take part of our graduate programs without committing to the full program achieving certificates for the modules taken.

The financial sustainability will also allow the school to cover additional costs of services provided by FGV's centralized activities such as marketing and communications, student services (secretaria escolar), personnel administration, facilities management, and others. These services will have to grow and be upgraded to match the increased and more qualified demand.

Key Performance Indicators:

- School total revenues
- School financial superavit

The next four guiding policies refer to a general upgrading of the school supporting its position as a leading global business school. They are fundamental to provide long term sustainability to the growth plan and its international positioning. In 2019, we will have the reaccreditation of AACSB and AMBA.

Connection with practice – research and teaching

Maintaining a close connection with practice is fundamental to any business school in the world. The connection is necessary to maintain the content of our undergraduate and professional programs tuned with the demand of organizations, to enhance the employability of our students and to promote relevance of our research. Engagement of professionals with the school needs more structure and consistency. Our extensive alumni network could be instrumental in fostering this connection combined with a more active role of our graduate professional students, especially the DBA. The main avenues for connecting with practice include:

- *Increasing the number of adjunct professional faculty.* We could create a new faculty category to facilitate the participation of professional in the teaching of the school.
- *Creation of professional boards at department, program, and applied research center level.* These boards would have to be made effective by the department heads, program and applied research centers coordinators.
- *Applied research centers impact.* The applied research centers should be guided to achieve truthful impact. Besides engaging external organizations more deeply in the conception and development of research they should strongly work on the dissemination and implications of the research developed within the school.

Key Performance Indicators:

- Number of adjunct faculty
- Professional Masters graduates
- DBA graduates
- Revenues of Applied Research Centers

Adaptation to new teaching and learning trends

The teaching and learning scenario is moving very fast internationally with the recent social and technological changes. The school intends to be a fast follower at international level becoming one of the leaders in the local context. The school embraces AACSB new vision for higher education⁵, and believes that learning should be flexible, customized, and centered on the participant. Main initiatives include:

- *Increasing the importance of teaching and learning.* Faculty incentives such as promotion should clearly include teaching and innovation.
- *Recognition of intellectual contributions related to pedagogical development.* Following the standard 5 of EQUIS, Research and Development⁶, intellectual contributions related to pedagogical development will be considered as research alongside academic research and practice-oriented research.
- *Continued evolution of Faculty Development Plan.* CEDEA will increasingly expand the Faculty Development Plan to offer comprehensive opportunities for faculty.

Key Performance Indicators:

- Percentage of disciplines with evaluations lower than 3.0
- Faculty members participating in training programs

5 <https://www.aacsb.edu/publications/researchreports/collective-vision-for-business-education>

6 https://www.efmd.org/images/stories/efmd/EQUIS/2018/EQUIS_Standards_and_Criteria.pdf

Internationalization

The school should continue the internationalization process solidifying its position of a global school in São Paulo and connected to the Brazilian environment. One opportunity to pursue is the connection with South America. Main areas of development are:

- *Faculty.* The search and hiring of full time international faculty should continue and be intensified. Another opportunity is to establish a strong visiting scholar program for different levels of experience.
- *Students.* The Admissions Office should develop specific actions to recruit international students.
- *Programs.* The number of courses and programs taught in English needs to gradually increase.

Key Performance Indicators:

- Visiting scholars
- International faculty members
- International students
- Courses taught in English



World-class research

In the following years, EAESP intends to continue to increase publication in top international journals. We should not however lose track of our leading role in the country and forget the top Brazilian journals and the local impact. A balanced plan and incentives should cover both aspects, aligned to FGV's mission –to contribute to the development of the country. We also value the impact of research so engagement of professionals and the activities of the applied research centers needs to be linked to publication. Main guidelines for the continuation of this process are:

- *Faculty incentives.* The faculty group mainly involved with the PhD programs (around 50 members) should lead the process of producing top international publications (ABS 3, 4, and 4*, with a focus on the last two categories).
- *International top-scholars joint appointment.* We currently have two international scholars, highly recognized in the international community, that have a joint appointment with the school. We would need to increase this number to 10 in the next three years covering other research areas.
- *Post-doctoral positions.* We should radically change our post-doctoral opportunities to an international standard, not treating the post-docs as students, but as faculty in development.
- *Scholarships for PhD students*

Key Performance Indicators:

- Peer-reviewed publications
- ABS 3, 4, and 4* publications

Faculty development and renewal

The growth of the school and retirement of senior faculty will require an active recruitment of new faculty in the coming years. Evolving standards for research and teaching will also require adjustments in faculty composition and development of existing faculty. Faculty development and renewal will follow the following guidelines:

- *New faculty.* The group of “professores de carreira” is expected to increase by new admissions or promotions by a rate of 10 to 15 per year targeting a number of 150 tenure-track professors.
- *Development of existing faculty.* Several faculty members currently acting as “*turno completo*” and “*horistas*” have the potential and desire to become “professores de carreira”. The plan is to encourage and support their development to meet the standards.
- *Teaching covered by other categories.* Part of the additional teaching load of the school will be covered by other initiatives such as the visiting professors, post-docs, PhD’s candidates under the new scholarship systems.
- *Developing a structured and effective faculty evaluation and promotion system.*

Key Performance Indicators:

- Number of “professores de carreira”
- Percentage of teaching done by full time faculty (*carreira and turno completo*)



Leading role in Ethics, Social Responsibility, and Sustainability

Leading business schools in the world are increasingly considering they need to take a more active role in promoting Ethics, Social Responsibility and Sustainability in society. EAESP has also been active in its context with the Sustainability Center (FGVCS), with the Entrepreneurship Center and its social entrepreneurship initiatives, with the FGV Ethics code, with several courses specifically targeting these issues in its programs, and with inclusion initiatives as the scholarship program, the Diversity Office, and free preparatory programs to help underprivileged students to have access to the school. In recent years, school's diversity has significantly increased with a more active representation of several minority groups within our students and faculty. It is now time to foster this role in a more structured, integrated way into the school's main strategy. We need to mobilize our community to integrate current initiatives and develop others to achieve this objective.

Possible additional initiatives are:

- Revise the scholarship program to better support underprivileged students.
- Develop and create internal support systems.
- Increase faculty and staff diversity.
- Revise all programs to include a proper student preparation to deal with Ethics, Social Responsibility and Sustainability.

Key Performance Indicators:

- AOL results on Ethics, Social Responsibility and Sustainability
- Percentage of students with scholarships
- Percentage of students coming from other states of Brazil

