

Stockholm School of Economics

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Competing on an International Arena

Abstract: The Bologna system aims to create a more integrated European education market with enhanced comparability among schools and increased mobility for students. As a result the educational market has changed and academic institutions now face an international arena. This study analyzes the Stockholm School of Economics (SSE) through a resource-based view with the aim of deriving a competitive advantage that the school can leverage in Europe. The study is primarily based upon primary data however secondary data is used as a supplement in order to establish the required empirical base for the study. The authors derive SSE's existing resources and capabilities and identify the constraints. A conclusion is reached stating that SSE's should use its extensive network to integrate more practical elements into its curriculum and expand flexibility in course content in order to create a competitive educational model for the European market. Furthermore an internationalization of the faculty, board and alumni network needs to be undertaken in order to support the suggested strategy.

Key Words: resource based view, competitive advantage, international strategy, the Bologna system, academic institutions, the Stockholm School of Economics

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1 Introduction

1.1 Background

Europe cropped up as landmass divided across lines of languages and history, which have created the range of national states, which exist today. As the continent was divided, the creation of educational institutions followed the same pattern with each country adopting their own system of education.

Today Europe is moving towards becoming an integrated continent with the introduction of one common currency, the elimination of tariffs as well as an integrated education market given by the Bologna Accord. The Bologna Accord aims to; create a “*common educations market*” with more “*mobility*” to increase “*comparability*” of the different states’ academic systems’ while making the European education market a more “*competitive market internationally*”.¹

The integration will be driven by a common degree system, with a 3-year Bachelor of Science program (BSc) and 1 or 2-year Master of Science (MSc) program. An “*ECTS compatible credit system*” allowing comparability across universities and a “*European dimension in quality assurance*” with comparable criteria’s and methods has been created.²

Given the aim of the Bologna Accord, this development will in the long run imply that universities, which traditionally have been nationally focused, now need to compete for students on an intra-European level.

1.2 Purpose

The Stockholm School of Economics (SSE) is one of the institutions that have chosen to adopt the Bologna system. Besides facing a new curriculum and new degree, the adoption has opened up possibilities for SSE to take a more active role on the international market, which entails possibilities in reaching out to a larger student

¹ <http://ec.europa.eu/education/policies/educ/bologna/bologna.pdf> (2009-05-12)

² Ibid

base but also increases competition from other players in Europe. We wish to see study how SSE should strengthen its position going forward in order to respond to this new competitive landscape. To achieve this, the authors wish to increase their understanding of SSE's resources and internal strategies and from that derive a competitive advantage that SSE can benefit from on the European educational market.

1.3 Research Question and delimitations

In consideration to our purpose the research question we aim to study is:

- *What resources and capabilities does SSE have and how can they leverage them on the European education market?*
 - *How can resource based view explain this?*

Given the scope and size of the Master's Thesis further delimitations are needed. First, the study will only look at the Master's degree educations offered at SSE in Stockholm. This is because the Bachelor's program will still be conducted in Swedish so the level of integration is less at this level than at the Master's program.

Secondly, the theoretical base for the analysis will be confined to international business strategies and the recommendation that result from their academic content. The authors are aware of the potential contributions of marketing framework and other academic disciplines, but as the scope of the study is confined it is not feasible to include them in the study. Within the realm of international competitive strategy a further delimitation is made. The authors seek explanation to their research question through the resource-based view framework of strategy. This delimitation is validated by the authors' aim of increasing the depth of analysis and as such the quality of the overall study.

Thirdly, our analysis will confine itself to Europe and the intra-European competition, which will be created by the Bologna system. This is in part due to the format of the Master's thesis and in part due to the availability of data. Given the Bologna system, an interest has arisen to identify and measure variables relevant to our study in Europe. As such the availability of reliable data is higher with a pan-European scope.

1.4 Disposition

This study starts with a short introduction explaining the changing educational market in Europe. Thereafter the purpose, research question and delimitations of the study are presented. Following is a presentation of our method, where we explain our approach to the chosen research question as well as how we intend to go through with the study. This segment will also include a discussion about measures taken to ensure the reliability and validity of the study.

Our empirics are constituted of qualitative primary data, which has been obtained through interviews and secondary data that is of both qualitative and quantitative nature.

The empirics are followed by the theory section where the chosen theories within the relevant field of international strategy are presented and explained with the purpose of presenting some of the analytical tools available within the realm of academia.

The analysis will use the tools presented in the previous segment to analyze the empirics gathered with the aim of reaching a recommendation.

At the end of the essay the references will be presented as well as an appendix showing the interview questions.

2 Method

2.1 Approach

We find it difficult and almost impossible to obtain a “best practice” for SSE since such a notion is dependent on variables such as time and competitive environment amongst others. Instead we have focused on the research question and aimed to find a theoretical approach that can have an explanatory value on our identified problem.

We have chosen a primarily qualitative approach where to study aims to compare reality with theory and find common grounds. We have not assumed a hypothesis that we wish to test; instead we have identified an issue and sought to find an explanation to it by applying theory. Therefore an inductive approach is merited. An inductive approach implies that the researcher draws his/her conclusions from the observations they have made. (Bryman, 2001)

We have chosen to use data from different sources to enhance our understanding about the strategic challenges SSE meets in the future. This includes both quantitative and qualitative data from primary and secondary sources. The segment below will shortly present what data will be used, the underlying logic and the method in which this data has been acquired. We have in our thesis used a qualitative approach when acquiring our primary data. Our secondary data is both quantitative in the form of surveys and rankings and qualitative in the form of written evaluations.

2.2 Primary data and the qualitative approach

The qualitative approach to science is based on the “Verstehen” principle within the scientific methodological approach (Nachmias, 1996) in which one seeks to gain a deep understanding of the subject, which cannot be easily measured. Max Weber formulated this as one tries to “*gain an understanding of others views of reality, of his or her symbols, values and attitudes*”. (Nachmias, 1996). The approach uses tools such as field studies and interviews that; “*emphasizes words rather than quantification of data*” (Bryman, 2001). Within the context of this thesis the qualitative approach has been used to increase our understanding of how stakeholders within and outside the SSE value the institution, its role and the product it creates.

Subsequently our belief is that such an approach will give an increased understanding of the resources and capabilities of SSE.

2.2.1 Unstructured Interviews

The recommended approach when using the qualitative approach is an immersive field study when the scientist becomes an invisible observant of the phenomenon one wishes to describe (Nachmias, 1996). The authors contemplated on creating a focus group with an agenda and observing the discussions that arose. This would have generated the most unbiased observation, but due lack of interest from our interviewees the authors proceeded with the next best option of unstructured interviews.

The design of the unstructured interview was inspired by the approach recommended by Alan Bryman in his book about social research methods from 2001, in which the interviewer generally uses a list of topics or issues. The interview is conducted in an informal manner and the phrasing and sequencing of the questions varies depending on the interview subject. (Bryman, 2001) A list of topics for the interviews is to be found in the Appendix of this thesis.

To create a natural interview environment, the agenda was introduced to the interviewee beforehand so he/she could prepare the necessary background information and as such ensure a fruitful discussion.

2.2.2 Interview subjects

The authors identified two groups of stakeholders for the qualitative interviews. The first group consists of management representatives from SSE that are responsible for the two different MSc programs that SSE currently offers. A qualitative approach was found suitable because the management team is not sufficiently large to conduct a quantitative study of their views on school strategy, nor was it deemed appropriate to try to gain understanding of a complex issue through a survey.

The second group identified was future potential employers for students that graduate from our MSc programs. This group consists of 6 different employers within 6 different industries/careers. The interviewees were chosen on the criteria's that they; are responsible for the recruitment within their organization and have international experience of recruiting students from different universities and across disciplines.

Having the largest industries represented helps us attain a higher level of generalization. (Eisenhardt, 1989)

2.3 Secondary data sources

Wanting to create an empirical base, which is relevant for the area of study, the authors have included some secondary data sources to compliment the interviews conducted. The use of secondary data can also be seen as an effort to increase the external validity of the study (Shugan, 2002) and as such tie our research to commonly used measures within our field of study.

This includes reports, rankings and statistics concerning the educational market in Europe, the students view on universities and SSE as an institution. The data comes from SSE, Financial Times (FT) and a survey specialist company named Trendence. The purpose of including the student perspective is to evaluate the preferences of our potential clients and determine which factors are decisive in their decision process regarding MSc degrees. From this we can extrapolate which resources SSE has to satisfy the preferences of the students and which resources we need in order to be competitive on the European student market. Wanting to better understand what different options the students have when choosing a school, we will consult the Financial Times (FT) ranking regarding MSc programs at European business schools. This will serve as an indication for the competition that SSE is facing in Europe as well as serve as a proxy for business schools' success on the European educational market.

To increase our understanding of the methods used we have asked for the original questions from SSE's surveys and the original dataset. The Financial Times data method has been checked by interviewing the ranking specialist at our school and by studying the criteria, which are the basis of the results. Finally we contacted Trendence that conducted the pan-European survey and inquired about target groups, response rates and method.

The data from SSE consists of two surveys targeted towards the IGP and exchange students. The strengths of this data is the consistency acquired by using the same format over four years, which increases the reliability of the study. The questions are simple and direct which points to its validity. The weakness of the study is pertained to the data set per year being relatively small and as the response rate was not given,

we are not able to deduce if there has been a self-selection bias where students with negative views chose not to respond. However when reading through the responses we have found significant differences in responses and content, which indicates that self-selection is not a considerable hindrance.

The methodology used in the Financial Times ranking was fairly transparent. The criteria with descriptions and relative weights are made public beforehand. The surveys were all sent out to the subjects without passing through their alma mater, which decreases risk of the school to skew the dataset. (von Bergen, 2008) We deem it credible to use Financial Times set of ranking criteria's as a proxy for success regarding the reputation of business schools in Europe.

The survey conducted by Trendence is based on the results of 90 000 respondents across 550 institutions in 22 countries in Europe. The large sample set alone makes the study unique in gauging the sentiment of the European student population and is more comprehensive than any study the authors could have conducted within the scope of this thesis. The authors contacted the company in order to better understand the methodology behind the survey and found the method to be conducted in such manner that it points towards high reliability and validity. For instance the survey was Internet based and sent out by the company themselves to ensure that the schools would not self-select the students. The survey completion time was around 20 minutes to ensure that respondents followed through without losing interest. The authors also gained access to response rates and found no deviance except an unusually high response rate for Hungary. The weakness of this source from a transparency point of view is that we did not get access to the questions as they were considered proprietary for the firm and a source for their competitive advantage as a statistics company.

2.4 Research methodology

When conducting a study of academic character the subject of research methodology is essential for securing quality. Validity and reliability are two overarching concept to consider. (Yin, 2003) Validity can further be decomposed into internal, external and construct validity. (Yin, 2003) Reliability measures to what extent an experiment that is reproduced by others, generates the same result (Yin, 2003).

2.4.1 Internal Validity

Internal validity is defined as how well the findings presented correspond with reality (Yin, 2003). Our study does not have a hypothesis, which aims to predict a causal relationship, as for instance an experiment where one manipulates an independent variable. Instead our study has an exploratory method and with that being said the authors are responsible for ensuring that internal validity is high. Minimizing factors that could distort objectivity does this. A potential threat is the self-bias that could be present as a result of the authors, themselves, being students at SSE. In order to control for this our interviewees have been contacted for content control, which further strengthens the scope of our empirics corresponding with reality. Further on all interviewees were given the possibility to remain anonymous. This option was given in order to ensure that the interviewees felt that they could express their opinions freely. None of the interviewees chose the option of remaining anonymous and all interviewees approved the content used in this thesis. This gives the indication that our empirics correspond with reality, hence strengthening the internal validity of the thesis.

2.4.2 External Validity

External validity is a measurement of how well the results from a case study can be generalized beyond its initial scope and implemented in other areas (Malhotra & Birks, 2007).

We intend to analyze the SSE using theories within the RBV framework. When looking at the fundamental traits of the RBV model we find that the model aims to find firm specific resources and capabilities, which can be leveraged into a strategy (Collins & Montgomery, 1995). However, The RBV as such does not state a mutual exclusivity between the strengths of a firm and its competitors and therefore other universities when aiming to develop their own strategy could use the findings of this study. This under the premises that the study shows support in favor of the resources and capabilities being relevant for a school's success in the academic context.

The authors have taken two measures to improve the external validity of the study. First a pan-European study has been included as secondary data in our empirics. The questions in the survey measured key decision variables pertaining to choosing a university. As such the scope of the empirics is on a higher abstraction level than the

institution (SSE). Therefore the insights given by this data is applicable beyond the scope of this study. Secondly, the interview subjects chosen represent six different industries and all have a European scope in their recruitment. The different industries help with the external validity across segments as they recruit from business schools as well as other institutions. Based upon the demand given by students through the Trendence survey the authors identify that several stated factors remain important for business schools across all countries in Europe. From this the authors conclude that our findings could serve as an indication for other business schools in Europe that intend to compete on an international arena.

We therefore conclude our external validity is high given the scope of this Master's thesis.

2.4.3 Construct validity

Construct validity measures how well the study operationalizes the concept one intends to measure. (Yin, 2003) As such it tries to control if one is "*measuring what one intends to measure*". (Nachmias, 1996)

Keeping with the method of unstructured interviews the authors tried to keep the overarching topics on a high abstraction level to allow the interviewee to freely associate (Bryman, 2001). The format of unstructured interviews helps mitigate interview bias, and as such increases construct validity, as we refrain from using leading questions. (Nachmias, 1996).

Wanting however to keep the questions relevant and as such increase the construct validity of the study the authors started by defining the scope of the data collection (Eisenhardt, 1989). Initially SSE was analyzed through:

- Process perspective to see what the value creation looked liked.
- Resource based view, seeing what SSE's strategic resources and capabilities are.
- Porter's five forces, to identify the critical elements that drive competition.

This brainstorming session lead to a series of questions, which were then bundled, into two categories:

1. The students, as a product and resource, corresponding to questions 1,2,4,5 and 7

2. The school as producer of students and recruitment platform, corresponding to questions 3 and 6.

These topical questions were followed by more detailed questions throughout the interview to ensure that all issues were fully addressed. Furthermore all questions were phrased in English to moderate any manipulation when translating questions and answered to this thesis.

The authors have also deployed data, investigator and methodological triangulation with the aims of increasing the validity (Guion, 2002). Data triangulation is defined as, “*the use of different sources of data*” (Guion, 2002). Our study sourced primary data from eight different individuals representing both internal and external stakeholders. Secondary data was also used as a compliment, further diversifying the data pool from which we draw our conclusions. Investigator triangulation is defined as having “*different investigators in an evaluation project*” (Guion, 2002). We both, as authors, independently wrote down empirics from two separate audio recorders and then compared our notes. Methodological triangulation is obtained by using both quantitative and qualitative measures within an evaluation (Guion, 2002). This study uses qualitative and quantitative information from both primary and secondary sources as outlined above.

2.4.4 Reliability

A mathematical illustration of reliability can be seen as “*the ratio between the true-score variance to observed variance*” (Nachmias, 1996). As such a value of 1 in the below equation symbolizes that the true value variance and observed value variance are identical and as such the study is 100 percent reliable.

$$\text{Reliability} = \frac{\sigma_t^2}{\sigma_x^2} = \frac{\sigma_x^2 - \sigma_e^2}{\sigma_x^2}$$

T= True score variance, the true value of the observation.

E= Error term variance, caused by the measurement tool

X = Observed term variance, the result given by the tool of measurement

Our study has controlled for reliability in the three dimensions:

First, the authors have tried to mitigate for disruptions in reliability, by creating a consistency in the data collection process. Using the same language when phrasing the questions to all interviewees, the same process when conducting the interviews and crosschecking transcripts are all measures taken to minimize the error term in equation above. Furthermore to decrease the error term, our interview process has been repeated according to the same standards with every subject respectively. Two tape recorders were used ensuring both that no details from the interview were lost and that the discussion could flow freely without interruptions for note taking. The introduction of tape recorders was made with reference to the latter benefit in hopes of de-stigmatizing the interview situation (Bryman, 2001). All written texts with reference to interviews have been sent to each interviewee for content control to ensure that the message of the interviewee has not been manipulated during transcription of the audiotapes. We have found the answers given from the subjects to be logical in response to the questions asked, and a coherent pattern has been noted. Therefore the reliability in the data collection process is deemed high.

Secondly, the authors tried to create a consistency in the results obtained when collecting data from the employers as a group. Choosing representatives from six different industries allowed us to identify differences in preferences that are industry specific.

Thirdly, the consistency in the results from the students was controlled for by using the pan-European study with over 90 000 respondents which is large enough to detect and control for, any deviances that might exist within countries.

3 Empirics

3.1 Primary Data

3.1.1 Introduction of interview subjects

The first group of stakeholders interviewed is representing management at SSE. The purpose of interviewing management is to get their view on the resources that SSE has and the resources that they lack. By interviewing them an understanding of the new curriculum offered at SSE can be obtained as well as an understanding of the vision that the school has with it. Furthermore SSE has conducted internal studies preceding the implementation of the Bologna degree and the management has been informed of the views of the other internal stakeholders, such as the students and faculty. The interviewees representing management at SSE are:

Karl Olof Hammarkvist: Mr Hammarkvist is the Vice President of SSE, Adjunct professor and the Dean of the MSc programs at SSE.³

Pär Mårtensson: Mr. Mårtensson is an Assistant Professor in marketing and strategy at the Stockholm School of Economics. He is the Head of the new General Management MSc program at SSE.⁴

The second group of stakeholders identified represents international companies within six different industries. By interviewing the persons responsible for recruitment within 6 different industries the authors wanted to get a perspective from the stakeholders that SSE eventually caters to. Furthermore interviewing the head of recruitment also allowed us to compare SSE against other schools by asking about the performance of non-SSE students they have hired and how SSE's students differed from their peers. The HR employees representing six different industries are:

³ www.hhs.se (2009-05-04)

⁴ www.hhs.se (2009-05-04)

Kessiah Hunt, Morgan Stanley (MS): MS is an international investment bank and Kessiah Hunt is responsible for European recruitment for MS. She is based in London.⁵

Petra Stergel, PriceWaterhouseCoopers (PWC): PwC is one of the big four international accounting firms. Petra Stergel is responsible for Human Capital in Sweden. She has co-ordinated European recruitment with other PWC offices both in Sweden and abroad.⁶

Signe Svensson, Procter and Gamble: P&G is a leading consumer product company. Signe Svensson handles recruitment for P&G on a European basis with focus on Western Europe.⁷

Örjan Sölvell, SSE PhD program: The SSE PhD program has around 75 doctoral students in the fields of business administration, finance and economics. Mr. Sölvell is a Professor and Associate Dean of the PhD program at SSE.⁸

Carita Wahlberg, Stora Enso (SE): SE is a global paper, packaging and forest products company. Carita Wahlberg has 30 years of recruitment experience and has worked extensively towards SSE. She has experience from recruitment on a global level.⁹

Johanna Wallander, Boston Consulting Group (BCG): BCG is a global management-consulting firm. Johanna Wallander is responsible for recruitment at the Stockholm Office and has experience from collaborating with other BCG offices.¹⁰

⁵ www.ms.com (2009-05-04)

⁶ www.pwc.se (2009-05-04)

⁷ www.pg.com (2009-05-04)

⁸ www.hhs.se (2009-05-04)

⁹ www.storaenso.se (2009-05-04)

¹⁰ www.bcg.se (2009-05-04)

3.1.2 The Faculty at SSE

3.1.2.1 Curriculum

The general guidelines of the curriculum for the General Management MSc program consist mainly of providing a program that offers a broad understanding of the basics within the different disciplines of economics and business. Initially the program will include a period where the basic subjects within the field of business and economics are taught, in order for students gain a theoretical foundation. However the subjects will not be taught in a traditional way, instead they different subjects will be integrated with each other and taught in a way that utilizes the synergies between them. The second part of the program will offer different “theme” modules that integrate non-strictly academic parts such as entrepreneurship, mergers & acquisition as well as other business life aspects. The education will contain live cases and guest lecturers from the private and public sector. (Pär Mårtensson, 2008)

The new MSc program will follow the same basic principles as the existing one, with five different majors, finance, marketing, international economics, accounting and management. The education will contain both fixed courses that are deemed to be essential for gaining a certain theoretical foundation as well as open electives that allow the students to specialize in different areas of interest. (Karl-Olof Hammarkvist, 2008)

The admission process for the different programs differ in the way that the General Management program will only accept students with a background in all disciplines except Business or Economics, whilst the MSc program is intended for student with a BSc in either Economics or Business. Both admission processes are quite similar as they assess results on standardized tests as GMAT, GRE, TOEFL as well as personal motivational letters and personal interviews. (Karl-Olof Hammarkvist, Pär Mårtensson, 2008)

3.1.2.2 Resources

Karl-Olof Hammarkvist (2008) states that SSE has the faculty, the facilities and the experience of offering a program on this level that guarantees a certain academic quality. However since new processes are required with all from admissions to administrative routines, we will need to extend our support staff. *“Since we will compete on a more global level and international students will compare us to their*

previous schools it is crucial that we hold a certain level". To ensure a certain level SSE will need new resources in order to expand their support functions such as student and admission services. *"For instance if a student needs help with going back to Greece after his studies and find a job there we need to have the necessary resources to help him with this"*(Karl-Olof Hammarkvist, 2008).

The well developed network that SSE's within the private and public sector is a strong resource. SSE has good relations with companies and organizations across various industries and borders. This enables the possibility for students to establish a relationship with desirable future employers during their study. SSE will also be able to collaborate with companies and give the students the possibility to take part in live cases. Parts of the general management students' curriculum will involve projects at different companies across Sweden and provide an opportunity of using their theoretical knowledge in a practical context. *"The possibility to combine theory and practice to that extent will be unique and give us a competitive advantage towards other schools. We will go further than other schools in the live cases"* (Pär Mårtensson, 2008). International students that enroll at the General Management MSc program will get access to an international career and be put in contact with major international companies. (Pär Mårtensson, 2008)

SSE management points out that the budget for international marketing has to be increased. The school's reputation on the domestic market has allowed it to attract top talent without extensive marketing however now facing an international arena other demands need to be met and in order to do so more financial capital is required. Currently SSE is obtaining its financial capital from government subventions, return on invested capital and through donations. Current Swedish regulation prohibits them from charging tuition fees. *"At the moment the regulation is under supervision and we hope for a possibility to at least charge for non EU-students in the future"*. (Karl-Olof Hammarkvist, Pär Mårtensson, 2008)

The new curriculum, for the General Management MSc program, is dependant upon the possibility of dividing the classes into small groups that can work independently and then reconfigure with the rest to present their findings. Facilities such as classrooms and IT-infrastructure are a scarce resource at SSE at the moment. (Pär Mårtensson, 2008)

Regarding competition SSE considers itself to be in the business school segment rather than a classic university. The primary goal is to graduate future leaders. *“We rather consider our competition to be London School of Economics than Cambridge or Oxford. Basically we see ourselves in the same segment as the top-tiers business schools in Europe where we also find other CEMS members.”* (Karl-Olof Hammarkvist, 2008)

London School of Economics offer a similar program to the General Management Master’s however management is hoping that international students with a desire to broaden their academic foundation with practical knowledge will find that possibility to best be offered at SSE. The experience from having an MBA shows that SSE were able to compete with the top schools mostly due to their strong connection to the business sector. *“We were able to offer our students a live component that many other schools couldn’t match”.* (Pär Mårtensson, 2008)

The CEMS schools were selected on the premises that they should be the top business schools in Europe. SSE’s finance and economics faculties have had a strong reputation internationally due to their strong research department. Subsequently SSE has benefited from having a strong brand both domestically and internationally, which is a major resource on the educational market. (Karl-Olof Hammarkvist, Pär Mårtensson, 2008)

3.1.3 Recruitment

3.1.3.1 Attractive profile

P&G is looking for a broad background. Generally persons that work well in teams and that have good inter-personal skills. They need to be able to lead both vertically and horizontal. A more specific criterion is an analytical mindset. P&G does not put too much emphasis on grades regardless of which school the student went to; instead they test their analytical ability. The test reminds a lot of the GMAT and statistically SSE students perform higher on average than students from other Scandinavian schools. (Signe Svensson, 2008)

The PhD department is looking for a strong analytical ability since this is a prerequisite for becoming a good researcher. At the end of the PhD student’s education awaits a life as a researcher and not a businessman and therefore there are

some specific profiles that are desirable. Since 2008 the admissions process has become more centralized. It is designed more like a regular admissions process. This will increase transparency and ensure that admission will be done on more objective basis. (Örjan Sölvell, 2008)

Morgan Stanley's recruitment is done from all disciplines and all top universities and business schools. Primarily MS is looking for students with high academic achievements, strong communication and analytical skills, intellectual curiosity and an entrepreneurial spirit. Attention to details and teamwork is also very important. (Kessiah Hunt, 2009)

PWC are looking for a more broad and general profile biased towards business and economics. The recruits have graduated with a strong academic record. At the same time the value extra curricular activities very high. The nature of the extra curricular activities are not as important as long as they show a strong commitment parallel to studies. PWC is also interested in students that have been able to combine their studies with some practical experience – such as part-time jobs or internships. There is an interest in students that enjoy starting as generalists and after a few years start finding their own niche. (Petra Stergel, 2008)

SE is looking for an independent student that has a drive and a desire to constantly improve and thrive. They should show some sort of proof regarding this – this could be any type of extra curricular activity such as being part of an international project or being part of the students association. They should be able to deliver results at the same time as they maintain a humble approach and show excellent collaboration skills. Other important aspects are being able to implement change and to take decisions. SE puts a lot of emphasis on extra curricular activities since it shows that the student has a broader perspective. *“If you have worked part time this signals that you have a practical understanding of how an organization is run. If you have traveled a lot you probably have learned a lot about other cultures and improved your cross-cultural skills”*. Speaking several languages is also weighed in since SE is competing on a global market. (Carita Wahlberg, 2008)

BCG employs top performers with excellent academic records and highly developed analytical skills. At the same time they are looking for curiosity and the drive to go beyond the obvious and challenge the status quo. Leadership potential and excellent

interpersonal skills are other equally important requirements. These criteria's all carry equal weight and an assessment is based on them together as a package. (Johanna Wallander, 2008)

3.1.3.2 SSE students in a professional context

P&G has observed that generally speaking, an SSE student is a bit more “*business trained*” than students from other schools. The students from SSSE are more used to the whole process from interview to after employment and generally already have quite well developed business skills in comparison to students from other schools. A couple of SSE students have been recruited directly to Switzerland and Germany and they have managed to do well on an international arena. (Signe Svensson, 2008)

Morgan Stanley conveys that SSE students are very polished when they come to the interview process. They hold an advantage compared to students from other schools in terms of business mindset and practical understanding of the industry. SSE students are very focused. The majority of students have already a good understanding of what investment banking entails. They are one of the strongest regarding focus and being well informed. Morgan Stanley also stresses that SSE are strong in terms of availability as a recruitment base. “*The model that SSE has is fairly unique and quite impressive. The level of service is extraordinary. They arrange a lot of events. The students are running the contact themselves in a professional manner.*” (Kessiah Hunt, 2008)

SSE students are very good at delivering results and enjoy pushing themselves and being in a competitive environment. Petra Stergel, 2008 states that: “*SSE attracts a lot of talented people. We cannot determine any significant differences regarding theoretical knowledge since we recruit the top students from the other universities and they as well are very well prepared.*” However PWC stresses that SSE students show a certain drive and energy, that non-SSE students also have however to a lesser extent. The students from SSE are quite polished in the sense that they know how to behave in different situations and how to conduct and express themselves. Regarding availability of recruitment SSE is a place where a company has to spend a lot of money in order to get access. SSE is aware of its value. Besides the cost of getting access there are no other barriers of entry. SSE has a good way of dealing with companies and the level of service is high. “*We get access to the students directly*

and the business department within the students association has been very helpful.”
(Petra Stergel, 2008)

SSE students keep delivering after employment. They take a lot of initiative and keep a constant high pace. *“I have been working towards SSE fort almost 30 years in my past and current jobs and the students who have been recruited have do my understanding delivered excellent results to the organisations.* (Carita Wahlberg, 2008)” Carita’s opinion is that they have a drive and entrepreneurial spirit that usually is unmatched by most other schools. SSE students are more business minded and assess situations faster. They are goal oriented and always deliver results. The contact between the student association and SE company has worked very well and SE has never experienced any obstacles regarding the possibility to attract talent from SSE. (Carita Wahlberg, 2008)

“SSE is one of our most successful recruitment pools” (Johanna Wallander, 2008)

P&G, MS, SE; BCG an PWC all recruit from all major schools and disciplines in Europe and subsequently SSE students compete with other top-tier business schools in Europe. (Signe Svensson, Carita Wahlberg, Petra Stergel, Johanna Wallander, 2008, Kessiah Hunt, 2009).

Within economics and finance, the PhD program looks at the whole map. They have students coming from Italy, Russia, Germany, UK as well as other parts of the world and regardless of country they recruit from the top schools. In Europe the peers are LSE, HEC and the CEMS-schools in general. (Örjan Sölvell, 2008)

3.1.3.3 Knowledge vs. Skills

SSE students have a mix of both theoretical knowledge and practical skills. Surveys show that some of the SSE students did not choose other business or economics educations as their second choice; instead they chose Karolinska Institutet or Kungliga Tekniska Högskolan instead. SSE students are ambitious and smart students that come to an environment where they are stimulated by other students as well as by the curriculum that SSE has in combination with the expertise of the faculty. *‘We have noticed that SSE offers a more practically oriented education than other business schools that we recruit from.’* (Signe Svensson, 2008)

SSE attracts students with strong capabilities and by contributing with a stimulating environment they develop and evolve. They attract a certain brain pool but they also develop the brain pool and provide them with the necessary skills they need for their future. (Carita Wahlberg, Örjan Sölvell, 2008)

The education that students receive at SSE prepares them for the business world. They get a combination of skills and knowledge, which gives them an edge when they step into the work life. (Kessiah Hunt, 2008) Having a degree from SSE guarantees a certain quality that some of our clients find important to have. (Petra Stergel, 2008)

3.1.3.4 The Bologna process

P&G and MS have decided that they will hire both BSc and MSc students on the same level. They have looked at their recruiting history from other countries and have noted that both types of students have done well. What is important for P&G is that the student is confident in and satisfied with their choice. If they are hesitating between starting to work or doing an MSc then they encourage them to continue their studies and they can then hire them at a later stage. However, even if the tasks will be similar they will differentiate the starting salaries between BSc and MSc in favor of the MSc students. (Signe Svensson, 2008, Kessiah Hunt, 2009)

The PhD education is a 4-year program. Admittance is open to both 4-year as well as 5-year MSc students. There will be a possibility for someone with a 5-year degree to start directly in the second year of the PhD program. Some of the courses from the MSc-program will be able to be transferred to the PhD program. (Örjan Sölvell, 2008)

PWC will divide the recruitment in two categories and mostly take in BSc students. That way they can develop within the organization and get a better understanding of the business model and culture. MSc students will be recruited for certain positions but more will be expected from them regarding previous working experience and project management experience. (Petra Stergel, 2008)

SE and BCG are continuously looking for young potentials and select each member of their team on individual basis. They emphasize that it is difficult to generalize since recruitment can be for different positions and therefore a BSc or MSc degree

can play more or less of an important role. However the skills they require from their graduates often implies that they are more mature and are holding an MSc degree. (Carita Wahlberg, Johanna Wallander, 2008)

3.2 Secondary sources

3.2.1 European student barometer

3.2.1.1 Important factors when choosing a university course:

Table 1 shows important variables in the selection process for students that were to start a business or economics degree. The table also discerns the importance of each variable through a percentage scale from 0 to 100.

Looking at which factors European student find most important we see that teaching performance of the lectures, reputation of the university in the labor market and academic reputations stand out as the most determinant. These variables are all intangible characteristics of an academic institution.

Contrastingly the least important variables, cheap location, accommodation and IT facilities are all tangible assets. Another interesting observation is that the most important variables are subjective and hard to quantify. For example a student, prior to joining the university, has no real way of measuring the effectiveness of the lecturer. This must therefore be gauged through either a ranking mechanism, word of mouth or some other type of third party interaction. As such the most important factors are the ones the student has the least amount of first hand information about. (Trendence Student Barometer, 2008)

	Europe
Academic reputation	61,1%
Assistance with career planning	23,6%
Cheap location	12,9%
Cooperation with industry	38,6%
Good location	40,9%
Internationality of the program	44,0%
IT facilities	17,0%
Quality of the administration service	17,5%
Reputation of the university in the labour market	60,7%
Skills needed for graduate employment	42,1%
The availability and helpfulness of the lecturers	28,7%
The course content	64,8%
The students activities / campus life	28,4%
The teaching performance of the lecturers	65,6%
University accommodation	9,8%
University infrastructure	36,9%

Table 1, Important factors when choosing university (Trendence student barometer, 2008)

3.2.1.2 How do universities perform on key variables

This segment presents the portion of students, which have ranked their university performance as good or very good in the key factors presented above. Looking at the data we find that the general score on the variables are higher than in the preceding segment. As such students perceive that their universities perform good or very good on more variables than they initially ranked as important before joining the institution. The three variables that scored the highest are good location, reputation on the labor market and academic reputation. Relating this finding to the section above we find that two of the variables deemed most important ex-ante was perceived as being delivered by the university ex-post. (Trendence Student Barometer, 2008)

	Europe
Academic reputation	88,9%
Assistance with career planning	66,0%
Cheap location	76,2%
Cooperation with industry	78,7%
Good location	91,8%
Internationality of the program	84,4%
IT facilities	81,3%
Quality of the administration service	68,7%
Reputation of the university in the labour market	89,5%
Skills needed for graduate employment	73,1%
The availability and helpfulness of the lecturers	78,6%
The course content	83,7%
The students activities / campus life	83,3%
The teaching performance of the lecturers	84,3%
University accommodation	72,7%
University infrastructure	83,6%

Table 2, University performance on key variables (Trendence student barometer, 2008)

3.2.1.3 Interest of student to study abroad

Table 3, below, shows the percentage of students, currently enrolled at a university, that expressed an interest of studying abroad. This data can be seen as a proxy for the willingness for students that currently study at a BSc program to study abroad for their MSc degree. It can be noted that Greek, Italian and Portuguese students have the highest average level of abroad study interest. Looking at the geographical area closest to SSE, Finland and Norway score close to the bottom end in the survey, while Denmark is in the middle.

It can be seen that 87,5 percent of the SSE students are interested in studying abroad. Compared to the average for the country we find that SSE students are significantly more willing to study abroad. It is unclear from the survey, why that is so and if other top business schools share this characteristic within each country. (Trendence Student Barometer, 2008)

Country	% Yes	Country	% Yes
Europe	51,4%	Italy	79,4%
Austria	61,9%	Netherlands	53,0%
Belgium	49,4%	Norway	34,2%
Czech Republic	34,6%	Poland	43,2%
Denmark	57,5%	Portugal	63,4%
Finland	36,1%	Slovakia	40,7%
France	49,9%	Spain	56,3%
Germany	43,9%	Sweden	59,9%
Greece	82,3%	Switzerland	59,4%
Hungary	56,1%	United Kingdom	45,6%
Ireland	47,1%	Handelshögskolan i Stockholm	87,5%

Table 3, Students interest of studying abroad (Trendence student barometer, 2008)

3.2.1.4 Desired destinations for Master's students

For European students we find that the most popular destinations for studying an MSc degree are the UK, the US and Canada. This finding is reiterated when surveying the SSE students (please consult Appendix for complete survey results). The findings show that large English speaking countries are the most preferable destinations. Furthermore these findings correlate with results from the Jiao Tong World University ranking¹¹, where the US, Canada and UK all have the most number of Universities in the top 100 bracket. Conversely the least popular destinations are smaller countries that are ranked low in the rankings. (Trendence Student Barometer, 2008)

Destination	Europe
Australia	20,3%
Austria	4,6%
Belgium	4,7%
Canada	21,9%
Czech Republic	2,0%
Denmark	4,6%
Finland	4,5%
France	15,6%
Germany	17,2%
Greece	1,2%
Hungary	0,5%
Ireland (Republic)	10,9%
Italy	8,0%
Netherlands	7,9%
Norway	4,7%
Poland	1,3%
Portugal	1,7%
Slovakia	0,5%
Spain	18,0%
Sweden	12,3%
Switzerland	12,2%
United Kingdom	53,9%
US	61,4%

Table 4, Desired destination MSc. students
(Trendence Student Barometer, 2008)

Sweden is ranked the 8th most popular destination which again is correlated with the Jiao Tong¹² ranking in which Sweden was ranked number 9th. 12,3 percent of the European students have expressed an interest in studying in Sweden. Finland, Greece and Germany are the countries, which show the most interest in studying an MSc degree in Sweden. It is interesting to find that Sweden's neighbors, excluding Finland that has a Swedish-speaking minority, show below average interest in studying in Sweden. Germanic countries, Austria, Switzerland and Germany all have a higher than average interest in Sweden. (Trendence Student Barometer, 2008)

Destination	Europe	Austria	Belgium	Cz. Re.	Denmark	Finland	France	Germany	Greece	Hungary
Sweden	12,3%	13,3%	10,2%	12,4%	11,4%	35,3%	13,8%	17,8%	18,7%	11,7%

Destination	Italy	Netherl.	Norway	Poland	Portugal	Slovakia	Spain	Sweden	Switzerl.	UK
Sweden	9,4%	13,1%	5,8%	9,5%	9,8%	9,8%	9,0%	0,0%	15,4%	15,1%

Table 5, Students interested in studying in Sweden
(Trendence student barometer, 2008)

¹¹ <http://www.arwu.org/rank2008/EN2008.htm> (25-05-2009)

¹² Ibid

3.2.1.5 Interest in acquiring a Master's degree

Table 6 shows the percentage of students that agree or disagree to the statement; “A bachelor degree does not provide the skills necessary for entry in the labor market”. This can be seen as a proxy for the intentions of the students that plan to apply for a Master's degree. We find a high average in Europe of 42,6 percent, which together with the information about the percentage of students wanting to study abroad for a Master's degree suggests a relatively high number of students leaving their home universities for a Master's degree studies abroad. Most of the countries have an “agree” percentage around 45 percent with Italy being the sole outlier with only 7,8 percent agree rate. SSE is lower than the average in Europe but in line with the results for Sweden. (Trendence Student Barometer, 2008)

A feature to consider here is that at the time of the polling, the students in Sweden would be among the first batches of the Bologna system graduates. As such they cannot rely on prior experiences or compare themselves to other alumni's when trying to gauge if in fact their Bachelor's degree is sufficient for the labor market. Therefore one cannot rely heavily on the predictive power of this result. (Trendence Student Barometer, 2008)

Country	Agree	Disagree	No Opinion
Europe	42,6%	32,7%	24,7%
Austria	46,9%	26,3%	26,8%
Belgium	40,3%	38,0%	21,7%
Czech Republic	67,8%	15,5%	16,7%
Denmark	63,8%	17,0%	19,2%
Finland	30,1%	22,1%	47,7%
France	34,0%	35,7%	30,3%
Germany	47,6%	24,0%	28,4%
Greece	68,1%	22,3%	9,6%
Hungary	48,8%	34,1%	17,0%
Ireland	48,1%	34,2%	17,6%
Italy	7,8%	53,0%	39,2%
Netherlands	43,3%	35,2%	21,6%
Norway	55,6%	25,2%	19,2%
Poland	54,5%	26,6%	18,9%
Portugal	43,5%	31,6%	24,9%
Slovakia	56,0%	21,8%	22,2%
Spain	49,5%	31,6%	18,9%
Sweden	31,5%	35,9%	32,5%
Switzerland	40,4%	39,4%	20,1%
United Kingdom	47,6%	32,2%	20,2%
Handelshögskolan i Stockholm	32,8%	31,2%	35,9%

Table 6, Interest in studying a MSc. (Trendence student barometer, 2008)

3.2.2 SSE Surveys

3.2.2.1 Exchange students

Exchange students are defined as students that attend SSE during only one semester. They study at an undergraduate level and as CEMS students. Every year the ISA performs an exit survey. (SSE exit survey for exchange students, 2006, 2007)

The students stated that *“good reputation of the school and its prestigious name”* was an important factor in 2006. In 2007 the reputation of the school was the highest-ranking variable again with Stockholm/Sweden as a *“destination”* ranking as the second most important factor. In 2007 the third most important factor was the ranking of SSE. (SSE exit survey for exchange students, 2006, 2007)

The areas of improvement for the school in 2006 and 2007 included the lack of good courses in management, especially among the CEMS students. Furthermore the exchange students expressed concerns about not being well integrated with the rest of the school. (SSE exit survey for exchange students, 2006, 2007)

3.2.2.2 IGP students

IGP students are defined as students, which study their Master’s degree at SSE and stay for three semesters. When assessing the survey conducted by SSE towards IGP students the reputation of SSE is highlighted:

“For the reputation of the school and the possibilities to interact with the students from all over the world” (SSE internal survey; Why IGP students chose SSE, 2004-2006)

“Economics research faculty ranking, MSc program has excellent reputation and fantastic career perspectives” (SSE internal survey; Why IGP students chose SSE, 2004-2006)

Another interesting aspect was the flexibility of the course:

“I was pleased with the extreme flexibility in course selection, allowing me to custom-tailor a study program that suited my interests and ambitions.” (SSE internal survey; Why IGP students chose SSE, 2004-2006)

The issue of cost was also highlighted among IGP students, as they have to pay tuition, which the exchange students are exempt from:

“Because the good reputation of the school, IGP-SSE offered more than 1 year of post-grad education, cheaper than LSE” (SSE internal survey; Why IGP students chose SSE, 2004-2006)

3.2.2.3 Rankings

The Financial Times ranking¹³:

The Financial Times conducts a yearly ranking of the Masters in Management programs in Europe. The variables include 3 categories; career progress, school diversity and idea generation with subcategories such as salary increase, number of international students, languages and research rank amongst others.

The Stockholm School of Economics has been performing relatively worse every year in the ranking for the past three years. SSE was ranked 8, 9 and 12 in 2006, 2007 and 2008 respectively among the Masters of management courses in Europe.

Particular strengths for the school in the ranking of 2008 was the salary, which is defined as the average salary of alumni three years after graduation, SSE scored as 5th in this dimension. When the salaries were weighted after industries SSE ranked as number 6th. When looking at the value defined as salary after controlling for cost of tuition and length of studies we find that SSE ranks 5th again.

When looking at SSE's areas for improvement we find that the lack of internationalization hampers the schools performance in the rankings. The composition of the faculty, which is only 21 percent international, gives the school a rank of 36th. SSE has only 3 percent international students, which ranks it 48th out of 50 schools. On International course experience SSE ranks 27th.

¹³ <http://rankings.ft.com/businessschoolrankings/european-business-school-rankings> (2009-05-15)

SSE is also apart of the CEMS collaboration which would have been ranked 3rd in 2008. It was however it was not included in the ranking since CEMS is a program and not an institution.

About CEMS: European top-tier business schools have together with multinational companies formed a strategic alliance named CEMS. The alliance was formed in 1988 in Europe and has constantly been growing ever since. Their Master's program is in the top-tier segment of MSc's in International Management and today the network consists of 28 top-tier academic institutions that collaborate with 54 corporate partners in order to be able to offer a top-tier MSc program that stands out both academically and professionally.¹⁴

¹⁴ www.cems.org (2009-05-15)

4 Theoretical Framework

4.1 Introduction

There are two dominant views on strategy that both have their mutual grounds in the notion that a firm's competitive advantage leads to success within its industry. However these two views have different vantage points when assessing the factors that lead up to a firm's competitive advantage.

Industrial organization (IO) theory adopts an external view on strategy by looking at several external forces that shape a companies strategy in their specific sector. The IO approach assumes an identical base of resources for companies with high mobility of the resources across the sector. Hence the external factors have the decisive power in terms of a firm's strategy. IO theorists argue that resource based view is incapable of covering all aspects that are essential for a firms strategy formulation, and thus RBV should only be used as a complementing theory. (Porter, 1991)

RBV theory distinguishes itself since it tackles the reality in which companies operate, from a different angle than IO theory. RBV does not assume that firms have identical strategically important resources and capabilities, nor does it assume that the durability of resources is short or that they have high mobility. Instead RBV seeks to derive the competitive advantage by looking at the internal resources of a firm as well as how they manage and handle them. (Barney, 1991)

Our empirical findings show that students value components such as reputation, faculty amongst others when choosing a university for their Master's degree. Employers value the capabilities that the school has facilitated to their students. Empirics also support that educational institutions vary in the endowment of their resources as well as in their proficiency of utilizing them to add value to the students. This implies that internal resources play an important role in the strategy of academic institutions and should therefore not be considered as exogenous. Based upon that the authors consider a theoretical framework that takes the internal resources of a firm as endogenous and seeks to derive a competitive advantage from them.

In regards to the different views on strategy and the trade off in between them, we find RBV to provide the best fit for deriving the components that are essential on the educational market and turn to it for an explanation to our research question. The RBV theory presented in the section below will serve as a foundation for our analysis where the theories will be applied on our gathered empirics. The analysis will follow the RBV schematics for establishing a competitive advantage and a conclusion regarding the findings will be presented.

Further on in the analysis a discussion will take place evaluating the fit of RBV theory on our topic of research, as well as featuring lack of explanatory variables identified when using this theory.

4.2 Resource Based View

RBV theory is a theoretical approach that assesses the strategic capabilities of a firm by putting emphasis at the internal resources that each firm has available. The idea of RBV is to detect the capabilities and resources of a firm and from that extrapolate the firm's competitive advantage. (Collis & Montgomery, 1995)

The distinction between resources and capabilities according to Grant is that resources are to be considered as the assets that a firm owns whilst capabilities rather explains what the firm is capable of doing. (Grant, 2008) A resource or capability is benchmarked against its industry and the influence of industry relevant market factors must be taken into consideration, hence a resource that is valuable in one industry might be useless in another. The interplay of scarcity, appropriability and demand establishes the value of the resource or the capability. (Collis & Montgomery, 1995)

Wernerfelt (1984) defined resources as strength or a weakness that could be attributed to a firm. Originally the resources and capabilities of a firm followed a broad definition that basically entailed all property that the firm had in its possession. (Barney, 1991) However as RBV-theory evolved more narrow definitions where introduced and resources and capabilities where divided into different categories. Grant divides the resources into tangible, intangible and human. The tangible assets are physical or financial whilst the intangible ones include reputation, technology and culture. Grant puts more weight on the importance of intangible assets over tangible

and emphasizes the increased difficulty of imitation in intangible assets. Reputation as an intangible asset could be an important resource if there are few actors and a restricted level of it amongst them. (Besanko et. al, 2000) The human resources constitute of knowledge, communication and skills. According to Grant (2008) there has been a shift in the appraisal of human resources where less emphasis is put on formal requisites and instead more emphasis towards development potential, social skills and motivation. (Grant, 2008)

The organizational capability of a firm is its “...*capacity to deploy resources for a desired end result*”. (Grant, 2008) The deployment that Grant refers to is done through processes, routines and culture. (Collis & Montgomery, 1995) Subsequently the capabilities determine the basis for a firm’s competitive advantage. A distinction between capabilities is created by Prahalad and Hamel that discern the core competences of a firm i.e. capabilities that are essential for a firm’s strategy and performance. The core competences are defined as capabilities that “*have a significant contribution to customer value, or the efficiency with which that value is delivered as well as provide a basis for entering new markets*”. (Grant, 2008)

The two approaches to identifying the capabilities are the functional analysis and the value chain analysis. The first method distinguishes the primary functions of a firm and then identifies organizational capabilities that belong to each function. The second approach views the activities of a firm as a sequential chain. In this chain a distinction is once again made, this time between primary and support activities.

In order to achieve an organizational capability the human expertise must be integrated with the resources. This integration is defined by Nelson and Winter as organizational routines. Further these routines are defined as regular and predictable patterns of activity made by individuals. (Nelson and Winter, 1982)

Organizations develop skills through experience. Incumbent firms benefit from routines that have been established and perfected over time. This notion is defined as economies of experience. (Grant, 1991)

A firm could also have dynamic capabilities defined as their ability to expand or change their resource base. Depending on how the firm uses their dynamic capabilities they can integrate resources or gain new ones, which allows them to

penetrate new segments through growth or strategic alliances. (Eisenhardt & Martin, 2000)

The organizational routines are an important factor since they translate directions and operating practices into capabilities. However there is an alternative cost for the organizational routines in terms of a trade off between efficiency and flexibility. (Grant, 1991, 2008)

Within the organizational capabilities we can observe a certain hierarchy where functions or activities are discerned into different types of capabilities adding another dimension to it since we then can observe more specialized capabilities. Some capabilities are depended on a single resources whilst other dependency on the collaboration and integration of several resources. The more complex the competitive advantage is the harder it is for other firms to imitate it. (Grant, 2008)

The benefits obtained from a firm's capabilities are dependant upon the firm's ability to "establish a competitive advantage, to sustain that competitive advantage and to appropriate the returns to that competitive advantage." The benefits for a firm are obtained through the attractiveness of the industry and the competitive advantage. However the evolved competitive landscape has made competitive advantage the key determinant for success. (Grant, 2008)

In order to assess SSE's capabilities we wish to use a taxonomy suggested by Grant where a methodical approach is used to appraise the resources and capabilities. This appraisal then works as a guideline for the strategy formulation. (Grant, 2008)

The first step is to identify the resources and capabilities. We need to identify which factors determine the success of educational institutions and then determine the resources and capabilities that have lead to the success factors. The second step is to appraise the resources and capabilities. The appraisal is commonly done with two main criteria's as guideline. First identifying the importance of the resources and capabilities for the competitive advantage of the studied firm and then identifying the strengths and weaknesses in comparison to the competition. The third step in this taxonomy is the strategy implications that our competitive advantage leads to. This means that we have to formulate a strategy that takes advantage of our strengths and ensures that the resources are efficiently used in order to obtain the highest effect. If

the taxonomy has been followed the process of identifying the resources and capabilities and then the process of appraisal have also shed light upon the resources and capabilities that a firm lacks in order to obtain a competitive advantage. Acknowledging the gaps in resources and capabilities is an important step before formulating the strategy. (Grant, 2008)

The gain that a firm receives from its competitive advantage is dependable upon the *“1. The sustainability of the competitive advantage and 2. The ability of the firm to appropriate the return”*. (Grant, 1991)

In order to assess the sustainability four characteristics are commonly valued. The first one being the durability of the competitive advantage, the second one being the transparency, followed by the transferability and lastly the replicability of the competitive advantage of the firm. (Grant, 1991)

The durability is being measured by observing the rate at which the competitive advantage deteriorates. (Grant, 1991)

The transferability is measured by observing if a firm has the potential of acquiring the same resources as a competitor in order to duplicate their competitive advantage. (Grant, 1991)

The transparency is measured by observing the firm's competitive advantage from two aspects. The first one being what the advantage is and how it is created and the second one being how a potential rival could require the necessary resources to imitate the competitive advantage. If both criteria's are fulfilled with remarkable ease than the competitive advantage is transparent. (Grant, 1991)

Observing the constitution of the competitive advantage and then assessing the possibility of acquiring the means to imitate it measure the replicability. Underlying complex processes that could be difficult to replicate can constitute capabilities that may seem simple. (Grant, 1991)

When applying this methodology to test for the sustainability of competitive advantage firm's must take a more rigorous approach in order obtain a true value. Often managers might be biased towards their own resources and capabilities and

therefore valuing their resources as inimitable or durable when in fact they aren't. (Collis & Montgomery, 1991)

In order to address the ability of the firm to appropriate the return the allocation of rents must be determined. We need to look at the resources structure and see for instance how allocation is divided between the human resources and the tangible resources and which resource dominates the structure. Does the firm depend largely on human resources or largely on intangible or tangible resources? (Grant, 1991)

Before formulating the strategy RBV-theory lay's focus on the firm's ability to develop new resources. This notion entails the development of new resources as well as the replacement of existing ones. In order to ensure a constant regeneration of resources RBV-theory suggests that firm's applies a strategy that slightly supersedes current capabilities in order to constantly develop new ones. (Grant, 1991)

If a firm's unique internal resources and capabilities can be leveraged they can benefit from an advantage on an international market. This benefit is sustainable if the firm continuously develops new capabilities and resources in order to adapt to the environment and competitive landscape. For the international strategy of a firm two types of capabilities are considered relevant. The first being their business-level component capabilities – their ability to produce superior goods, service or specific processes. Followed by their corporate-level architectural capabilities – their ability to manage, to integrate and make use of the business-level capabilities. (Tallman & Fladmoe-Lundquist, 2002)

According to (Barney, 1991) a firm benefits from competitive advantage if it has a strategy that creates value and no other competitor is simultaneously applying it. A firm that has a sustainable competitive advantage follows the same definition as above with the additional criteria that no other firm should be able to replicate the benefit from this strategy.

5 Analysis

5.1 Introduction

Empirics show that Swedish students are the ones most interested in studying abroad after their Bachelor's degree. The implementation of the Bologna system has with its transparency and comparability opened up the possibility to more easily pursue an MSc degree abroad. The trend observed from the survey in combination with the aftermath of the Bologna system implies that we might be facing a domestic drainage of talent pool. The potential migration of Swedish students would delimitate the domestic supply of top performing students that SSE have been selecting it students from. Management emphasizes that we need to remain focused on academic excellence regarding the admission criteria of new students. In order to fulfill this criteria SSE, given the implication presented above, SSE needs to extend its strategy to an international arena so that the pool of students to select from remains of equal size or increases.

In order to find a viable strategy for the international arena we intend to implement Grant's (1991) taxonomy on deriving the resources and capabilities for the competitive advantage. This will allow for a general analysis on the identified components that are relevant for the success of an academic institution on the educational market. The taxonomy will give an overall structure for the disposition of our analysis whilst complementing theories will add depth. The terminology defined by the theoretical framework above will be used in the analysis; for example the notion of resources is to be considered as following RBV definition of the word, unless other is stated.

5.2 Identifying the resources and capabilities

5.2.1 Intangible resources

As defined by Grant (2008) intangible resources are a key component for deriving the competitive advantage of a firm. RBV theory considers resources to be valuable if they are relevant for the industry, rare and imperfectly imitable (Barney, 1991). Empirics show that SSE benefits from a strong brand domestically as well as a

relatively strong brand in Europe especially within the banking sector. The relevance of having a strong brand on the academic market is shown through the surveys as students ranked reputation as a high relevance factor in their BSc and MSc selection process.

The interviewees confirm the managements view on our large network as an important asset for SSE. Empirics show that SSE students get their first position faster the majority of their competitors. The interviewees stated that SSE students had a practical understanding that some of their peers initially lacked. Some of this can be attributed to the part-time work and extra curricular activities that SSE students take part of. The network that SEE has, that provides an opportunity for students to interact with companies during their studies, facilitates this. Analogous with previous RBV definition a strong network within the private and public sector is to be considered an intangible resource for SSE.

Through the RBV perspective the authors find that the real value of the student association at SSE, lies within its business model rather than its tangible assets. The HR interviewees stated that the business model of SSE's student association is unique. The students at SSE handle the contact with the companies and they are in fact the bridge between the school and the companies. Through this students obtain valuable international project-leading experience by participating in projects such as Project China. The interviewees stress the importance of having international experience when assessing the criteria's for employment. The result of having a student association model which delegates a lot of responsibility to the students is that it allows them to develop non-academic career essential skills. As defined by Grant (2008) having intangible resources that can be deployed through capabilities is an important feature for firms' competitive advantage. Empirics show that SSE's student association business model is an intangible resource that lays the foundation for the student culture that prevails at the school. When viewing this from RBV perspective we identify that the students association as an intangible resource plays a central role since it facilitates two other important aspects. Firstly it provides a forum for student to interact with other students as well as future employers, thus strengthening other resources such as network. Secondly it enables the creation and propagation of the student culture that prevails at SSE, which in accordance with our empirical findings is an important and unique resource that SSE possesses.

Based on Grant's (2008) taxonomy the authors identify brand, network and student association as intangible resource that SSE possesses. The relevance of these resources in regards to success for academic institutions is given by our empirical findings, thus implying that the identified intangible resources are valuable for SSE in the scope of the educational market.

5.2.2 Human resources

An academic institution's primary function is to provide an academic foundation to the individuals that enroll in their program and as the faculty is the facilitator of this process; they become one of the most fundamental resources of the institution. This notion is reiterated when consulting the student barometer, surveys and rankings where the importance of the faculty is highlighted.

The faculty needs supports staff to administer admissions, exams and manage the day-to-day operations of the institution. The endowment of support staff therefore is considered a resource, which can improve or hamper the institutions performance.

The professors and support staff at SSE match the criteria for Grant's (2008) definition of human resources as well as the requirements presented by Barney (1991) regarding the value and relevance of resources. Thus the authors conclude that professors and support staff are to be considered valuable human resources for academic institutions.

5.2.3 Tangible resources

Physical space is needed to facilitate lectures and meeting areas, while IT-facilities are important in organizing the operations and serve as educational tools for students and teaching staff. Thus facilities such as classrooms and IT-infrastructure that are owned or rented are to be considered as tangible resources for academic institutions.

The location of the university has potential effects on the international strategy since it is a pull factor for students in their decision process, as given by the empirical findings. Furthermore locations close to large urban areas with a high density of companies can affect the probability of building networks with the corporate sector, which in our empirics was highlighted as an important factor for prospective students.

Running an academic institution in a global environment is expensive as there is a constant competition for resources. Top faculty that can bolster a schools rank and educational content are costly and considered a scarce resource.

The authors identify facilities, location and financial capital as tangible resource that follow Grant's (2008) definition as well as support Barney's (1991) pre-requisites for the valuable resources to a firm and its competitive advantage.

5.2.4 Capabilities

5.2.4.1 Communication and collaboration

As defined in the theory segment, the organizational capability of a firm is its way of deploying resources for a desired result.

Judging from the interviews the students that graduate from SSE hold a certain combination of theoretical and practical knowledge. This implies that SSE has managed to integrate its resources such as faculty and network in a way that adds value to the product, being the students. Further on the interviewees state that SSE has a strong capability of interacting with their network and facilitating the necessary resources for the companies to meet with students and establish a relationship. Previous SSE MBA curriculum shows that SSE offers live component that not many other schools can offer. This is obtained through a deployment of resources such as leveraging the collaboration with companies and creating a component where students can put theory into practice. The authors identify that SSE's experience and proficiency in establishing processes of integration between resources, through communication and collaboration is to be considered as an organizational capability. When applying Prahalad's and Hamel's (1990) criteria of core competences and the effect they hold upon a firms potential entry on new markets we find that SSE's capability of communicating and collaborating with its network is a core capability that could be leveraged on a European arena.

5.2.4.2 Admissions

"A firm utilizes routines to ensure that integration between resources and human resources occurs, leading up to capabilities" (Nelson & Winter, 1982). In order for SSE to successfully integrate resources and add the highest value to students some organizational routines become important. An important routine for SSE is to have an

admission process that accurately distinguishes the capabilities of the students in terms of SSE requirement. This in order to ensure that SSE has a student base that have the requisites necessary needed for the school to add the most value to them. Empirics suggest that SSE has had a streamlined standardized process of admission, which due to the Bologna process, and its admission criteria's, has been changed. The new process, containing several elements of admission, requires staff expertise and knowledge to accurately evaluate the applicants.

5.2.4.3 *Building strong alumni networks*

An important asset, which the university management and employers highlighted, is the strength of SSE's culture and the university's capability of creating this sentiment towards it as an alma mater. The culture of a firm is regarded as an organizational capability within RBV theory.

The faculty as a human resource is instrumental in first giving the student an educational foundation and then later interacting with students upon graduation in seminars concerning current issues in the field of business and economics. This together with the extracurricular activities, facilitated by our intangible resources such as the student association that organizes and manages social ties among the students, creates the basis for an in-group perception, which results in a strong alumni network. Finally, the university facilitates interactions between the alumni network and SSE by having human resources such as support staff dedicated to the process and holding events for the group. The strong alumni network as a resource is developed through the process of integrating resources towards a common goal, thus an organizational capability in form of a culture that allows for this is identified.

5.2.4.4 *Flexibility*

HR managers highlighted that SSE was capable of educating students who were more prepared in interview situations and were considered to be better business trained than their peers in Europe. The flexibility of SSE's curriculum allows the students to engage in extracurricular activities on as well as off campus. These activities are in many cases business interactions with companies in which the students use the school's facilities, reputation and strong network to design, manage and deploy business projects. In these interactions the student gain important project managing experience which is highly appreciated by future employers. Conclusively this

develops a skill set among the student population, which combines academic theory with practical experience. The inputs used in this process are fundamental resources for academic institutions across the educational market. However SSE's process of managing and combining the inputs and thus creating a product that differentiate itself from the product offered at other competing business school's, implies that SSE has a capability, as defined by Collis & Montgomery (1995), that some of the competitors lack.

5.3 Appraisal

In line with Grant's (2008) taxonomy the resources and capabilities of a firm have to be appraised in order to obtain benefits from them. This is done through two main criteria's - importance and comparison to competition. When comparing against competition it is important to use relative strength as a proxy in order to avoid overestimation of ones capabilities (Collis & Montgomery, 1995).

5.3.1 Appraisal table

Type	Importance*	Compared to competition**
Resources		
Brand	<i>High</i> : Student barometer	<i>High</i> : Domestically; HR managers perception <i>High</i> : European; SSE ranked 12 th out of 50 schools in FT ranking
Network	High: Surveys and SSE management	High: Domestic; HR manager and IGP surveys Medium: European; IGP, Exchange, School management
Student Association	<i>High</i> : HR managers	<i>High</i> : HR managers
Professors	High: FT rankings, student barometer	High: Upper rank in FT for finance and economics department however low for international staff. HR managers support strong academic knowledge shown students.
Support Staff	Low: Student barometer	Medium: SSE management

Facilities	Low: Student barometer	Low: PhD professors, SSE management
Good location	Medium: Student barometer, HR managers	N/A
Finance	High: SSE management	Low: SSE management
Capabilities		
Strong Alma Mater culture	High: IGP student, SSE management	Medium: SSE management
Infuse business minds through interactions and practical experience	High: HR managers	High: HR managers
Communication with external stakeholders as a process	High: Student barometer, SSE management	High: HR managers
Admission as a gate-keeper routine	High: SSE management	Medium: SSE management
Flexibility in curriculum and graduation process	High: SSE management, IGP	High: IGP students

** How important the resource or capability is for clients*

*** How well developed the resource or capability is relative to competitors*

Our table analysis shows that brand, network, professors and student association are the resources with high importance in the context of the educational market. Further on the analysis shows that SSE has a relative strength in these resources, compared to its competition.

The identified capabilities that are of importance and which SSE has a relative strength in, are; the co-operation with external stakeholders, flexibility in curriculum, development of business sentiment through culture.

5.3.2 Rent Earning potential

In order to formulate the strategy that enhances SSE's competitive advantage internationally, an analysis of the rent-earning potential, of the competitive advantage, is essential. (Grant, 2008) Through our set of criteria's above we have identified a set of resources and capabilities that SSE has a relative advantage in and that are essential within the segment that the school operates in.

5.3.2.1 Sustainability

In order for SSE to gain benefit from its competitive advantage an assessment has to be made regarding the longevity of the advantage. Following Grant's (2008) taxonomy the sustainability of the identified resources and capabilities is analyzed through the criteria's of durability, transferability, transparency and replicability.

Intangible Resources: SSE's intangible resources have been developed over a long period of time and are sustained through underlying processes and interactions between the school, the students and the outside world. These features points towards certain durability, as they are not easily dismantled in the short run. For instance if a scandal would occur at SSE the school's brand equity would be less affected as its image is upheld by several components such as alumni, academic achievements and prior notions of the institutions success.

Brand, or an institutions external perception, is by definition transparent and thus identifiable by the competition. However due to imperfect information the process which builds brand equity is less transparent to the outside world thus making it more difficult for competitors to fully grasp (Grant, 1991). Network and Student Association are the result of prior and current interactions between different internal resources that SSE controls. Portions of the large network and the student association projects are the result of informal interactions and contacts, which are difficult to detect by competitors.

Brand, network and student association are both the result of highly interdependent formal and informal interactions that have elapsed over time. These intangible resources cannot easily be bought by competition due to their intangible configuration. Furthermore the network and student association have a geographical immobility that impairs its attainment by competition, hence speaking to a low transferability.

The competition on the domestic market has not been able to imitate these resources in order to even out SSE's competitive advantage. Others could imitate the resources that serve as input for establishing a similar network or student association model as SSE. However the competitive advantage lies within the capabilities that SSE uses in order to deploy these resources (Grant, 2008). Empirics show that these organizational capabilities have been difficult to imitate since they are dependant on underlying processes and routines that are difficult to detect for the outside world. As SSE continuously strives to broaden its network and thus uses its communication and collaboration capability it also enhances the gap between its competitors by adding more complexity to the network configuration. The culture at SSE is a component that serves as an enabler for the business sentiment that SSE's student association working model creates. This specific culture is observed by the outside world, however due to its intangible nature it is a capability that is difficult for other institutions to imitate.

Human Resources: The proficiency of professors as a notion is an institution that constantly has to be benchmarked and appraised. In order to maintain the same level of academic height the professors employed must hold a certain level at all times. As professors retire SSE needs to regenerate new talents that live up to the same standard. This is a resource that is difficult to keep, as a competitive advantage if the institution does not have the necessary funds to ensure that professors are compensated properly and get the appropriate funding needed for their research. Since SSE has a disadvantage compared to its peer in regards to financial capital it will be difficult to defend this resource in the long run, ergo there is transferability. Professors have a certain durability and are a resource that easily can be detected and transferred and thus replicated by others. The authors conclude that the professors at SSE are a resource that is important for SSE's competitive advantage, however a resource that is less sustainable since it can be attained by the competition.

Summary of resources and capabilities identified as sustainable

Resources	Capabilites
<ul style="list-style-type: none"> • Network • Brand • Student Association 	<ul style="list-style-type: none"> • Cooperation with business life • Flexible curriculum • Culture

5.3.2.2 Appropriability

The benefit that SSE is looking for, seen through the scope of our thesis, is to strengthen its position in Europe. Since students in Europe have emphasized reputation as the most determinant factor, we have used ranking, as defined by FT, as a proxy for success. Analogous with RBV theory the appropriation from SSE's competitive advantage is obtained by climbing in rankings, thus implicitly satisfying determinant factors for demand.

The authors conclude that the competitive advantage derived from SSE's resources and capabilities would increase the reputation of the school, based on the previous set criteria's. Subsequently this would imply an appropriability for SSE on its competitive advantage since increased reputation leads to increased success in the European market, based upon the previous set proxy for success.

5.4 Formulating strategy and deploying it Europe

Connecting back to our research question the authors have recognized the main resources and capabilities of SSE as well as an indication on how these can be leveraged in Europe, which is presented below:

The main identified sustainable resources that SSE possesses and enjoys control over are; their network, brand and student association. In addition SSE's faculty is an important resource, however it is a resource that can be transferred and has a shorter durability than the other resources identified. The authors have identified the relevant capabilities to be; proficiency in interacting with their network, the flexibility as well as the culture that SSE as an institution enables.

Therefore, in accordance with RBV theory, SSE needs to create an educational model that capitalizes on its competitive advantage at the same time as it manages and acknowledges its weaknesses (Grant, 1991). The capitalization could come from effective positioning on the European educational market, obtained through differentiation. The tools available for this differentiation have been outlined in the segments above. Therefore the strategic formulation is that SSE:

Should, in close collaboration with the business world, create an educational model that is flexible in its academic content and allows for skill-set development through practical elements embedded in the curriculum. Such a configuration would position

SSE more towards the business school segment and differentiate it by offering an education that has similarities to an MBA curriculum, however without the entry barriers such as previous work experience.

By shifting focus towards a more business school oriented profile SSE can utilize its core competence, which is to produce business minded students. However to sustain this advantage on the European arena resources, such as SSE's network, need to be extended to include an international network in order for international students to benefit from it. At the moment SSE has a well-established collaboration with the financial sector, strongly geographically biased towards London. In order to extend these resources SSE needs to improve and evolve current capabilities. The know-how SSE has from their experience of communicating and collaborating with the corporate world has to be adapted on an international context. Here managing weaknesses such as financial capital for marketing play an important role.

The success of SSE's strategy in Europe is also dependant upon factors that are difficult to anticipate and are varying over time. These factors could include changes in the preferences of future students or might simply be a consequence of a change in the final product that companies demand in terms of employment. Therefore it becomes imperative for SSE to develop organizational capabilities that facilitate the expansion and attainment of current and new resources (Eisenhardt & Martin, 2000). Such a development could be enabled by taking a more active role in the strategic alliances that SSE is part of, as well as establish new alliances. SSE is, as previously mentioned, part of the CEMS network, which includes other business schools that are within the same competitive segment as SSE. A stronger interaction with CEMS would allow SSE to take part of the aggregated knowledge that CEMS has within its alliance. Some of the schools that are part of CEMS have already adopted a more extensive European strategy for recruiting students and the key take away from their experience could be used by SSE as an indication of factors that are decisive upon success on the European educational market.

5.5 Gaps Identified

To be able to successfully compete on the European market, using the competitive advantage identified in the previous segment, SSE must acquire additional resources (Grant, 2008). The authors have through the analysis identified several gaps between

SSE current resources and those needed for a successful international expansion. First, the school needs to internationalize its faculty. This will benefit the school in the rankings, which will improve the brand and in the long run the level students that apply. Secondly the internationalization of the faculty will help improve the institutions global network within academia and business.

To further strengthen SSE's globalization, the board of the university should be expanded to include more international representatives. Today the board is dominated by the founding families and their sphere of influences, which have been instrumental in the schools development so far.

The global alumni network of SSE should be strengthened. Today the exchange and IGP student feel less integrated with SSE and as such we lose important contacts and professional networks. Furthermore SSE alumni that go abroad are in less contact with their alma mater than comparable universities in for instance the US, so the support staff of the school needs to be strengthened to track and manage relations with these alumni as well.

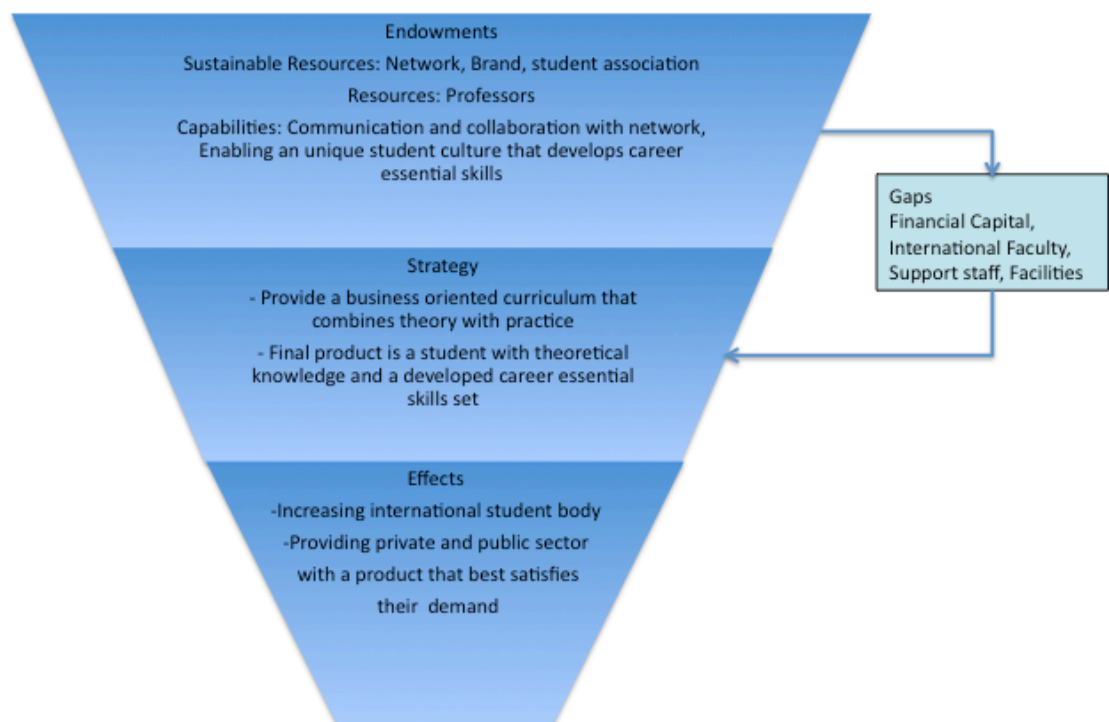
Wanting to adopt a more interactive teaching environment with teams and live cases the school's facilities must be adopted as well. Smaller group rooms with supporting IT-infrastructure will be needed to facilitate the ambitions laid out by SSE.

In order to provide a flexible curriculum with increased opportunity for selecting course content, internal resources such as support staff need to be extended. A crucial step towards improving SSE's position in Europe is also the admission process. The admission process must work in such a way that it ensures a certain standard regarding students accepted. The recent changes that have occurred in the admissions process as an aftermath of the Bologna process have meant that our previous routines need to be reconfigured. When doing this it is essential that SSE attains the capabilities and resources necessary to successfully guarantee that students hold the same level as prior to the Bologna process.

SSE's financial resources need to be bolstered to enable the changes outlined in the above segments. However a problem arises in the determination of where to acquire this financing from. SSE is a non-tuition institution and as such the bulk of our financing comes from partner companies, funds with historic ties to the school and

the government subventions. Looking at the composition we find a strong domestic interest, since SSE essentially has been educating future business leaders for the Swedish society. It is not feasible to expect the Swedish government or interest groups to finance an institution that aims to educate leaders for a European market as the return on their investment is then transferred abroad. Concluding SSE's mission today as drafted by domestic interests is in conflict with the institutions ambition of becoming an international player. For SSE to align the interest of its financing partners with its clients it needs to dissolve the current structure. Introducing a tuition system for the students, making them both clients and equity holders of the institution, can attain this. Current Swedish law prohibits tuitions but a review of this law is currently under way in the judiciary branch.

Analysis process through RBV



5.6 Conclusion

Through RBV theory the authors identified relevant success components that academic institutions need as input in order to obtain a competitive advantage on the educational market. Further on the authors compared SSE's internal endowment towards the identified success components and found key strengths and weaknesses that the school currently possesses.

Brand, network and student association were identified as sustainable intangible resources that SSE controls and the relevance of these resource was found to be high on the educational market. Further on capabilities, such as proficiency in interacting with internal and external stakeholders, an institutional flexibility and the prevailing culture at SSE were identified as unique for SSE. From the mix of resource and capabilities a competitive advantage could be derived which opened up for the formulation of an international strategy that would capitalize on SSE's key strengths. The suggested approach was a strategic differentiation through; the development of an educational model that is flexible in academic content and allows for skill-set development through practical elements that are embedded in the curriculum. Analysis showed that other key resources, which SSE currently lacks, are imperative for the implementation of such a strategy.

5.7 Discussion and Problems

Our analysis concludes a recommended course of action for SSE based upon an internal view of the school's resources and capabilities. The authors find that RBV has shown an indication of how SSE's should expand on the European market. The RBV framework provides a good fit for assessing the components that drive success on an educational market. However the authors find that the important take away from analyzing the school through RBV is to put less emphasize on resources as an individual entity and focus instead on the interaction between them since those processes are the essential component in a firms competitive advantage. Further on the authors find that RBV framework provides an inconclusive view on the comparison to competition in regards to strengths and weaknesses. Here a complementary view such as Porter's five forces might have been useful since it would have given a better understanding of the competition and their ability.

The reliability and validity of the data used indicates that our results should be considered as relatively un-biased, however due to the nature of the RBV framework some indicative variables might suffer from a certain bias. This is noted by Collis & Montgomery (1995) that actualize the problem that sometimes occurs with management being too generous when assessing their own firm's resources and capabilities, especially regarding sustainability and rent-earning potential. As such the authors have identified a weakness in the assessment of the comparability between SSE's resources and that of its competitors. As data, supporting the comparison of SSE resources towards competition, partially comes from SSE management and students, which have already committed to SSE, a self-selection bias has been incurred and as such the validity lowered. The authors have tried to control for this by triangulating these responses to that of HR managers and rankings to find deviations. However if the study would be repeated with a larger scope, one would have wanted to interview representatives from other universities, which are competing directly with SSE.

Further on the authors identify a problem with the terminology established in the RBV framework. The terminology used by RBV encompasses a wide and broad definition of different elements and therefore impairs the possibility to draw deeper analogies or conclusions in regards to the elements themselves. For instance resources follow a broad definition and RBV theory shows no suggestion towards a causal inter-connection between resources. Applied on our study the authors identify brand, network and student association as SSE's unique resources. Even though RBV terminology suggests a more narrow definition in terms of tangible and intangible or core competences versus competences, no other classification is suggested. Applied on our study this implies that we cannot from RBV theory, further classify the identified resources and establish an inter-connection between them.

6 Further Research

SSE needs to implement an international strategy that optimizes the resources and capabilities that are available and attainable within the nearest future. The authors believe that it would serve the school's interest if a study were to be conducted on how SSE should market itself abroad. Marketing was outside the scope of our research, however we strongly believe that it is an essential part of the success or failure of an academic institution that are facing an international arena, especially since perceived reputation and brand are top determinants in students selection process for MSc programs.

Our findings showed that SSE has several valuable resources and capabilities that could be leveraged on a European arena. A further study that would consider a global arena instead of a European would be relevant. It would serve both the school as well as the academic world to conduct a study where students in emerging markets are surveyed on their preferences regarding MSc degrees. Some of the fastest growing nations do not have established business schools and therefore export their talent abroad. Here a study could be done upon how SSE could position itself as a school that focuses its international strategy on markets where competition is low or non-existing. Empirics could be extracted from SSE's establishment in the Baltic region and the key take away from that venture could be used as guidance for other markets.

The authors also find empirical support for a study similar to ours to be conducted that would include an international organization view on strategy. This was outside the scope of our thesis however doing an analysis of SSE's international strategy through contrasting theories would be as interesting as it is important since it would add another perspective.

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7.2 Internet based

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7.3 Surveys

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7.4 Interviews

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8 Appendix

8.1 Interview Agenda

Questions (Employers)

1. What profile are you looking for?
2. What criteria must a student fulfill to be considered eligible for a position?
 - a. How much weight do the individual criteria carry?
3. How does SSE compare to other schools in terms of availability as a recruitment base?
4. Have the SSE students lived up to your expectations?
 - a. Prior to employment?
 - b. After employment?
 - c. Compared to their European peers?
5. In your opinion what do you value most in SSE students; their intrinsic capabilities or the skills/knowledge acquired at SSE?
6. In your opinion what is our unique selling point? (Strength compared to other business/economics schools in Europe?)
7. Seeing as SSE is in a transition where we are going from a “4 year MSc program” to a 3 year BSc and 2 year MSc curriculum, what expectations do you have on the new 2 year MSc students compared to;
 - a. BSc students
 - b. The former “4 year MSc Program” students

Interview Questions (SSE management)

1. General guidelines for the MSc curriculum?
2. What profile are we looking for in terms of students?
3. What’s the final product? Who do we cater to?
4. What are our resources? What resources do we need? Our strength? Our weakness?
5. International competition and substitutes?