
Preface

When DSM, a Dutch company, turned up in 1988 at the doors of IMD, a business school in Lausanne, Switzerland, few of the seven participants in the Dean's meeting room at the time would have thought that they were about to embark on a 25-year-long collaboration that would involve academic institutions and impact hundreds, if not thousands, of managers. Twenty-five years later, with some of the major players retiring, the coauthors of this book believed strongly that the story of this unique collaboration deserved to be reported, illustrated, and explained, all the more so, because during those years DSM executed its second radical transformation. Having started out as a mining company in 1902, it had become a Commodity Chemicals company in the 1980s. By the early 1990s, company management started a journey to migrate out of Commodity Chemicals into "higher value-added products," over time becoming a Life Sciences and Material Sciences company with a strong focus on Biotech. This journey—from Coal to Biotech—is documented in this book, as are the company's interactions with business schools along the way.

This book can be read as a remarkable case study of a company's transformation and the support it enlisted from business schools to achieve its objectives. The authors hope, however, that it also serves a wider purpose, namely to inspire other companies to collaborate with business school academics, as well as to help business schools find ways to build long-lasting collaborations to the benefit of their institutions and their faculty. If business schools aspire to develop young managers, they need to learn about the business environment close-up. This book may help in the creation of ideas about how to turn business connections into learning laboratories, for the benefit of all. Equally, the business community may find encouragement to explore their own ways of linking up with business schools and how to nurture such relationships.

As we were thinking about this book, we were encouraged by members of the academic community to undertake the project. Business leaders, who often lamented the lack of close cooperation, also offered their support and encouragement.

As we began to prepare initial drafts, we soon realized how different our writing styles were. Jean-Pierre is trained in the storytelling technique of case writing. Hein prefers to provide a strategic perspective as a "reflective practitioner." After considerable thought and several discussions, and with the nudging of an experienced text editor, we finally came to the conclusion that amalgamating these two

styles into a single style would not do justice to either. Therefore, we took the risky decision to complete a book in, essentially, two different styles, alternating our contributions chapter by chapter with the exception of Chap. 14 which represents the joint conclusions of the authors with respect to the “lessons learned for academia and business.”

The book is organized into 15 chapters, of varying lengths, and including many exhibits. The odd-numbered chapters, written by Hein, document the transformation of DSM from Coal Mining to Commodity Chemicals and, ultimately, to a Life Sciences and Material Sciences company with a focus on Biotech. In Chap. 15, he provides a reflection on the traits of DSM, which have contributed to its remarkable ability to transform itself, not once but twice. Reading only these chapters will provide you with a perspective on this amazing company history. The even-numbered chapters, written by Jean-Pierre, complement the story by focusing on the interactions of DSM with business schools throughout this time period. He shows how this unusual collaboration proceeded in four waves, starting in the field of Marketing and proceeding on to issues of strategy, culture change, and innovation. Thus, the even-numbered chapters detail how the business schools responded to the evolving requirements of a highly demanding customer, giving valuable contributions to the transformation trajectory of DSM. If you read the chapters in sequence, you will alternate between the authors, thus experiencing a different style from chapter to chapter.

We hope that the alternating chapters provide you with some variation, but there is a more fundamental reason to adopt this method—not only to approach it from two different styles, of course, but to combine two different perspectives. Hein wrote his chapters from the DSM perspective, as an insider, and Jean-Pierre wrote his from the perspective of a business school faculty member and an outsider to the company. While we were both involved in a number of important events over the years, inevitably, much of what we describe in this book was experienced by only one of us, so that those parts could only be reported from a singular perspective.

Since we both had to go back many years to report about the circumstances that brought us together, a considerable amount of digging up of old sources was required. Fortunately, neither of us delete old files easily, giving us access to a store of documents from which many illustrations in the book are derived. Beyond the usual desk research and consultation of personal files, the authors conducted a large number of personal interviews with involved parties. For a list of these interviewees, see the **List of Interviewees**. We are grateful to all who so generously gave their time and shared their insights. When possible, both authors attended the interview sessions. From these sources, and from our own memories, we have reconstructed history as best we can. We are fully conscious, however, that the story told in this book is what we ourselves experienced and perceived. Other participants in this story would undoubtedly have chosen different elements to convey or might have emphasized different angles within the narrative. Therefore, it is possible that we may have omitted one event or another or an individual participating in this extensive 25-year collaboration. Again, a selection had to be made and we have attempted to report the main events. Our apologies to anyone who has been left out.

The authors recognize that different readers may be attracted to separate parts of the book. On the one hand, there is the audience of business leaders who may primarily have an interest in learning about the marvelous transformation undertaken at DSM. Reading the uneven-numbered chapters of the book in sequence will give you an excellent rendition of the strategic redirection of the company and can provide an interesting read in itself.

On the other hand, for the audience of business school representatives, Deans, and faculty members, the even-numbered chapters carry the story about how academic institutions contributed to the transformation of DSM. The academic side of the story was complicated by the fact that there were two main business schools involved—IMD Institute in Lausanne and Babson College near Boston in the USA. But, additional institutions contributed and these were mentioned where possible. We may have overlooked one institution or another as the focus was on the collaboration involving the strategy of DSM.

Aside from business leaders and business school Deans, we hope to entice young academics and business school professors into an active participation in the area of executive education. We believe that the book provides helpful insights about how one could become an active participant in such efforts. We can imagine that this book might even serve as background reading when faculty are teaching Strategy, its implementation, and the role of business leadership over time.

Similarly, we hope there is an audience of strategy practitioners who may derive inspiration from the detailed account of how DSM proceeded to develop its own approaches to strategy formation, both at the business and corporate levels. We are both firm proponents of the participative “dialogue” mode of strategy formation as described in this book, although we recognize that each company will have to adapt any approach to its own circumstances and culture. Reading about the evolutionary transformation of DSM through the execution of “strategic learning cycles” hopefully provides strategy practitioners globally with food for thought about how they may design approaches that are “fit for purpose” in their own circumstances.

Finally, there is a wide community of academicians and practitioners who are interested in fostering more intensive and effective collaboration between the business and academic worlds. To this community, we hope to offer a fascinating case study, as well as our reflections on the factors contributing to its success.

Needless to say, this book could never have been completed without the active support of many. First of all, we would like to thank DSM, and in particular its CEO Feike Sijbesma, for having given us the support to complete this manuscript without any “strings attached.” We would like to thank all former DSM executives who gave freely of their time, spoke openly about their roles and the company’s strategy, and refreshed our memories when we experienced a lack of documentary evidence. We would also like to thank the IMD faculty members who helped us stitch together the remarkable transformation from IMEDE’s early foundation to the IMD of today and, thus, shared with us their own recollections and personal files. All of these contributions were important to us. We are indebted to our Text Editor, Anita Hussey-Koschat, who not only carefully scrutinized the manuscript created by two non-native English speakers, but also encouraged us to keep our two

different style formats to maintain our original voices. At Springer, Martina Bihn fulfilled her role as Editorial Director with great enthusiasm, professionalism, and warmth: we are grateful for the guidance and support we received from her throughout the publication process.

Finally, we would like to mention that we thoroughly enjoyed the collaborative effort required to create this text. For both of us, what is reported here represented a—if not the—major professional thread in our lives and both of us obtained significant enrichment from having been able to participate in this collaboration. We thought that this story needed to be told for its uniqueness. No matter how you read the book—whether you peruse just the even- or uneven-numbered chapters, or address just one part of the story or another—it is our hope that you will find it not only interesting but also stimulating.

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From Coal to Biotech

The Transformation of DSM with Business School
Support

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