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Breaking down the boundaries of business and law

By Della Bradshaw



Back to school: the library and learning centre of the Vienna University of Economics and Business, due for completion in 2013, has been designed by Zaha Hadid

This month, 22 of Austria's high-flying judges and public prosecutors temporarily put aside their caps and gowns and went back to school to uncover the best way to fight white-collar crime.

They were part of a programme designed by the Austrian Federal Ministry of Justice with Vienna University of Economics and Business (WU), partly to give the judges and prosecutors a greater insight into corruption but also to speed up the trial process. "The ministry said they would like to fight corruption in Austria with education," says Astrid Kleinhanns-Rollé, managing director of the WU Executive Academy.

The programme, which covers everything from financial risk and corporate reporting to compliance and insolvency, is just one example of how the previously distinct boundaries between the disciplines of law and business are blurring. Business schools and law schools alike now understand they have to deal with the convergence.

The top law schools have been facing this issue for years, says Michael Fitts, dean of the University of Pennsylvania Law School, which runs joint certificate and degree courses with its neighbouring business school, Wharton. But the rate of change has accelerated. "It's gone into hyper-speed now."

He lists three reasons. First, many of the law firms' clients are corporations; second, that legal services firms need to be better managed; and third, the abilities of lawyers and managers are complementary. While lawyers scrutinise the detail and understand regulation, managers look at the bigger picture and at the risk, he says.

In a similar way to the University of Pennsylvania, the School of Law and the Stern School of Business at New York University have been teaching joint programmes for many years, but in September they took a further step by appointing Karen Brenner to the new role of executive director of law and business, to act as a bridge between the two schools.

Like Prof Fitts, she believes that the globalisation of both business and the practice of law has been instrumental in accelerating the

convergence. “The reality of the global marketplace is its ability to bring people together,” she says.

The alliances between different institutions, which have been common practice in business education for decades, are now increasingly common between business schools and law schools, says Bhaskar Chakravorti, senior associate dean for international business and finance at the Fletcher School of Law and Diplomacy at Tufts University close to Boston.

“No single professional school feels it has the breadth, the depth and the range of disciplines as well as the range of geographies,” he says. The move towards international relationships and the potential rebalancing of economic power between countries in the northern and southern hemispheres needs to be addressed, he says. “It’s about the challenges of dealing with different societies, with domestic and international legal systems.”

The Fletcher school already teaches its flagship masters in law and diplomacy as a joint MALD/MBA programme with four business schools: Ceibs in China, HEC Paris in France, IE in Spain and Dartmouth College’s Tuck School of Business in the US. He refers to students on these programmes as “360-degree people”.

Prof Chakravorti says: “These are students who see themselves as leading an international life. They are deeply committed to using business and private sector principles but they definitely understand the importance of understanding legal principles.”

Prof Fitts at Penn Law sees a similar scenario: “A good percentage [of the business and law graduates] will spend time practising abroad at some time.”

As well as joint degrees, law schools are also following the now widespread business school practice of running business plan competitions, in which students from different institutions work together to solve problems – Miami Law School, for example, runs the LawWithoutWalls project, bringing together law students with those from other disciplines. The part-virtual scheme includes law schools from universities such as Harvard and Stanford in the US, plus schools in Australia, Brazil, Canada, Chile, China, India, Israel, Spain, Switzerland and the UK. This year Eversheds, the law firm, is supporting the project – lawyers there will act as mentors for the students.

However, even within a local jurisdiction, such as the UK, there is an impetus for the changes from both law students and the law firms, says Andrew Chadwick, deputy dean and chief executive of BPP Law School, in London, now part of the [Apollo Group](#).

“There’s a growing interest from students and law firms. What law firms have said is what they really need is for trainees and solicitors to be able to engage with the business community on an equal footing. It’s about what makes a business tick.”

Traditionally, commercial law has been about setting up companies but not how to make business decisions, he says. “Now what the solicitors need to be are trusted advisers. They don’t just need to know about the law.”

BPP’s law school works with BPP business school and is now running a masters-level degree for law firms that combines business knowhow with legal regulation. This will soon be available on the open market, says Mr Chadwick.

“We think it will make the trainee much more savvy about business.”

Back in Vienna, Ms Kleinhanns-Rollé reports that the Austrian Ministry of Justice programme is already proving particularly popular. The plan was to enrol a second group of students for the part-time degree in two years, once the first group had graduated. But just a few weeks into the first programme there is already talk of bringing that date forward.

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