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## The Nowy Sącz Miracle: From Ruins to the Best Business School in Poland

The year 1991 in Nowy Sącz was very similar in many cities and towns in Poland – a year of emerging capitalism, a year of formation of private companies, mainly in trade, a year of a deepening decline in large, socialistic establishments, a year of great hopes, and fears for many people – fears especially of unemployment for a large portion of society accustomed to a poor yet stable existence. In 1991 the bankruptcy of SZNA (The Nowy Sącz Company of Bus Repairs) was a fact, the insolvency process of NKB (The Nowy Sącz Construction Factory) started, two Nowy Sącz giants employing thousands of people – ZNTK (The Repair Works of Rolling-Stock) and SZEW (The Nowy Sącz Electro-Coal Company) began to fall into decline. The only places with peace and stable employment were the many state offices associated with the functioning of the capital of the Nowy Sącz Province. The Nowy Sącz technical high schools and vocational schools were also doing well, and every year they released hundreds of graduates educated in very narrow specializations and often completely useless in the new economic conditions.

In the place of today's WSB-NLU, there was almost dead calm, wrecked production halls, unbelievable chaos, ruins, shattered glass, dirt – the conditions could be metaphorically described as a lunar landscape.

In the year 2002 it's difficult to talk about one Nowy Sącz: on one hand there is a high rate of unemployment (16 %), a feeling of psychological disaster and fright among employees of many state offices who are threatened by the possibility of losing their jobs due to the abolishment of the Nowy Sącz Province along with the permanent threat of liquidation of ZNTK. On the other hand, there is a common opinion in Poland regarding Nowy Sącz as one of the most entrepreneurial of Polish towns. This opinion is largely due to the success of Nowy Sącz companies and widespread recognition of several Nowy Sącz firms in Poland, such as Optimus, Konspol, Fakro, Koral, GLC "Carbon," Wiśniowski S.A., or WSB-NLU.

One of the signs of the success of Nowy Sącz leads to 27 Zielona Street, to the area of ruined NKB in 1991. Nowadays, there are almost two thousand daily, intramural students as well as over two hundred WSB-NLU employees, two old post-production buildings suitably adapted for educational purposes, amazing sports facilities (including two indoor and two outdoor tennis courts and a modern fitness club), hundreds of cars on several parking lots, and the impressive construction site of a new school building covering over 6,000 square meters. There's not a single trace of the ruins from ten years ago.

## Inspiration or Revelation

During the ten years of its existence, WSB-NLU has been featured in over one hundred press publications and many television and radio programmes. When the founder of the school describes the beginnings of this journey, one can always see disbelief in his eyes as he describes the inspiration for its creation. The story is unbelievable yet true. In

1989 I was elected to the Senate of the Republic of Poland in the first free election of an independent Poland. My constituency was the Nowy Sącz Province. Running for office was the result of my previous social work, but also a result of my deep belief that we, as the Polish nation, had a unique chance and had to make use of it. I have always tried to found new institutions and deal with useful matters, so from the very beginning of my public work I tried to recognize the most significant needs of the emerging new market economy and democratic society. In September 1989, I took part, together with a group of Polish members of parliament, in a few days' research visit to Germany. Among many other institutions we were shown a small but very exclusive school of business in Vallendar near Koblenz. The presentation of the school by its director made a great impression on me; I asked for a short meeting with a group of students. During the conversation with these students, who explained to me why they preferred to pay an enormous fee (a few thousand marks a year) rather than study for free at other German universities, I said to myself that I had to set up such a school in Nowy Sącz.

That is all. Was it merely an inspiration or a revelation? I don't know. I do know, however, that this is how it happened. I returned from Germany and started to look for people who would be able to help me, who would know how to establish such an institution and how to seek financial assistance for the new project. I often repeat that one of the reasons for my success was that I knew at that time that what I wanted to create in Nowy Sącz was impossible to achieve from any rational point of view. I have never worked at a university; I have spent all my professional life in the research laboratory of a large company producing graphite products. Nowy Sącz used to be an academic desert, there were no material or financial resources, and what's more important, there was no "know-how." In 1990 I had literally hundreds of talks and visited many important political offices. Everywhere I heard "Senator, it's a brilliant idea," but this was all. The turning point was a meeting in the Polish Employers' Federation with Mr. Per Gustav Nillsson, a Swede, married to a Polish woman, who knew the

Polish reality and language very well, and was an experienced business consultant (very much involved in the Polish transformation process) and who also had some academic experience. This man knew how a school of business should function, as well as from where and whom the means should be obtained. To this, there should be added my sense of entrepreneurship and creativity (quite natural for a physicist) and the enthusiasm of my closest co-workers (employed in The Chamber of Commerce, which was also created with my contribution). A person who played an extremely important part in the realization of this vision was Kazimierz Pazgan – a private entrepreneur, the founder and owner of the famous Konspol company, which deals with processing poultry. He is a famous figure in Nowy Sącz business circles. Together we formed The Chamber of Commerce, and Kazimierz supported the initiative of setting up the school of business in his characteristic way – with a great deal of emotion, heart and involvement. In those years I consulted with Per Gustav (we called him by the Polish name Piotruś) and Kazimierz on all decisions. We decided to set up a special foundation which would be the legal founder of the school in order to avoid my direct involvement (as I was a politician then). This was accomplished by inviting our friends to be the founders, and in January 1991 the twenty-seven of us formed the Training Center for Nowy Sącz and the Podhale Region. It should be noted that at the time this foundation was formed, its capital did not exceed two thousand dollars.

The decision was firm – we started the school in September 1991. The following months were a difficult time of searching for people with the ability to run the school and classes, while at the same time looking for money. We received the first sum (for technical aid, i.e. employing consultants) thanks to P.G. Nillsson in the Swedish Organization of International Development, and the first (at that time priceless) sums of money for purchasing educational equipment were obtained from the Technical Progress and Launching Office, which was in the process of being closed down, thanks to the personal decision of the Vice Prime-Minister at that time, Professor J. Janowski from AGH (Academy of Mining and Metallurgy). It was difficult then to find qualified people. We

hired some young lecturers from AE (Academy of Economics) in Kraków to run the classes on economics and the essentials of management. I managed to win a few American volunteers from Peace Corps and Umbrella Project to teach English. The worst thing was realizing the head of the school, a person sent to us from Canada as a part of an aid program who had a wonderful CV, almost ruined our initiative. The most difficult task was to find professors who would be able to teach business, practical marketing, and finance. We had no problem finding sixty-four candidates for students, and finally, after a sometimes dramatic ordeal, we held the official opening ceremony of the academic year 1991–92 on October 1 in the courtyard of the Palace of the Stadnicki family in Nawojowa, a place eleven kilometers away from the center of Nowy Sącz.

## Back to Reality and Running Forward

I remember those few months prior to the official opening of the academic year as a short moment – the concentration of various activities carried out by a few (exactly five) individuals. I also had parliamentary and political work to do as well as the Senate campaign. I won the election, but I remember much more clearly the moment during the official opening of the academic year in 1991 when I was standing, in front of the Palace of the Stadnicki family among VIPs (including Professor A. Zawiślak, the Minister of Industry of that time, or Senator Anna Radziwiłł, Vice-Minister in the Ministry of Education) and looking at the group of sixty-four students and their parents. I fully realized that these young people believed in me and my vision because the school, in fact, did not exist. There was only a vision, an idea, and a lot of ambition. I told myself then that in no way could I let these people down. This distinct moment, this view, came back to me many times in the most critical moments of the first stage of creating the school. The next months could be mildly described as a wonderful chaos of ambitious and hard-working pioneers/amateurs. It turned out that it was not enough to have excellent native speakers and experienced lan-

guage instructors, we also had to have a program of language teaching which would successfully give the students, year by year, a clear final result. The second major source of stress was the awareness that teaching business is not the same as teaching economics. The third cause of considerable stress was an awesome lack of money and the awareness that we had to beg for it somewhere.

I understood very quickly that we would not manage on our own, that we needed a breakthrough, and an academic partner whose syllabus, "know-how," and procedures we could adopt. Not for one moment did I look for an institutional partner in Poland, for many reasons. One of the simplest reasons was that a reasonable person would not create competition for himself, but I also had serious doubts that Polish universities were prepared for teaching business. I started my search for an academic partner in Chicago, which was natural for a senator whose electorate had relatives there, and who had spent some time there, working in Chicago and the areas nearby. I did not try to talk to the biggest Ivy League universities (The University of Chicago, Northwestern University); I knew they would not be interested in such a project. I was looking for a rather small college for whom co-operation with a European university would be a sort of opportunity; Polish consuls working in Chicago helped me with this.

This is how we met: NLU and KP. NLU, thanks to the inspiration of the Polish people working there, mainly Bogdan Puksza, were looking for an academic partner in Poland. The reason was a sensible one – among the students of NLU there were many people of Polish origin, and NLU through being involved in Poland wanted to improve their position on the educational market. The first research visit of NLU in Poland was a failure; Polish state universities were not interested in co-operation because they could at that time choose the help of the best world universities. Helping Poland was a fashion.

The first visit of NLU representatives took place in Nawojowa in early November 1990, and in February 1991 we went to Chicago to-

gether with Kazimierz Pazgan, Per G. Nillsson and Irena Peszko. The project of the contract was from the very beginning extraordinary, going beyond the standards of academic co-operation; it had to, as the parties were not equal. On one hand there was a decent, private university with 100 years of tradition, on the other hand there was an idea (shortly before the elections of 1991 I made a public statement in which I described my goal to build the best Polish business school) and a group of enthusiasts. The talks in February were a turning point. They were represented on the NLU side by the Vice-President of the university, Dr. Ed Risinger, a historian and a man who had a sense of the mission the USA and its institutions were to fulfill in an Eastern Europe freed from Communism. It is due to his courage that I had the final version of the contract. All the time we were moving in the dark, there were no examples of earlier solutions, we had to find them ourselves. Per G. Nillsson played a significant part in the negotiations. He was an excellent negotiator who very quickly gained the trust of the American partners. It was he and Dr. Ed Risinger who prepared the first versions of the contract which defined the joint foundation which was to become the founder of WSB-NLU. We were absolutely convinced that we did not have time, that we had to transform the college in Nowy Sącz into a full university in the year 1992.

Finally we signed the contract on May 8, 1992 in Nowy Sącz. Signing the contract was part of the celebrations of the 700th anniversary of Nowy Sącz. I signed the contract with the President of NLU, Dr. Herron, in the conference hall of the Nowy Sącz town hall in the presence of many eminent guests, including six ambassadors had invited. Signing the contract was accompanied by a big media campaign. It was our biggest leap forward, which brought us into a new reality; it was this very contract that is the main cause of our position today.

At that time we were aware of the fact that the contract was imprecise and could lead to disagreements between the partners and influence our cooperation in the future. The concept of transferring the NLU diploma to Nowy Sącz was rather difficult to achieve and, up to this

point, unprecedented. However, we had no choice. The survival of the school was dependent upon a new quality of education, which would allow me to successfully pursue my goal of creating the number one business school in Poland. The formal matters, i.e. becoming authorized to run the licentiate studies, were achieved smoothly. Then I discovered in MEN, to my surprise, that our school was the tenth registered private university in Poland (the previous nine being the universities in Warsaw and one in Poznań). WSB-NLU, however, was the first university opened in a small Polish town.

## The Hardships and Stresses of the First Period: 1992–1995

We began the first official academic year as a university in October 1992, not alone any more and with a new program of studies. It was not easy to plan how to carry out the whole four-year program of bachelor's studies in three years, which was a time-span typical in Poland for licentiate studies. This was especially difficult when I wanted the program of business studies to be combined with very intensive foreign language learning, particularly the English language. In the first years we had over 1200 hours of languages included in the 3-year program of studies.

NLU sent assistance to us in the form of three of its lecturers, and at the same time, administrators of their respective programs – Dr Fred Widlak (business), Dr. Alex Koohang (computer science) and Liza Eret (English language teaching). The Americans imposed the standards of their university upon us – which we sometimes regarded as exaggerated – but today I look back at adopting these standards as an important part of creating our future success. The most important value was convincing us that the key issue was to treat students as clients with all the consequences that come with that approach. Therefore, an anonymous evaluation of the lecturers by students was introduced from the

very beginning, as well as strictness in adhering to the syllabus and not canceling lectures. The presence of NLU lecturers let us establish the school as Polish-American school.

Since the beginning of 1992 it had been known that the palace in Nawojowa was too small to be the final headquarters of the school (we used to rent about 1000 square meters); thus, the search began. After a short, fortunately unsuccessful, period of attempting to take over the Center of Culture, which was then being built and which had an area comparable to that of the palace, we started to prepare secretly for bids on a six-floor administrative building, the site of an insolvent state enterprise, situated in the industrial district of Nowy Sącz. The preparations took about half a year. The sum quoted as the minimum price for the building was staggering for us: 5.5 billion old zlotys, i.e. the equivalent of approximately 350,000 USD. The whole school budget for the year 1992/1993 amounted to about 305,000 USD, so the money for the purchase had to come from outside the school. We could use money from a large grant received from the Foundation of the Polish-German Co-operation (about 300 thousand DM) as the first installment. This grant was mainly designed to introduce German-language teaching to the school, but it was also allowable to use part of the money for investments. Thanks to these means, we were able to pay the deposit. The rest of the money was promised to us by the National Chamber of Business (KIG), which wanted to support our initiative and decided to buy the building and give it to us to use. (In 1999 the school bought the building from KIG.) Finally, on December 28, 1992 the bidding commission accepted our bid (enclosed is the bid I presented, the business plan of the school's development, and the plan of managing the whole building area, which is just now being completed in 2002) and decided to sell us (i.e. mainly KIG) the building. It was a big surprise in Nowy Sącz as we had beat out the richest institutions in Nowy Sącz, including the Internal Revenue Service and KRUS. The new building let us catch our breath for a few years (at least 500 people could be educated there). The first classes at 27 Zielona Street were begun in one part of the repaired building in October 1993.

An important factor of the school's academic development was the aid obtained thanks to a USIA grant from a second American university – California State University (Fresno). As usual in such a situation, there was a specific person behind the grant – professor Tomasz Wielicki, working in the School of Business at CSU. Beginning in 1993, and continuing for the next three years, WSB-NLU offered twenty-seven full business courses run by several experienced American professors. It was the Americans who introduced teaching standards, new techniques, and an active approach to teaching. The way in which Professor Wielicki or Gevry Bryant used to run their classes is a legendary model held dear in the memory of our early graduates.

From the very beginning, i.e. since 1992, we had been trying to start cooperation with Polish business circles – especially the presidents of big, privatized companies. Running two seminars for the presidents of big companies was very helpful in this respect, and the seminars were financed by the exclusive European organization European Round Table of Industrialists from Brussels. Following the model of these seminars, in the following years, we organized together with the professors from Fresno, other multi-day training seminars for the managers of big companies, receiving vital financial means (spent mainly on repairs and purchases), but also the recognition of the school, regarded as “their own” by a respected group of the most influential Polish managers.

The first, still very small (only 17 people) group of students graduated from the school in 1994. The next groups, consisting of several dozens of students, left the school in the following two years. Thanks to a solid command of foreign languages (especially English) and the ability to use computer programs, these students had no problems finding jobs in prestigious firms (mainly in Warsaw), and their knowledge, skills and attitudes helped to form a positive reputation of the graduates of the Nowy Sącz school as being well-prepared for their future work.

A big obstacle (and at the same time the source of constant stress for me) was disagreements with the authorities of NLU, which unfortunately appeared at the end of the 1992. The presidents of NLU at that time were hoping that their involvement in Poland would soon be noticed by American companies starting their activities in Poland, and that these companies would donate money to make up for the financial involvement of NLU in Nowy Sącz (mainly the salaries of NLU staff working in WSB-NLU). Unfortunately, this did not happen, and this fact, together with the fear that financial imbalance in the rapidly developing school could lead to necessary financial obligations on the side of NLU, made the authorities of NLU limit their involvement in Nowy Sącz. I was afraid of the worst (especially in 1994): NLU breaking the contract and withdrawing their pledge to grant our graduates the NLU certificates which confirmed their completion of a full bachelor's business program in Nowy Sącz. Fortunately, there was no breaking of the contract (mainly because we had the support of Dr. E. Risinger, and were liked and quietly supported by many lecturers), and we ended up with “cold war” in the years between 1994–1997. A positive turning point came when Dr. O. Herron left NLU.

1992–1995 was a period of financial imbalance in which the fees paid by students covered merely the cost of the educational process. All investments and purchases, as well as the salaries of administrative staff, had to be financed from external means. Partly, we obtained this money from intensive training activity and partly from the donations of companies. This fund-raising activity was very ineffective, it required a lot of time and was effective only with the small initial budget. For a few years a frequent topic of discussion was the question of when the school would reach the break-even point, i.e. the point of balancing the budget.

Looking from the point of view of financial success, we set up the school in the worst possible way. Instead of taking groups of several hundred students for extramural courses in the first few years, we took, maintaining relatively low fees (1,200 USD a year), several dozen stu-

dents every year for very expensive intramural studies. However, focusing on the high quality of education allowed us to build our reputation quickly. Gradually increasing the number of students (also of the extramural courses which we started in 1994), we managed to balance the budget in 1995, when the costs of running the school were covered by fees, the percentage of income from fees in the total value of the budget rose to 85% from 58% in 1994, and the total takings from fees increased 2.5 times. During this first period of setting up the school, investing in the improvement of studying conditions was a priority (modernization of the buildings, purchasing equipment). The salaries of lecturers and administration staff were very low (up to the year 1999/2000 the salaries of the faculty were covered by 30 to 36% of what was collected in fees).

In 1994, I had to make the most risky financial decision yet, and at a time when the school budget was imbalanced. I signed a contract with the liquidator of NKB regarding the purchase of the remaining land and buildings of the company at 27 Zielona Street. The negotiated price was 11.2 billion old zlotys (the equivalent of about 460,000 USD) for 3.8 hectares of land including many useless wrecked buildings. Repayment was set to take place over five years. The price was fixed – the quarterly installments amounting to sums equal to 146,000 USD regardless of the inflation rate. This contract stirred strong reactions: one of the prominent politicians of NSZZ “Solidarność” brought a legal action to the public prosecutor’s office, as, in his opinion, the liquidator was acting to the harm of the treasury. Furthermore, the founders of the school had a sense of harm because normally the whole possession of NKB would be given to the school, a public institution, for a symbolic zloty. For years there was conflict with regard to this matter and the change of the planned management of the area, which now belonged to WSB-NLU, between the authorities of WSB-NLU and the local government of Nowy Sącz. The conflict seemed to be irrational (since 1996 it had been clear that the School had improved and reinforced the image of the town, while at the same time increasing the wealth of its inhabitants), and was really about the interests of

a private entrepreneur who hoped to easily take over the areas at Zielona Street. Naturally, the public prosecutor quickly dismissed the lawsuit, not noticing any irregularities in the contract. However, the lack of help from Nowy Sącz authorities and local politicians, the lack of even nominal support, undoubtedly made it harder for the school authorities to act in this difficult period of time.

## The Turning Point of 1996, and Development from 1997 to 1999

The first signs of success appeared in 1995 and 1996, co-inciding with the academic year 1995/96. The number of students accepted to the school had doubled in comparison with the previous year (from 435 to 880 people in 1995). We came first for the first time in the ranking of “Wprost” magazine, and again in 1996. Additionally, the first tributes to the founder of the school were awarded, including the award of the Polish–Australian Foundation “Polcul” in 1995, and the famous, prestigious Z. Szeliga Award granted by “Polityka” magazine in March 1996. The school budget, balanced for the first time, made it possible to finance an enormous investment (the modernizing of Building B, begun during the vacation of 1996, which cost over 420,000 USD in 1996 and 300,000 USD in 1997). At the same time, we also started to invest more and more money in equipment, mainly computers.

In 1996 the strategy of school authorities changed from a fight for survival to the careful strategic planning of the development of the next few years. One of the most important tasks was ensuring the graduates of licentiate studies the possibility of also obtaining a master’s degree in Nowy Sącz. We started by offering MBA courses, offered jointly by our school and the Maastricht School of Management. The curriculum, one year intramural or two years extramural, was organized for the first time in 1996 for a group of several dozen students.

Studies were offered in our school for a Maastricht MBA before we were authorized to offer an MBA diploma from NLU. Altogether, 240 people finished these studies. At the same time, we started preparing for, as WSB-NLU, an MBA qualification. The basic problem was finding eight people with university qualifications of at least assistant professor who would agree to be employed in WSB-NLU full-time. The search for suitable people took almost two years. It was so difficult that the rector of the school was on the verge of giving up a few times. Seeing how hard it was to become qualified, I was meanwhile having talks with some prestigious state universities, inviting them to set up branches in Nowy Sącz which would offer complementary master's studies. These talks ended up, fortunately, in failure. The turning point was when assistant professor Marek Capiński, from Jagelloinian University, and assistant professor Jerzy Dietl accepted employment in our school. Finally, I managed to obtain the agreement of eight people who started to work at WSB-NLU. We completed the necessary application, and in mid - 1998 we were qualified to run master's studies in Management and Marketing. In October 1998 we took in the first graduate students.

After the first successful rankings in the years of 1995 and 1996, many people in academic circles questioned our position and the quality of the school. In order to make WSB-NLU more credible in academic circles, we applied as the first college in Poland with a curriculum such as ours to be accredited in the top Polish accrediting association, The Association of the Managerial Education Forum. The visit of the accrediting group took place in 1996, and on January 4, 1997 we were granted the accreditation of the Accreditation Committee SEM Forum for our program of management and marketing studies. In 1997 and 1998 we employed a group of computer scientists and mathematicians which allowed us to apply in 1998, in MEN, for authorization to run licentiate studies in computer science. We were authorized in 1999, and in October 1999 studies in this new field were undertaken by a small group of thirty students.

An important way of building the prestige of WSB-NLU was the or-

ganization by WSB-NLU in the years 1995 to 1998 of a large number of scientific and practical conferences relating to a vast array of subjects. Apart from scientists, politicians, entrepreneurs and managers, as well as local government representatives and journalists, participated. Altogether WSB-NLU organized fifty-nine conferences. In the years 1995-1999, the school started the policy of purposeful development of its own faculty.

The Polish media have always been interested in the school, but a real media festival took place in the years between 1995 and 1999. Several big press articles (including some in the most prestigious daily newspapers and weekly magazines), many special TV spots and radio broadcasts were done about our school. All this allowed us to resign from direct promotion, visits to secondary schools, and paid commercials.

One of the ways the development of WSB-NLU was furthered was a project, submitted in 1998, to expand the school's activity by giving free tuition to some students on the basis of state-budgeted money, which would be given to the school on government order. This project provided for WSB-NLU's take over of two Nowy Sącz colleges (The College of Foreign Languages and the Teachers' College). This well-prepared application for creating a unique condition in both private and state Polish schools, which would assume the education of twelve thousand students, was handed in to the Minister of National Education. The project set out extremely advantageous conditions for town development. It would enable the school to create, among other things, 1000 new employment positions. The Minister, however, rejected it. Conversely, another project was accepted, supported by the town authorities and a few AWS politicians, to set up a state professional college. In this situation, WSB-NLU had to develop itself on the basis of its own resources, which meant building a relatively small, exclusive university.

The next turning point was an agreement with NLU signed on No-



vember 4, 1999 in Chicago which regulated consistent relations and procedures for granting WSB-NLU graduates NLU's bachelor's diploma and degree. Signing this agreement was possible thanks to personnel changes at NLU. After the one-year temporary presidency of Dr. E. Risinger, a friend of the Nowy Sącz school, NLU's board of trustees chose a new president – Dr. Curtis McCray. Dr. McCray was an experienced professional who had previously managed a few universities. He found in WSB-NLU a vital element for improving the prestige of NLU, and thus supported the new agreement with all his power. The new agreement expanded NLU's involvement in the newly introduced program of computer science studies in Nowy Sącz, and provided for the accreditation of both programs in NCA, an American Accrediting Association, covering universities in the State of Illinois.

## Modern Times: The Period of Mature Growth Since 2000

At the turn of 1999 and 2000, the essential, multi-dimensional reinforcement of WSB-NLU's position was noticeable. The widespread recognition of the school and the acceptance of its position as a leader in the academic environment and in Nowy Sącz were significant, as there is a fairly hostile attitude in Poland towards private universities. WSB-NLU continues to be seen as a positive exception to this widely held negative belief. Just like in the past, WSB-NLU has a very strong position in business circles, which results in many possible positions for its graduates. An important factor strengthening the opinion of Nowy Sącz inhabitants about the stability of the school and its significance for the town were the events following the abolition of the Nowy Sącz Province: a rise of unemployment, a loss of position and reduced prestige of the town, and the problems of many Nowy Sącz firms, including Optimus. Compared to these unfavorable facts, the stable material development of the school and the growing number of students coming from places other than Nowy Sącz, who increased the wealth of

Nowy Sącz inhabitants by considerable sums of money (see the appendix – the survey by M. Wojnar), made WSB-NLU more and more recognized as the only Nowy Sącz institution contributing steadily to the development of the town. Undoubtedly, there are a number of achievements that helped to strengthen the position of the school (both locally and nationally): the highest position in rankings, the students' success in various competitions, and the awards and honors for the school and its founder. An event of special importance was honoring WSB-NLU with the award of the most valuable individual enterprise of the years 1989 to 1999 in the "Pro Publico Bono" competition, announced by Prime Minister Jerzy Buzek. This award was presented on November 11, 1999 in Cracow during a grand banquet in the Słowacki Theater.

The year 2000 brought an important sign of the faculty's stability. The first two assistant lecturers (P. Czarnecki and B. Batko), who had started to work at WSB-NLU just after graduating from their universities, received their Ph.D degrees. The competition announced for the posts of assistant lecturers resulted in a few dozen people applying for each post. The next Ph.D degree was received in 2001 by R. Matyja, who had moved to WSB-NLU a year earlier, giving up the job he had in SGH (The Main School of Commerce) and his apartment in Warsaw.

An important factor of the school's stability and the reinforcement of its position was the development of its extra-curricular facilities from the years 1999 to 2001. In 1999 the school started to build a nearby dormitory, as well as a large sports facility on the Zielona Street campus. A fully equipped dormitory for 120 students, with a few apartments for faculty, was officially opened in September 2000. At the same time, the construction of a sports center, fitness club, several sports fields (for handball, basketball, and volleyball), and two tennis courts was accomplished. Altogether, investments in extra-curricular facilities amounted to nearly ten million zlotys, less than 1/3 of which came from external sources (grant of two million zlotys from the Foundation of Polish-German Cooperation, and about 700,000 zlotys from

UKFiS). The remaining sum was provided from the school's own budget, and did not require any bank loans.

A vital sign of the recognition of the position of the school among Nowy Sącz inhabitants and WSB-NLU's stability was the involvement in 2001 of a few firms and individuals in the process of developing housing facilities for the school. In 2001, two large detached houses were built, which were initially designed to be rented, but were then re-designed to become dormitories for two-hundred students. Two more dormitories are presently being built. One will be finished in 2002, and the other in 2003. All in all, these five private dormitories, built and furnished without WSB-NLU financial involvement, will house over 500 students.

In 2001, another private entrepreneur invested his money in re-building the last wrecked post-production hall at 27 Zielona Street, transforming it into an excellent students' cafeteria able to serve over 120 people at a time. The financial stability and high projected student enrollment in the following years, as well as the stability of the faculty allowed the decision to construct a new group of school buildings. These buildings will greatly improve the study conditions for our students, but also, for the first time in the ten-year history of the school, improve the working conditions for lecturers employed full-time at WSB-NLU. The winning design of our architectural competition was the project of Janusz Urbanowicz and Janusz Wysocki. It covers an area of approximately 6,000 square meters, including a large students' reading-room, a theater, eight computer labs and forty faculty rooms. The construction of this project commenced in July 2001, the first part of it was opened in February 2002, and the remaining part in September 2002. For the first time, WSB-NLU received support for this investment from Zarząd Województwa Małopolskiego (the Board of Małopolska Province), which, as part of the regional contract of 2001-2002, allocated the sum of 1.9 million zlotys for building the reading-room and library. The investment will be partially financed by the school's own budget and partly by bank loan (2.075 million Euro) to be re-paid from 2003 to 2005.

Another important factor in WSB-NLU's development were syllabus innovations initiated by the faculty responsible for education and research. Based on an idea of professor Marek Capiński's, there was substantial modification to the program of complementary extramural master's studies of management and marketing. Instead of the traditional former program, which consisted mainly of a large number of lectures accompanied by other class meetings, a sixteen-course program of studies was proposed, in which for every course students receive a set of materials prepared on interactive CD-ROM. This enables students to study at home. This new program caused enormous interest and increased the number of students from one hundred fifty to over seven hundred. As a result, it was possible to lower fees considerably, from 2,000 USD to 1,000 USD per year. Additionally, a new program of studies could be offered to graduates of the second school of business run by Krzysztof Pawłowski (WSB in Tarnów) thanks to the use of technology that directly transmits lectures to Tarnów via video conferences in real time.

The preparation of educational materials on CD-ROM made it possible for the first time in the history of the school to run SUM studies in an online format, fully based on the Internet. The first two experimental groups of a few students started studies in October 2001. These students will be present at school only during their exams and seminars. Thanks to these new forms of studies, WSB-NLU has overcome its greatest weakness - its considerable distance from big cities, causing difficulties in access to the school. Support in the form of educational materials on CD-ROM is presently being developed by a group of computer scientists working with the dean of the Computer Science Department - professor M. Mrozek from the program of extramural studies in computer science. This support is a vital step forward in improving the quality of extramural studies and, in terms of quality, places them nearer to the programs of intramural studies (except foreign languages). Furthermore, these new programs greatly increase our competitiveness on the educational market.

In 2001 we decided to make a big leap and considerably expand our course catalog. Since October 2002, licentiate studies in management and marketing have been run, in English. Moreover, WSB-NLU is applying to MEN (Ministry of Education) for the permission to run licentiate studies in the following three specializations:

- political science
- international relations
- mathematics (with specialization in financial mathematics)

Because of the position it has reached on the educational market, WSB-NLU is becoming an attractive academic partner. In 1999 we signed a contract with five non-state universities (WSB in Tarnów, WSZiB in Kraków, GSzH in Katowice, WSBiJ in Bielsko Biała, and WSzSz in Poznań) with regard to forming the "STARS" Association, whose purpose is a gradual transformation and integration leading to the future creation a multi-campus university. In 2001, together with two leading private universities, the Higher School of Humanities in Pułtusk and the Leon Koźmiński Higher School of Entrepreneurship and Management in Warsaw, WSB-NLU signed an agreement regarding the creation of a "Pro Science" consortium, which would conduct research and launch various research and application projects. The external confirmation of the position that WSB-NLU has reached was a commission accepted from the Conference of the Polish Catholic Church Episcopate to educate priests and nuns dealing with the economic matters of the Church. In the academic year 2001/2002, one hundred seventy priests and nuns participated in a program of post-graduate studies devised specially for them.

The level of development attained by the faculty, a stable financial position, and a strengthened position on the educational market have made it possible for the school to start a program of organizational restructuring. The process of organizational change was started in 2001 by introducing two organizational sections, which clearly define their tasks and responsibilities. These organizational sections are focused on the further improvement of the quality of educational process

and the development of young lecturers employed at WSB-NLU full-time and exclusively. The changes made strengthen the position as well as the responsibility of the prorectors in charge of the two sections as well as the dean's offices. In order to accelerate the development of the faculty and strengthen the activities and initiatives aimed at improving the quality of education, a motivational system of salaries has been introduced at WSB-NLU (for the first time in Polish university education) for over one hundred lecturers, assistant lecturers, and language instructors employed by the school. This system of salaries was supported by a series of training courses and projects which allow young faculty to constantly develop their professional qualifications and reward their involvement in school activities. One of the elements of the system is allotting a research fund in the school budget of 200,000 zlotys a year.

## WSB-NLU and its environment

### a) WSB-NLU and Nowy Sącz

During conferences and discussions many people from outside, both Polish and foreign, emphasize the significance of setting up and developing WSB-NLU to improve the marketing position and economy of Nowy Sącz. There are widely known cases of towns, located both in the USA and Europe, for which the local university is the core of the local business and the main employer. The argument that WSB-NLU can in the future become the main center of local development has become more widely understood in the last ten years in the collective local consciousness, the local politicians, and the community. The turning point appeared only in 2001, and the realization of the school's importance for Nowy Sącz was speeded up by the economic crisis of the town, the rise in unemployment, and the loss of many positions in institutions which were being closed down due to the abolition of the Nowy Sącz Province.

The beginnings of establishing the school were very discouraging – the enthusiasm and disinterested involvement of the school's founder and the group of people working with him, who, at first were not even paid salaries, (even when salaries were paid, they were quite modest) was accompanied by disbelief in the school's success, contempt for the school, and suspicions and rumors in Nowy Sącz political circles. Later, rumors and suspicions were followed by envy. The school, which very quickly grew to be more than a local school due to its acceptance of students from more and more regions of Poland and its employment of foreigners, became almost exterritorial. For years, until 2001, the school did not receive any material support from local authorities; but due to the conflict with regard to the management of 27 Zielona Street, the position of WSB-NLU was constantly undermined in the most difficult period of its development. An example of this undermining was the establishment in Nowy Sącz of the State Higher Professional School, which was clearly regarded by its supporters as a counterbalance and competition for WSB-NLU. Unfortunately there was a lack of understanding that it would have been in the best local interest to support the development of WSB-NLU by joining the two teacher training colleges to it.

Gradually, more and more of the local community started to receive information and facts which indicated the importance of WSB-NLU for the present situation and the future of the town. The first, even shocking, facts that changed the local opinions about the "little school of business" were the professional Warsaw careers of the first group of graduates, most of whom were coming from Nowy Sącz families. These graduates were frequently paid starting salaries that exceeded those of their parents. The increase in the number of students from outside Nowy Sącz in the years 1997 to 2000 resulted in a considerable demand for apartments and raised local rent to Cracow levels. An increasing number of Nowy Sącz families, through new jobs created by the university or by renting apartments, began to benefit from having WSB-NLU in Nowy Sącz.

A survey conducted in 2000 and 2001 among students and company owners allowed us to determine how much money Nowy Sącz citizens earn as a result of WSB-NLU being located in Nowy Sącz. The results of the survey were shocking – in such a small town (80,000 people) the sum of over twenty million zlotys is spent every year by 1,500 intramural WSB-NLU students from outside Nowy Sącz. To clarify, this means 1000 zlotys a year per statistical Nowy Sącz family. (See P. Chlipała, M. Remi, "Studia Regionalne i Lokalne" no. 2-3(6) 2001, page 157).

The first initiative taken jointly by town authorities and WSB-NLU was the opening by WSB-NLU in Nowy Sącz of a private gymnasium and academic grammar school in 2000. In fact, this was the privatization of the public Gymnasium and Grammar School no. 4, managed by headmaster R. Kołcz. Initially there was an internal conflict in the town council regarding this initiative, but eventually support for the project won out. The new Academic Gymnasium was opened on September 1, 2001, and the Academic Grammar School will be opened in 2002. Both schools maintain low fees of 250-300 zlotys per month, compared to 600-1100 zlotys in similar schools in big cities. Their aim is a very high quality of education for the talented youth of Nowy Sącz. Presently, new joint projects are being prepared, for example the "Incubator of Entrepreneurship."

The first ten years of school/town relations can be divided into four periods: the period of disregard for the new initiative and the school's exterritorial character in the years 1991-1994, the period of "hot war" from 1995 to 1998 (regarding the plan of management of areas and PWSZ), the period of "cold war" in the years 1999 to 2000, and the beginning of cautious cooperation, with no real trust on both sides as to the partner's intentions and initiatives since 2001.

The importance of WSB-NLU in the town is growing in proportion to the number of students from outside Nowy Sącz, and its prestige is rising alongside the increase in the number of graduates leaving Nowy

Śącz who are successful in their later endeavors.

Interestingly enough, the authorities of the newly created Małopolska Province have noticed much sooner than town authorities the importance of WSB-NLU for the development of the region. This was shown by their inclusion of financial support for new investment in the regional contract.

The school/town relations in the future have to aim at partnership. In 2002 the school is already the main (if not the only) center of local development, and it will be in the interest of the inhabitants and town authorities to support its development.

#### b) WSB-NLU and business circles

The Regional Chamber of Commerce, which was set up by K. Pazgan and K. Pawłowski in 1990, undertook financing the functioning and organizational support of the school before its formal opening in October 1991, which was its most difficult period. The Nowy Śącz and Podhale Chambers of Commerce, for the whole period between 1991-2001, closely cooperated with WSB-NLU. As its initial founder and sponsor of school activities the Chamber of Commerce benefited more and more from its cooperation with the school by carrying out common projects and taking advantage of the school's various educational programs. The most important step, a decisive one for the survival of the school, was the 1993 purchase by the State Chamber of Commerce of the building at 27 Zielona Street.

Since its very beginnings, WSB-NLU has been running training programs, especially for big production companies undergoing transformation and restructuring processes. Training varied from almost twenty seminars for managers of large companies, post-graduate studies, unique in the Polish conditions, offered to managers in big companies (Zelmer S.A, Opoczno S.A, Kraśnik, Huta Sendzimira, GLC "Carbon", Mostostal S.A, and Tymbark S.A) to wide training programs, carried out

for several years in firms like Opoczno S.A or Tymbark S.A. All these activities brought not only substantial profits allocated for the financing school investments, but also built prestige and respect in business circles. Lately, cooperation has expanded into the field of research, for example the research project "Research of Managerial Skills of Junior Executives in Large Production Companies," carried out as part of the European program "Leonardo da Vinci."

The integration of the school with various business circles has been and still is being reinforced by conferences and seminars organized by the school. These activities always have a scientific and practical dimension, and are open to business-people. Open lectures, delivered by the best Polish managers and entrepreneurs invited by the school, are also of major importance.

Special importance (also in terms of promotion) has been attached to expanding cooperation during the last two years with the second most commonly recognized Nowy Śącz company - Optimus S.A. It is for Optimus S.A. that WSB-NLU organized in 2000-2001 an exclusive program of MBA studies with the NLU seal and diploma for management undertaken by twenty-nine people. Optimus became involved in the process of setting up a new department, Computer Science, and is presently financing equipment for five new computer labs.

Another less spectacular but important fact, is that it is Nowy Śącz companies that are generally given the contracts for carrying out investments for school grounds. The sum of over twenty million zlotys has so far been supplied, and has contributed to the development of several small construction and service companies of the Nowy Śącz region.

#### c) Relations between WSB-NLU and the media

The relations between the school and the media require a special description (To be detailed in the future). From the very beginning of

its functioning, i.e. since 1991, the school has been the object of attention and favors on the part of the Polish media. Except for a few unfriendly articles in the local press, which were associated with the connections of their authors with local politicians or their lack of knowledge rather than attempts to harm, it is difficult to find, among a few hundred press releases, articles written in other than an enthusiastic or friendly tone. The reason for this is the interest journalists took in a university of clearly international character, situated in a small town, which was in the first half of the 1990s a very unique institution, and the exceptional atmosphere among students which was noticed by journalists.

It is hard to find even one daily newspaper (apart from "Trybuna") or a weekly magazine shaping public opinions in which there has not appeared at least one enthusiastic report about WSB-NLU. Many magazines (Wprost, Polityka, Życie, Businessmen Magazine, Home and Market) presented awards to and honored the founder of WSB-NLU. Even such a commercialized type of media as Polish TV has made and broadcasted several films about the school. The fame of the school also extended abroad, and the effect of this was, among other things, an article in "Financial Magazine" which described WSB-NLU as the "cutting edge of transition in Poland."

The annual ranking of universities prepared by "Wprost" has been and is vital for building the prestige and common recognition of the school's image. For the first time, when we were awarded first position in this ranking in 1995, a school with only 760 students was announced the best school in Poland. In the next years the school again was placed as first or second in the ranking of private universities, and in 1999, in the category "Where to Study Business," WSB-NLU won out over SGH. Other magazines including Cash, Home and Market, Businessman Magazine, Polityka, Rzeczpospolita and Perspektywy included WSB-NLU in their rankings and none of them ranked the school less than second place for private universities. The enclosure to this article contains a list of twenty major articles about WSB-NLU published be-

tween 1991 and 2001. The list does not include all the interviews with the rector, or those concerning the school, or publications in scientific journals.

#### d) The relations of WSB-NLU and its students

The traditional concept of creating a prestigious university is based on gathering in the new university a large group of scientists and lecturers of recognizable academic position reinforced by the participation of one or a few big "stars" of science. The prestige of such a team results in recognition on the educational market and makes student enrollment successful. In the case of the Nowy Sącz school, because of its location, the lack of local well-known intellectual circles, and the lack of the sufficient financial means to employ academic stars, this procedure was impossible to follow. Our method of building prestige was to base the first stage of development on the aid program of the American university and create a university whose sole purpose was educating students. The quality and variety of education (languages, computers, business) and a student-friendly atmosphere became our way of building prestige and securing appropriate numbers of future students.

The result of our efforts is fascinating, and one of our greatest achievements is the result of sociological research on our future students shown Table 1. The table presents the result of research on the places of residence of intramural students accepted to WSB-NLU in the years of 2000 and 2001. There are eight provinces included in the table in which our enrollment was the highest as well as the percentage of foreign students.

As shown by the data, as much as 2/3 of our intramural students come from provinces other than the Małopolska province. Only 12-14% of the intramural students come from Nowy Sącz itself and the places nearby. The students from Nowy Sącz and areas belonging to the former Nowy Sącz Province dominate, however, among extramural stu-

dents. The populations of the places students come from was also researched. It became apparent that almost half of them (precisely 44.5%) come from district towns in which the number of inhabitants is over 30,000, and almost 1/3 of them (29.5% ) come from small towns (the number of inhabitants lower than 10,000) and villages. Over 50% of the students declare to be of intellectual background, about 45% of working class, and about 2% from farming backgrounds. Analyzing the professions of both the parents and their education, the intramural students can be approximately divided into three almost equal groups: about 1/3 come from wealthy families whose parents are the owners or managers of companies, have learned professions, are university lecturers, politicians, or journalists, about 1/3 of the students are the children of people who run small, often family-run businesses opened in the 1990s, and about 1/3 are the children of parents of limited means, employed in budget institutions, often teachers, but also retired people and pensioners.

Every year we ask our students-to-be what has influenced their decision to take up studies at WSB-NLU, and for several years we have been getting the same answer: that they decided to do this because the school was recommended to them by its present students. We have achieved something which is priceless in a market economy – the satisfaction of customers! It is interesting to note that we have it in spite of strict examination procedures, obligatory attendance of language classes and other classes and hardships connected with going home, which for many students can be up to several hundred kilometers away.

A student-friendly school, in which the student, especially the active one, is more of a partner than merely a customer is our greatest achievement. Creating a suitable atmosphere is a task which cannot be explained as a pure social and technical enterprise only – it is a matter of the class of the lecturers and staff employed, making the employees aware of the school's mission, and securing their full involvement in the process of its implementation. It seems absurd, but creating this specific atmosphere at the Nowy Sącz school was facilitated by the re-

jection of the school by the town in the first years of its existence. The students only had one another to rely on. The founders of the school, realizing this, tried to make it easier for them to organize various events and parties. These activities led to very high, remarkable on the national level, identification of the students with the school and close ties and friendship between them.

A characteristic of WSB-NLU is the variety and intensity of student life. A specialty of the school are big, (several hundred people, including many students from other universities, usually participate in them) several-day student conferences organized from conception to end by students only. In the school there are (with varying intensity) many scientific circles, student organizations, and interest groups. The activity of students in sports is developing. The largest student events were undoubtedly the school celebration in 1997 and the youth celebrations "Mega," the conferences "The Door to Your Career," photo exhibitions organized in 2000 and 2001 by the extremely active "Fotosekta" group. Students have made many of personal and team achievements among which include the election of Tomasz Kobuz to the chair of AIESEC Poland, and later (as the first Pole) to the management of AIESEC – World, the victory of K. Pryt in a competition for the best licentiate thesis of the year, the victory of the students' representation in the national competitions of "Przedsiębiorczość," or the almost yearly domination of our students in the international Internet competition "MarketPlace."

More and more often the variety of student life supported by the on-going development of Nowy Sącz in the areas of entertainment, pubs and cafes clearly aimed at WSB-NLU students is becoming one of the reasons which make it easier to decide to study at WSB-NLU. The WSB-NLU catalog is particularly attractive to active people who want to develop in every respect. The school tries to support the initiatives of individual students, which sometimes result in long-term activities involving whole groups of students (for example the Oxford Debates or the activity of the photography section).

Student visits to friendly universities are becoming an important supplement to the educational programs offered by WSB-NLU. The most prestigious visits are to DePaul University in the USA, supported by grants from the Kościuszko Foundation, where the best students go every year. European visits in the "Erasmus" program (Germany, Denmark, Spain) are also developing. In order to promote international student exchanges, the school is opening a program of studies in the English language. Close ties with the alumni are also being maintained through the special web site "Alumni Reunions."

We are trying, in various ways, to shape the open attitudes of students, their belief in their own abilities, their courage to meet challenges, their independence, their skills of self-presentation and their ability to work in teams. These qualities, together with their command of foreign languages and their ability to use computer programs have been noticed quickly by managers and entrepreneurs. The best graduates win competitions for jobs in the top companies; after 4 or 5 years they start to work in managerial positions. These accomplishments can be symbolized by the employment of Tomasz Kobuz, a 1999 graduate of licentiate studies, in the world head office of PriceWaterHouseCoopers.

## An analysis of sources and causes of the success achieved

The analysis of the sources of success of an institution not only has a cognitive and historical meaning, but it is thanks to such thorough analysis that the management of the institution can recognize potential dangers (for example by changing a specific successful solution in the past for another). WSB-NLU was the first institution in Poland set up in a small town, far from academic centers. It was created by a group of people without any academic experience, without huge ex-

ternal funds and with initially small numbers of students. These conditions were the foundation of the belief that the school would not survive the first few years. Hostile opinions about the school, which were quite widespread in Nowy Sącz, said the school was a kind of humbug based on the promotional skills and public relations of the school founder. Many people from Polish state universities criticized the strong involvement of WSB-NLU in teaching foreign languages, thinking it was not proper for the school. Another questioned aspect was the academic position of the American partner NLU as it is not a university belonging to the American ivy league universities, but a regular American university, one of two thousand similar universities. The most hostile people expected quick bankruptcy. Instead of bankruptcy, there appeared excellent employment opportunities for the first graduates, individual and team achievements of the students, and finally financial balance and impressive development of the material resources of the school.

The attempt to systematize the reasons which brought the success of the Nowy Sącz initiative leads to the division of the sources of success into six elements, which contributed in various, and not always objectively measurable ways to the present state of WSB-NLU. They are:

- academic reasons
- the influence of leadership on the development of the institution
- "atmosphere" of the School (organizational culture)
- positive relations with the students
- financial and material reasons
- support of the Polish media

### Academic Sources of Success

- extraordinary, given the Polish conditions of the early 90's, program and institutional alliance of the Polish group of founders with an American university with 100 years of tradition, which after ten years gave WSB-NLU the greatest competitive edge in the form of American diplomas and bachelor's degrees for all WSB-NLU gradu-



ates

- implementation in 1992 of the American program of business bachelor's studies, with a very wide program of general studies. When applied in Polish conditions, it became an important factor facilitating the versatile development of students and enabling graduates to adapt easily to the changing job market
- a very intensive program of foreign language learning, particularly English, necessary to obtain diploma, which made WSB-NLU graduates more competitive in the job market from 1994 to 1998. WSB-NLU was the first Polish school to execute the recommendation of the European Commission, included in The White Book of Education, which stated that a graduate of an educational system should know two foreign languages
- basing the strategy of development of WSB-NLU from the very beginning on intramural studies (the first program of extramural studies appeared three years after the school began to function) which allowed strong concentration on the high quality of education - (over 50% of the classes were run in small groups enabling the introduction of interactive methods). A gradual increase in the number of students in the first five years of functioning enabled appropriate selection of faculty and control of the educational process
- great contribution to the program of studies (especially before 1996) of experienced lecturers from American schools of business (especially from Craig School of Business, California State University, and NLU), who imposed high standards of class methodology, introduced new techniques and methods of interactive teaching, and implemented in the Nowy Sącz school American standards and institutional culture, especially respect for students and friendly relations between professors and students
- in response to the poor knowledge of English of some of WSB-NLU's prospective students, the so-called preparatory year was introduced in 1993 and was mainly used for intensive English language learning. This solution enabled talented young people from small towns and villages who had finished low-standard secondary

schools and were deprived of the chance to study at the best Polish universities because of their poor knowledge of a foreign language to take up studies.

- considerable involvement in carrying out the educational undertakings of the growing number of faculty, especially language instructors and assistant professors, for whom the school became the first and sole workplace
- involvement of a growing number of professors and other academic leaders (since approximately 1998 and MBA qualification), introducing new programs to the school like the application of new technologies (the Internet) and new methods of teaching (programs of studies supported by CD-ROM, on-line studies etc.) as well as creativity and openness to change.

#### Sources of Success Coming from Organizational Culture Aimed at Students

Most of the people visiting WSB-NLU for the first time notice an extraordinary and rarely encountered atmosphere among students: their loyalty to the school, satisfaction with their choice of school, and involvement in its development. This is something hard to define and describe precisely. It is a great value to the school. The basis and the main element of the organizational culture of WSB-NLU is the statement that "The school exists, functions and develops for students, with students and thanks to students." All strategic decisions, even the academic development of the faculty and the academic output of the school are subordinated to the primary goal, which is creating the best possible conditions to study in as well as creating conditions for students' versatile development. The results obtained show that WSB-NLU becomes a very attractive place to study for active people, who want to get much more than just credits for various courses from a program of studies.

The sources of this atmosphere:

- common respect for the student, treating him/her more as

a partner and adult than just a customer, for whom a perfect educational program should be prepared

- openness to various student initiatives, even ones not connected with the program of studies (for example two student musicals or professional classes on the art of photography). The management of the school tries to ensure material conditions for student initiatives, also allocating a special fund in the amount of 1% of the budget (about 200,000 zloty a year).
- activities of various students organizations (student government, AIESEC, NZS, AEGEE), student academic groups, and interest groups. The characteristic of the student academic groups is that if they have a very active tutor (one of the assistant lecturers), then their activity is not only profitable to the students themselves, but it also brings promotional results (yearly victories in MarketPlace or success in the National Competition of Entrepreneurship are associated with the work of W. Wilk M.A and J. Gancarczyk M.A, but also with the involvement of winners from previous years in the process of preparing new teams).
- a system of incentives for academic success (a list of the top fifty graduates is sent with letter of the rector's recommendation to several hundred companies), awards for winners in competitions, stays abroad (DePaul University among others) for the best students.
- large conferences organized by students (everything, including the subject of the conference, the selection of lecturers and speakers, and obtaining financial support or media sponsors is the responsibility of students).
- the development of extra-curricular activities (parties, occasional dances, annual school celebrations, extending school facilities for students' free use, meetings with interesting people)
- introduction of student evaluations of all faculty running (the amount of motivational salary for assistant lecturers, language instructors, and assistant professors depends on averages received in student evaluations), with occasional drastic responses to classes or lectures of poor quality (in the two years following 2001, ten contracts of employment have been terminated due to low student evaluations).

## Financial Sources of Success

In the first five years of its functioning, WSB-NLU was very dependant on external financial support. It would have been impossible to survive this first period with a small number of students, relatively low fees, and a very expensive program of studies if we had not managed to combine five different factors at the same time:

- I. Purposeful limiting of salaries for the school's employees, who realized it was an investment in a future workplace for many years
- II. Considerable financial or technical support from foreign organizations, especially:
  - The Foundation of Polish-German Cooperation (a large grant of 300,000 zloty's, the greater part of which was allocated to investments).
  - The Swedish Institute for International Aid (the technical support of consultants from 1991 to 1993).
  - The American government agency USIA (technical support of 500,000 USD for a three-year involvement with CSB-CSU of Fresno).
  - The Ebert Foundation (for purchasing a TV studio)
  - The American agency Center for International Private Enterprise (grants in the amount of approximately 200,000 USD for organizing various extra-curricular activities, including conferences).
- III. The help of The National Chamber of Commerce, which enabled the development of the school by purchasing the School building in 1999.
- IV. Financial support from Polish companies and foundations, including:
  - The Foundation of Educational Entrepreneurship (an annual grant for several dozen scholarships for the best students)
  - Financial support from Bank Przemysłowo-Handlowy, Konspol, S.A., Kredyt Bank, Casinos Poland, Grabek In, Animax, Agencja Rozwoju Przemysłu, and Epstain Eng
- V. Great activity of the school in offering training programs, seminars,

and post-graduate studies (of special importance is a three-year grant for studies for nearly one hundred officers released from the Polish Army due to its restructuring, or seminars for presidents of companies).

After balancing the budget in 1996, the main task was maintaining a consistent budget policy based on allocating the maximum amount for investments and development, and minimizing the fixed costs of running of the school and expenses for the salaries of administrative and service staff. The rule was accepted that all costs of the functioning of the school must be 90% covered by earnings from students, and, apart from 10% of the income from fees, investments would be covered by all earnings coming from school training (including post-graduate studies), entrance fees, and any donations and contributions. This consistent "healthy budget" policy not only allowed us to pay debts (over 1.1 million zlotys for the area at 27 Zielona Street to be paid over five years) and purchase the building from KIG ( 700,000 zlotys), but also to allocate an extra sum of about twenty million zlotys for investments and purchases between 1996 and 2001.

### Media Support

It is hard to overestimate the importance of the interest and support of the Polish media in WSB-NLU. It is mainly the media that, apart from information carried directly by students, brought about such wide recognition of the school. Since 1998, the school has not been running direct promotional campaigns in secondary schools and has not been buying press advertisements. Among all the sources of success, the support of the media has a very high position. It is difficult to objectively evaluate which article or film had the biggest part in promoting the school. On the basis of the survey carried out among prospective students, it can be stated that the ranking of "Wprost" magazine and the opinions expressed in it have had the greatest influence.

### The Impact of Leadership on the Development of WSB-NLU

The school was the author's idea. In this situation the influence of the founder and organizer on the shape of the institution, the pace of development toward goals is considerable. It is difficult in this situation, when the case is being written by the founder, to obtain an objective assessment of the importance of the person or leader for the school's success.

Therefore, I will use here a short quotation from the first published case study on WSB-NLU written by Julita Jabłeczka from UW (Warsaw University), presented in 2001 during the UNESCO conference in Zielona Góra, and published in the 141th issue of *Prokseologia* (from 2001): "...In Mr. Pawłowski's strategy, the charisma of the leader and internal relationships were the vital, if not the most important, factor of success, stimulating the cooperation and help in setting up an important social institution..." (198) "...Extremely important elements – sources of the success of the strategy – were the leaders personality, and abilities, a consequence of the entrepreneurship and creativity of the school's rector. " (200)

Accepting the opinion quoted above as a reliable description of the author, I present my own evaluation of the reasons why success was achieved, directly connected with my activity as the founder and rector of WSB-NLU:

- At the very beginning, an extremely important and positive factor was the fact that I have never worked at any state university, and I did not introduce any routine solution or habits to the institution. Thanks to this, I did not know that what I wanted to create in Nowy Sącz, from a professional point of view, was supposedly impossible to reach. In this situation, the limit of my possibilities has been and are my own dreams.
- I became a leader who imposed his goals on other founders and a group of co-workers, and then successfully stimulated them.
- Declaring as early as 1991 that the school would be the number one

business school in Poland and the school of the Polish elite, I claimed a niche in the educational market: an exclusive school, quality-oriented, in which studies, for obvious reasons, are quite expensive by Polish standards.

- I used the Polish myth (especially in its southern part) of a "Golden America," transferring it onto WSB-NLU as a Polish-American institution.
- I imposed the belief in the school that our students must come first, faculty second.
- In building the social image of WSB-NLU, I was helped by sound and extensive relations with business and press circles.
- We managed to create in the school (also through personal relationships) an atmosphere in which students acquire self-confidence, courage, and belief in their abilities.
- In a systematic way, I have been moving away from the authoritarian management of seven years, which was indispensable during the lack of financial stability, to the stage in which I include more people in the process of management, forming in this way a group which can successfully take over the management of the school in the future.
- In order to avoid a financial crisis in the future, I learned how to manage the finances of the school effectively, using opportunities to expand and improve the program, but never at the cost of breaking the balance of the budget.
- Thanks to a liberal statute regarding higher education, and the constitution of the school which does not limit the rector's activity, I can quite successfully recognize new chances and make decisions necessary to their execution.
- I can change threats (which have been numerous) into successfully implemented chances.

It is because of clear leadership that we managed to avoid the personal conflicts at school which very often destroy new institutions.

## Instead of Summary: A List of Threats Changed into Chances

- a) A very slow increase in the number of students in the first three years and running only very expensive intramural studies led to great financial problems which could have caused the school to fail. They allowed us, however, to focus on a high quality program of studies and prepare the first graduates very well. The quick recognition of the quality of the school on the job market was also important.
- b) The location of the school in a small town with relatively unattractive non-educational activities (a lack of theaters, cinemas, bars, cafes etc, and rare cultural events) resulted in our school finding a peculiar market niche - the town proved to be acceptable for many prospective students because its size is similar to the homes of the majority of students and its vicinity is very attractive (mountains, lakes).
- c) Basing the strategy of development on an alliance with a relatively small and unknown, at least in Polish academic circles, American university proved to be a very well-designed plan. It allowed us, from the very beginning, to use the very catchy, in terms of promotion, myth of a Golden America, and made it easier to acknowledge educating students as our highest priority. After eight years, this resulted in our greatest competitive edge, i.e. American diplomas and bachelor's degrees for all graduates.
- d) The founders of WSB-NLU were amateurs, people from outside academic circles, who did not know the principles by which Polish universities functioned and did not have any position in academic circles. This threat proved to be an advantage because it allowed the introduction of unconventional and innovative solutions.
- e) The lack of a faculty "assigned" to the school was a threat, but thanks to this the school avoided typical, in terms of Polish conditions, preparation of the syllabus. This actually allowed for

- a greater concentration on students.
- f) The lack of easy access to aid was a very serious threat; however, this hardened the school's founders against too-easy achievements and led to the fulfillment of a consistent policy of a "healthy budget," i.e. basing the development strategy on means possessed, coming from fees and private income.
  - g) The lack of academic ambitions in the founders and first faculty members made it easier to acknowledge educating students as an absolute priority of the school.
  - h) The lack of narrowly-specialized programs of study (so typical in the first half of the 90's), the major importance of intramural studies, and a wide plan of general studies let us prepare graduates better for the quickly changing economy.
  - i) The lack of strict selection of prospective students (so typical for state universities) did not cause a considerable lowering of academic standards, but facilitated the enrollment of talented young people coming from small towns and villages who had finished poor-quality secondary schools. These young people (particularly thanks to the introduction of the so-called preparatory year) quickly made up for deficiencies in their knowledge, and they often graduated from the school with honors.
  - j) The initial "rejection" of the school by the authorities and the majority of local inhabitants caused the founders many problems, but brought about an unexpected positive effect - an extremely high identification of students with their university and the development of student life.
  - k) A strong autocratic leadership did not cause basic organizational errors, but was in the first, most difficult period a kind of protection for faculty and staff members (burdening the Rector with the stresses and decisions associated with functioning in the deficit conditions). It also allowed the avoidance of a long period of decision making, which is necessary in the case of powerful collective organs.
  - l) After very noticeable questioning of our academic validity, winning the first rankings of "Wprost" accelerated the decision of the man-

agement of the University to put the curriculum of the school through the accreditation procedure in SEM "Forum" and led to a considerable improvement of the quality of academic programs.



  
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