

MARCH 23, 2006

NEWS ANALYSIS

By Andy Reinhardt

Apple Loves France, Sometimes

A tiff over digital-rights laws and talk of divorce? Not yesterday, when Jobs & Co. announced a pact with business school HEC, and everyone made nice

The timing was a bit awkward, to put it mildly. On Mar. 22, the day after the lower house of France's legislature passed a radical new digital-rights law that could eventually prompt Apple to withdraw its iPod music player from the French market, the California company unveiled a long-planned collaboration with one of France's leading universities to promote educational technology centered around, you guessed it, the iPod.

Under the terms of the two-year partnership, Apple will work closely with HEC, a business school located near Versailles, on integrating iPods and other digital technology into classrooms and curricula. It's the first such relationship Apple has struck in Europe, following the model of similar deals with Stanford University and Duke University in the U.S.

"ON THE OFFENSIVE." Cooperation presents enticing opportunities for both parties. HEC will get a boatload of hardware, software, service, and support donated by Apple ([AAPL](#)).

The technology will allow the school, which offers undergraduate business and MBA programs in English and French, to explore cutting-edge uses of computers, networks, and iPods in higher education. That encompasses not only delivery of course material and other information to students, but also creation of new content by students and faculty using tools provided by Apple.

For Apple, the hookup with prestigious HEC is the first step in a plan to penetrate business schools and other institutions of higher learning across Europe. Pascal Cagni, who runs the company's European unit, notes that Apple already holds the No. 1 position in the European education market, with 15.2% share, according to figures from researcher Gartner. Still, he says, "we have to stay on the offensive."

RESEARCH INITIATIVE. Starting with the MBA class entering HEC next fall, every student will be given a video iPod engraved with the school's logo on the back. About half of all lectures will be captured in digital video and saved in massive network servers, where students will be able to review them, in the form of video podcasts, as little as an hour later. The iPods also will be stuffed with a wealth of useful tools and information, such as campus maps, class schedules, RSS feeds of news stories, and language training courses.

To the dean of Group HEC, Bernard Ramanantsoa, the iPod invasion presents far more than just a chance to dish out digital information to students. "It's a strategic European initiative to integrate digital technology into management training," he says.

Tools such as the iPod will improve learning and spur collaborative work. But equally important, he aims to turn HEC into a testbed for research on the interaction between technology and business. "We have to be more digital ourselves before we can understand what that means to enterprises," Ramanantsoa says.

UP IN THE AIR. That's music to Apple's ears. To bolster the role of both the iPod and the Macintosh in learning, the company is eager to develop showcase applications such as the HEC digital campus. "We don't plan to stop there," says Cagni. Neither he nor HEC officials would comment on the financial value of Apple's donation to the school.

And what of that pesky new French law, which could require Apple to disclose its proprietary copy-protection schemes and let iPod owners download songs from services other than iTunes? In a press statement on Mar. 21, the company called the new law "state-sponsored piracy." But at the start of the press event to announce the HEC-Apple alliance, officials said they wouldn't comment on the potential impact of the law on Apple's French business. When pressed on what a potential Apple pullout from France could mean to the HEC relationship, Cagni couldn't avoid answering. He smiled wanly, glanced down, and then said with a sigh, "I just don't know."

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