

BizEd

TECHNOLOGY ISSUE

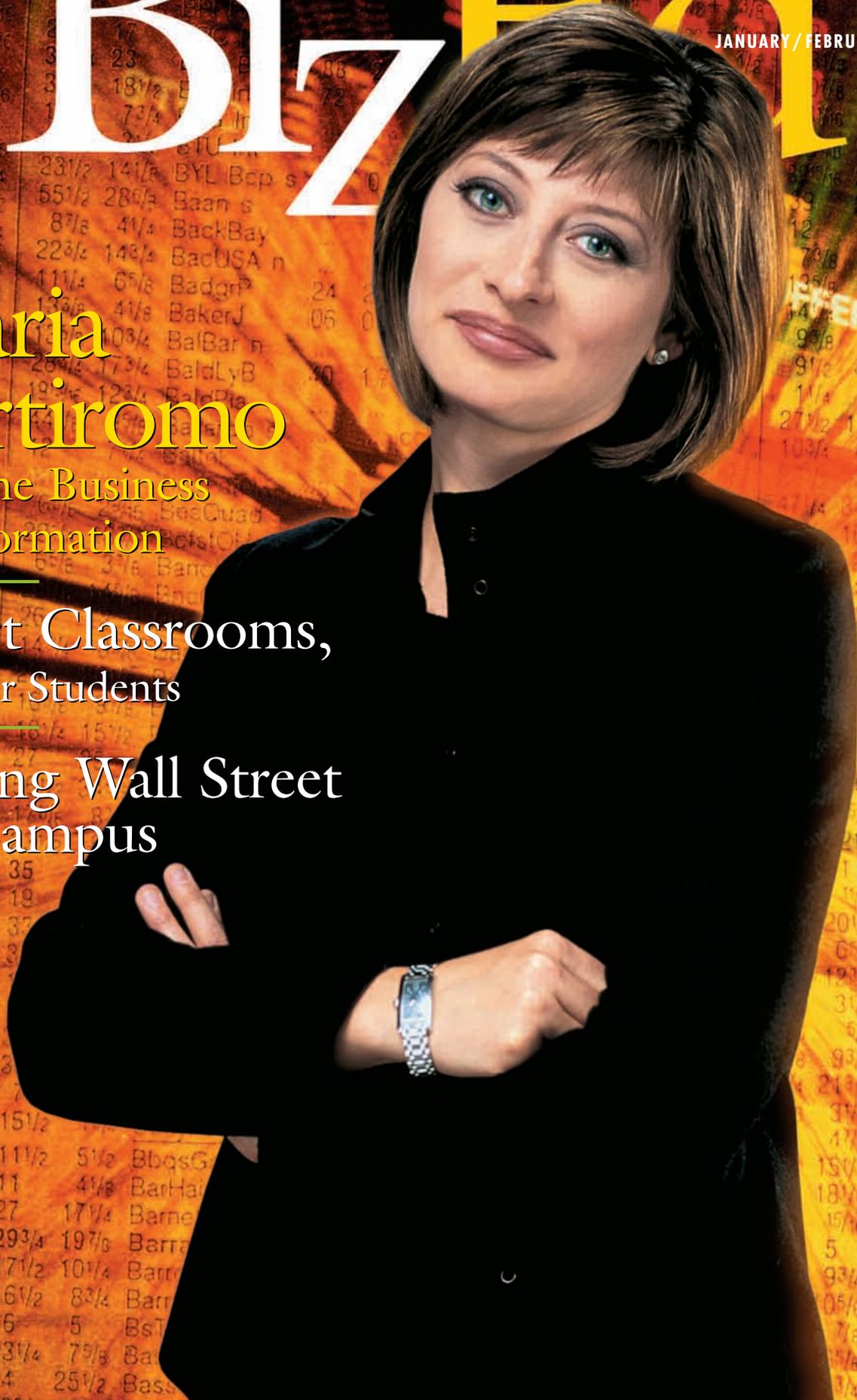
JANUARY/FEBRUARY 2003

Maria Bartiromo

And the Business of Information

Smart Classrooms,
Smarter Students

Putting Wall Street
on Campus

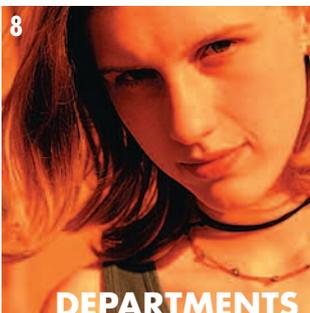
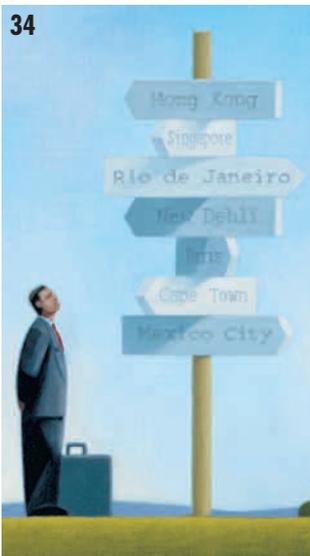


SPECIAL FOCUS: TECHNOLOGY

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JANUARY/FEBRUARY 2003

VOLUME II, ISSUE 2



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Cover courtesy NBC, background photo by Trevor Mein/Getty

From the Editors

F.Y.I.

So far, the 21st century is all about information. Past centuries were run on agriculture, industry, or transportation, but in our day and time, knowledge is the coin of the realm. We have come to expect total access all the time—to stock prices, to world news, to entertainment sources, to friends who live halfway around the globe. There's almost nothing we want to know that we can't learn within minutes.

But what do we do with all this information? When so much news is available, all the time, how can we tell what's important and what isn't?

Maria Bartiromo addresses just that question in her book *Use the News*.

She leads readers through exercises that will help them separate true news from what she calls "noise"—events and announcements that have no real importance, even though they might be introduced with great flourish. Her advice is threefold: Focus on what the news means; ask questions about how it affects the business you're following; then put those answers in context. She's specifically talking about information that affects the stock market, but such an approach can help you make sense out of any news announcement that might have an impact on your business or your career.

Perhaps no one on the planet is bombarded with more information than business students. Not only are they learning basic concepts of finance, marketing, organizational behavior, and accounting, they're often pitchforked into situations where they're required to use their new knowledge instantly. Some students are managing millions of dollars in real money; some are starting and operating small businesses within the context of the classroom. And, in a growing number of business schools, students are learning how to use cutting-edge equipment in high-tech settings and real-market data feeds in simulated trading rooms as they analyze corporate offerings, stock prices, and trade deals.

While that's a great deal to absorb, students seem to be thriving on the challenge. "Student interest is not the barrier," says Bruce Weber of the trading floor at the Baruch College of the City University of New York. It's the older, established faculty who sometimes experience information overload as they work to stay one step ahead of students when learning how to manipulate complicated new hardware and software. Those who master the technology are opening hundreds of new doors for themselves and their students.

It seems like a grand time to be young and plugged into the information network, learning something new not just every day, but every millisecond. And it's not such a bad time even for those of us who are a little older or a bit bewildered by the banquet of information spread out before us. We just need to take a deep breath and filter everything down. Focus; ask questions; put the answers in context. There's so much we can learn. ■



BILL BASCOM

Sharon Shinn

Letters

■ Scott Hits the Spot

I really enjoy your magazine, and I especially liked “Funny Business,” the interview of Scott Adams in the November issue. His comment that “Business schools should definitely offer more courses in communications, like speaking and writing [and] design” helps to reinforce the importance of offering some case-oriented courses in an MBA program. Case-oriented courses certainly stress speaking and writing, but they also emphasize design. I try to have my MBA finance case-class students think of their case report exhibits as “stand-alone billboards” that must convey one or

more thoughts or messages. The design of exhibits is one of the students’ more difficult—and, I hope, rewarding—tasks in packaging their case reports.

*John Wachowicz
Professor of Finance
University of Tennessee
Knoxville, Tennessee*

■ A Differing View

Having just read the most recent edition of your usually excellent magazine, I couldn’t avoid commenting on the piece “Is Executive Education Facing Extinction?” I have spent more than 20 years in the teaching, training, and exec ed fields, and I have no idea

what Michael Watkins was saying in that article.

*Tom Hambury
Director, Executive MBA Program
Johnson Graduate School of
Management
Cornell University
Ithaca, New York*

■ A Strong Voice

I just had occasion to read your publication for the first time. *BizEd* is a serious, targeted, and necessary voice in the field of education, and not just business education, either.

*Marc Kaplan
Kaplan Communications
New York, New York*

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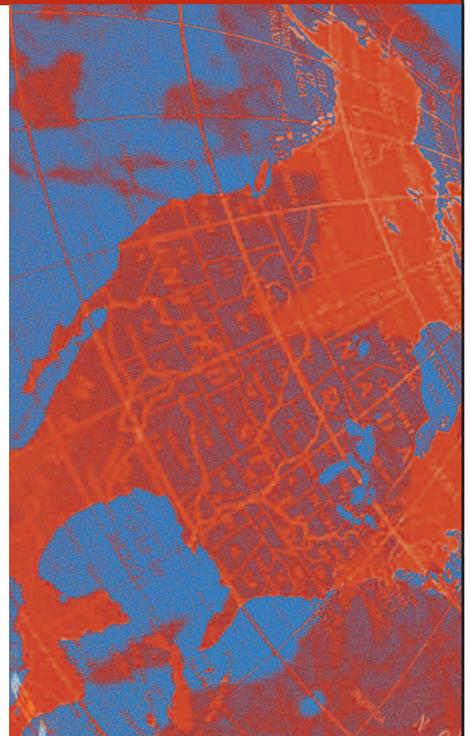
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Headlines

Teen Girls Shun Business

A vast majority of teenage girls in America say they will shun business as a possible career, according to a large-scale national survey of girls' attitudes toward careers and business. It was conducted by Simmons College School of Management in Boston, Massachusetts, and The Committee of 200, a national women's business organization headquartered in Chicago.



The survey "Teen Girls on Business: Are They Being Empowered?" gathered written responses from more than 3,000 girls and 1,200 boys in grades 7 through 12 across the country. While 97 percent of girls polled expect to work to help support themselves or their families, fewer than ten percent anticipate careers in business—40 percent fewer than the number of boys who list business as a top career choice.

The findings are prompting a call to action from leading businesswomen, who are concerned about a potential serious shortage of future women business leaders. "At a time when we need strong, thoughtful, and ethical leaders in business, the lack of women at the top is alarming," says Patricia O'Brien, dean of the Simmons College School of Man-

agement. "Fueling the pipeline with talented young women excited about business is critical for change. Yet our research shows that many girls don't understand or appreciate the power of business to change the world. It is imperative that all of us—educators, business leaders, the media, and parents—build on this research and take every action within our means to inspire girls to see themselves as our future business leaders."

The survey also uses the sample study to offer statistics on:

Priorities. Seventy-three percent of girls in the survey, versus 55 percent of boys, rank "helping others" as extremely or very important in a career, while 56 percent of girls, versus 75 percent of boys, rank making money as a top priority.

Family responsibilities. Eighty percent of girls surveyed expect to work full-time as adults, but 60 percent expect to take time off when they have children; only 11 percent of boys expect to take a career break for family.

Leadership. While girls and boys rate themselves equally as leaders, 22 percent of girls and 40 percent of boys surveyed think it's important to "be

in charge of people." More than half of boys want to be their own bosses, but only 31 percent of girls do.

Race. Girls of color have more interest in business careers than Caucasian girls, based on respondents' answers. Sixteen percent of Asian American girls are interested in business careers compared to nine percent of all girls. More than half of Hispanic and African American girls expressed interest in starting their own businesses, compared to 40 percent of Asian American and Caucasian girls.

Complete results of the survey have been published on the Web site of the Committee of 200, at www.c200.org.

Race and Education Affect Entrepreneurs

A new study of startup ventures shows that African American and Hispanic men with graduate training are more likely to found new businesses than other groups. "Those with more education are more likely to start businesses. This is particularly true for minorities," concludes one of the principal researchers, William Gartner of the Lloyd Greif Center for Entrepreneurial Studies at the Mar-



BizEd Wins Award

BizEd has won Folio magazine's Ozzie award for best-designed new association magazine.

Awards were handed out in New York City on October 29. *Folio* annually presents awards in several categories; the Ozzie is their top award. This year, magazines competed for design awards in 14 categories, including consumer, business to business, association, and custom segments. Entries were received from countries around the world, including Australia, China, Finland, Germany, Canada, and South Africa.

According to the judges, "*BizEd* has an excellent sense of organization for the reader's eye. It combines color and type beautifully in every area. It also uses very clever techniques in dividing sidebars within features. Its use of illustration and photography make this magazine a joy to look at." *BizEd* is designed by The Magazine Group, based in Washington, D.C.

AFRICAN AMERICAN MEN WHO ARE BETWEEN THE AGES OF 25 AND 35 AND WHO HAVE GRADUATE EXPERIENCE ARE THE ONES MOST ACTIVELY ENGAGED IN STARTING NEW BUSINESSES.



shall School of Business, University of Southern California, Los Angeles. Research for the report was conducted by more than 120 scholars who developed the Panel Study of Entrepreneurial Dynamics (PSED). The PSED is an ongoing collaboration between Gartner; Nancy M. Carter at the Graduate School of Business, University of St. Thomas, St. Paul, Minnesota; Patricia G. Greene at the Henry W. Bloch School of Business and Public Administration, University of Missouri at Kansas City; and Paul D. Reynolds at the Blank Center for Entrepreneurial Studies, Babson College, Babson Park, Massachusetts. The national sample of 64,622 U.S. households identified 830 nascent entrepreneurs and followed their efforts to pursue business start-ups over a three-year period.

The study revealed, for example, that approximately 26 of every 100 African American men and 20 of every 100 Hispanic men with graduate experience report efforts to start a new business. In the U.S., African American men who are between the ages of 25 and 35 and who have graduate experience are the ones

most actively engaged in starting new businesses. They are 50 percent more likely to start a new business than whites. Hispanic men are 20 percent more likely than white men to be involved in startup ventures.

The project involved the support of 33 universities and private foundations, the National Science Foundation, and the Kaufman Center for Entrepreneurial Leadership. The new findings were announced at the U.S. Minority Business Development Agency's national Minority Enterprise Development Week conference in Washington, D.C.

Conference Stresses Minority Leadership

The African American MBA Association of the Wharton School recently sponsored the 29th Annual Whitney M. Young Jr. Memorial Conference, which examined ways black professionals can assume more prominent leadership roles. Among the speakers at the conference were former presidential advisor Vernon Jordan, NPR talk show host Tavis Smiley, and former U.S. Secretary of Labor Alexis Herman. Panel discussions included insights from top African American CEOs and entrepreneurs as identified by *Black Enterprise* magazine. Among the topics discussed were the choice black MBAs often make between serving the community interest versus serving the corporate interest.

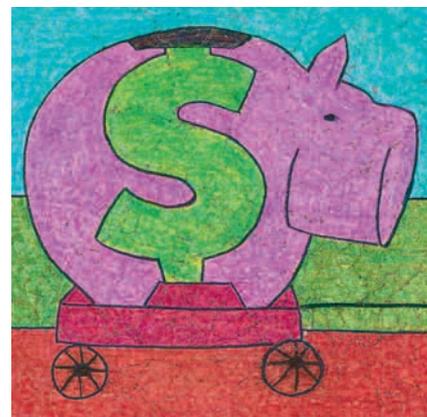
In recent years, AAMBAA used the conference and corporate contributions to raise more than \$1 million to create an endowed chair at Wharton, the business school of the University of Pennsylvania in Philadelphia. This chair, believed to be the only one endowed by a black MBA organization, will ensure that

there will always be African American representation at the school. Bernard Anderson is the first professor to hold the Whitney M. Young Jr. chair, which is named for the man who was executive director of the National Urban League from 1961 to 1971.

Cost Not a Top Consideration

When evaluating executive MBA programs, students say cost is their least important concern, according to a new industrywide survey of student satisfaction. The study was conducted by the Executive MBA Council, an association of academic and program administrators devoted to fostering global excellence in executive business programs.

The following factors, listed in order of their importance, are most important in determining students' satisfaction with their programs: the ability of the program to forward their careers; the quality of the other students; the quality of their study groups; and the reputation of the business school. At the other end of the spectrum, the cost of the program and the ranking of the full-time MBA program were rated as least important.



Results of the survey were delivered at the EMBA Council's 2002 annual conference last fall. Results were presented jointly by Binghamton University associate dean George Bobinski of SUNY and Diane Badame of the Marshall School of Business at the University of Southern California. Badame also co-chaired the Benchmarking Task Force that developed The Student Satisfaction Exit Survey. Produced yearly, the survey identifies the key drivers of student satisfaction and pinpoints areas for business school improvement based on direct student feedback. Results are compiled with the assistance of the independent marketing research firm FGI.

How Business Makes the News

Babson College recently devised a unique strategy for helping business students understand the role of journalists in covering the world of business. Communication professor Renee Hobbs has teamed up with Babson alum Brian Carr to create a simulated financial disaster that students had to investigate using journalistic tactics.

Posing as a director of public relations for the financially troubled—and fictional—company Babron, Carr held a press conference for students. Students had prepared for the conference by visiting the company's fake Web site and by interviewing directors, secretaries, and the company's janitor. Students struggled to reconcile conflicting information and identify irrelevant details while asking the right questions to uncover the story's facts.

Carr's lively press conference included information about \$58 mil-

lion in questionable accounting charges from a major portfolio management company, the sudden resignation of a company director, and secret documents retrieved by the company janitor. It also featured an emotionally hysterical company officer and reams of mystifying financials.

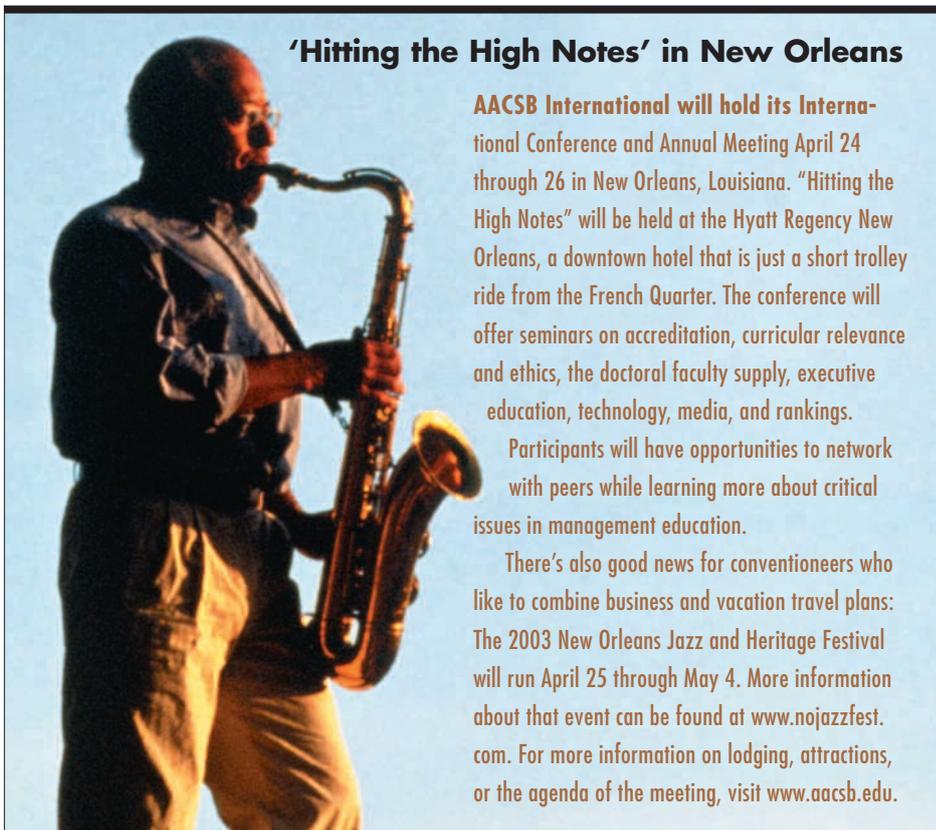
Carr, a former journalist who now works at an Internet company, developed all the materials for the simulation and took full advantage of the flexibility of online communication. The simulation included opportunities for interactive e-mail conversations, access to financial documents, press releases, and speeches. "We created a kind of real-world situation for students to give them a chance to strengthen their critical thinking and communication skills," Carr says.

'Hitting the High Notes' in New Orleans

AACSB International will hold its International Conference and Annual Meeting April 24 through 26 in New Orleans, Louisiana. "Hitting the High Notes" will be held at the Hyatt Regency New Orleans, a downtown hotel that is just a short trolley ride from the French Quarter. The conference will offer seminars on accreditation, curricular relevance and ethics, the doctoral faculty supply, executive education, technology, media, and rankings.

Participants will have opportunities to network with peers while learning more about critical issues in management education.

There's also good news for conventioners who like to combine business and vacation travel plans: The 2003 New Orleans Jazz and Heritage Festival will run April 25 through May 4. More information about that event can be found at www.nojazzfest.com. For more information on lodging, attractions, or the agenda of the meeting, visit www.aacsb.edu.



UC Davis Breaks the Gender Barrier

For the first time, women represent nearly half the entering class of MBA students at the Graduate School of Management at the University of California, Davis. The class is 52 percent male and 48 percent female—which school officials believe to be the highest percentage of women entering an MBA program at the



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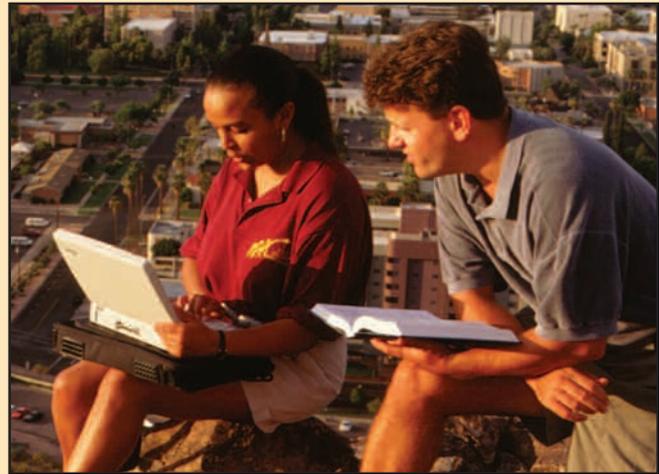
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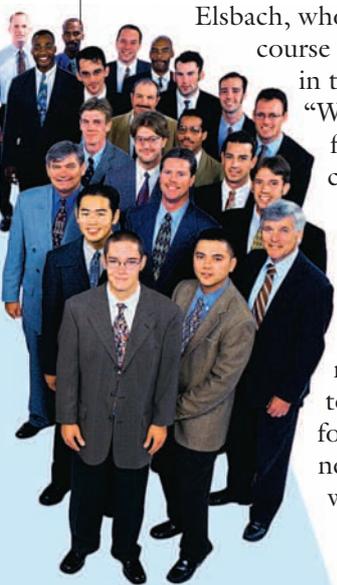


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nation's 50 top-ranked graduate business schools this year. For most schools, the percentage of women enrolled in full-time two-year MBA programs hovers around 30 percent. The high number of women enrolled in classes offers benefits to all students, officials say. "It makes earning an MBA a more well-rounded experience for both genders," says associate professor Kim

Elsbach, who teaches a course on negotiation in the workplace. "Women feel comfortable being competitive negotiators because they don't feel singled out. It also helps the men in class to gain a comfort level in negotiating with women."



Schools Achieve Accreditation

Twelve schools received initial accreditation or reaffirmation of accreditation in November from AACSB International. Newly accredited schools are Adolfo Ibañez University in Santiago, Chile; Ashridge in Berkhamsted, England; Rowan University in Glassboro, New Jersey; State University of New York College at Brockport; and State University of New York College at Oswego. Schools reaffirming their accreditation are Binghamton University of the State University of New York; Clarkson University in Potsdam, New York; Eastern Michigan University in Ypsilanti; University of Memphis in Tennessee; University of Montana in Missoula; New Mexico State University in Las Cruces; and University of Wisconsin-La Crosse.

Currently 432 programs are accredited by AACSB—406 in North America, 15 in Europe, four

in Asia, one in Australia, one in Central America, two in the Middle East, and three in South America. In addition, 159 institutions have achieved specialized accounting accreditation.

BizEd Available Electronically

Starting this month, the content of BizEd will be available through EBSCO Information Services and H.W. Wilson, two indexing services that create searchable databases accessible through libraries. Readers will be able to access all of the articles in the flagship magazine published by AACSB International.

EBSCO currently licenses the full text of more than 4,000 periodicals and databases, including *BusinessWeek*, *Scientific American*, *Fortune*, *New England Journal of Medicine*, *Harvard Business Review*, *Time*, *PC World*, and *Consumer Reports*. The company offers fully integrated infor-

mation access in all types of libraries in 19 countries.

H.W. Wilson publishes 19 indexes, five catalogs, *Book Review Digest*, *Reference Shelf*, *Current Biography*, and many monographs. Wilson

has original abstracts for many of its indexes and is continuing to expand this operation globally. The company has acquired the full text electronic rights for many of the periodicals it indexes and abstracts.

By using these indexing sources, readers will be able to electronically access all articles and departments that have appeared in *BizEd* from the publication of its premiere issue in November 2001.

INNOVATIONS

Work-Study Program

Many business schools encourage the development of entrepreneurial spirit through a combination of in-class instruction and off-campus enterprises. At the University of Idaho in Moscow, the business school is actively promoting the formation of student-run businesses that can benefit both the university and the students who start their own companies on campus.

"It tickles me to give students a jump-start in entrepreneurial trials that can benefit other students through scholarships and club support," says Byron Dangerfield, dean of the College of Business and Economics.

Examples of successful launches abound. Two years ago, student Mason Fuller asked the dean's advice about starting a local coffeehouse. Dangerfield encouraged him to open Stover's Deli in the business school's newly completed J.A. Albertson Building, and the deli now serves up to 70 customers a day. "Stover Deli began turning a profit on its third week," said Fuller, who pays the food costs and labor, and then splits profits with the university food service and the dean's office for student scholarships. If Fuller meets his \$500-a-day sales goal, several thousand dollars worth of scholarships can be awarded for the next school



year. The deli also employs several part-time students, offering an additional benefit to the university.

Another new student-run enterprise is The BIZ, a convenience store that just opened in the same building. The project of finance student Amy Bonwell and students from the Students In Free Enterprise (SIFE) Club, the store sells study supplies, snack food, 20-ounce drinks, and *The Wall Street Journal*. Bonwell and friends also plan to sell college logo items and computer peripherals for wireless laptops. A copier-printer will move outside the shop to attract students, and cards with The BIZ logo will provide copier access until midnight.

The store is a franchise extension of the Student Book Store and a project hatched by SIFE, which won regional honors for it at a re-

cent student competition. When profits materialize after this first year, they will be split with the Student Book Store and used to cover travel costs to the annual SIFE competition or for student scholarships.

Another successful enterprise is a locker rental system sponsored by the Beta Alpha Psi accounting fraternity. Students pay \$20 a semester or \$35 a year for the chance to store heavy books and other paraphernalia. "That's pure profit that could bring more than a thousand dollars a semester for student clubs if the lockers become fully rented," says fraternity member Dave Dutson, a student in the school's master of accounting program.

Operating in a slightly different manner, the Davis Investment Group is a student club that manages a \$400,000 investment portfolio under the guidance of finance professor Mario Reyes. While students in the club learn real-life investment lessons, they've also produced tangible results, raising more than \$200,000 for the new Albertson Building and \$120,000 for scholarships. Dividends or interest received from the portfolio may be allocated for scholarships.

Any project that furthers student learning, offers benefits to the university community, and pours money into student scholarship coffers has to receive an A for achievement.

SHORT TAKES

■ **Widener University** in Chester, Pennsylvania, recently opened its new \$9 million Leslie C. Quick Jr. Center. The 32,000-square-foot facility includes a state-of-the-art classroom that replicates all the functions of a commercial brokerage house, as well as offices, classrooms, and conference space. The building's budget included \$840,000 for the design and installation of an environmentally responsible geothermal heating and cooling system, which is expected to use two-thirds less energy than conventional systems.

■ **The University of Chicago** Graduate School of Business in Chicago, Illinois, has received \$7 million from Michael Polsky, an entrepreneur in the private energy business. The money will go toward establishing the Michael P. Polsky Center for Entrepreneurship. The gift is part of the business school's \$250 million capital campaign to raise money for strengthening academic research centers, recruiting faculty, and funding the new campus now under construction.

■ The Eller College of Business and Public Administration at the **University of Arizona** in Tuscon has announced the appointment of Mohan R. Tanniru as head of the Department of Management Information Systems (MIS). Tanniru assumed his post in December.



■ **Andrew Pettigrew** of the Warwick Business School, Coventry, England, has been presented with the Distinguished Scholar Award from the Academy of Management, located on the campus of Pace University in New York City. Pettigrew is the first European scholar to receive the award in its 20-year history.

■ **Temple University's** Fox School of Business, Philadelphia, Pennsylvania, has launched the Dean's Research Scholar's Program, which enables business honors students to conduct in-depth research throughout their undergraduate careers. Mentored by experienced research faculty, undergraduates receive scholarships to work on research projects relevant to their career goals in areas such as actuarial science, law and legal ethics, human resource administration, and marketing. The Dean's Research Scholars Program received financial support this year from the Fox School's 2002 Musser Excellence in Leadership Awards. The Musser Award promotes the idea that individuals can combine exceptional achievement in business with exceptional effort on behalf of the community. This year's award went to Sidney Kimmel, founder and chairman of Jones Apparel Group.

■ The C.W. Post Campus of **Long Island University** in Brookville, New York, recently opened a new Graduate Student Center in Roth Hall to serve as headquarters for its Master of Business Administration program and as a study area for the College of Management's graduate students. The renovations were made possible by a generous donation from Michael and Barbara Bivona.

■ **The State University of New York Institute of Technology**, Utica, New York, has received approval from the New York State Department of Education to offer a Master of Business Administration degree program, the first MBA program in the Mohawk Valley. Courses began in the fall 2002 semester. The program is available both on campus and completely online and is the only online MBA program in the SUNY system. SUNYIT's MBA in Technology Management will combine core management courses with a focus on technology and innovation management.

■ **The University of Toronto's** Rotman School of Management has launched a new Master of Financial Economics Program designed to give students the skills to handle careers in corporate finance and investments. The program is a collaborative venture between the Rotman school and the University of Toronto's Department of Economics. Graduates of the 16-month program will receive a Master of Financial Economics.



■ In other news from **Rotman**, the school's Clarkson Centre for Business Ethics and Board Effectiveness has developed the Rotman P2 Rating System, which ranks boards by their potential to act in an effective way and by their performance as indicated in past practices. It results in a transparent and adaptable rating system that assigns companies listed on the TSX 300 a score from investment grade (AAA+ to BB) to questionable (BB to B) to non-investment

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grade (C and D). Publicly traded companies are rated in six scoring categories, including board members' independence, capabilities, and motivation; the structure of the board meeting; the process of how the board is run; and the board outputs for the previous three years. The Rotman P2 Rating System is currently being tested by institutional investors and is not yet publicly available.

■ **Harold Brown** of San Diego State University has received the International Richard Preston award from the International Economic Development Council. The award honors an economic development practitioner who has demonstrated excellence in continuing education. Brown was selected for his role in advancing community development through creating and directing the Center for Community Economic Develop-



ment (CCED) in the College of Business Administration at SDSU. Brown created the CCED as a certificate program, teaching skills in business, economics, and the management of community organizations. In just a few years, the program has become recognized for supplying neighborhoods and communities with the leadership needed for their development.

■ The Kenan-Flagler Business School at the **University of North Carolina** at Chapel Hill recently received a \$2 million gift from alumni Steven Bell and Leonard Wood to endow the largest chaired professorship in the school's history. The gift, which establishes the Steven D. Bell and Leonard W. Wood Distinguished Professorship in Real Estate, will benefit the school's program in real estate and its new Center for Real Estate Development in the Frank Hawkins Kenan Institute of Private Enterprise.

■ In other news from **Kenan-Flagler**, the Kenan Institute has launched the Center for Business Forecasting. Economic forecaster James F. Smith will serve as director of the center and a senior fellow at the Institute. The Center for Business Forecasting will provide consolidated economic data, forecasts, and economic trend information focused on communities and regions in North Carolina, in particular, as well as regional, national, and global economic information. The center has resumed publication by subscription of "Business Forecast," Smith's quarterly newsletter which offers his global forecast based on the latest releases of economic statistics and trends.

■ **Virginia Tech's** Department of Hospitality and Tourism Management has moved from the College of Human Resources and Education to the Pamplin College of Business as part of a larger reorganization effort of colleges and departments at the uni-

SHORT TAKES

versity based in Blacksburg, Virginia. Hospitality and Tourism Management will be Pamplin's sixth department and boosts the college's on-campus enrollment to about 4,000 undergraduates and 250 full-time graduate students.

■ **Alan Carsrud** has been appointed clinical professor of entrepreneurship in the management and international business department at Florida

International University's College of Business Administration in Miami.

Carsrud, an expert on small businesses and entrepreneurial companies, will teach courses on corporate entrepreneurship, new venture initiation, business plan writing and preparation, and family businesses. He also will help launch the College's Center for Global Entrepreneurship by fostering academic and business partnerships and creating new family business ventures, including those in high-growth areas such as biotechnology and telecommunications technology.

■ The Wharton School at the **University of Pennsylvania** in Philadelphia has created a new model for its Advanced Management Program, which offers high-level executives a five-week curriculum with a variety of learning environments. Participants in a recent session met with MBA students to discuss the changing nature and expectations of today's work force. They also visited Valley Forge National Park for a discussion on "leadership and follower-

ship" and explored analogies between the workforce and an orchestra with Bob Greenberg, composer and professor at the San Francisco Conservatory of Music. While offering sessions in key course areas, Wharton's AMP also adds a "human dimension" that focuses on perspectives of experts in history, anthropology, literature, and other disciplines to consider their implications for management.

■ **Monica Zimmerman**, assistant professor in Temple University's Fox School of Business and Management, Philadelphia, Pennsylvania, has been chosen to participate in The Coleman Foundation's junior faculty mentoring program focused on entrepreneurship. She is one of ten people selected for the program, which allows junior faculty members to be mentored by senior entrepreneurship educators. The school also announced that **Melynda Benlemlih** has been named director of its newly established Center for International Business Education and Research (CIBER). Benlemlih will be responsible for spearheading collaborative efforts within Temple and with other regional academic institutions.

■ The Graduate School of Business at the **University of Cape Town** in the Republic of South Africa has joined



forces with a network of international business schools to offer a new international component to its executive MBA program. The UCT international EMBA, which will be launched next year, has been developed in collaboration with the Inter-

national Masters in Practising Management (IMPM), pioneered at McGill University in Canada by Henry Mintzberg. The international EMBA will consist of six two-week modules spread over two years with workplace projects in between. A selection of these modules will take place on three different continents at partner business schools around the world: Lancaster University Management School in the United Kingdom; McGill University Faculty of Management in Montreal, Canada; and the Indian Institute of Management in Bangalore, India.

■ **Alok Baveja**, an associate professor of management at the Rutgers University-Camden business school in New



Jersey, recently advocated the use of management practices to aid in the war on terrorism. His comments were published in a recent edition of the *Journal of Counterterrorism and Security International*. Baveja stresses that those fighting terrorism need to emphasize communication and prioritization—cornerstones of good management—in their strategies. He also suggests that those in the anti-terrorism campaign set realistic goals for reducing, not eliminating, terrorism, noting that this would help them allocate resources toward the areas most likely to see results.

■ **The National Consortium of Entrepreneurship Centers** has presented the 2002 NASDAQ Entrepreneurial Excellence Awards to entrepreneurship centers at Babson College in Babson Park, Massachusetts; Indiana University-Bloomington; and Saint Louis

University in St. Louis, Missouri. The award recognizes achievements and efforts of entrepreneurship centers in the following areas: entrepreneurship research, outreach to emerging ventures, entrepreneurship curriculum, community collaborations, special projects, and overall prestige and recognition in the entrepreneurship field. Selections are made by a panel of NASDAQ representatives, previous honorees, and professors of entrepreneurship.

■ **St. John Fisher College**, Rochester, New York, is creating a School of Business by clustering together some of its academic programs. Under its plan, Fisher's accounting department, management department, and tax program all are moving under one School of Business umbrella. The three already were clustered together into what Fisher called a "business division" in anticipation of creating the school.

■ Two professors at the Yale School of Management, New Haven, Connecticut, recently received recognition. **Jonathan Ingersoll**, Adrian C. Israel Professor of International Trade and Finance, was named the 2002 IAFE/SunGard Financial Engineer of the Year. Ingersoll was selected for his contributions to research and education in multiple areas of finance and economics. **Edward H. Kaplan**, the William N. and Marie A. Beach Professor of Management Sciences at the School of Management and Professor of Public Health at the Yale School of Medicine, is the 2002 recipient of the President's Award given by the Institute for Operations Research and the Management Sciences. The award recognizes important contributions

to the welfare of society; Kaplan was selected for his contributions to AIDS and HIV research.

■ **William W. Wilkie**, Nathe Professor of Marketing at University of Notre Dame's Mendoza College of Business in Notre Dame, Indiana, has been named the American Marketing Association/Irwin/McGraw-Hill



Distinguished Marketing Educator. The AMA's highest award honors Wilkie for his "extensive and sustained contributions" to scholarship in marketing.

■ The Yale School of Management-Goldman Sachs **Foundation Partnership on Nonprofit Ventures** has selected 80 nonprofit organizations to proceed to the second round of the National Business Plan Competition for Nonprofit Organizations. More than 650 initial applications were received. These 80 nonprofits will be win-

nowed to 20 finalists who will present their business plans to a panel of expert judges at an awards ceremony to be held May 1 and 2 in New York City. The judging panel will select four grand-prize winners, each of whom will receive \$100,000, and four semi-finalists, each of whom will receive \$25,000. In addition to cash awards, the winners will receive hundreds of hours of technical business planning consultations to assist their organizations in implementing their ventures. For more information, see www.ventures.yale.edu/statusreport.asp.

■ **Robert W. Tucker** has been named executive vice president for programs and services for online educator UNext Inc. and its online university, Cardean, based in Deerfield, Illinois. He will oversee Cardean's student recruitment and enrollment operations while also being involved in program development and marketing of new degree offerings. ■



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keeping an

Business anchor Maria Bartiromo closely watches the corporate world to learn what makes the markets move—and she encourages business students to sift through massive amounts of information to arrive at core truths.

by Sharon Shinn

photos courtesy of CNBC

maria Bartiromo has the mind of an analyst and the instincts of a reporter. Like any good journalist, she understands how to dig for information, how to cultivate sources, and how to frame questions to get the information she wants. And she's taken this quest for knowledge to the heart of Wall Street where, as an anchor for CNBC, she follows the stock market on an almost minute-by-minute basis.

At the cable news network she has several roles, including producing and hosting "Market Week with Maria Bartiromo" and anchoring segments of "Street Signs" and "Market Wrap." She was the first journalist to report live from the floor of the New York Stock Exchange on a daily basis.

Whether reporters present interviews with executives, money managers, or analysts, she says, the media really acts as a liaison between investors and corporations. "The media has a responsibility to report what is going on in business, giving investors the opportunity to hear both sides of each story so they can make their own decisions," she says.

Bartiromo believes that anyone can gather the resources to understand how the market works and make informed decisions on how to invest personal money. Her 2001 book, *Use the News*, clearly and comprehensively explains how the stock market works—what the numbers mean, why the market responds to news, and who affects the economy. In the book and on the job, she emphasizes how important it is to separate true news from superfluous noise so that investors are not deflected from paying attention to the critical events unfolding in the marketplace.

Business school students and educators can follow her basic formula of sorting "news" from "noise" when they study the stock market and other key corporate drivers. She offers additional nuggets of advice here as she explains what new graduates need to know before they enter the working world.

Advances in technology have made market information available to all investors. A number of business schools have taken advantage of that technology by building virtual trading rooms on their campuses. If you were teaching a class set on one of these mock trading floors, what would you want students to learn?

It's important for students to be skeptical. They need to make sure they have a full understanding of what they're looking at—a full understanding of the industry, of the company, of the players, of the market opportunity—in order to make really informed decisions. They should ask themselves the "what if" questions. "What if we go to war? What if the market opportunity is gone in five years?" That's important.

I would also tell students that while the market can be easy to understand, it's important not to assume that this cycle is the same as the last cycle.

Even a very realistic campus trading floor can't replicate the excitement of being at the New York Stock Exchange. What do you think is the biggest shock to people who've just earned their business degrees when they go to Wall Street for the first time?

As competitive as school has been, work is ten times more competitive. When you're in the workplace, you only have a few opportunities. You don't have a lot of chances the way you have in school. For example, in school, you can catch up if you miss a few classes. In the workplace, things are so competitive that there are two or three or four people who would like your job. So you need to know your subject, and you need to be aggressive.

It's important to love what you do, work incredibly hard, and always do the right thing. Not *try* to do the right thing, always *do* the right thing, because the decisions that you make in life will follow



eye

on business

you. It's not like school, where you can be forgiven for certain things. If you break the law or you have poor judgment, that follows you in the workplace, and it can be devastating.

That brings up the topic of ethics, a subject that has come to the forefront with the recent troubles at companies like Enron, Andersen, and WorldCom. How do you expect corporations to try to raise the ethical bar in the future? Is there anything that business schools should do to play a role in improving corporate ethics?

Ethics has become the theme of the day, and it would be wonderful if schools could make ethics a bigger part of the coursework. But what's really important today is leadership. The words "corporate governance" have been thrown around a lot lately, but governance is not leadership. Governance sets a floor—it sets a minimum. Leadership soars way above those floors and past those minimums. Leaders take people places they didn't know they could go. When you're a strong leader, it's contagious.

I think everything comes down to individual behavior, which can either boost the success of an organization or severely damage it. We've been disappointed lately when it comes to individual behavior. Some CEOs have shown poor judgment—others have broken the law. When executives show poor judgment and personal behavior, the employees pay the price at the end of the day. The people at the front line are the ones who will be fired when the company goes bankrupt.

It's a shame for corporate America. We've seen a few—just a few, a handful of individuals—who have shown poor judgment, and this has tainted corporate executives in general. That's not fair. I do believe that 90 percent of the corporate executives are decent human beings who have exhibited very strong and responsible judgment. And that's why I stress that everything follows you. You have to learn that lesson at some point, so you might as well learn it at business school when you're setting out your path for life.

Has the issue of ethics come up recently when you've talked to executives?

It's the *only* thing people talk about. That's why we're seeing so many proposals about what should be done, whether it be expensing stock options and lowering the salary of CEOs, or downsizing, or trying to put more checks and balances in place. Across the board, corporate America is worried about the perception issue. It's one of the reasons the markets have been under pressure. It snowballs into a down economy, a feeling people have that they're not as wealthy as they thought they were. They stop spending, and that affects the market.

A CEO needs to create an environment where employees are not afraid to say,

"That doesn't look right. I don't like that. That's not the way I see it."

Even if it's a subject that's really, really important to the boss, he has to cultivate an environment where people are not afraid to speak up.



Have reverses in the market had any impact on what executives are looking for when they hire new business school graduates?

Many of the traits that executives look for are the same—they want hardworking, decent people who will make good decisions. I don't necessarily see executives looking for any new traits as a result of what's happened in the market. I do say that integrity, decency, honesty, and good judgment are in higher demand than ever before.

Do you think that business school graduates truly understand the business world? What do you think students should be learning that they're not?

I think it would be worthwhile for schools to offer one whole class on conflict of interest. Maybe this class would just examine all the potential conflicts of interest between certain professions, such as accountants versus consultants, analysts versus bankers, or bankers versus executives. It could also look at the conflict of interest caused when a journalist accepts cheesecake from the CEO of The Cheesecake Factory. You know, it's only cheesecake, but how does it look to accept gifts and favors? I go by the rule, "If you don't

want to see it on the front page of *The Wall Street Journal*, don't do it." If you follow that rule, you're fine.

From all your interviews with top executives, how would you describe the "perfect CEO"? What traits and skills should such a person have?

A good CEO is someone who's hands-on, who's involved with employees. That means watching the product to such an extent that he'll call or send a note to an employee to comment on a job. He doesn't always have to say, "You're the greatest." He could say, "You know, I noticed that piece, and I thought it was really good, but at the same time I would have liked to see this." Sometimes employees don't necessarily do what the boss expects—they do what the boss *inspects*. When they know a boss is really watching, they work a little harder. The employees take that extra step, because they know they're getting noticed. Even in a large organization, if the top guy of the parent company can treat you in a way that makes you feel loved, you'll work as hard as you can for that company.

Another mark of a good CEO is someone who encourages camaraderie in the office among employees. A good CEO also encourages risk taking, which is an expensive exercise. It's not easy for corporations to allow employees to try something and then say, "OK, forget it" when that project fails. It doesn't matter whether your company makes widgets or cars. Whenever you start working on a project, whether it be a new marketing campaign or a new product, it takes a lot of money, and it takes a lot of humans investing their time. If it doesn't work, you've wasted time and money. But if you're working in an organization that encourages taking a little risk, you probably will have more successes.

The other thing that's very important in the workplace is for employees to feel as if they can disagree with the boss. A CEO needs to create an environment where employees are not afraid to say, "That doesn't look right. I don't like that. That's not the way I see it." Even if it's a subject that's really, really important to the boss and he has a strong opinion on it, he has to cultivate an environment where people are not afraid to speak up. That's how he can figure out if something's wrong. Look at the whistle-blowers at Enron. If only they hadn't been afraid to point out problems earlier, the company could have saved a lot of employees and a lot of 401(k) money.

Which CEOs have impressed you the most and why?

This is biased on my part, but I absolutely love my boss, Jeffrey Immelt. He has handled GE's transition from Jack

Welch beautifully. He's very involved, and he's a straight talker. He told me the other day, "I don't expect this economy to come back for the next 12 to 18 months." I'm impressed by straight talk like that.

Richard Grasso is a great leader, I think. He handled September 11 at the New York Stock Exchange incredibly well. He organized everyone and stayed calm in a time that was riddled with panic.

I recently spent some time with Steve Reinemund, the CEO of PepsiCo, and I found him delightful. It seems to me that he has his hand in every part of the operation. He also is down-to-earth, so that people feel comfortable talking with him. It seems as if he operates in an environment where people are free to speak up.

Barry Diller, the new head of Vivendi Universal Entertainment, is a proven manager—every company he has run has done very well. He's very focused on work, but also he's easy to talk to. He doesn't talk over your head. He tries to create an environment where people can share ideas and take risks.

Finally, it's been a rocky year for the stock market. What are the best lessons that investors can take from today's stock market fluctuations? What lessons did you learn?

The No. 1 lesson I came away with was that things don't go well forever. Into everyone's life a little adversity is thrown, but I think that it only makes you stronger. You can't feel as though the world is coming to an end. I'm a realist. If the situation that I'm facing is bad in any way, I say to myself, "OK, here's what I have. What do I do about it now? How can I make the best of this?"

Now is also a good time to do some soul-searching, and that's true for the media, the executive community, and the analyst community. In this tough time, we all have to say to ourselves, "What can I leave here with? How can I do better next time?"

I also learned that if something doesn't seem to make sense, it probably doesn't. Companies that aren't generating any revenue shouldn't be valued highly even if they're getting millions of hits on their Web sites. But when you're in the forest, sometimes it's hard to see the trees in front of you, and I think that was the case for many of us.

The other thing I learned is, it's not so bad to come down a few notches. To keep your feet on the ground and just remember who you are, what you're trying to accomplish. Get your goals in place, and don't get caught up in the hype. I think this is a good thing that's happening. It's only going to be cleansing. It's only going to take out the excess. **Z**

Trade

SECRETS

STUDENTS LEARN TO INVEST MONEY AND TRACK STOCKS AT SIMULATED TRADING FLOORS ON B-SCHOOL CAMPUSES. BUT THEY AREN'T NECESSARILY GOING ON TO CAREERS IN FINANCE—A TRADING FLOOR CAN BE USED TO SUPPORT ALMOST ANY BUSINESS SCHOOL DISCIPLINE.

by Sharon Shinn

The bell rings, the market opens—and business school students begin their trading day. At a small but growing number of universities, such a scenario is becoming more common, as b-schools add simulated trading floors to their high-tech offerings. The costs are steep for building these windows into the real world, but administrators say the benefits can be enormous. Students come away with an array of analytical and computational skills; the business community often finds ways to take advantage of the facility; and alumni and top donors are impressed by the school's cutting-edge technology.

Yet it's not a simple task to convince faculty to integrate trading room simulations into their courses, and before building such an expensive facility, schools must know who will use a trading center—and how.

“Will your trading floor be a publicity gimmick? A high-tech lab? A tourist stop? A library? It can be all of those, but it should be a way to bring students to the classroom, a platform that delivers education in an exciting manner,” says John Siam, director of the Allen H. Gould Trading Floor and assistant professor of accounting in financial management services at McMaster University's Michael G. DeGroote School of Business, Hamilton, Ontario. “If you're creating a lab that builds expertise for forecasting, you don't have to have real-time data. If you're training people to be brokers and traders, you do. Understand your goals first, or you could spend a lot of money and end up with something that doesn't suit your purpose.”

“The easiest thing in the world is to make a financial center look flashy, so that when you're bringing through alumni or potential donors or corporate sponsors, you can have a big plasma







Students in Bentley's trading room can see data feeds while they work.

screen that's flashing real-time data. You can have the stock ticker that runs the length of the ceiling," says Keith Brown, professor of finance, and president and CEO of the MBA Investment Fund at the McCombs School of Business at the University of Texas at Austin. "But in some sense, that's almost like creating a Hollywood set. The real issue is whether all those facilities are being used by the students. You have to think about what you're trying to deliver—not only in content, but in how you can deliver content to students."

For some schools, it's easy to decide to build a high-tech center complete with a trading floor. For instance, Baruch College of the City University of New York serves the financial services market of New York; therefore, administrators wanted a way to equip graduates with real-life forecasting skills. McCombs School built its trading floor partly in support of an existing program, the MBA Investment Fund, in which students learn to manage real money.

Other schools might find they don't need a trading floor at all. Carnegie Mellon University in Pittsburgh, Pennsylvania—which opened one of the first educational trading floors in 1991—has essentially dismantled the physical space set aside for the trading floor. However, the school continues to utilize trading technology and data feeds while students use laptops and Internet technology to participate in market simulations.

Figuring Out the Floor

Each school that sets up a trading room probably will take a different approach to designing the floor and acquiring technology. In general, administrators must determine how many computers they need, how to lay out the floor plan, and which suppliers and products to work with—which may include Reuters, Bloomberg, Bridge, NASDAQ, Dow-Jones, Thomson Financial, Trans-Lux, Crystal Ball, and others.

What's most important is offering technology with breadth and depth, says Patrick Gregory, an assistant professor of finance at the McCallum Graduate School of Business at Bentley College in Waltham, Massachusetts. He's also managing director of the Hughey Center for Financial Services, which houses the school's trading room. "If you don't have technology that's applicable within multiple disciplines, you're never going to run the room at capacity," he

says. "You need to have historical data that can be analyzed and interpreted, combined with real-time data, so that the room can be used by someone taking an economics course, a finance course, or an accounting course."

When considering actual floor design, some schools, like Bentley, choose a layout that mimics that of a true trading floor. Others, like Baruch, make theirs look more like a traditional classroom.

"In a real trading room, desks are clustered together to allow people to interact with each other closely," says Bruce Weber, associate professor and director of the Subotnick Financial Services Center at Baruch's Zicklin School of Business. "But we have real trading-room furniture set up as a classroom, in a typical horseshoe shape, with the instructor up front. Every desk has a computer equipped with real market data software. There are also projection screens on the wall so students can see what the professor is doing and follow on their own computers."

Baruch officials decided early on to avoid software that would make the students' lives too easy. "You can subscribe to data and software packages that do a complete analysis of fixed income instruments or bond markets, show you the important details, and set up the graphs," says Weber. "But we wanted the students to get their hands dirty developing software, applications, and spreadsheets. Students might create a spreadsheet with live market data which examines, let's say, whether an option pricing model is an accurate predictor of real market prices or whether the arbitrage opportunities that could exist when a stock trades in multiple markets do in fact exist. They learn to track pricing relationships over time so they can set up a spreadsheet that will record prices on a minute-by-minute or tick-by-tick basis. They can find out if these pricing relationships hold at any given point in time or, over the course of the day, how far the price deviates from its theoretical value. There's software that can do those computations for you, but we want the students to work with the raw data and create their own models and analyses."

At Carnegie Mellon, the data feeds have been de-emphasized. The school now relies on technology available over the Internet that can be accessed by any student with a laptop, says Sanjay Srivastava, professor of economics and finance and alumni professor at the school's Graduate School of



In Baruch's trading room, projection screens allow students to follow the professor's lecture.

Industrial Administration. "Much of what we use are trading simulations and analytic tools for students to do exercises

and manage portfolios," he says. "They can access the Internet from wherever they are as opposed to coming to a dedicated facility. Thus we can do labs within regular classrooms, using laptops and wireless connections." Such flexibility enables remote students and those in specialized courses to take trading simulation courses as easily as students on campus can.

For schools that are setting up a physical space for a trading center, the costs are significant. Gregory estimates that such a facility can't be built for less than \$1.5 or \$2 million—just for construction and hardware. "That figure doesn't include operating budgets that will be required for the various data feeds, which will be a recurring expense each year," he says.

Vendor costs vary from school to school according to the licensing agreement negotiated by each university. While some vendors offer special educational prices to schools, Weber points out that the downturn in the market may have had a negative impact on how much suppliers can afford to discount. "The first few trading rooms were built with a lot of generosity, but I think schools that are expecting vendors to line up to make product and service donations now are going to be disappointed," says Weber. "I think future centers will need to budget in the costs of buying the products from the vendors on a more realistic level."

Wooing the Faculty

No matter how well a trading floor is equipped and laid out, it will remain idle if the faculty resists using it. Making sure all faculty members are familiar with the equipment and comfortable in the trading room is one of the major jobs of a trading floor director.

One reason professors stall is because the technology can be so daunting. "An educational trading center has the same technology you would find on a real trading floor, and that means it's professional-grade technology that's not easy to use," says Weber. "Just figuring out what the Reuters symbols are for getting the price of crude oil futures is not a simple thing. You have to know the month of the crude oil you want, whether you want the New York or London contract, the symbol of that particular commodity, and whether you want the bid price, the offer price, the last trading price, or the settlement price. It's a learning curve, and you have to get up that curve before you can really make full use of the technology."

Before You Begin

For business schools that are considering constructing their own trading floors, these veterans offer a wealth of good advice.

■ Make sure that software and hardware are utterly reliable. But just in case something goes wrong, says Bruce Weber of Baruch College, have staff on hand to help out. "If the students can't load the software, if the professor can't get the projectors to display the computer screens, if the data feeds go down and no one is there to help, then the professor has just wasted a valuable class session," he says. "And that professor is unlikely to use the room again. So the level of reliability has to be high."

■ Design the center so it's big enough to accommodate large classes. Says Weber, "Our trading floor has 40 student computers, but each computer can have two seats, so it can accommodate 80 students. If we couldn't hold classes of that size, very few professors would want to make use of the room."

■ Make the center available to the community. At McMaster University, the trading floor is used as a site for professional seminars held to build competences for middle managers. Brokers also can take their licensing exams at the trading floor instead of driving two hours into Toronto. In addition, wealth management seminars for community residents are offered at the site.

"From the beginning, I looked on the center as a full-service operation," says McMaster's John Siam. "A trading center is a very expensive project, and the only way we could pay for it was to have the business community contribute. And the only way to get them to contribute was to show them some benefit for them down the road. Not only are we providing them with potential employees, but we also can upgrade the skills of current employees. And by providing proper information about investment to the community, we are providing local business with educated and sophisticated investors."

■ Leverage the facility to raise your profile with all your stakeholders. Although Carnegie Mellon has left behind its physical trading floor, Sanjay Srivastava thinks having such a facility—particularly at the beginning—is a real advantage to schools. "Our physical trading floor helped bring attention to it and changed the nature of the students who were looking at the university," he says. "It also helped us recruit faculty and develop new programs."

Trading floors have become so useful to schools, says Srivastava, that, at this point, "not having one is a competitive disadvantage. But if you have one, you still have to demonstrate why it's more special than someone else's."

THE REWARDS FOR STUDENTS ARE TREMENDOUS, SRIVASTAVA SAYS. "ACTUALLY DOING SOMETHING IS MUCH DIFFERENT FROM LEARNING THE THEORY OF DOING IT. IT'S A VERY DYNAMIC ENVIRONMENT. WHEN I RUN A TRAINING EXERCISE, I DON'T KNOW WHAT'S GOING TO HAPPEN. NO ONE KNOWS WHAT THE ULTIMATE OUTCOMES WILL BE."

To draw in professors from all departments, program directors work hard to train faculty and help them adapt course content to the trading room. At Bentley, Gregory offers customized training courses for faculty, organized by discipline. "As an example, I might provide a 75-minute program for the accounting faculty. I'll spend 30 minutes providing an overview of the facility and the available technologies. Then I ask a faculty member in that department who's currently using the trading room to give a brief demonstration of how he's utilizing the tools for his class. That makes it a bit more discipline-specific. We spend the remainder of the time brainstorming as to how the facility could be further integrated into the classes."

Similarly, Siam and his staff at McMaster help professors do research on areas like market structure data, and run experimental labs for economics and behavioral finance classes. Siam hires 15 students each semester to help professors tailor their

courses to the trading floor. "You have to accommodate the professors. You have to meet them halfway," says Siam. "Once the professors have prepared modules that can be used every year, they become avid users of the trading room."

Weber also hires grad students to help out in the trading room, keeping them on site whenever a class is being held. He says, "This is hands-on instruction, and if you're a professor and you're teaching 60 people, you can't walk around to every single student to see how they're doing. So we have grad students who can help keep everyone on track."

The hard work pays off when faculty members across disciplines begin to use the rooms. Says Gregory, "We counted last week, and we had 16 different classes conducted in the trading room. They ranged from classes taken by all incoming freshmen through graduate classes in fixed income securities, derivatives, and tax practice. The departments that use

Student Investors

At the University of Texas at Austin, the trading floor was almost an afterthought. It came into existence two years after the school founded the MBA Investment Fund program, in which Texas students learn to trade real money. At the end of their first semester in business school, twenty students are chosen to participate in the program, and they remain in the program for the next three semesters, manag-

ing \$12 million in funds. About 65 investors, from individuals to corporations to the school itself, participate in the program.

"We promise investors two things," says Keith Brown, who is CEO and president of the MBAIF, a limited liability company and paying tenant of the school's EDS Financial Trading and Technology Center. "We're going to pursue the best return for their money, and we're going to deliver a first-rate educational experience to the students. We always deliver the latter, and sometimes the former."

The 20 students are grouped into four teams of five, and each group follows a different sector of the economy: technology, consumer durables, health care, and interest-rate sensitive stocks. The entire group decides which of the sectors to overweight or underweight compared to the S&P 500. Once those decisions are made, the money is divided among the four groups; next, each group decides how to invest within its own sector.

Because stock purchases must be unanimously approved, students learn how to communicate persuasively and how to build a consensus in a group—key interpersonal skills that will help them in future jobs. Because they're also learning how to value assets and, essentially, how to run a business, the MBAIF trains them for many jobs other than being stockbrokers. "When we launched the program, I thought we would be trying to place every student in a money management profession," says Brown. "What we found is that, although a number of



the trading floor include accounting, CIS, management, finance, economics, and mathematics.”

Professors who *don't* utilize the trading room might soon be at a disadvantage. “These trading floors have really upped the ante for faculty in terms of what it takes to be relevant,” says Brown. “When I came to the University of Texas in the mid-1980s, to be considered a relevant professor, you just had to clip an article out of that morning’s *Wall Street Journal* and talk about it in class. Now, even an article in this morning’s paper is old news. Once professors figured out how the trading room worked, they could make the whole classroom experience more immediate. Our students walk out of the room a lot more savvy about how markets work.”

Student Involvement

Business students generally walk *into* the trading rooms excited about the possibilities, say administrators. At Baruch, the goal is for 100 percent of MBA students to have pro-

them have career paths that go in that direction, other graduates go on to trade energy derivatives, work in the corporate treasury units of multinational companies, or go to venture capital or consulting firms. Their choices aren’t nearly as narrow as I thought they might be.”

While the volatile stock market has been a nightmare for most individual investors, it’s been a great learning tool for University of Texas students, Brown says. “Until recently, one of my regrets was that we’d been in a bull market since the middle ’80s, with a couple of exceptions. I’ve turned out generation after generation of students who really didn’t understand what it meant for a market to go down. That meant, when I talked about risk, it was just a theoretical concept for them.” Today’s market has given students a better appreciation of risk—and the way markets really work.

The learning process in the MBAIF has been greatly enhanced by the existence of the trading floor at the financial center. “It was the investment management organization that really spelled out our need for the trading center,” Brown says. “We then realized that while we needed to make the trading center specific to the student manager, it also had to be a general-use facility. The trading center has allowed us to create an informed and savvy student who understands how financial practices actually take place. All of that is accelerated at an exponential level for this particular group of students.”

grams that will make them familiar with the facility. The percentage of undergraduates stands closer to 30 or 40 percent, says Weber, “just because the advanced classes can make use of the room more easily. Students have to understand the basic concepts of finance before they start talking about how to get options pricing data from the Chicago Board of Options Exchange.”

At Bentley, says Gregory, the trading room is used in core classes that all freshmen, sophomore, and junior business majors must take, so thousands of students stream through the facility every year. “It’s very important that you move through in a stepwise progression, whether through orientation programs or through integrating the facility into courses at the beginning of students’ college experiences,” he says. “First students must understand the functionality of the tools and the technology that is available. Then, as they move into their junior and senior years, they will begin to use that technology more fully to analyze a particular business situation.”

The rewards for students are tremendous, Srivastava says. “Actually doing something is much different from learning the theory of doing it. It’s a very dynamic environment. When I run a training exercise, I don’t know what’s going to happen. No one knows what the ultimate outcomes will be. So we’re all reacting to other people, and we’re reacting to information. Students learn that the thought process they’ve developed helps them more than the blind application of any tool or technique. They learn the extent to which different techniques are useful, along with the biases, weaknesses, and strengths of specific tools.”

Students with hands-on trading room experience often have a better chance at landing a good job because they can save their employers six to 12 months of training time, Siam estimates. And the more updated the equipment, the more valuable the graduate. McMaster just upgraded the center’s computers—and its students’ level of knowledge.

“We found we can develop some core knowledge here,” Siam says. “We have established a program with Reuters so that our people are on call to demonstrate products to some of their clients. This means that Reuters must keep our equipment current so we can learn the very latest in its technology. We also have a summer internship program with Reuters, which is another way for us to link our program with their company.”

For all business students, it’s essential to keep pace with the rapid technological changes occurring in the corporate arena. Students who have access to a trading floor, which is both high-tech *and* high-touch, will find it easier to keep their feet when they graduate into the fast-moving world of business. **Z**



Smarter, Fa

THE ERA OF TRANSITION TO TECHNOLOGY IS QUICKLY ENDING AS EDUCATORS FULLY ADOPT NEW TECHNOLOGIES AS



A student team works in a group study room in Wharton's new Huntsman Hall.



One by one, business schools are replacing their pre-1990s classrooms, equipped with nothing more than chalkboards and mobile television carts, with post-millennium classrooms outfitted with built-in audio-visual equipment, computer stations, and “smart” podiums that control everything from lights to laptops, document cameras to DVD players. For these classrooms, however, “high-tech” isn’t just about technology; it’s about form, function, and fitting quietly into the educational process. The versatility of the seating, the position of the podium, and even the location of doorways come part and parcel with what makes a classroom, and the class within it, work.

“Technology isn’t there to be an obstacle,” says Mark Mistic, director of technology and facilities manager for Northern Illinois University’s College of Business in DeKalb, Illinois. “It should fit seamlessly into what students and professors are already comfortable with.”

New technology often excites donors, who have been making more funds available to schools to build state-of-the-art facilities. As a result, business schools are completing the transition from tradition to technology, perhaps more quickly than many expected. With so much money on the line, however, many schools want to avoid buying “technology for technology’s sake.” Instead, they are seeking new technologies that quietly enhance the classroom—without taking it over.

This new approach to technology in the classroom has sparked the design of smarter, better, faster learning environments that succeed on many levels. The latest generation of classrooms not only can empower students and provide more opportunities for learning, but also can turn even the most tech-resistant professors into converted technophiles.

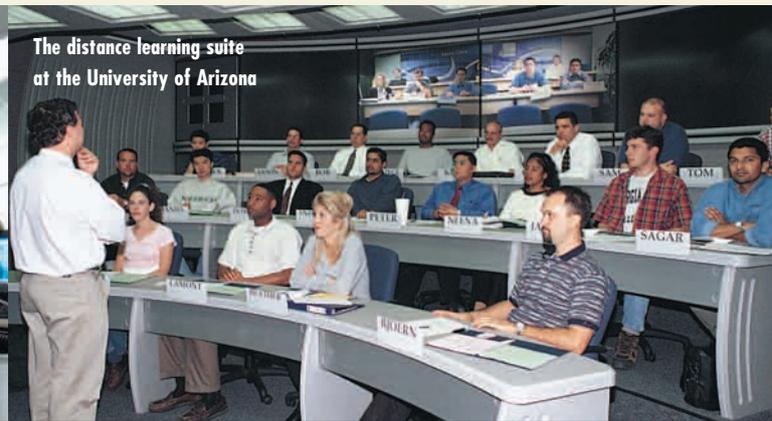
By Tricia Bisoux

ster, Better

FOR THE WORLD’S BUSINESS SCHOOLS,
SILENT BUT POWERFUL PARTNERS IN THEIR CLASSROOMS.



A tech-connected study room at Case Western Reserve University



The distance learning suite at the University of Arizona

Design Meets Technology

Architects have discovered that it doesn't matter how advanced a room's technology is if a room's design doesn't encourage its use. Last year, for example, Case Western Reserve University's Weatherhead School of Management in Cleveland, Ohio, completed construction of its more-than-distinctive, \$36-million, tech-ready Peter B. Lewis Building. When school administrators chose the renowned Frank Gehry as its architect, however, they had not realized the lengths to which Gehry and his staff would go to make sure the building's classrooms were both technologically advanced and user-friendly. From the placement of the podium to the swivel in the chairs, technology went hand in hand with the building's design.

"One of the architects asked me to tell him about the first 15 minutes of a typical class. I told him I'd have my students read a case or background material before class. Then during class, I'd have them break into small groups," explains Fred Collopy, professor and chair of the school's department of information systems. "How does that actually happen?" he asked. I told him that some students stand up around their desks, some go into the hallway, some change seats and move up so their group is all on one level. Because of the tiers of the seats, it can be difficult for groups to form if they're not on the same level.

"And that was it. There was no further discussion," recalls Collopy. "But in the finished building, there's a classroom where the depth of the desks is not uniform from row to row. Some desks are about one and a half times as wide as others. Furthermore, there are two rows of desks on any level. I finally realized that students in one row can turn their desks

around and create a conference table with the row behind them. It was a very clever solution to my little problem."

In fact, it seems the term "high-tech" is quickly becoming too narrow to describe what's happening in classroom design. Schools are finding it more difficult to divorce technology from a room's total functionality. Talk of chairs, walls, and floors becomes mixed in with discussion of wiring, computer stations, and switches. This holistic approach is one reason that today's new classrooms are such a success, agrees Gerard McCartney, CIO of the Wharton School at the University of Pennsylvania in Philadelphia.

"We didn't want technology to be the big novelty of these classrooms, but we wanted lots of novel functionality in the rooms," he says. "For instance, the chairs in all of our classrooms rotate through 360 degrees to facilitate discussion and interaction." This may not seem like the kind of detail that strikes most people when they think of technology, he admits, but it's as important to the design of a "high-tech" classroom as any software or hardware.

The Luxury of Space

Besides budget, a primary constraint to integrating new technologies has simply been a lack of space. Without the funding for new buildings, business schools that bought new technology often struggled to make it fit comfortably into an older building with traditional architecture.

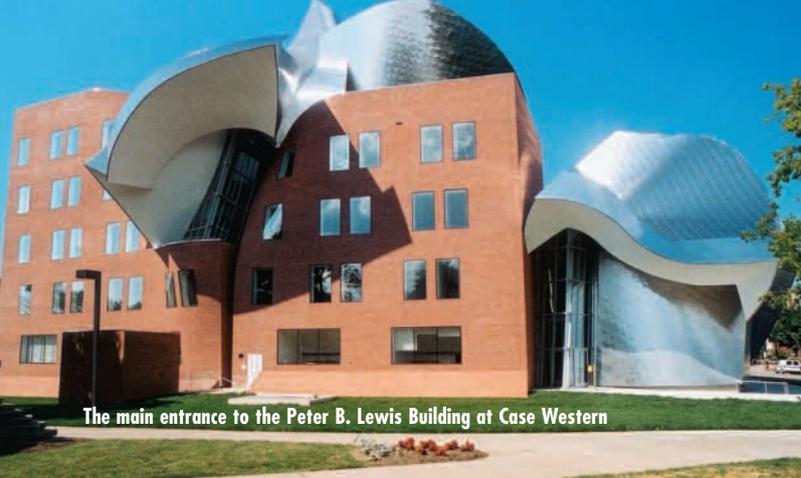
Vinod Kumar, dean of the Sprott School of Business at Carleton College in Ottawa, Ontario, knows this difficulty far too well. When school administrators realized they needed to update the school's information systems, they were afraid that they would have to make concessions because of a lack of available space. The project received a boon, however, when donors came forward to fund construction of a new building. The Sprott Technology Centre, completed last October, boasts data feeds from various stock exchanges, SAP enterprise-wide software, an e-business lab, and a trading lab.

"When we started the project, we thought we would only be able to have the e-business lab," says Kumar. "But as we started talking about the project, Reuters became very excited about our plans and donated ten years of free data feeds. Then, we got significant donations from the Bank of Nova Scotia and the Sprott Investment Company. With each new donation, the plan was enhanced."

At one time, Mistic and David Graf, dean of NIU's business



Students in NIU's professional sales program monitor a role-playing exercise in a remote mock office.



The main entrance to the Peter B. Lewis Building at Case Western



Professor Jack Machewka working with a student team in NIU's Business Information Technology Transfer Center

school, were also in this situation. They knew their business school needed to update its technologies. Without the proper funding for a building, however, they thought they would be forced to “make do” with their old facility. The more they talked about their need, however, the more word of their plans spread. Soon after, the school received a number of timely donations, including a \$20 million gift from an alumnus. Last fall, the business school opened Barsema Hall, which is equipped with the latest in smart classrooms, software, labs, and study rooms.

“Every time an innovation comes along, you often end up sticking it in a closet or other inadequate space,” says Graf. “When you’re able to design a building from scratch, you can design it around the new technologies and ideas people have.”

Because the potential for donations is always there, it’s important to reach for the stars, even if it looks as if you’ll only get the moon, says Misisic. This mindset made designing Barsema Hall that much easier when they found a donor who could support *all* their projects, including an interactive sales training suite, an emerging technologies lab, and a business information technology transfer center where students use a variety of technologies to work on projects for actual companies.

“There were some technologies, like the interactive sales training suite, that we did not think we could afford. We had talked about it when we were in our old building. I had even worked with our tech people to map it out, but it never saw the light of day,” Misisic notes. “When we were working on Barsema Hall, we got funding at the eleventh hour. Because of our previous planning, we were able to put it into place in only a couple of months. If we had had to start from scratch, the planning alone would have taken much longer.”

Above All, Consistency

At the beginning of the technology boom in the early 1990s, students and faculty at many schools had similar experiences: In the same day, they might have one course scheduled in a brand new classroom with the latest computer equipment and comfortable swivel chairs and the next in a dark classroom with a dusty chalkboard and high-backed rows of desks. If a professor had planned a class that required group discussion and a slide show, her plans could be quickly derailed by a classroom that wasn’t designed for either.

“We had an inconsistency problem in our old building,”

says Graf of NIU. “My faculty would say, ‘I want to integrate the new technology into my courses, but one of my rooms is dumb and the other is smart. Which room do I prepare for?’”

The newest classrooms are making that inconsistency a thing of the past. In Huntsman Hall, the new facility at the Wharton School, each room has identical, updated technology and function, points out McCartney. Huntsman Hall is built on the philosophy that all classrooms should be equipped with the same equipment, including a document camera, audio-visual equipment, computer equipment, wireless network, and podium that controls them all. Professors may not use everything in the room, McCartney says, but the room has everything a professor or student might need.

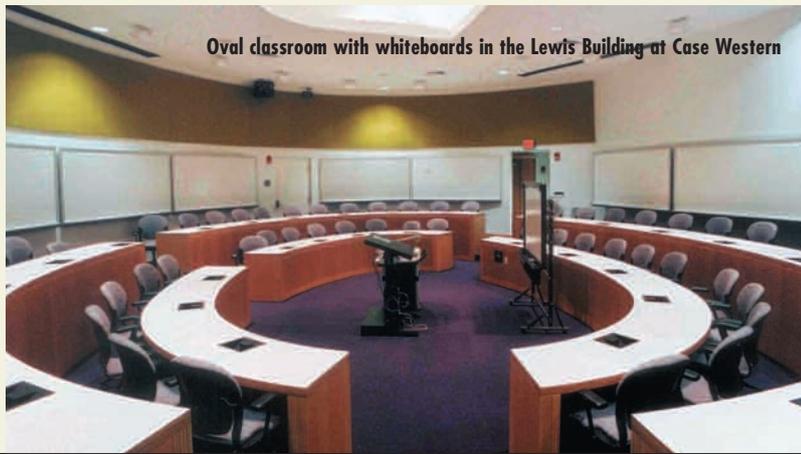
“Sometimes technology is perceived as something to showcase. One room will be equipped with the latest technology, and faculty fight to get into the room or wind up not using it all,” McCartney comments. “We wanted to change the learning experience at Wharton. We assumed at the outset that we had to build a common interface, so that if professors learned how to do something in one room, they could do it in every room.”

Bringing a level of technological consistency to each of its classrooms was also a goal for Weatherhead, says Collopy. He also has noticed a significant difference in his own teaching experiences since the school moved into the new Lewis Building. “Even if you’re moved to a different classroom, the technology will always be there,” he says. “The ubiquitous presence of the document camera alone is having an incredible effect. We don’t have to prepare and bring slides to class. We can just sketch something on paper or bring a page from a journal and put it up for discussion. Or if a student is scribbling a flow diagram on her desk, she can immediately show it to the entire class.”

Such consistent technological support means that professors no longer have to worry about seeing a carefully constructed class plan crumble just because a room is unavailable, he adds. As a result, Collopy predicts that professors will be more ambitious in their class plans and students better served in the classroom.

Distance Learning Gets Closer

Now that distance learning has become almost routine within many business school curricula, special rooms are being devoted to the cause. Small, jerky video coming through on com-



Oval classroom with whiteboards in the Lewis Building at Case Western



The University of Arizona's distance learning suite in "discussion" mode

puter monitors has been replaced by life-size projections of remote students onto screens at the host site, creating more realistic, real-time interactions between professor and students, no matter what their location.

For instance, the University of Arizona's Eller College of Business and Public Administration in Tucson has retrofitted two small seminar rooms into one distance learning and communications room for the college. Eller worked with TeleSuite of Englewood, Ohio, a manufacturer of "virtual collaboration environments" for business and education, to design and implement the classroom, which incorporates floor-to-ceiling screens on the front and back walls of the room. The distance learning suite allows Eller to offer its distance learning program to students in California's Silicon Valley. TeleSuite has created similar rooms for Duke University's Fuqua School of Business in Chapel Hill, North Carolina, as well as a number of corporate customers.

In one mode, the classroom projects the Silicon Valley students onto a screen behind the onsite students, which gives the professor the impression that they are sitting behind the students in the room. At the touch of a button, the professor can switch the room to "discussion mode." Then, the remote students appear on the front screen, allowing face-to-face discussions between remote and onsite students. Faculty and administrators at Eller also use the room to bring in remote speakers, hold geographically dispersed conferences, or even to "break bread" with donors.

Mark Zupan, dean of Eller College, admits he was skeptical of the room's capabilities at first. He believed face-to-face learning is so crucial to a business education that no distance learning facility could even come close to duplicating the real thing. His first encounter with this technology, however, was a "life-changing experience," as he describes it.

"No matter how good the visuals are, it won't replace a situation where all students are in the same room," says Zupan, "but this comes as close as anything I've ever seen." The school's Silicon Valley students are so involved with the courses, says Zupan, they've asked to be issued student IDs for the Arizona campus, so that they can travel to the school, shop in its bookstores, visit its library, and even march in its graduation.

Zupan predicts that as such rooms become more prevalent among corporations, more business schools will incorporate them in their own facilities. "If a corporation has this technology, we can deliver MBA programs to Cigna or AOL," he says. "The break-even point is only six or seven students."

As important as distance learning has become, many educators agree with Zupan that it's simply not the same as face-to-face. As a result, distance learning is one technology that's not making it into classrooms across the board. Like Eller, Weatherhead has only one room equipped for distance learning—for now.

"There was a point when our faculty were saying that every room should be outfitted for distance learning support," says Collopy of Weatherhead. "For us, that was a point when the relative focus of pedagogy had to come into play. We had to ask, 'Is distance learning going to be our business?' We decided to hedge our bets in that direction. That is, we weren't going to pour a lot of money into it, but we made sure that if we wanted to in the future, we could."

Breaking Old Habits

Perhaps the most compelling characteristic of new business classrooms is their capacity to accommodate an array of teaching styles, all in one building. While all rooms have similar technology, individual rooms may have different arrangements, from an oval theater-in-the-round to arena-style to small groups of desks. In such a building, a teacher can expect to find a consistency in technology, as well as a room to suit his or her unique style of teaching.

In the past, professors were forced to adapt their teaching



NIU students looking up information at an electronic information kiosk



Wharton student giving a presentation at a classroom's "smart" podium



styles to their classrooms; but the newest classrooms work with, not against, a professor's individual techniques. "We're catering to more than 200 faculty members who have disparate teaching styles," says McCartney. "Some like to lecture, some like to walk around, so the rooms accommodate that. For instance, the podiums can be located in one of three locations—right, left, or in the center. A podium can also be taken out of the room completely, and the professor can control the room via floor switches."

Classrooms in Weatherhead's Lewis Building range from theater-style to boardroom-style. The architects didn't stop there, says Collopy. When faculty were asked if they would mind if they weren't "the center of things," or if a student taught a class, almost everyone answered, "no."

So now, the school enjoys an oval room where there's no "right place" for the professor to be, Collopy explains. Instead, the room includes whiteboards that cover 360 degrees of the wall space. Students can reach the whiteboards easily, often from their seats, to jot down their ideas for the class; professors may have to take a few steps to reach them. This classroom's environment promotes active student learning and encourages professors to be more moderators than directors, says Collopy. "When we first surveyed the faculty about the new classrooms, we asked them which ones would be their preferred rooms. This one got the fewest votes," he adds. "Now it's one of the most popular classrooms in the building."

To Collopy, this classroom signifies just how professors, who often become creatures of habit, may need a nudge to step in a new direction. "Most often, what you think you want is what you already have," he comments. "At first blush, our faculty looked at this room and said, 'I don't think I can get used to that.' Now that they've used it, they say, 'I need that room.'"

A Change in Dynamic

Getting the learner involved in the process is perhaps technology's biggest gift to education, stresses Mohsen Anvari, dean of the Weatherhead School. "Just think about it. If you're looking at a general marketing case, the tools are there for a student to say, for example, 'Let me show you the company's Web site,'" he says. "You create a different dynamic of learning."

This higher level of participation has been a wakeup call for many professors, agrees Collopy, who relates a recent

encounter he had with one of his colleagues. "He told me, 'It was bloody frustrating teaching my class today. I've been teaching this case for ten years, and today I had a student talking about the current state of the case and the company. He was picking up numbers on the Web!'"

"I just smiled and told him, 'That's the way students are today,'" says Collopy. "When technology removes your limits, the students expect you to have no limits. They don't expect you to use technology every day, but they will comment on professors who never bring in a relevant Web site."

In fact, many educators agree that the greatest benefit of technology isn't technological at all. In addition to encouraging more active learning, new technology also appears to have a positive psychological effect on a business school community. Students and faculty at Weatherhead, for example, seem to have donned a new outlook since the Lewis Building opened its doors.

"An alumnus who has recruited at the school for the past eight years told me that he saw a significant change in the students in this building over students in the old building," says Collopy. "He said, 'It's amazing to me, the students carried themselves differently, they're more inquiring, they're more challenging, they demand more of us when we have an interview, even over last year's students.' He attributed that change to the building itself."

Like Weatherhead, NIU has seen a change within its community. For his part, Graf knew a new technologically advanced facility would have an impact on his school. What Graf hadn't realized was just how all-encompassing the impact of Barsema Hall would be.

"We expected we'd be better able to attract and retain excellent students and faculty," says Graf. "But there has been a more subtle effect: Our students, faculty, alumni, and donors seem to feel a larger sense of pride when they're here. They're so much more enthusiastic about the school. That level of enthusiasm was an element that we didn't have before."

The management education community has gone beyond the point where most students and faculty simply hope to use technology. Instead, the use of technology is quickly becoming an educational given, an important, yet increasingly invisible part of a business school's learning environment. Yes, today's classrooms may be smarter than they've ever been—but so, it seems, are the students and faculty using them. **Z**

New Directions in Global Education

Business school international program staff and coordinators are giving—and getting—crash courses in global higher education.

If the last decade was the era of technological advancement for business schools, this may be the decade for global advancement. The farther business schools reach beyond the borders of their home countries, the farther their students and faculty will travel to add an international component to their business educations. With the move toward greater globalization so inexorable, four significant trends are capturing the attention of international educators.

Trend #1 — Increasing Flexibility. As business schools develop a larger number of partnerships worldwide, international program coordinators are learning quickly that flexibility—in program details such as scheduling, housing, and budgeting—has become paramount. Policies that allow for differences across dozens of college campuses must be established, explains Robin Jensen, director of international programs for Denmark's Copenhagen Business School.

“Coping with calendars that don't sync is a classic prob-



lem,” explains Jensen. “Often students are finishing their exams at their own schools at the time they’re supposed to start our program. We have to work with our partners to enable students to be here.”

Christian Koenig, associate dean at ESSEC Business School in Paris, agrees. “We have 60 different partners. The quarters in Chicago, the bimesters at Duke, or the semesters at Georgetown are not the same as the quarter systems at the Indian Institute of Management in Ahmedabad,” he says. “But you have to put some measure of flexibility in the process, or you won’t have an international program.”

The scope and types of international opportunities must also be flexible to accommodate students faced with tight budgets. Students from a larger range of schools are now seeking international experience, according to David Harrison of the University of South Carolina at Aiken. He notes that many faculty, especially at smaller regional schools, are faced with the challenge of planning study tours that allow students to fulfill both their educational aspirations and budgetary requirements.

“We often go to the Czech Republic and Slovakia because of the value,” explains Harrison, who arranges fund-raising activities to help students pay for the three-week trip, which costs around \$2,000. “Costs are low there, while the business opportunities are very high. It’s also perfect for the students to see an economy in transition from centrally planned to a market economy. I doubt we would have the resources to get such visitations in countries like German, Italy, or England.”

Trend #2—Degrees Without Borders. Simple student exchange programs may become a thing of the past. Increasingly, business schools are partnering to create jointly designed degrees that reflect the best of both cultural contexts. Programs such as the OneMBA program, for instance, are already taking steps in that direction.

The OneMBA program combines the efforts of five schools, including the Chinese University of Hong Kong, Escola de Administração de Empresas de São Paulo of Fundação Getúlio Vargas of Brazil, the Monterrey Tech Graduate School of Business Administration and Leadership

of Mexico, the Rotterdam School of Management of the Netherlands, and the University of North Carolina’s Kenan-Flagler Business School in the United States. The executive degree program requires students to spend one week working face-to-face in each of the regions—Europe, Asia, Latin America, and North America—studying topics that suit each school’s expertise.

“This is the first time that a consortium of schools is offering a truly global program,” explains Julie Yu, director of the OneMBA program at CUHK. “It includes five globally coordinated courses plus four global experiential learning modules over 21 months, so it requires close coordination among all the partners. The five cultures represented have both similarities and differences. Their values, by nature, will also differ somewhat. During the program planning process, the members of the executive committee meet at all five locations to gain an understanding of the various cultures involved in the program.”

Koenig of ESSEC points to the school’s participation in the European MBA—which it developed in partnership with the Warwick Business School of England and the University of Mannheim of Germany—as the future of international management education. “In the future, I think we’ll see a shift from an increase in the number of student exchanges—I send you X students and you send me X students—to an increase in the number of either dual degree or joint degree programs,” Koenig says. Such double degrees, he adds, will be following the lead of the larger corporate arena where companies are expanding their reach into the global marketplace.

“For example, European companies are developing in China and Korea very quickly,” says Koenig. “They have a need for students with double competencies, who know the keys to European business *and* the local environment.”

Trend #3—One Language. Business schools are being pulled in two directions when it comes to language requirements. On the one hand, fluency in a language other than one’s native language is of the utmost importance to students who plan an international career. On the other, it can be impractical to expect fluency in a two-year MBA program, or even a

by **Tricia Bisoux**

illustrations by Scott Roberts

“Our staff is building partnerships and relationships,

four-year undergraduate program.

Therefore, many business schools seem to be establishing a middle ground—boosting the language course requirements for their own students, while relaxing them for students visiting from abroad. English is fast becoming the common language of business courses, which allows a campus to open its doors to students from all corners of the world.

“In the early 1980s, all of our instruction was in Danish,” says Jensen of CBS. “But we soon realized that to cooperate with students all around the world, we could not expect them to learn Danish quickly enough to do their academic work. So we began to develop courses in English. It’s taken a while, but now a large number of our programs offer some courses in English. Next fall, we’ll have a full-time MBA program offered in English.”

Koenig admits that fluency in French is ideal for students coming to study at ESSEC, since their experience can be academic and cultural, rather than simply linguistic. ESSEC itself has a rigorous language program, which requires students to speak at least three languages—French, English, and one of their choosing. That requirement, however, is not always practical, he notes.

“Ten years ago, probably less than five percent of our

courses were taught in English. Now it’s more like 20 percent,” notes Koenig. “We need to attract more international students, and the interface among students is valuable. That meant that we needed to lower the language barrier, so that they can share their experiences with each other.”

Trend #4 – A Less Certain World. It’s ironic that at the very time when international experience has become more important to business school students, it has become more difficult, at least for some, to travel abroad. The *Boston Globe* recently reported that since September 11, 2001, the U.S. has tightened security considerably, creating a backlog of student visas that are awaiting approval. This slowdown has affected some students’ plans to return to the U.S. to begin or complete their studies. For instance, one Jordanian student who intended to start Harvard Business School last fall missed the start of the school year because his visa had not yet been approved. Some students are simply enrolling at other universities in the world to keep their studies on track.

This situation marks a new reality for business schools worldwide, although it has not dampened interest in international study, says Kellie Christie, director of academic programs and student services for Vanderbilt University’s Owen

INTERNATIONAL STUDENT REPORT

Of Growing Importance

Karl Nichols

Home School: Vanderbilt University’s Owen Graduate School of Management
Nashville, Tennessee

Host School: Vienna University
Vienna, Austria

An international education was a given for Karl Nichols. As an MBA student at Vanderbilt University’s Owen Graduate School of Management in Nashville, Tennessee, Nichols saw the EU and the emerging economy of Eastern Europe as especially important to the global economy.

“I speak German and wanted to go to a German-speaking nation,” Nichols explains. “Studying the emergence of Eastern bloc countries is especially inter-

esting. What makes certain countries develop faster than others? What regional incentives and attractions can add to a country’s gross domestic product? Struggling with such questions is something that is a more relevant topic in Austria than perhaps elsewhere.”

As the appetite for Western goods in these countries increases and their economies develop, they’ll have more money to purchase Western goods. Eastern Europe is a region of growing importance to the world, stresses Nichols. “This is something that can’t be ignored by Western managers.”

In his courses, Nichols is especially interested in studying the European integration into the European Union



and how this area will be a significant economic, financial, and political force in the future. He learns about the economics of the EU not only from professors who have seen its evolution firsthand, but also through conversations with Europeans. It’s an experience that simply can’t be replicated in an American classroom, he says.

“Twenty years ago, if a German business student didn’t understand and study American business, he or she would have been ignoring a major player in the business world,” says Nichols. “Today, the EU is and will be a huge economic force. If Americans don’t understand Europe, they’ll be missing out as well.”

learning how our schools are similar or different, and sharing how we view education and management. It's a very enriching experience for **staff** as well as students."

—Michele Pekar-Lempereur, ESSEC Business School in Paris

Graduate School of Management, Nashville, Tennessee. It has simply changed the landscape.

"The number of participants in our program from abroad has not declined, probably since Nashville is not considered a dangerous area of the world," Christie says. "We've had some difficulties from areas such as the Ukraine, China, and India, where the embassy refused to give visas to students. Interestingly enough, however, we've had students from countries such as Uzbekistan and Jordan who have had no problem at all."

September 11 has not affected ESSEC's non-American exchanges, says Michele Pekar-Lempereur, the school's director of MBA development. It has, however, had a "strange" impact on exchanges with the U.S., she says. "In some cases, universities have told us they don't plan to send students this year. In other cases, we've received more students than we had expected."

Because U.S. visas are difficult to obtain, many schools in other countries are actually reporting a boom in applicants. "We've been fortunate that many students have seen Denmark as a safe place to go for their international experience," says Jensen of CBS. In the end, however, she sees international education as having an impact beyond business school. "What

it all comes down to is that these international exchanges are the only way we're going to be able to avoid another event like September 11. Through educational exchanges, we can increase people's understanding of what's going on around the world. You're not going to achieve that digging trenches."

Building Relationships

In the end, business students aren't the only ones clamoring for an international education. Business school staff and faculty involved with coordinating international programs are getting a perpetual education in world culture.

"I've had the pleasure of working with many colleagues all over the world, more than 60 partner universities around the world," says Pekar-Lempereur. "Our staff is building partnerships and relationships, learning how our schools are similar or different, and sharing how we view education and management. It's a very enriching experience for staff as well as students."

With the Internet and real-time interaction becoming the norm, business schools, probably more than other disciplines, realize that globalization is no longer a trend. It's a fact of business life. As a result, the role of international business school programs only promises to become an even more integral part of every business student's education. **Z**

INTERNATIONAL STUDENT REPORT

Learning to Adapt

Madhurima Agarwal

Home School: Indian Institute of Management
Ahmedabad
Gujarat, India

Host School: Copenhagen Business School
Copenhagen, Denmark

In the few months that Madhurima Agarwal, an MBA student, has been working for a Danish company, she has learned a great deal about European economics and the dynamic of the workplace in a European country. "Most Indian companies have a very hierarchical structure. As an intern, you don't get to interact with the top management directly," explains Agarwal. "Here, you're

free to approach the managers if there are any problems."

As a participant in CBS's internship program, Agarwal has been able to work on the Copenhagen Stock Exchange as well as in corporate offices. Everything is done in Danish, says Agarwal, which has been a difficulty. She wishes she had time to take a more comprehensive course in Danish

during her business studies. "I had a four-day crash course in the language, but I didn't have time to learn the language properly," she says. "I think a language course should be compulsory for all

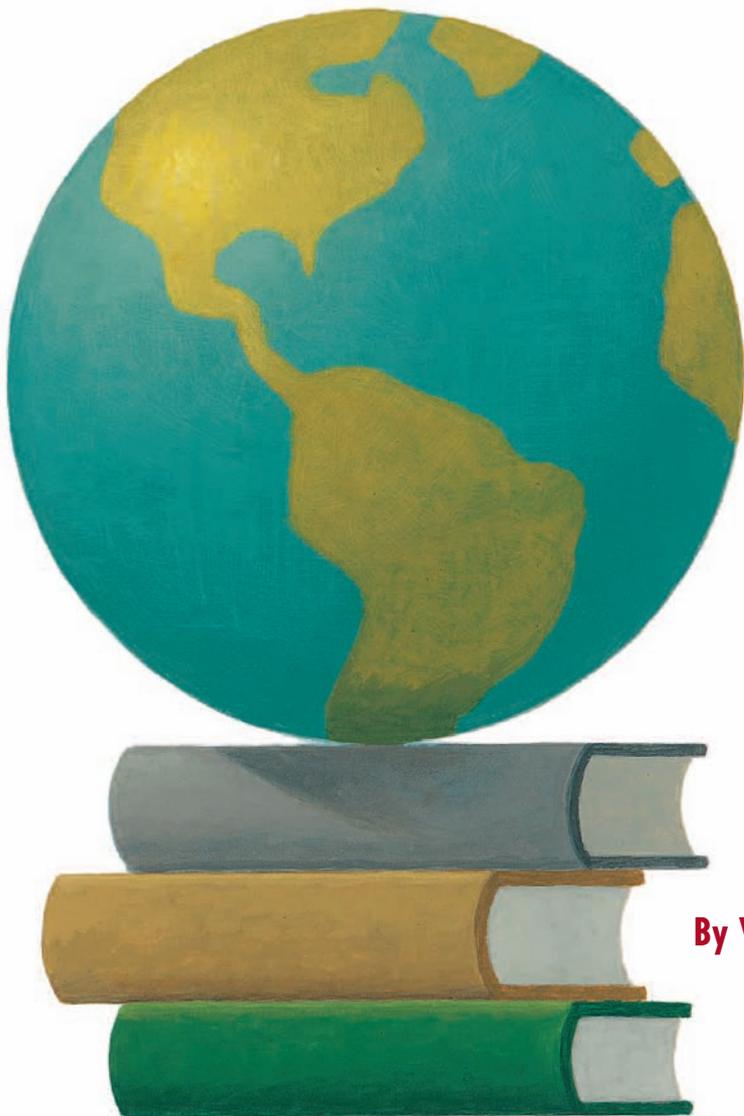
exchange students, so that everyone can learn Danish."

Even so, people have gone out of their way to help her surmount the language barrier and work effectively within her internship. "If a document is relevant to me, someone will give me a copy in English. Everyone here takes care of you if you're a foreigner and takes the time to explain," says Agarwal.

That sort of interaction has been "the most satisfying part" of her international experience, adds Agarwal. Learning to adapt to new cultural protocols as an "outsider" has become an incredibly important skill in today's business environment, she believes. "I get to see how people in other countries work, learning a new culture and getting used to different ways. I have learned how to adjust and how to adapt in a totally new environment."



Passports to Education



To offer the most effective international experience for students, schools should start with a program's design, not its destination.

The primary objective for many international programs is to give students a better understanding of business in the context of a particular country or region of the world. But this objective, while laudable, can be far too general as the basis of an effective program. Today, the most effective international programs go beyond the general "Doing Business in Country X" banner. Instead the most successful trips are designed with a particular context, course of study, or theme in mind. Once a theme is selected that suits the school and its students, administrators can choose a destination accordingly.

By Viktoria Kish

For example, if students travel to Germany to study "German business practices," they may end up with a generalized itinerary that fails to provide a focused analysis of the local business environment or key industries. However, in a program that has been based on a particular theme—say, the automotive industry—Germany's strong engineering and

manufacturing sector may be the perfect means to fulfill a set of focused objectives. With that theme in mind, carefully selected company visits can address a range of topics within that sector. A meeting with DaimlerChrysler would highlight cross-cultural issues or merger and acquisition processes; a trip to Volkswagen would offer an opportunity for students to learn about product launches in international markets and executing a “glocal” strategy. Careful placement of these visits within the itinerary ensures that students learn as they go, and can apply their knowledge to the questions they ask or the topics that are addressed in subsequent visits and meetings.

Such an industry-focused approach works well with a group of students with similar interests. But what if the students are from a diverse set of industries, ranging from agribusiness to investment banking? In this case, a program can be flexible, while still remaining goal-oriented. To serve a diverse group of students, a school might define a theme that addresses a current news issue, topical industry sector, or important trend; then it can choose an attractive, academically rich destination that provides the most opportunities to explore that theme in detail.

For example, in the wake of Enron, a business school might choose to take on the knotty problem of corporate governance and transparency in Central and Eastern Europe. Or, following the tech stock crash, students might benefit from a case study of “The Death of the Celtic Tiger” in Ireland. But whether a program targets an industry or chooses a more flexible approach, it should be designed around a course of study in which location is a means to the academic objective, not an end.

Choose the Right Model

Once a theme or industry focus is chosen, the real work of program design begins. Most study programs are based on one of three basic models, each with its own advantages and disadvantages. Choosing the model that’s right for a specific school depends on individual policies, resources, and the overall purpose of the international residency or tour.

The managed tour is the most typical model for a study program. Under this model, a study tour combines a variety of company visits, presentations, and panel discussions, each of which addresses a different topic within a chosen theme. A typical day’s activities might include a presentation in the morning and a site visit in the afternoon that complements the morning’s topic. Itineraries can be designed so that the knowledge acquired on “day one” feeds into the topics

under discussion on “day two,” and so on, so that the students are involved in a cumulative learning process. In this way, they end their trip with an in-depth understanding of the program’s theme and major issues.

The advantage of this type of program is that it introduces students to a broad range of political, social, and cultural aspects in the destination country. It provides an ideal forum for discussion on a wide variety of topics, while also being easy to tailor to suit a very specific theme or subject. Students can interact with a range of company representatives—from the largest multinational to local SMEs to individual entrepreneurs—who can address a variety of problems faced by different business entities. This is a time to use the school network, and to find government representatives, journalists, and local faculty who can also provide the background “color” to set the program in context. Such a program is most often designed by participating faculty, which means that they retain control of the academic elements of the program and can build the itinerary based on the needs of their courses.

The managed tour is not without its disadvantages, however. With full teaching and research schedules, faculty may find it difficult and time-consuming to navigate through the minefield of potential disasters, especially if they are not familiar with the destination or haven’t managed such a program before.

In addition, students may see their role in this model as somewhat passive—they may not feel directly involved in how the trip progresses. Consequently, behavioral or disciplinary problems can arise. Yes, even EMBA students fall asleep during company visits, are late to the bus, or come unprepared to ask questions or engage in discussions. It takes vigilance and preparation on the part of faculty to minimize these concerns.

The consultancy project is one of the most popular models for international study. The disadvantages of the managed tour have led many schools to opt for the consultancy project model, which demands more involvement from student participants. Under this model, student teams are matched to a company and given a specific problem within the company to resolve. Problems range from a product launch in a new market to improving communication within an organization. Acting as consultants, students carry out research and meet with relevant employees. They must quickly adjust to company and local cultures and devise viable and practicable solutions.

The advantage of this model is that students gain an immediate and often intimate insight into the ways certain problems have manifested themselves in a company. They also can gain practical experience and a sense of achievement.

Everything they have learned, either in the classroom or in their careers, can be used in a way that helps them realize how much—or how little—they know.

Disadvantages, however, do exist. The consultancy model is difficult to manage effectively. First, a program coordinator or faculty member must find a company willing to take on his or her students. Many companies are reluctant to allow students into their offices to discuss internal problems, no matter how bright, talented, and eager the students are and no matter what their previous experience may be.

Companies may reject a request for a visit, citing issues of confidentiality, accessibility to employees, time constraints, and downright skepticism that the project will achieve anything at all. This intractability can be an immense challenge to many schools, especially smaller ones that may not benefit from large international alumni associations, relationships with multinational companies, or the power of name recognition.

Once the coordinator finds compliant companies willing to participate, he or she should be aware that standards of project work can vary dramatically among companies and student groups. It's also often difficult to assure the quality of the educational experience from year to year. Furthermore, poor

student performance on a project can jeopardize a school's relationship with a company. In one instance, when a student team presented inferior consultancy work based largely on assumption and speculation during one school's consultancy trip, it almost cost the employee who had agreed to host the visit his job. The incident did not reflect well on either the host or the school.

Whether this model will work depends a great deal on a school's internal and external resources, as well as the strength of its corporate relationships. It's also important to ensure that the project allows students to develop their cross-cultural communication skills as well as their understanding of business issues—that is, their desire to “solve” a company's problem should not overshadow their primary goal of learning to manage business problems outside the context of their own country or culture. Making project and attendance requirements clear up front, however, can help focus students on their learning objectives, secure their participation and interest in the project, and ensure they give their best efforts.

The business plan model combines in-classroom teaching and onsite visits. Students are required to immediately apply what

INTERNATIONAL STUDENT REPORT

A World Outside the Classroom

Daniel Renton

Home School: University of Western Australia
Crawley, Australia

Host School: Copenhagen Business School
Copenhagen, Denmark

Daniel Renton, a native of Perth, Australia, sees his experience at the Copenhagen Business School in Denmark as a must-add to his MBA degree. His MBA education at the University of Western Australia's Graduate School of Management was valuable, he says, but today's climate demands more than a local education.

“The value of MBAs is being slowly eroded as more and more universities offer them,” says Renton. “While my home university has one of the best MBA programs in Australia, I decided

that an international study experience would add value to my MBA and keep me competitive in the job market.”

Renton says he was attracted to

Denmark not only because of his interactions with CBS exchange students studying in Australia, but also because of Denmark's reputation for socially and environmentally responsible business practices. The widespread use of English among the citizens was also a selling point, he says, because he knew that communication would not be a problem.

Renton is participating in CBS's “Internship/Mini-Consultancy on Innovation and Business Development,” a 15-week course that involves three

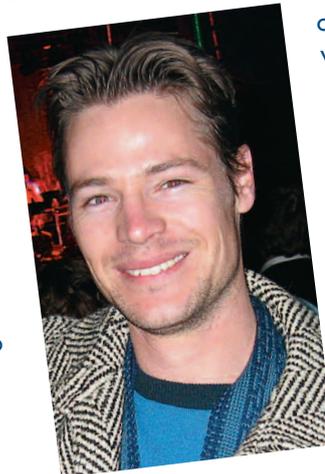
weeks of full-time seminars and case-work and up to 12 weeks of hands-on work with a Danish company. Renton

works for a small, startup company in Copenhagen, where he says he is getting a firsthand look at the struggles of a company just getting on its feet.

This opportunity to work with people from across the globe has been eye-opening, says Renton, through both his formal coursework and internship and his informal interactions with different people.

“A good friend of mine

once said, ‘Never let school get in the way of your education,’” says Renton. “Studying abroad is very much about learning outside the classroom.”



worried about accidents and illness, lost visas, petty crime, and missed flights.

Today, the world is much different and presents a different level of **risk**.

they learn to the creation of a business plan. Prior to leaving for their destination, students are divided into teams. Each team is assigned a product or brand to launch in a destination market. Ideally, the product or brand is something that does not yet exist in-country—a Starbucks coffee shop in Central and Eastern Europe, for example, or a Barnes & Noble bookstore in Taiwan.

Under this model, a program coordinator or faculty member schedules company visits, panel discussions, and presentations aimed at providing students with critical data on the country and its investment climate. Meetings with local Chambers of Commerce or government agencies can be especially helpful. Student teams also are encouraged to set up visits with companies to give them even more insight into how to enter the market, how to work within the competitive environment, and how to navigate the red tape.

Upon returning to their home campus, teams present their business plans to a committee drawn from several sources, such as the alumni association, faculty, board of trustees, and school benefactors, as well as a representative from the destination country's commercial section. These individuals judge the plans and award a prize for the best business plan.

The business plan model motivates students to learn and apply their knowledge in a practical way. It combines classroom learning with practical research and demands that students use all areas of their business knowledge as well as their presentation and analytical skills. In addition, the success of the program is highly reliant on the students themselves, rather than on a host company, giving them a greater sense of ownership of the program than either of the other two models. Additionally, with adjustments, the project can work just as effectively for EMBA and MBA students as it can for undergraduates who have completed their core subjects.

Disadvantages are few and center mainly on time constraints. Students may feel they do not have enough time onsite to complete such an ambitious scheme. They also may find that they have scheduling conflicts between key visits and cultural events in the destination country and their own project schedules.

Strike the Right Balance

Whether the trip is a mandatory international residency or an international business elective, it must appeal both to students and faculty if it is going to succeed. The trip should

INTERNATIONAL STUDENT REPORT

Far from Home

Jennifer Twehues

Home School: International School of Management
Dortmund, Germany

Host School: University of Stellenbosch Business School
Bellville, Republic of South Africa

When she chose an MBA program, Jennifer Twehues considered attending a school in Europe, near her native Germany. But she decided that didn't offer the change in perspective she was seeking. "South Africa sounded more like an adventure," she says. "Although I've traveled the world extensively, I had never before touched South African ground."

It has been a struggle traveling so far from home, Twehues concedes. Her

social network was far away and she sometimes felt like quitting the program. In addition, getting used to the very traditional and sometimes rigid aspects of Afrikaans culture was a challenge to her European point of view. But in retrospect, that is the point of international study, she says, and she is pleased that she made it through the program. "It makes me proud that I won this 'inner battle,'" says Twehues.

Nevertheless, she would like to see that "inner battle" lessened for exchange students in the future, no matter where they travel, she added. "I would like to see more assistance in personal development within the program. Mentorships or regular personal assessments might

create much more self-mastered graduates," she says.

Through her experience, Twehues also saw how a country tackles its own history, dealing with problems that she had not been exposed to before, such as black empowerment, employment equity, and economic restructuring. "It's a range of concerns that my home country does not face," she says. "Studying in this emerging country probably gave me the biggest and most comprehensive business picture I could possibly have

achieved in just one year. I gained unique insights into how an economy finds its way into the first world."



strike a balance between work and free time. All participants should be exposed to a variety of companies and situations, but also should be able and encouraged to learn and explore on their own.

Unfortunately, such exploration is attended by some risk. Ten years ago, an international program director worried about accidents and illness, lost visas, petty crime, and missed flights. Today, the world is much different and presents a different level of risk. Recent terrorist activities have prompted schools to reassess their objectives. More than ever, schools find they must also strike a balance between their students' educational needs and new security measures.

Central and Eastern Europe, England, France, Germany, Ireland, and Mexico are especially popular destinations for students traveling abroad today while globalization and the demand for more unusual destinations have also led schools to establish programs in newly emerging markets such as China and Russia. The environments in some of these countries are more unstable than others, but all carry a level of risk. Therefore, it's always prudent to keep an eye on U.S. State Department warnings, ensure that students are adequately insured, and discuss implementing appropriate

contingency plans and procedures should anything unexpected occur.

Raising the Stakes

With more schools seeking international status, the stakes in international management education have never been higher. At the same time, recessionary woes and greater competition among schools are pressuring business schools to find new and innovative ways to restructure and improve the international opportunities they have to offer.

In such a competitive climate, business schools often turn international trips and residencies into a curricular focal point, making their design all the more important. A well-designed program should not be based simply on a destination, but on the approach and themes that best suit a school's students, mission, and resources. Once those details are in place, a school can take full advantage of what international study has to offer, both to its students and its global reputation. **Z**

Viktoria Kish is the director and founder of International Study Programs based in Prague, Czech Republic. She can be contacted at kish@studyprograms.com.

INTERNATIONAL STUDENT REPORT

A Key to Success

Will Stewart

Home School: University of South Carolina at Aiken

Host Country: Prague, Czech Republic

As an undergraduate at USCA, Will Stewart participated in its business department's annual three-week study abroad program in Prague three years running, visiting multinational companies such as Skoda-Volkswagen, Bohemia Glassworks, HP, and Philip Morris. A travel enthusiast, Stewart also has ventured to Ireland, Italy, England, Austria, France, and other countries.

From visit to visit over the past three years, Stewart has been able to observe the transformation of the Eastern European economy from socialism to capitalism. "Seeing this transformation

in progress gives a student from the United States a new perspective on capitalism and the United States' position in the world economy," he explains. "I have been able to observe the region's transformation from an economy driven by command to an economy driven by supply and demand."

Stewart also points to the expansion of his U.S.-centered perspective as an important part of his international education. "One's ethnocentrism becomes painfully obvious when trying to analyze a different culture objectively," he notes. "For me, the most challenging part of the study abroad experience is to refrain from projecting American beliefs, values, and norms onto another society."



He also appreciated the fact that the trip's sponsor, Professor David Harrison, arranges cultural elements as well, such as introducing students to Verdi's opera *La Traviata*.

Stewart is now a senior at USCA, majoring in management. He hopes to earn an MBA in international business and eventually secure a position at the U.S. embassy in Prague. Stewart strongly believes that international study is valuable for anyone, but is a necessity for business students. "USCA has a great study abroad program for undergraduates. If I could change one aspect of the program, however, I would make studying abroad a mandatory requirement to receive a degree in business administration," Stewart comments. "Despite the cost and logistical problems, studying business in a foreign country is a necessity to being successful in today's global marketplace."

A strong niche program gives a business school a hook to pull in both students and corporate recruiters. One of the newer entrants in a broad field of specialty programming is sports management. Offered at only a handful of schools in relatively small programs, sports management degrees equip students to enter the high-stakes field of sports with a better understanding of ROI than RBIs.

Most of the current sports management and marketing programs have been developed in the past decade as sports became big business. Before the b-schools co-opted them, many sports degree programs tended to be housed in physical education or sports education departments and turned out graduates who might be interested in careers overseeing college athletics. But changes in the industry itself have prompted business schools to enter the ring with their own contenders.

“Industry data suggests that almost \$200 billion dollars a year is spent annually in sport-related businesses,” says Rick Burton, executive director of the James Warsaw Center for Sports Marketing at the University of Oregon’s Lundquist College of Business in Eugene, Oregon. “That would make it one of the ten largest sectors of the American economy. If Nike is an \$8 billion company, if the National Football League has a \$17 billion contract with broadcast networks, if Alex Rodriguez is being paid \$22 million a year to play baseball, there’s a significant economic support infrastructure behind the sport. If it’s one of the largest sectors of America’s economy, it’s critical that people be trained to understand how it works.”

“A number of different groups deal with sports and entertainment performance,” says Michael Mokwa, professor of marketing and director of the sports business program at Arizona State University’s College of Business in Tempe, Arizona. “The arenas themselves have become dominant players. Consultants and specialized markets abound. Who makes the chairs in the stadium? Who builds the basketball court? Who develops all the electronics that are used in stadiums today? Then there’s representation of athletes. We’re not just talking about single agents. We’re talking about large organizations like IMG who not only represent Tiger Woods, but try to develop products around him.”

Commercial sponsors also pay out big money to be associated with teams and players. “Look at the amount of money that IBM, Coca-Cola, and Budweiser spend on their sponsorship activities and how important sponsorships traditionally have been in their marketing efforts,” Mokwa says. “Yet, many of these organizations have not spent the same amount of time planning and evaluating those decisions as they have in other major areas of their businesses.”

Player Lineup

Enter the business student with a head for numbers and a love of sports. Both traits are key, stress program administrators.

“Everybody thinks they’d like to work in sports,” says Burton. “Somebody thinks he’s qualified because he really loves golf and he knows how many home runs Barry Bonds hit last year. But at the graduate level, this is a very demanding program. It requires a significant involvement from students.”

Mokwa agrees. “We use the tag line, ‘A passion for sports and a mind for business.’ If you don’t have the mind for and motivation in business, go work for someone else and just buy tickets to the game.”

The students who are accepted into sports management programs, not surprisingly, are often male—though usually not in any higher proportions than the general population of

GAME

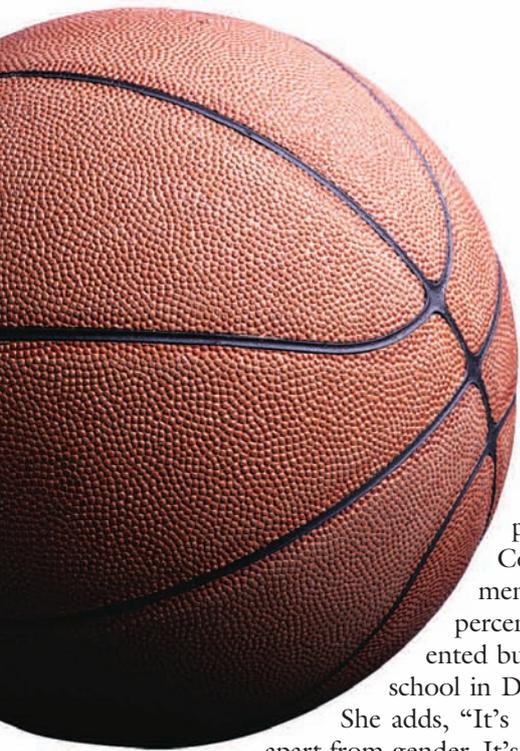
**SPORTS HAVE BECOME BIG BUSINESS—
AND BUSINESS SCHOOLS HAVE PICKED
UP THE BALL, DESIGNING SPECIALTY
PROGRAMS THAT TRAIN STUDENTS TO
EXCEL IN THE MAJOR LEAGUES.**

by Sharon Shinn



THEORY





business schools. For instance, Jo Williams, director of sports management and associate professor at Nichols College, estimates that men make up about 65 percent of the sports-oriented business students at the school in Dudley, Massachusetts.

She adds, "It's a pretty varied group apart from gender. It's not just athletes who think the degree will be an easy ride. They're students who are interested in the sports industry, and who think, 'If I'm going to be at work every day, I may as well be in an area I really enjoy.'"

At Seton Hall University's Stillman School of Business, about 70 percent of the grad students in the sports program are men, according to Ann Mayo, director of the Center for Sport Management at the school in South Orange, New Jersey. Mayo says most students are one of two types: recent grads who come back for business degrees in a career they think will really suit them; and midlife executives who are using the downturn in the economy as a time to go back to school and completely refocus their careers. "The people in this second group say, 'I may as well use this time to retool, and this is what I've always wanted to do. It's not about money, it's about liking my job,'" she says.

Other program directors, while acknowledging the gender disparity, are making an effort to specifically attract women and minorities. In fact, the overall picture of the typical student body can be surprisingly diverse.

"We had gender equity a couple of years ago in our graduate program, and we have a real commitment to creating opportunities for women—first, because there are a number of opportunities in the field, and second, to make sure they understand those opportunities," says Burton. The University of Oregon annually hosts a Women in Sports Business symposium that features top women executives in sports organizations such as the U.S. Olympic Committee, the Women's Sports Foundation, Nike, and the Portland Trail Blazers.

The University of Oregon also uses scholarships funded by the NFL to attract minority students to the grad school. In addition, the school's international program is designed to appeal to students from all over the globe. The program has drawn students from China, Korea, Pakistan, India, England, Australia, Italy, Denmark, Germany, and Canada.

"In the past, we've had a Nike executive teach an international sports marketing class," says Burton. "We have a board of directors that includes industry executives from all over the world. We've developed a sister program with Fudan University in Shanghai—we send professors there and they send professors here. With Beijing set to host the 2008 Olympics, we want our students to be familiar with a number of companies that are planning to go to China, if they're not already there."

Like Burton, Mokwa savors the international component of his school's program. "One of our most interesting students was a Hungarian who had been an Olympic swimmer eight to ten years ago. The perspectives he brought into the classroom about amateur sports in Eastern bloc countries, and how athletes try to change their whole government and cultural structure, were just fascinating."

Program Kickoff

While the students may be varied, they're fairly limited in number. Graduate programs might have a total of 25 students. Undergraduate programs—like Nichols' five-year-old program, the largest major in the business school—might have 30 to 40 students enrolled in each of the four classes.

"This is a niche," says Seton Hall's Mayo. "We don't want to saturate the market with people who won't be able to find employment."

The typical format is to give students a strong grounding in core business skills and add specialty courses as electives. "At the BSBA and MBA levels, students take the same business core as everyone else," says Mayo. "The difference in the degree is in the internship experience and course concentration—12 credits for the MBA, 15 for an undergraduate degree."

At Oregon, the program has grown from a single class in 1994 to a comprehensive undergraduate and graduate program. The sports-oriented classes cover marketing, finance, law, sponsorship, technology, and communications.

At Nichols, undergraduates can choose from a number of sports electives, though they all must take the introductory class that stresses the notion that this is a business specialty. "That's really how we approach the whole program," says Williams. "We're not necessarily interested in what's happening on the field. We're not teaching coaching or sports psychology. This is about the business of the sports industry."

Early on, the specialty courses are applied to the basic management courses "so students can see that there is a link between sports courses and what they're doing on an academic level," says Williams. For instance, students follow a

IN THE WORLD OF SPORTS BUSINESS, INTERNSHIPS ARE REALLY THE KEY TO SUCCESS—PERHAPS EVEN MORE THAN THEY ARE IN OTHER AREAS OF BUSINESS SCHOOL.

general marketing course with a sports marketing course, a finance course with sport business and finance, and business law with sports law. “From that perspective, we really build on what has already been covered in business school and add what is unique about the sports industry. We also look at the areas that are currently being emphasized in the sports industry,” says Williams. Additional electives—such as athletics administration, sports facility management, sports event management, and sports communication—give students a chance to specialize even more.

In fact, many sports management courses are tailored to high-profile issues recently in the news. “In the sports finance class, we’re looking at some of the current revenue generation issues in sports, such as stadium construction issues and public versus private funding,” says Mayo. “This is a huge issue, particularly if taxpayer money is involved. Not a whole lot of research has been done, but some studies say that a new stadium’s economic impact on an urban area might not be what it was first proposed to be.”

Most schools supplement regular courses by bringing in speakers from around the industry to give students a veteran’s perspective on the field and the job market. The University of Oregon sponsors an annual trip to San Francisco that allows students to

meet with sports-related companies there, and a trip to New York City for second-year graduate students that is underwritten by the National Basketball Association. On past trips, students have met with sports figures such as the president of ESPN and the commissioners of the NBA, the National Hockey League, and Major League Soccer. Says Burton, “All these top industry people are really knowledgeable—not about the number of home runs someone has hit, but about what’s happening to the rating system, what’s happening to attendance trends, and what’s happening in the development of new stadiums.”

Minor Leagues

While the courses and trips offer a great introduction to the world of sports business, internships are really the key to success—perhaps even more than they are in other areas of business school.

“Traditionally, in the sports business, the portal of entry has been through internships,” says Mayo. “Whereas an accounting student doing an internship may get paid nicely for it, a lot of internships in sports management traditionally are unpaid. But they serve as a way of starting the networking process and getting to know people. I say to students that while I’d like to tell them it’s about *what* they know—and it is to some degree now—it’s still mostly about *who* they know.”

Internships can be as varied as the industry itself. For example, students from Nichols have interned with sports apparel company Puma, NFL teams, golf events, the marketing department of *Sports Illustrated*, NASCAR, sports radio, and an athletic department at an East Coast university. “The internships are absolutely individualized to the students,” says Williams, who requires students to research the companies where they’d like to work so that she can try to get them the appropriate experience. “I could say, ‘Look, this is a great opportunity!’ But just because I think an internship would be exciting doesn’t mean it’s the career path that’s right for this student.”

Nichols students not only do a practicum—what Williams describes as a “part-time” internship of about ten hours a week—but they also do a 12- to 15-week 40-hour internship in a second area. “I think having two practical experiences allows students to try out a couple of different areas and helps them to build their resumes,” she says. “I think these experiences also help them see the link between what we’re doing on an academic level and what’s really going on in the big, wide world.”

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“SOME STUDENTS MAY GO THROUGH THE PROGRAM AND SAY, ‘THIS IS NOT FOR ME.’ BUT THE GOOD NEWS IS, THEY’VE STILL GOT A BUSINESS DEGREE,” SAYS WILLIAMS.

both the students and the corporations that hire them. “We feel that our students can handle significant projects that a sports executive doesn’t have time to do. It might be a project for which he would like to hire an outside consultant, but he doesn’t want to make the investment. Our students can help,” says Mokwa.

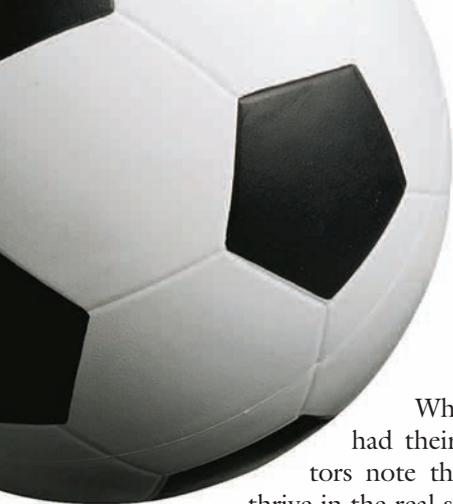
ASU also has sponsored projects that potentially can benefit both a sports team and a business organization. One such project was a sponsorship evaluation in which the team, a sponsor, and the students assessed “the clarity of the sponsorship, the way it was being implemented, and its financial returns. Both sides worked together to understand the scope and nature of the sponsorship and figure out ways they could improve it,” Mokwa says.

The Rookie Season

Students with concentrations in sports management have used their internships—and their degrees—to score an impressive variety of full-time jobs. “Two of our graduates have gone to work for the Yankees in the marketing sponsorship and media relations areas. One student, who was an attorney before he came to Seton Hall, has become a director of team operations for NFL Europe. Other graduates have gone to the league offices of the NBA,” says Mayo.

“Our graduates have gone everywhere, all over the world,” says Burton. “They’ve been hired by the NFL, the NBA, the WNBA, the United States Olympic Committee, Nike, Adidas, NBC Sports, and Disney.”

Mokwa, too, can tell of graduates who took jobs with sports teams to work on fan development, suite sales, and stadium marketing. But one of his favorite stories is of a student who joined the Arizona Diamondbacks to help run baseball camps for disadvantaged youths—a job that requires him to raise money from major sponsors and star players to build new playing fields and refurbish old ones. “He has to coordinate the entire project, working as a construction superintendent on one side and, on the other side, working with the players and the community to promote this endeavor,” says Mokwa. “All these different groups are involved, from the players to the people who put up the fencing, and he helps negotiate all these deals. It’s more than just Randy Johnson throwing out the first pitch to a young Hispanic batter.”



While the programs have all had their successes, the administrators note that not every graduate will thrive in the real sports world. Some find, for instance, that they can get their expected “MBA salary” more quickly in a more traditional field. But because all these students have a good grounding in core business techniques, they can still find jobs. “Some students may go through the program and say, ‘This is not for me.’ But the good news is, they’ve still got a business degree,” says Williams.

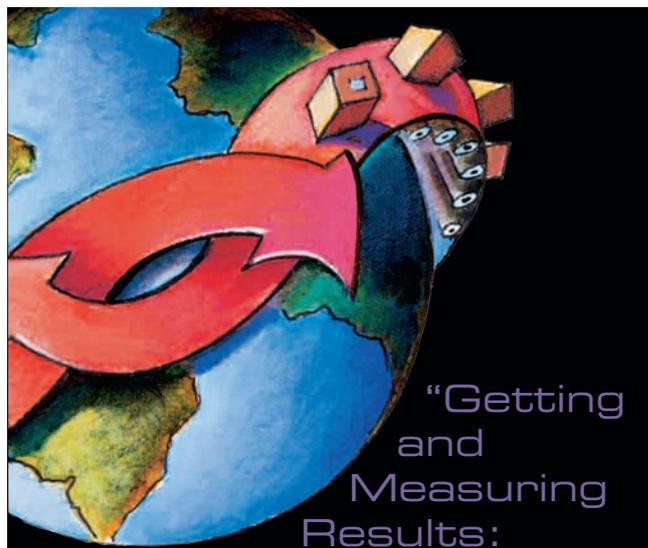
The Final Score

The question remains: Does such a specialized niche degree really result in a more marketable student? Williams thinks the degree is still new enough that employers are just beginning to realize how valuable it is. “I think now there’s a greater recognition that students with some background in sports management may have a higher level of knowledge that’s going to be useful,” she says. The real strengths of the program are the internship and the basic management skills, Williams points out. “Especially in many entry-level positions, they’re looking for outgoing, creative, flexible people with initiative,” she says.

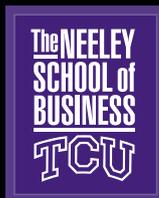
Mokwa believes passionately that niche programs are good for the students and good for the school. The sports business niche is just a recent addition to ASU’s other focused programs—in areas such as services marketing and management, supply chain management, and information technology management. “A strong niche can give a school an edge when companies recruit for students, especially if those companies are only going to recruit at a few schools,” Mokwa says.

Mokwa notes that many factors might prompt corporations to send recruiters to a particular university. “Do their senior executives have degrees from that university? Is the school in their geographical area? Or does the school provide a program that is unique and that distinctively adds value to what they do in their corporations?” he asks. “At ASU, we wanted to find niches that gave us a dominant share of the recruiter’s mind and produce student skills in key areas. Our students graduate with greater expertise than other students in those areas, and that makes them special, compared to a peer school that is turning out MBAs in traditional functional areas.”

In any case, sports management seems like a niche that’s destined to be a winner. It covers all the bases of finance, strategy, marketing, and operations, and also gives students a special edge. Schools that offer sports management may find it soon becomes their MVP—most valuable program. **Z**



“Getting and Measuring Results: Realizing the Value from your Supply Chain Investments”



Managing supply chains is not a new challenge. For as long as trade has existed – from the time when merchants traveled the Silk Road to today – managing the flow of goods to meet customer demand has been a challenge. Yet in today’s competitive marketplace, with its inherent uncertainty and complexity, effective management within and across firms in a supply chain is key to success.

The Neeley School **SUPPLY AND VALUE CHAIN** program is focused on both current and future business leaders – helping them develop the skills and capabilities to keep pace with the changing times and position their supply chains for competitive advantage. Through our executive forums, we create opportunities for the business community and TCU students and faculty to advance leading edge thought and idea exchange.

On April 2 – 4, 2003, the Neeley School Supply and Value Chain Center will host the 2003 Global Supply Chain Conference at the Texas Motor Speedway Club. The theme of the conference is “**Getting and Measuring Results: Realizing the Value from your Supply Chain Investments.**” Business leaders, students, and faculty will come together to learn from experts how to build a business case for change, execute effective supply chains, and measure results from supply chain improvement initiatives.

For further information about the Supply and Value Chain program, please visit www.svcc.tcu.edu or call 817-257-7463.

www.neeley.tcu.edu

Technology

OpenCourseWare Launches at MIT

Last fall, after more than two years of preparation and much fanfare, MIT launched the pilot of its OpenCourseWare (OCW) project. Through OCW, all materials for 32 MIT courses in 16 academic departments and the Sloan School of Management have been made available online for free. For their part, Sloan School faculty members provided course materials for three



courses, including "Introduction to Optimization," "Logistical and Transportation Planning Methods," and "Systems Optimization: Models and Computation."

The materials available online are attracting users worldwide, as well as MIT students who are using the materials to supplement their own notes or to make up for missed lectures. Faculty participation in OCW is voluntary, but MIT officials predict that participation will grow steadily as the project continues. Within the next ten years, the school expects OCW to include the materials for more than 2,000 undergraduate and graduate courses.

The knowledge available through MIT's OCW is free, but course credit is not. Those who take advantage of the online materials will not have an official claim to an MIT education or degree.

Even so, MIT officials believe that OCW promises to "serve as a model for university dissemination of knowledge in the Internet age," according to a school press release. "We are fighting the commercialization of knowledge, in much the same way that open-source people are fighting the commercialization of software," university spokesperson Jon Paul Potts told *News.com*.

OCW is *not* meant to be a means for distance learning, which, by its nature, involves an exchange of information among students and faculty, stress the program's administrators. Rather, OCW is meant to be a source of supplemental educational support for MIT's own students, as well as an aid to faculty from all institutions in developing course content. In addition,

school officials believe the online materials might be especially useful to developing countries seeking to expand their base of knowledge.

According to its Web site, MIT estimates that development costs for the project will initially range from \$7.5 million to \$10 million each year. The project will remain in its pilot phase for at least another year. "Although we have not yet fully designed or decided on our long-term technical architecture and systems, we're committed to using open systems and will share our approach and experiences with those who may want to launch similar efforts," says Anne H. Margulies, OCW's executive director.

Fox School Makes Access to Tech a Priority

Temple University's Fox School of Business and Management in Philadelphia, Pennsylvania, has taken two very different approaches to technology on its campus. The goal, says John DeAngelo, the school's associate dean for information technology, is to create an incredibly "tech-accessible" environment for Fox's students and faculty.

The "Digital Concierge" — Rather than require students and faculty to trek to a tech support office with their computer issues, the school decided to bring tech support straight to them via a free-range "digital concierge." David Feeney, director of digital education at the Fox School, roams the business school with a laptop and wireless connection seeking students and faculty in technological distress.

At the beginning of the semester, Feeney sets his laptop up in the school's corridors where students stop by to ask him questions about using Blackboard, the school's platform for its online community. "David helps them change or identify their user names and passwords. He might help them enroll in courses or delete them

from courses where they're inappropriately enrolled," says DeAngelo. Faculty members also can locate him easily for help with classroom technology.

The concept was developed in 2001 as a way to

DATABIT

San Diego County, California, recently installed a wireless network that reaches from San Diego to San Clemente Island, a span of 72 miles, including a distance over water. The 2.4 gigahertz link will be used to transmit seismic and global positioning data, among other information.



David Feeny offers technical assistance as the Fox School's "Digital Concierge."

streamline the school's tech support system and encourage full use of the school's technological offerings, explains DeAngelo. "We thought the idea of a tech support office wasn't satisfactory," he points out. "People are busy and may not take the time to visit the office, which can keep them from using features or equipment they should be using."

By making tech help accessible, the digital concierge has created a tech-savvy community, says

DeAngelo. "Students now know what David knows," he says. "He encourages them to share what they've learned with others. It's become a very efficient vehicle for teaching people how to use the technology."

BizTech Server Lab—Fox's BizTech Lab offers students something they wouldn't get in a typical computer lab, says Paul Weinberg,

professor of management information systems. The lab gives students full access to 16 server-client stations, similar to the server-client infrastructures of large organizations. Built with \$49,000 from a Link-to-Learn grant and partial subsidies from Microsoft and IBM, the BizTech Lab allows students to develop fully formed server applications. Because the lab is partitioned from the school's main servers, students can experiment freely without

compromising any operations of the school's computer system.

Students use the BizTech Lab for a variety of Web services and other network-centered projects, explains Weinberg. "Some students are working with situations in which one server is running JAVA and another is running a .net language," he explains. "In the lab, they can try to get the two languages to communicate using standard protocols." Other students are experimenting with creating mobile servers that are accessible to someone using a Palm Pilot or mobile phone.

"We want our students to be able

DATABIT

There's no rest for those weary of full e-mail inboxes: IDC, a market research firm headquartered in Framingham, Massachusetts, predicts that the number of e-mails sent per day will reach **60 billion** by 2006, nearly double the **31 billion** messages sent now. The research indicates that this increasing volume will fuel demand for better filtering technology to help users cope with the e-mail onslaught.

NEWSBYTES

■ INTEL GIVES GRANT

The University of Washington Business School's new Center for Technology Entrepreneurship has received an \$118,000 equipment grant from Intel Corporation of Santa Clara, Calif. Through the grant, Intel has donated Dell equipment, including flat screen monitors, laptops, and multimedia stations. Founded last year, the center will use the equipment to expand its new venture creation laboratory where students from a number of disciplines can access entrepreneurship-related databases, work closely with inventors, and obtain advice from a number of experts-in-residence.

■ NEW IT SCHOOL

Last fall, the Singapore Management University added a fourth school in technology to its current schools in business, economics and social sciences, and accountancy. Called the School of Information Systems Management (SISM), the school will open its doors to its first cohort of 50 to 100 undergraduate students in August 2003 and hopes to admit 550 students by 2006. The school's mission, say school administrators, is to produce students who are knowledgeable about business and IT to meet Singapore's growing need for tech-minded business administrators.



■ INFO IS A HIT

Since it was made available for Web site registrants in September 2001, the ".info" domain has already logged its millionth Web site, according to *Computerworld*. Web addresses in the .com domain have become so hard to obtain that many companies are registering their addresses with the .info domain in tow. About 27 percent of those names registered are now in use, according to Afilias Ltd., the company that maintains the .info registry. That compares to 35 percent of registered .com names in active use. For the record, the one-millionth Web address to be registered under the .info domain went to www.los-angeles-real-estate-search.info.

“The first line of **fire** will be hundreds of e-mails, phone calls, and visits from excited, sometimes **angry**, young professionals who think they deserve attention because of the significant sum of **money** they’re paying to the institution.” —Yann Lechelle, CEO, Etheryl

to solve business problems and understand technological concepts,” says Weinberg. That level of understanding can happen only if students have access to the full range of technology that today’s corporations use, he adds. “In this lab, students have total control over the machines assigned to them. They can try out new technologies, install any type of application, and are free to make mistakes without affecting anything else.”

Online Communities Streamline Admissions

Although most business schools understand the need to process MBA candidates’ applications efficiently, address their questions, and even serve as relocation and transition agents, admissions offices are often understaffed and overwhelmed. While they may send prospective students a welcome package and/or e-mail, the ongoing communication with the student often stops there.

To address this problem, Yann Lechelle, CEO of Paris-based company Etheryl, has developed NetVestibule, a software product designed to manage and encourage an ongoing communications process between prospective students and their new college community. “The level of service at this crucial phase often reaches a bottleneck caused by too many prospects making demands on already overwhelmed resources,” he says. “Incoming students are eager to get started with

the program, so admissions officers are certain to face highly demanding individuals. The first line of fire will be hundreds of e-mails, phone calls, and visits from excited, sometimes angry, young professionals who think they deserve attention because of the significant sum of money they’re paying to the institution.”

NetVestibule is designed to ease this deluge of requests through technology, providing a platform to manage an institution’s relationships with students, from pre-admission to post-graduation, explains Lechelle. The technology creates an exclusive online community space in which accepted students interact and exchange tips with current students. The community includes a bulletin board for asynchronous communication and a chat room for synchronous discussions. Users are also able to post biographies, short resumes, and pictures, and even engage in peer-to-peer e-mailing via password protected accounts.

In 2001, Forrester Research Inc., headquartered in Cambridge, Massachusetts, issued a report on customer relationship management, a close cousin to SRM, or “Student Relationship Management.” The results indicated that support phone calls and e-mails cost, on average, \$33 and \$10 each, respectively. “By transferring some of the repetitive ‘frequently asked questions’ to online communications with current students,” says Lechelle, “an institution may be able to reduce its costs of dealing with prospects and improve

its quality of one-on-one service for serious issues that really do require an admissions administrator.”

When admissions offices lack adequate resources, prospective students are often handed off from marketing to admissions to academic departments, so that their experiences are fragmented, concludes Lachelle. Technology can fill that gap, he adds. Creating a strong online community that facilitates a relationship between accepted students and their future peers can be an effective way to develop the student-to-institution relationship.

Yann Lechelle can be contacted at y@etheryl.com.

Eight Publishers to Offer Material Online

Ebrary, a leading provider of information distribution and retrieval services, recently announced that eight more publishers will make many of their titles available in a digital format. AMACOM Books, American Enterprise Institute, Career Press, CMP Books, Dearborn Trade Publishing, Idea Group, No Starch Press, and Syngress Publishing have agreed to make hundreds of titles in business, economics, and computers and technology available online to institutional markets.

More than 130 academic, professional, and trade publishers are currently distributing more than 15,000 titles in digital format to libraries and other institutions through ebrary. Two thousand of those titles, most published between 2000 and 2002, are targeted to the business community.



DATABIT
A record number of Web site defacements — more than **9,000** — occurred in September, according to mi2g Ltd., a London security firm. U.S. sites saw the most defacements, **4,157**, with most of those related to government. Sites registered to Brazilian users experienced **835** defacements; the U.K., **376**; Germany, **356**; and India, **285**, the IDG News Service reported.

WEBWATCH

■ GMAC

GMAC's recently redesigned site, found at www.gmac.com, is now two sites in one. First, it provides a link to www.mba.com, a site targeting prospective business students to help them research schools and examine their goals. Second, it continues to provide information to

business school professionals, recruiters, and the media, including industry news, curricula and

administrative information, links to industry conference and events, and the results of GMAC's latest surveys of prospective MBAs. Schools are also invited to post their recruitment events on the online calendar at www.mba.com, where students can search by location, date, and school.

■ LPI ONLINE

For online access to leadership assessment and training, visit LPI Online, a new Web site created by Jim Kouzes and Barry Posner. The two authors of *The Leadership Challenge* developed LPI, which stands for "Leadership Practices Inventory," at www.lpionline.com. Formerly a print-based off-the-shelf "360-degree" leadership assessment tool, this new Web-based version streamlines the administration of the LPI program. Licenses to LPI Online can be purchased at an introductory price of \$100 per user. To receive the introductory price, use code W0389 online or call 866-888-5159. 



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THE AMERICAN DREAM STILL WORKS.

Your Turn

by Mark E. Haskins

I The GHP ("Great Homogenization Process")

Are we in danger of commoditizing the 100,000 MBA degrees awarded each year? I think we are. Across the community of full-time, residential MBA programs (including my own institution), the GHP is at work—the Great Homogenization Process.

We see the GHP at work every day, the result of a number of similar, converging forces. Excluding the handful of MBA programs with a historically anchored brand name, the characteristics that distinguish most MBA programs are the same: size, alumni, price, and location. Likewise, most MBA programs pursue the same goals, such as greater globalization, more diversity, and more valuable alliances, as well as the incubation of business startups and the construction of state-of-the-art facilities.

To achieve these goals, school representatives visit each others' campuses and Web sites to "borrow" good ideas. They conduct benchmarking studies of other institutions' programs, comparing them to their own. Consortia are formed to provide face-to-face opportunities for sharing information. Accrediting agencies impose similar criteria on the schools they visit. Deans devour the latest business-press rankings and find themselves driven to an identical set of scorecard metrics.

But the GHP doesn't stop there. It affects admissions brochures, which are laden with generalities, promising similar-sounding experiences through "innovative programs," "leadership development" or "international opportunities."

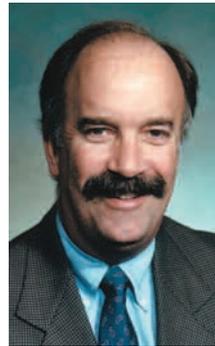
Schools often compete for the same faculty, students, and corporate friends.

Professors select course materials from the same directory of publishers and frequently exchange course syllabi. Case-oriented programs introduce lectures to clarify concepts, while lecture-oriented programs introduce cases to exemplify practice.

None of these factors, if taken alone, are necessarily to be avoided. It's natural to trade ideas with one's colleagues and seek to improve one's product. But when stacked on top of each other, these factors create an expanding arena of similar practices, philosophies, and purposes. It's not as if we're adapting ideas from other industries to our businesses, as Ford Motor Co. might do with lessons learned from Wal-Mart. We're all in the same business. We're all selling MBAs. By borrowing each others' ideas and mimicking each others' practices, we preempt differentiation between programs. We create not a robust and vibrant community of unique MBA programs, but rather a widespread, indistinguishable sameness.

At one level, the GHP may appear to be inevitable. After all, the risks and rewards of crafting distinctive MBA program features are problematic. Even modestly successful differentiations in an MBA program have historically been hard to defend and often do not contribute to a business school's pursuit of competitive advantage.

For the bulk of MBA programs, however, an unexplored challenge exists: to break the mold from which most modern MBA programs are created. We should seize the oppor-



tunity to create substantive yet distinctive programs that contribute to a school's long-term sustainable success.

In the spirit of this idea, I can suggest four areas that offer avenues for differentiation among

business schools.

First, we might target our class profiles. A diverse student body encourages rich interactions among students; but it also affects course content, and not always in a positive way. Like many professors, I currently teach students with a variety of learning styles, talents, personalities, career levels, life experiences, and nationalities. To design each course so that each student has the potential to achieve the course's learning objectives, I must create classes that are more general than I would with a more targeted group.

But what if schools geared their admissions processes to select students according to only one, two, or three very specific profiles, instead of assembling a class of students with a mixed, broad array of attributes as is commonly done? Under this model, professors could tailor courses to the learning needs of specific student groups. For example, I would design a very different accounting course for a classroom of international students who are visual learners with humanities backgrounds than I would for a classroom of American students who are kinesthetic learners with science backgrounds.

Such differentiation, of course, poses some challenges. Different programs might need to vary in length to accommodate different student groups. Faculty would need to design learning experiences and

We're all in the same business. We're all selling MBAs. By borrowing each others' ideas and mimicking each others' practices, we pre-empt differentiation between programs. We create not a robust and vibrant community of unique MBA programs, but rather a widespread, indistinguishable sameness.

course content tailored to the strengths and weaknesses of a specific student group's profile. Class sizes might have to be smaller to achieve tailored learning objectives, and the same courses might have to move at different speeds for different groups of students. Even so, with so many potential student body profiles from which to choose, a school has a number of opportunities to establish a reputation for excellence in targeted niches.

Second, we can change our educational philosophy, providing "just-in-time" (JIT) content instead of "just-in-case" (JIC). MBA programs are largely JIC in nature—that is, we say, "We think you should be able to calculate the capital lease liability reported for a publicly traded U.S. company." After learning the skill, the student goes to work for human resources in a privately held company, never giving that calculation another moment's thought.

Under a JIT model, however, recruiters hire students upon their admittance to an MBA program, not after graduation. Students learn skills that are immediately required by their employers, rather than skills that *might* be useful in the future. It would not be necessary for students to be on the hiring organization's payroll immediately, but their educational program would be determined, in large part, by the collaboration of the student, faculty, and the employing organization.

This model integrates students' work experience with their learning agendas. Therefore, the time from course design to delivery would need to be shortened to respond to students' learning and working needs. Schools would need to develop a process for identifying students

with similar JIT needs. They also would need to construct new methods for assigning faculty to courses, determining appropriate faculty loads, and evaluating student performance. But the customization of course content would attract organizations who want to hire students with the profiles a school serves, further differentiating an MBA program from its peers.

Third, we can create a more heterogeneous landscape for the MBA through the creation of and adherence to meaningful certification standards. Too many MBA programs appear to be "cash and carry"—once a student is admitted, takes the course requirements, and pays his bills, he earns his MBA degree. But do we truly identify real differences in student mastery? Not all admitted students perform at equivalent levels. We do not do a service to our programs, our students, or those who hire our students by awarding largely undifferentiated grades and generic degrees.

Indeed, it can be convincingly argued that the lack of differentiation among MBA graduates is the primary reason there might be a market for an MBA certification exam. Few programs have assessed and reported student performance in a meaningfully discriminating way; therefore, a certification exam would be a way for business schools and employers to evaluate student competencies. Such an exam, however, would not be an issue if business schools implemented a system to assess student performance, one that better communicated a student's competencies to prospective employers.

Finally, we can differentiate the degree itself. If undergraduate liberal arts majors complete an MBA pro-

gram tailored to them, we could differentiate their degree as an MBALA. If we tailored an MBA program to students with an engineering background, we might award them MBAEN degrees.

I'd like to make clear that I do not advocate differentiation for its own sake. Not every MBA program can specialize, and not every business school can accommodate students with unique objectives. But I believe that many untapped opportunities exist for MBA programs, and that thoughtful differentiation would rejuvenate the overall MBA community.

The siren call of the GHP is luring us to a land of commoditized programs, degrees, and graduates. It's time to acknowledge the GHP at work in our MBA programs before our programs become no more than mere commodities. Rather than funnel a diverse student body through a one-size-fits-all MBA program experience, let's be more boutique-like in our student segments, offering more customized programs and providing truly value-added educational experiences. Let's be more discriminating, partnering with employers to offer JIT curricula that students with a specific "need to know" can immediately put to use.

Let's seize the opportunity to be different and to define our programs in a more meaningful way. If we can do this, I believe the constellation of MBA programs has ample space for many stars to shine. **Z**

Mark E. Haskins is a professor of business administration at University of Virginia's Darden Graduate School of Business Administration, Charlottesville, Virginia. His colleagues Phil Pfeifer and John Rosenblum contributed to this article.

Bookshelf

■ The Customer Comes First

Many corporations—and business schools—focus on maximizing shareholder wealth as the only way to measure a company's success. Yet, judging success by shareholder wealth is an extremely inaccurate yardstick. The narrow emphasis on short-term profits often dooms a company to failure by sacrificing its future, because it requires that so little money or energy be invested in R&D, employee retention, or competitive advantages. A better method for determining a company's success and future course of action is to focus on corporate purpose, which is always to serve the customer.

So argues Richard R. Ellsworth—very persuasively—in his book *Leading with Purpose*. A corporation that makes all decisions based on how to serve the customer will have every other variable fall into place, from research and development allocations to market strategies. “A customer-focused corporate purpose provides the key to understanding performance and to enhancing the lives of those the company serves and those who serve it,” Ellsworth notes.

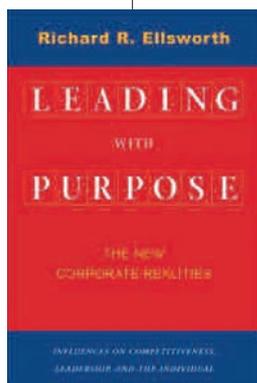
Concentrating merely on profits that can be funneled back to shareholders puts all that at risk. Ellsworth offers statistics drawn from a study of 23 companies with value systems variously built around the customers or the shareholders, or a balance of the two. Those that were customer-focused exceeded their industries' median performance by 36 percent; the shareholder-

focused companies did significantly less well.

That's one of the tidbits that should give pause to corporate leaders dedicated to maximizing shareholder wealth. Another is even more compelling, as Ellsworth points out the transitory nature of the shareholders' investment in the company,

since they can buy or sell shares at a moment's notice and have no real commitment to the long-term success of the corporation. “Does the shareholders' almost total lack of personal responsibility for the company's actions lessen their claim to property rights to the underlying corporate assets?” he asks. A few paragraphs later, he makes an even more chilling point: “By arguing that their overriding allegiance is and should be (both legally and morally) to the shareholders, senior managers can align themselves with one of their most docile major constituencies and thus increase their professional freedom.”

A long chapter on what individuals want from a work environment is well-researched and fascinating, tracing man's relationship to his job through religious, psychological, and historical contexts. Individuals who find some personal fulfillment in their jobs remain more loyal, are more motivated, and help the company retain the “embedded knowledge” that is so critical to the company's continued success. Yet even employee satisfaction is not more important than the overriding need to serve the customer. It is just a bigger part of the equation, in



Ellsworth's view—and he makes an extremely good case for his opinion. (Stanford University Press, \$35)

■ Organizational Ethics

The recent spectacular collapse of corporations from Enron to WorldCom has incited a new interest in business ethics, and Tim Hatcher's *Ethics and HRD* arrives right on time. In this complex, balanced book, he examines the issues that are driving the need for ethical behavior and corporate social responsibility—and then he dissects the various doctrines of corporate behavior, corporate worldviews, stakeholder theories, and leadership models that are most likely to lead to ethical behavior and social responsibility.

Though it is clear that Hatcher's own sympathies lie with environmental and social ethicists, he analyzes all theories with a thorough and detached approach. For instance, after a comprehensive discussion of the four major worldviews that dominate corporate cultures, he does not simply advocate the worldview of the “virtuous organization,” in which organizations foster the “good society” and feel an obligation to build a better world. Rather, he notes, “The ability to see and understand our own worldviews and acknowledge others' worldviews is a mark of socially conscious and values-based leadership.”

How do ethical practices relate to human resources development—which is, after all, a part of the book's title? Hatcher's basic premise

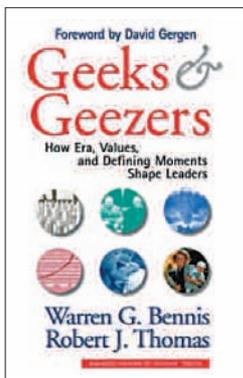


is that the field of HRD is still evolving, and thus its understanding of and promotion of ethical behavior is still somewhat undefined—but full of promise. “Can we relinquish responsibility to top management so easily? Human resource development professionals are just as guilty and the profession of HRD is as culpable as any CEO or top manager,” Hatcher writes. Thus if HRD professionals understand the necessity of ethical behavior, they can be at the forefront of defining corporate codes of ethics and training employees in socially responsible behavior. But to lead the charge, they first have to understand the issues; and that’s the mission of this book. (Perseus Publishing, \$32.50)

■ Brave New World Order

The great corporate leaders of the past are giving way to the volatile young Internet geniuses of the present, and the baton is being handed over in a world that has changed so completely in 50 years that virtually none of its touchstones are the same. Scary? Not to Warren G. Bennis and Robert J. Thomas, who compare the leadership styles and basic psychology of the two groups in the entertaining new book *Geeks & Geezers*. Their premise is that

Whether you’re geek, geezer, or middle-aged management pro who falls somewhere in between, you’ll be intrigued by the thesis offered up here.



leaders are partly a product of their eras, partly a product of some defining “crucible” of experience—and only partly a product of their own individual characteristics.

The authors offer concise descriptions of the two contrasting eras under consideration. Geezers, who grew up in the “Era of Limits,” were formed by the experiences of World War II. They value security, believe in a reward system, revere a list of heroes, and are highly patriotic. Geeks, who grew up in the “Era of Options,” are accustomed to constant change and value experimentation. Geeks have few common heroes and are focused on achieving balance in life. Geezers are built for endurance; geeks are wired for speed.

These two wildly different creatures do share some leadership traits, the most critical one being an adaptive capacity, what the authors call “the defining competence of everyone who

retains his or her ability to live well despite life’s inevitable change and losses.” They also have undergone life-changing experiences—from imprisonment to extraordinary mentoring—that have inspired them in their search for achievement.

The book is peppered with anecdotes from both the geezers (all over 70 years old) and the geeks (all under 35). An appendix lists the impressive credentials of the 25 geezers and 18 geeks whose experiences make up the basis for the book. Whether you’re geek, geezer, or middle-aged management pro who falls somewhere in between, you’ll be intrigued by the thesis offered up here. (Harvard Business School Press, \$26.95)

Quick Looks

Gary B. Brumback’s *Tall Performance from Short Organizations Through We/Me Power* presents a strategy for managing organizations through teams that are self-motivated, empowered, and ethical.

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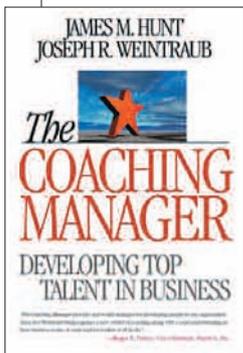
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Bookshelf

“Short” organizations are those with multiple layers of management between the workers and the executives. “Tall” performance is that given by workers who help set their own high expectations for behavior. Brumback’s theory is that workers who are directly responsible for themselves and the success of the company will almost always perform at a high level—and if not, their shortcomings will be easy to identify and potentially correct. As the author notes, some of the principles are obvious, but that doesn’t mean they’re actually in place in all business organizations. (1stBooks Library, \$3.95 electronically or \$7.50 plus shipping and handling for the paperback)



Most employees need a little help from time to time. New hires, recently promoted managers, longtime employees who are developing new skills—all need a bit of guidance to reach their full potential. The

best managers will quietly and effectively steer those employees through difficult times by listening closely to their needs and helping them think through what they can do to improve their performances. Sounds easy enough, but in today’s results-oriented business environment, some managers may not have the time or encouragement to coach the workers who report to them. Enter James M. Hunt and Joseph R. Weintraub with their book, *The Coaching Manager*. They note that coaching not only helps an employee learn valuable new skills, it ultimately creates a

better employee whose improved performance enhances the corporation’s bottom line. The book covers the need for coaching, the best way to approach certain employees who might not seem coachable, how a manager can improve his own coaching skills, and much more. (SAGE Publications, \$34.95 paperback or \$79.95 hardcover)

Grey House Publishing has produced the third edition of *Nations of the World*, a massive reference book that truly lives up to its subtitle as “A Political, Economic and Business Handbook.” Each entry begins with details about that particular country, including its official language, currency, square mileage, population, and gross domestic product, and goes on to offer quick essays on the country’s critical issues of the day. Entries cover topics such as the dress code, media outlets, passport requirements, working and banking hours, health precautions a visitor should take, and what telephone codes are used by major cities. Business directories at the end of each entry list contact information for banks, chambers of commerce, Internet sites, and travel offices. The book is an important and useful reference tool for any institution whose members travel widely or work often with many nations. (Grey House Publishing, \$135)

Jeffrey E. Garten, dean of the Yale School of Management in New Haven Connecticut, has published a new book that calls for a new paradigm for leadership. In *The Politics of Fortune: A New Agenda for Business Leaders*, Garten examines how the world has changed since the September 11 terrorist attacks and the corporate scandals that began

with Enron, and he asks what role business leaders should play in this new era. He recommends a new agenda for CEOs that will require them to restore their reputations and partner with the government in charting a new course for business.

■ Upcoming Books

Ilan Alon, professor at Rollins College’s Crummer Graduate School of Business in Winter Park, Florida, is co-editor of two new books that examine franchising in the countries that contain 80 percent of the world’s population and 60 percent of the world’s natural resources. Alon’s two books are *International Franchising in Emerging Markets: Central and Eastern Europe and Latin America* and *International Franchising in Emerging Markets: China, India, and Other Asian Countries*. Each book consists of articles by international authorities and provides an overview of each area’s legal, political, economic and social environment and offers case studies of companies already doing business in these markets.

Harvard Business School Press and the Center for Public Leadership at Harvard University’s John F. Kennedy School of Government, Boston, Massachusetts, have announced that they will develop a co-branded line of books focusing on “leadership for the common good.” Harvard public policy lecturer Barbara Kellerman will produce the first offering in this new line, a book that examines the dark side of leadership. Other titles may include historical, empirical, or first-person accounts written by prominent thinkers, scholars, business practitioners, and high-profile public leaders. ■

Spotlight

Connecting Continents

Instituto de Empresa
Madrid, Spain

An independent, not-for-profit business school, Instituto de Empresa (IE) is favorably situated in the financial district of Madrid, Spain's capital city. From this pivotal geographic location, IE provides an academic and cultural bridge between Europe and the Americas.

In the 30 years since its inception, IE has built a wide range of MBA program formats—some in Spanish and some in English—designed to serve an international community of professionals. “The need for internationally oriented managers has led us to increase international content in all courses,” says Gonzalo Garland, director of international relations. With this goal in mind, the school serves more than 2,000 students from more than 40 countries and boasts more than 28,000 alumni in businesses across five continents. In fact, more than 80 percent of its MBA students originate from outside Spain's borders.

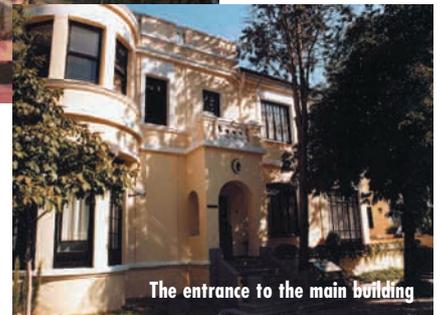
The school participates actively in student-professor exchanges and joint research programs with other institutions. Its IE Euro-Latin America Center, for example, links academics, business schools, and companies from Latin America and the European Union through training, research, and consulting services on business management. A year ago, the school also founded the Sumaq Alliance, a network of seven Spanish and Portuguese business schools that offers traditional courses and e-learning opportunities to exec-



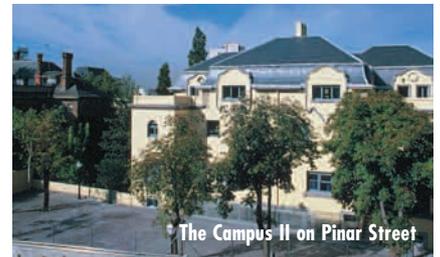
IE's campus at night



Students taking a break on the balcony of IE's central building



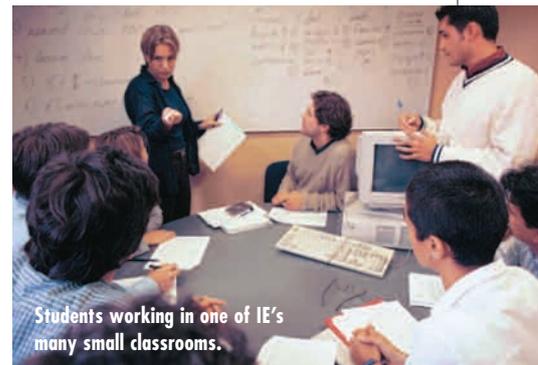
The entrance to the main building



The Campus II on Pinar Street

utives worldwide through its business unit, ielarning.net. Each school in the network contributes knowledge of its local markets, generating “synergies” of experience and content that would be difficult for a single business school to deliver on its own, says Antonio Montes, director of the alliance.

IE also places a special emphasis on entrepreneurship, points out Ignacio de la Vega, professor of entrepreneurship and strategic management. The IE Entrepreneurship Center developed and founded the International Center for Entrepreneurship and Ventures Development (ICEVED), a virtual portal that links more than 25 business schools, bringing together entrepreneurs with potential investors. “Entrepreneurship plays a pivotal role in the creation of wealth and employment for any society,” says de la Vega. “Every student at the Instituto takes at least 15 sessions on entrepreneurship and writes a



Students working in one of IE's many small classrooms.

business plan.” As a result, he adds, 25 percent of IE alumni engage in entrepreneurial pursuits within five years of their graduation.

Instituto de Empresa was accredited by AACSB International—The Association to Advance Collegiate Schools of Business in April 2002. It is also accredited by EQUIS and AMBA. **Z**