Al & Laura Ries
On Branding the B-School
Unlocking Leadership Potential
Multimedia Classrooms
**FEATURES**

16 **Battling for the Brand**
Branding gurus Al and Laura Ries discuss the power of effective brands and the immutable rules of teaching students how to create them.

24 **The Zen of B-School Branding**
Branding experts offer their advice for stamping a business school with its own brand identity.

30 **The Leader Within**
Today’s management students develop leadership skills by facing challenging situations inside and outside the classroom.

36 **Picking the Perfect Peers**
Schools seek to improve themselves by benchmarking themselves against their peers. But what’s the best way to choose a comparison school?

42 **Lights...Camera...Learning!**
High tech leads to enhanced learning as business schools incorporate a variety of multimedia presentation systems into their classrooms.
Raising the Bar

In September, I attended AACSB International’s Continuous Improvement Seminar in St. Louis, Missouri. At one session, I heard plenary speaker Douglas Eder, a professor at Southern Illinois University Edwardsville, draw an intriguing analogy between establishing a learning assessment program and, of all things, training killer whales.

To teach a whale to jump over a bar, said Eder, the trainer first submerges the bar under water and waits for the whale to swim over it. Then, he gives the whale a fish and raises the bar a bit higher. The process is repeated until the whale associates the task with receiving a fish. Eventually, the trainer raises the bar out of the water and the whale jumps over it with ease.

The same strategy works for other mammals. Whether it’s teaching business students or motivating faculty, you’ll need three things, Eder suggested: “First, there’s got to be a bar. Second, that bar must be held steady. And third—there’s got to be a fish.” For a business school, pursuing learning assessment without rewards is like training whales without fish. There would be no point to jumping any higher or getting any better.

For whales, the rewards are simple; but for people, they’re not so cut-and-dried. While some might argue that improvement is its own reward, most people expect a more tangible payoff. A good grade. A fat paycheck. A big promotion. In many cases, however, the rewards we pursue are misconceived.

In this issue, for instance, we explore the idea of branding, as it applies to a business, school, or individual. How do we choose features that identify our culture and seek rewards that motivate us to improve? Branding guru Al Ries, whom we interview for this issue with his daughter and business partner, Laura, notes that students too often confuse hefty paychecks with success, and hard work with self-improvement. Ries would “rather see people focus on what they like to do rather than on what they think they should do to get ahead.” Their paychecks might not be as fat, but the payoffs would be huge.

There’s no question that the bar of competition has been raised for everyone. But it’s not enough to pass over it successfully. One must succeed on levels that are meaningful. That depends on setting appropriate goals and pursuing them with fervor. Whether it’s a school defining its aspirations, an educator assessing a course, or a student planning a career path, the act will be only as successful as it is well-conceived.

Therefore, seek your fish wisely and set the bar high. Then, of course, go ahead and jump.
The solution to the doctoral shortage also will rely on increased levels of public and private funding, maintains DFC’s chair, Judy Olian, dean of The Mary Jean and Frank P. Smeal College of Business Administration, The Pennsylvania State University. Currently National Science Foundation (NSF) funding for key science, engineering, and social science initiatives is more than $2.2 billion, but less than $10 million is directed to business schools. Olian suggests the NSF and similar government sources worldwide should be identified and lobbied for increased support.

In addition to Olian, members of the DFC include Stuart I. Feldman, vice president of internet technology, IBM Global Services; Howard Frank, dean, Robert H. Smith School of Business, University of Maryland; Daniel R. LeClair, director of knowledge services, AACSB International; Bernard J. Milano, president and trustee of KPMG Foundation; Jone L. Pearce, interim dean, Graduate School of Management, University of California, Irvine; Stephen R. Watson, principal, Henley Management College; and Doyle Z. Williams, dean, Sam M. Walton College of Business, University of Arkansas.

The report of the DFC is merely a first step in bringing attention to the issue’s importance. “AACSB International will play a leadership role by facilitating dialogue with university provosts, presidents, and business leaders,” says Woo. “It is a global effort, supported by the major management education associations around the world.” The DFC’s complete report can be viewed on the Web at www.aacsb.edu.
“IT IS VITALLY IMPORTANT TO HAVE A THRIVING ENTREPRENEURIAL CLASS TODAY; BUT WE ALSO HAVE TO THINK AHEAD AND WORK HARDER TO GROOM NEW GENERATIONS OF ENTREPRENEURS WHO WILL CONTINUE TO INNOVATE, CREATE JOBS, AND CONTRIBUTE TO A MORE PROSPEROUS NATIONAL ECONOMY.” —Carl Schramm, Kauffman Foundation

Entrepreneurship Holds Steady

Entrepreneurial activity in the United States held steady in 2002 after a sharp drop in 2001, according to the “Global Entrepreneurship Monitor” (GEM), an annual study of entrepreneurship and economic growth conducted by Babson College in Wellesley, Massachusetts, and funded by the Kauffman Foundation of Kansas City, Missouri.

The 2002 U.S. entrepreneurial activity level—which found just over one in 10 Americans creating or growing new businesses—remained 50 percent higher than it was in 1998, according to the GEM report. In what researchers considered another good sign, 37 percent of Americans were optimistic in 2002 about the climate for starting a new business; that figure held steady from the previous year.

“The good news here is that the 2001 slump in entrepreneurship bottomed out in 2002 and may have set the stage for a return to new growth this year,” said Kauffman Foundation President and CEO Carl Schramm. “This report makes a powerful case for stepping up the best efforts of the Kauffman Foundation and others to get more new entrepreneurs into the pipeline. It is vitally important to have a thriving entrepreneurial class today; but we also have to think ahead and work harder to groom new generations of entrepreneurs who will continue to innovate, create jobs, and contribute to a more prosperous national economy.”

The study also found that, in the U.S., “informal investing” was holding up better than venture capital investing. According to the survey, 4.6 adults reported investing money in entrepreneurial firms, with 50 percent of those proceeds going to companies owned by relatives. The study also found that women continue to be less engaged in entrepreneurial activity than men. In the 18- to 24-year-old age bracket, men are three times more likely than women to start or grow a new business.

The GEM data also showed a solid correlation among entrepreneurship, education, and job creation. Nearly a third of entrepreneurs with less than a high school education expected to remain self-employed over the next five years, while 35 percent of the most highly educated entrepreneurs expected to employ 20 or more people over the next five years. For the full text of the GEM report, go to www.kauffman.org.

ASU Goes to Shanghai

Top-level executives and government leaders in China began classes last month at the W.P. Carey MBA Shanghai, offered by Arizona State University’s Carey School of Business in Tempe. The program was developed in cooperation with China’s Ministry of Finance and will be delivered in collaboration with the Shanghai National Accounting Institute.

The W.P. Carey MBA Shanghai will be delivered in Mandarin, through translators or by professors who speak that language.

Officials at the Carey School believe it is the first U.S. business school to partner with the government of the People’s Republic of China. Classes are designed to provide senior executives with the skills that will allow them to compete in global business. Two-thirds of the first class of 65 hold the position of chairman, chief executive officer, or executive/senior vice president in some of China’s largest state-owned enterprises. Faculty consists of Carey professors as well as professors from other top U.S. schools, including Massachusetts Institute of Technology, New York University, Stanford, and Yale.
Name Change for Brandeis B-School

Brandeis University’s Graduate School of International Economics and Finance, Waltham, Massachusetts, has become Brandeis International Business School, or IBS. The new name reflects a host of changes that have occurred since the school was established a decade ago, particularly the school’s increased emphasis on international finance, economics, and business.

School officials say the core content of the degree programs will remain the same, though current courses will be updated and new ones offered at the start of each semester to reflect developments in the world economy. The name change, however, is expected to benefit the 85 percent of IBS students who seek jobs in private companies.

The school will be undergoing other changes as well. A new building is slated to open in mid-October, roughly doubling capacity. In addition, the school has established the Rosenberg Institute of Global Finance, which will become IBS’s principal research platform in the field of international finance.

Six Schools Cited for Environmental Impact

Six business schools have been recognized as being on the cutting edge in giving students solid training in managing for environmental and social impact. Their achievements have been highlighted in Beyond Grey Pinstripes 2003: Preparing MBAs for Social and Environmental Stewardship, a new report issued by The Aspen Institute and the World Resources Institute, New York City. The survey includes data from 100 business schools in 20 countries.

The schools cited for having MBA programs that focus on the relationship of social, environmental, and financial factors are: George Washington University’s School of Business and Public Management, Washington, D.C.; University of Michigan Business School, Ann Arbor, Michigan; University of North Carolina Kenan-Flagler Business School, Chapel Hill; Stanford Graduate School of Business, Stanford, California; Yale School of Management, New Haven, Connecticut; and York University’s Schulich School of Business, Toronto, Canada. In addition, nine other schools were recognized as having significant activity in these areas, and 21 schools for having moderate activity.

“We’ve seen positive change this year and a lot of innovation taking place in selected schools,” said Judith Samuelson, executive director of the Aspen Institute’s Business and Society Program. “But the reality is too many MBA students still graduate without an understanding of social impact and environmental management.”

Beyond Grey Pinstripes 2003 also cited seven outstanding professors for their contributions to scholarship and outreach in the business sector. The Faculty Pioneer Award recipients are: for Lifetime Achievement, Thomas N. Gladwin, University of Michigan Business School; for Institutional Leadership, James E. Austin, Harvard Business School; for External Impact, Chi Anyansi-Archibong, School of Business and Economics at North Carolina A&T State University and S. Prakash Sethi, Zicklin School of Business at Baruch College; for being a Rising Star, Andrew J. Hoffman, Boston University School of Business at Baruch College; for being a Rising Star, Andrew J. Hoffman, Boston University School of Management; for Academic Leadership, Timothy L. Fort, University of Michigan Business School; and for Academic Leadership/European Faculty Pioneer, Alyson C. Warhurst, Warwick Business School.


Global Corporate Responsibility on the Agenda

This fall, the Audencia Nantes School of Management hosted a Global Corporate Responsibility Conference that allowed business managers, lawyers, nongovernmental organizations and others to join academics in a debate on the topic of corporate social responsibility. During the two-day conference, roundtables and workshops brought together experts from Canada, the U.S., Finland, Germany, the U.K., Belgium, and France to discuss the role corporations, universities, and NGOs should play in social responsibility. At the conference, the school also unveiled its own charter of responsibility to demonstrate its commitment to the cause.

The school’s conference partner was the European Academy of Business in Society, a group of higher education providers, business organizations, and firms that form part of the wider European Business Campaign on Corporate Social Responsibility. Its aim is to place corporate social responsibility at the heart of business theory and practice through research, training, and education.
Rotman Fills Five Chairs

The University of Toronto has announced five key appointments in the Rotman School of Management. Brian R. Golden has been named the Sandra Rotman Chair in Health Sector Strategy at the University of Toronto and the University Health Network. Golden is currently a full professor of strategic management at the school’s Rotman School of Management, with a joint appointment in the Department of Health Policy, Management and Evaluation at the University of Toronto’s Faculty of Medicine. Golden also will launch and direct the Rotman School’s Centre for Health Sector Strategy in partnership with University Health Network. The $5 million chair is the result of a gift from the Rotman Family Foundation, the University Health Network, and the Toronto General & Western Hospital Foundation.

Glen Whyte, a professor of organizational behavior and associate dean for curriculum at the school, will be the first holder of the Canadian Credit Management Foundation Chair in Integrative Thinking. The third chair, the John H. Watson Chair in Value Investing, has been made possible by a $3 million gift to the school from alumnus John Watson. Eric Kirzner, an authority on investment finance who has been with the university since 1989, has been named the inaugural chair holder.

Daniel Trefler, a professor of business economics, has been named the J. Douglas and Ruth Grant Chair in Competitiveness and Prosperity. Made possible by a gift from Douglas and Ruth Grant, the $2 million chair will focus on the development and dissemination of innovative strategies to enhance the competitiveness of both regions and nations.

Joseph R. D’Cruz, professor of strategic management, has been named the first chair holder of the Murray B. Koffler Chair in Pharmacy Management, a partnership between the Rotman School and the Leslie Dan Faculty of Pharmacy. The $2 million chair was established to honor philanthropist and alumnus Murray B. Koffler.

Feldberg to Step Down

Meyer Feldberg, dean of Columbia University’s Graduate School of Business in New York City, will step down on June 30, after 15 years in the post. As the longest-serving dean of an elite business school, Feldberg has presided over the graduation of more than 40 percent of Columbia Business School’s living alumni. Feldberg has accepted the Sanford C. Bernstein Professorship of Leadership and Ethics and plans to join Columbia Business School’s faculty full-time as the head of the School’s Sanford Bernstein Center for Leadership and Ethics.

During Feldberg’s tenure at the school, applications tripled, the curriculum was revamped to meet the international business needs of the 21st century, and executive MBA programs expanded internationally. Within the last three years, Feldberg initiated partnerships in the executive MBA program with London Business School and the Haas School of Business at the University of California at Berkeley. Fund raising also increased as he tapped into the school’s network of alumni, recruiters and business leaders to raise more than $250 million.

GE Awards Grant to PhD Project

The GE Foundation has announced it will continue its support of The PhD Project, a program designed to increase diversity in America’s business schools, with a $100,000 grant for the 2003-04 academic year. By encouraging African Americans, Hispanic Americans, and Native Americans to apply to business school and pursue a doctorate, the PhD Project hopes to diversify faculty at business schools and prepare all business students for today’s multicultural work environment.

“Diversity in education is an issue that demands commitment,” says Bernard J. Milano, the PhD Project’s founder. He also is president of the KPMG Foundation, which is the creator and lead sponsor of the program. “The GE Foundation’s generous contribution will help continue the momentum of The PhD Project, which has more than doubled the number of minority business professors in its nine years.”
Headlines

SHORT TAKES

The U.S. Army has awarded $2.5 million to two research centers at the University of Maryland in College Park to design and test a supply chain management system for the military’s new High Mobility Rocket Artillery System (HIMARS). HIMARS is a highly-mobile weapons system that can launch guided rockets and then move away from its location at high speed to avoid detection. The Supply Chain Management Center at the university’s Robert H. Smith School of Business and the Center for Public Policy and Private Enterprise at the School of Public Affairs will collaborate on the 12-month project.

In other news from University of Maryland, the Smith School has recently received two key donations. Real estate developer Robert H. Smith has pledged an additional $3 million to the school; the funds will be used to build and enhance the school’s technology resources over the next three years and to finance a three-year marketing initiative. The Robert H. Smith School of Business was named in honor of Smith in 1998, when the business school alumnus provided an endowment of $15 million. In addition, Jane Frank, owner of the Worlds of Wonder art gallery in McLean, Virginia, has pledged $500,000 to the school to recognize the contributions of her husband, school dean Howard Frank. In recognition of the gift, the school has named its largest auditorium the “Howard Frank Auditorium.” The 250-seat auditorium is located in the school’s new 103,000-square-foot wing, which opened for classes in September 2002. The Smith School will use part of Jane Frank’s gift to stimulate fund raising by providing the matching dollars often needed to secure other donations. The gift will also support general operations.

Henley Management College in Henley-on-Thames, England, has launched a new International Centre for the study of Media, Technology and Culture (ICMTC), with Michael Hulme taking the position of director. The center’s goal is to become a research and future insight center examining the role of communications technology usage, applications, and development.

The University of Hawaii at Manoa College of Business has named James R. Wills Jr. interim dean. Previously, Wills served as associate dean of the college. The professor of marketing has served in a number of academic leadership positions before serving as associate dean.

The University of Texas at San Antonio announced today a $2 million gift from Richard Liu, the chairman of Superior Holdings Limited of Hong Kong. The gift will be used to further expand the Liu’s Family Foundation U.S.-China Business Education Initiative that Liu established in 1998 with a $1 million contribution. Key components of the Liu’s Family Foundation program include graduate student and faculty exchanges, executive educational opportunities, research collaboration, and joint programs between the College of Business and top universities in China.

Anjan V. Thakor has been named the John E. Simon Professor of Finance at the John M. Olin School of Business at Washington University, St. Louis, Missouri. Thakor joins the Olin School from the University of Michigan, where he served as the Edward J. Frey Professor of Banking and Finance from 1996 to 2003 and as the chairman of the finance department from 2000 to 2003. Thakor is the editor of the Journal of Financial Intermediation and the author of four books.

Daniel S. Fogel has joined the Babcock Graduate School of Management at Wake Forest University in Charlotte, North Carolina, as the assistant dean of the Babcock School, dean of Charlotte MBA programs, and executive professor of strategy. Fogel will be responsible for the university’s evening and Saturday MBA programs at the university’s Charlotte campus. Starting in January, he also will be responsible for nondegree executive education programs.

Wayne Shaw, a professor of accounting at Southern Methodist University’s Cox School of Business, Dallas, Texas, has been named the Helmut Sohmen Distinguished Professor of Corporate Governance. Shaw is an expert on financial disclosure and reporting, as well as mergers and acquisitions and initial public offerings. Shaw plans to use the resources of the Sohmen Chair to develop multidisciplinary courses that explore ethical decision-making and corporate governance, in particular board relations and board management issues.
David Stout has been named the John S. and Doris M. Andrews Chair in Accounting at the Williamson College of Business Administration of Youngstown State University in Ohio. Stout will be responsible for establishing new partnerships with the accounting profession and business community; enhancing the curriculum, faculty development, strategic partnerships, and student services; and increasing the visibility of the YSU accounting program through speaking engagements. The Andrews Chair in Accounting was established in 2001 with a $1 million gift from the Andrews Trust.

Keith J. Crocker has been named to the William Elliott Chair in Insurance at the Smeal College of Business, Pennsylvania State University, University Park, Pennsylvania. Crocker will provide research leadership in insurance and risk management, bridging across disciplines into areas such as finance and accounting.

Saint Joseph’s University in Philadelphia, Pennsylvania, and China Pharmaceutical University in Nanjing recently launched a joint Pharmaceutical Marketing MBA program, and classes began in August. This is the fifth partnership Saint Joseph’s has signed with a Chinese university. As part of the programs, Saint Joseph’s faculty teach a portion of their courses in China and students come to Philadelphia for a summer semester to complete their curriculum requirements. The remaining required courses are taught at the respective Chinese university.

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THE AMERICAN DREAM STILL WORKS.
Four new appointments have recently been announced at the School of Business at Quinnipiac University, Hamden, Connecticut. Patrice A. Luoma, professor of management, has been appointed director of the master’s in business administration program. Patrick S. Frazier has been appointed director of international education, a position that allows him to provide international educational experiences for undergraduate, graduate, and professional students. He also will increase the international activities of faculty and staff and internationalize the curriculum. Angela Mattie has been appointed assistant professor of management in the School of Business. Christopher P. Ball has been appointed assistant professor of economics at the school, where he specializes in international macroeconomics, industrial organization, and econometrics.

Three accountants have been named as the 2003 Accounting Hall of Fame inductees: Philip W. Bell and Edgar O. Edwards, authors of a seminal book on business income measurement; and James J. Leisenring, who has played a key role in the development of financial reporting standards. The Accounting Hall of Fame was established in 1950 at The Ohio State University’s Fisher College of Business in Columbus and has since honored 73 influential and respected accountants from academe, accounting practice, government, and business. The Hall of Fame’s international board of electors selects the honorees.

Mike Pego has been named the new dean of the Erasmus Graduate School of Business at the Rotterdam School of Management in the Netherlands. He succeeds Kai Peters, who has accepted a position as chief executive at Ashridge. Page, who has served as dean of academic affairs since 2000, also is an honorary professor of the University of Cape Town at the Graduate School of Business and holds professorial appointments at Henley Management College and Stellenbosch Business School.

The Anderson School at the University of California at Los Angeles and the Business School of the National University of Singapore have launched a dual-degree EMBA program. The intensive program comprises six two-week residential segments in Los Angeles, Shanghai, and Singapore over 15 months, providing in-depth exposure to the intellectual and business cultures of all three of these cities.

Several new appointments have been made at Georgia State University’s Robinson College of Business in Atlanta. Irene M. Dubalime, professor of management and Zwerner Chair for Entrepreneurship and Family Business, has been chosen to chair the management department. Kenneth L. Bernhardt, Taylor E. Little Jr. Professor of Marketing and Regents Professor, will chair the marketing department. In addition, associate dean Jane Mutchler will return to her role as director of the School of Accountancy. Mutchler, who was recently appointed president of the American Accounting Association, will remain in her role as associate dean for the remainder of the year.

Two appointments have recently been announced at the Richard T. Farmer School of Business, Miami University, Oxford, Ohio. Joseph (Jay) Keyne has been appointed the Cintas Chair in Entrepreneurship and will oversee the teaching and research activities in the Thomas C. Page Center for Entrepreneurship in the School of Business. Christine Adamow has been named the new director of the school’s Thomas C. Page Center for Entrepreneurship.

Richard A. Highfield has been named the dean of the Peter J. Tobin College of Business of St. John’s University in Jamaica, New York. He replaces Peter J. Tobin, who moves to a new role as special assistant to the president of the school.

Ball State University in Muncie, Indiana, is receiving nearly $17.2 million from the estate of Wallace T. Miller Jr., the largest single private gift from an individual in the school’s history. The gift, which establishes the Phyllis A. Miller Professorship in health economics, will result in the business school being renamed the Miller College of Business. In addition to creating the professorship in economics, the gift will allow the school to offer new programs, provide new...
opportunities for faculty and students, and improve the college’s ability to communicate with alumni and supporters.

The Mays Business School at Texas A&M University in College Station received a $500,000 gift from alumnus Brandon C. Coleman Jr. The money will provide for a business chair in the marketing department in Coleman’s name. The gift was matched by the A&M’s Vision 2020 Matching Program to create a $1 million endowed chair.

Minnis Ridenour, executive vice president and chief operating officer of Virginia Tech in Blacksburg, will be stepping down from his position during the summer of 2004. He plans to continue teaching at the graduate and undergraduate levels in financial management for governmental and nonprofit organizations during the academic year 2004-05. He will also handle resource development and special projects as requested by the administration.

The Leeds School of Business at the University of Colorado at Boulder has received a $1 million donation from Dick and Jean Engebretson, both alums of CU. The money will be used to support various initiatives. Dick Engebretson is the executive vice president of DMG World Media, an international exhibition and publishing company.

In other news from Leeds, the school has announced that Robert Kolb has been appointed assistant dean for business and society. In this position, he will coordinate the Leeds School’s business and society initiative that examines the impact business has on society. The initiative also includes related programs such as the annual Japha Symposium on Professional and Business Ethics and the Leeds Summit Award for Social Impact.

Richard L. Nolan, professor emeritus of The Harvard Business School, has been named the inaugural Philip M. Condit Endowed Chair in Business Administration at the University of Washington Business School in Seattle. The professorship was established in 2001 with gifts totaling $1 million from The Boeing Co.

Babson College of Wellesley, Massachusetts, has established the Institute for Family Entrepreneurship within the Arthur M. Blank Center for Entrepreneurship. Founding director of the institute, Timothy Habbershon, comes to Babson from the University of Pennsylvania, where he was founder and director of the Wharton Enterprising Families Initiative. He will hold the President’s Term Chair in Family Enterprise and serve as an assistant professor of entrepreneurship.

The Weatherhead School of Management at Case Western Reserve University, Cleveland, Ohio, has announced two new appointments. Scott Shane has become a full-time professor in the school’s economics department, while Edward M. Morrison is the new executive director of the Weatherhead Center for Regional Economic Issues (REI). Shane, who will also serve as academic director of REI, is a leading scholar in the study of entrepreneurship and technology transfer. Morrison, an economic development consultant for 18 years, has developed strategies for organizations around the country and manages a joint venture in China for American investors.
Battling for the Brand
Any organization can go from boom times to bankruptcy on the back of a poorly planned marketing strategy or a lackluster brand. Only by being first in the mind of consumers, according to father-daughter marketing team Al and Laura Ries, can any business—or business school—succeed.

If war is hell, then so is marketing. At least, it is when it comes to developing effective strategies to win the loyalty of consumers, says Al Ries, one of marketing’s most prominent figures for the last two decades. Ries often compares marketing to warfare, both in conversation and in the 1997 book he co-wrote with Jack Trout, *Marketing Warfare.* He emphasizes that it’s really a battle out there—any manager who doesn’t quickly seek the high ground and secure his territory is almost sure to lose.

Ries has come to this conclusion after spending years helping businesses differentiate themselves from their competitors. After graduating from DePauw University with a degree in liberal arts, Ries worked for General Electric and then two New York advertising agencies before starting an advertising agency with Trout. After a few years in the business, he and Trout realized that most companies were in marketing trouble. They didn’t see that advertising and PR weren’t separate entities, but two halves of an inseparable whole.

“We would present advertising programs to our clients that called for a change of product name, a change of strategy, or a change of marketing direction. The client would say, ‘Wait a minute, we hired you for advertising. We do the marketing—you do the ads,’” says Ries. “We realized that companies didn’t know that if the marketing is wrong, it doesn’t matter how good the ads are. They’ll still fail.”

In response to what they perceived as a widespread misunderstanding of marketing, Ries and Trout wrote several other books, including *Bottom-Up Marketing; Positioning: The Battle for Your Mind;* and *The 22 Immutable Laws of Marketing.* Ries now frequently speaks to employees of global companies to give them new perspectives on advertising, PR, and branding. In 1994, Ries and Trout parted ways. Ries now partners with his daughter Laura in their business Ries & Ries in Atlanta, Georgia. (See “Like Father, Like Daughter?” on page 20.) The two have co-authored *The Fall of Advertising and the Rise of PR, The 22 Immutable Laws of Branding,* and *The 11 Immutable Laws of Internet Branding.*

In an increasingly crowded field of business schools, the true battle isn’t in the rankings, says Ries, but in establishing a brand identity in the minds of consumers. And it’s not enough for a school to get its message to the masses or even to have the best product available, he emphasizes. To win over consumers, any organization has to find its true identity, focus its products, and, above all, fight to be first.

You spend a great deal of time trying to help companies distinguish between advertising and PR. Why do you think it’s so difficult for them to tell the difference?

I think they’re under a lot of pressure. Any good-sized company has an advertising agency and a PR agency working for it. The advertising agency will always say, “Spend more money on advertising”; and the PR agency will always say, “Spend more money on PR.” Most of our clients throw up their hands and say, “We don’t know what to do.” So they give the advertising people some money, they give the PR people some money, and then they hope for the best.

We try to show companies the difference between the two functions. We don’t downgrade either function, but at certain times, you should focus on one or the other. For example, at the launch of the brand, when the brand has no credibility, you need to power PR. PR has many disadvantages, but its one advantage is its credibility—people tend to believe the message. Once a brand has been established, you should focus on advertising. Advertising has many advantages, but its main disadvantage is that it’s not believable. The only thing you can really say in advertising is what people already believe. For example, if an ad says Volvo is a safe car, people will say, “Yes, that’s right. Volvo is a safe car.” If an ad says Dodge is a safe car, people will say, “No it isn’t. I’ve never read anything about Dodge being a safe car. That’s just an ad.”

Marketing and branding are significant parts of the business school curriculum. What do you think is the biggest misconception about these topics still taught in a business school classroom?

The biggest misconception that colleges include in their courses is the notion that you should start with advertising and develop the concept—what advertising people like to call “the big idea.” Then, you use PR to publicize the ads. What we’re saying is, “No, go in the opposite direction.” Use PR to start the fire, and use advertising to fan the fire.

For instance, when you start a war, the first thing you do is use air power to soften the defenses. When the defenses are softened with air power, then you move the infantry in to occupy the territory. When you study strategy at West Point or another military school, they don’t teach infantry strategy and air force strategy separately. They teach military strategy and consider both elements. One’s not more important than the other.

The same thing is true with marketing. You use PR to soften the consumer’s defenses and establish credibility in the consumer’s mind. Then, when you have that credibility, use
advertising to move in and hold that territory and hold those consumers. A student who studies advertising or PR separately will never get the right combination of ingredients and will never be a very good marketing person.

From your viewpoint, how would you teach Marketing 101 students to take a long-term approach to brand-building and marketing, especially when so many corporations and stockholders are now interested in short-term results?

That’s a big problem, as a matter of fact. Many people might believe what we’re saying, but then they go to work for a company that’s focused on short-term, quarter-by-quarter results. They often find the strategies that we suggest will not necessarily improve short-term results, only long-term. I think a young person working for a big corporation is in a very difficult position, because the pressures of the organization will force him to do the opposite of what we think are good strategies. And corporations don’t change at the bottom; they have to change at the top.

For young business graduates today, it’s probably better not to start with a big company. They should start with a smaller company that has more control and more interest in doing things differently. I find that there’s often not much room for innovation in a large company that already has existing ways of working.

Having said that, I have seen indications that big companies are beginning to rethink their approaches. For example, I recently spoke at Proctor & Gamble’s worldwide marketing meeting. For Proctor & Gamble to invite me to talk about the use of PR versus advertising shows that even the biggest companies are thinking that their current way of launching new brands is not necessarily correct.

There are many examples of good and bad corporate marketing. What would be the two corporate branding stories—one a success and one a failure—that you think absolutely should be taught in the business classroom?

The success of Nokia, which now owns 35 percent of the world’s market for cell phones, is a very good example. Nokia once made everything from tires to personal computers. It followed one of our key principles: It focused its products. It decided to focus on cell phones. Now, according to the brand evaluation firm Interbrand, the Nokia brand is the sixth most valuable brand in the world.

Most businesses in small countries feel they can’t build big brands because they live in a small country. Companies located in small countries say, “This is Guatemala. We can’t do that.” They think they’ve got to live in the U.S. to build a big brand. So, Nokia is a very good example of a company that has built a world-class brand from Finland, which only has five million people.

Would you say that the only reason for Nokia’s success is that it focused its product line?

No, that was just the first step. And I’m not saying that every company that focuses its product is going to be successful. I’m saying the opposite, that if a company doesn’t focus, it will never be successful. I don’t care how good it is, how good its products are, or how good the management is. Without that first step, focus, it’s not going to be successful.

Here’s further proof of that—the other half of the story. Nokia competes with a much bigger U.S. company, Motorola, which had the inherent advantage of inventing the cell phone. But Motorola is the typical big company that’s into everything. It’s into semiconductors, personal computers, mainframe computers, satellite communications system. Without focusing on one product, Nokia would not have been as successful against Motorola.

And what is a failing corporate strategy students should study?

Kodak is an interesting case. Kodak is a company that stands for photographic film. Today’s business is going to digital photography, yet Kodak is still trying to play the game with its film. Every year it’s falling further behind by trying to make the Kodak brand stand for two different things, regular film and digital photography. What Kodak needs to do is to develop a second brand, to do what Toyota did with Lexus, what Black & Decker did with DeWALT, what Levi’s did with Dockers.

The other side of the coin is Polaroid. Polaroid stood for instant photography, and then it tried to take the Polaroid brand name into a lot of different products unrelated to instant film photography. It eventually went bankrupt. The
same thing happened with Western Union, which tried to take its telegram brand name and use it for telephones. That was a disaster, and it eventually went bankrupt, too.

In Positioning: The Battle for Your Mind, you and Jack Trout wrote that, “Too often, management people don’t know how to manage their own careers. They think that hard work is all that counts.” Business schools teach management at an organizational level. Do you think they adequately teach business students the skills of self-management and self-promotion?

Well, most young people I know have no strategy except working hard. I have a son-in-law who works 12 hours a day and on the weekends; he’d work 24 hours a day if he could. I’m not saying that hard work isn’t helpful, but hard work isn’t a strategy. It’s just like warfare: Your army can try very hard, but if it’s positioned wrong, it’s going to lose.

Students need a strategy, similar to those we talk about in our books. They need to focus on something. Schools should ask them, “If Volvo means ‘safety’ and BMW means ‘driving,’ what do you mean?” Most students will say, “Uh, I don’t know. I’m a hard worker.” That’s not good enough.

Do you think many business school career offices view their work preparing students for their careers as a form of branding?

They should. I’ve advised people on their careers on an informal basis. One of the first questions I ask is always “What do you like doing?” as opposed to “What are you good at?” Because students may be fundamentally good at something, but if they don’t like what they’re doing, they probably aren’t going to be very successful in the long run. Students have to have a focus, but I’d rather see people focus on what they like to do rather than on what they think they should do to get ahead. They may not make as much money doing the things they like to do, but they’ll be more successful and happier. That’s a better goal in life than just making money.

In this issue, we’re also featuring an article on b-school branding. In your book, The 22 Immutable Laws of Branding, you write, “Marketplace Darwinism is survival of the fastest.” That is, an organization should avoid being second at all costs. In many markets, such as athletic shoes, computers, or even cars, there are usually just a few competitors. But with business schools, there are thousands. Trying to be first can be a daunting prospect. How would you advise a business school to find effective ways to make a name for itself in such an expansive market?

If a business school decides to focus on something, it can rapidly develop a reputation for being first or the best. Thunderbird is a good example, with its focus on global studies. In fact, Thunderbird is one of the very few schools I know of that has actually focused its curricula on something, rather than just creating a perception of being focused. Wharton at the University of Pennsylvania has the perception of being focused on finance, but it’s not. If you look at its curriculum, Wharton is no different from Harvard or many other business schools. The same thing goes for Harvard. It has the perception of being focused on management, although its curriculum isn’t focused on management.

Schools like Wharton and Harvard are juggernauts in the business school industry, and there are many other schools with aspirations to those top spots in people’s minds. Are top-tier schools ever truly safe? For example, IBM’s dominance was once unquestioned, but now it’s beset by its competitors. Can that happen in the business school market?

What undermines an established brand most is technological change, as it did with IBM. IBM was very powerful when the mainframe computer was the biggest thing in business. But technology changed and the personal computer became big. IBM didn’t make the right decision. It should have launched a second brand, the same thing Kodak should have done.

The same is true for business schools. Technological change—it may be the Internet or something in the way business is managed—will allow business schools to focus on something different, something that might eventually undermine the power of Harvard, Stanford, Wharton, Chicago, Northwestern, and the other well-established schools. I think, frankly, globalization is also a factor that may undermine an established business school brand. You could have the most powerful business school in the world if you were focused on global business. Right now, Thunderbird is doing this, but I’m not sure it’s in the right location or has the right
Laura Ries has marketing in her blood—literally. As Al Ries’ daughter, she has been influenced significantly by his expertise in the marketing biz. After graduating with a degree in communications from Northwestern University in 1993, Ries worked as an account executive with New York City’s TBWA Advertising, handling such brands as Woolite and Evian. She partnered with her father in 1994 to form Ries & Ries Consulting and to co-author a number of best-selling books. In 2002, she was named a “management guru” by Business 2.0 magazine.

The lessons she has learned from her father have been invaluable, says Ries. As a marketing consultant in the 21st century, Ries has moved away from being “Al Ries’ daughter” to making a name for herself as a respected marketing strategist. And she has a distinctive point of view on what companies are doing right—and wrong—to get their marketing messages across.

You’ve obviously been strongly influenced by your father, but many children want to go in the opposite direction from their parents! When did you first discover that you wanted to make marketing your career?

My father very wisely never pushed the business on me. He only encouraged what became my own interest in advertising and, later, marketing. Growing up I loved going into New York City with my dad to his advertising agency. I always knew deep down that I wanted to be involved in the business somehow. First, I wanted to act in commercials. Then I wanted work in advertising. And, finally, I wanted to work as a marketing strategist with my dad.

Had it not been for the proximity of your father’s expertise, do you think you would have gone to business school?

I certainly would have chosen to go to business school to study marketing. In fact, I applied to Harvard and Kellogg my first year out of college. Of course, I was rejected, due mostly to my lack of experience in the post-college working world. But the rejection pushed me to quit my job in advertising and start my partnership with Al sooner rather than later. I figured, why wait two or more years to start doing what I already knew I wanted to do? I had a lot to learn in the first couple of years, but I studied hard and got to learn from the best. My dad has given me the best education in marketing that money could buy.

Your father mentioned that you and he think fairly alike when it comes to marketing. However, you look through the perspective of a different gender and generation. Is there a point at which you, perhaps not disagree, but approach the field differently from your father?

We definitely agree on the basic principles of marketing. On the execution side, however, I have more knowledge of trends among younger consumers, especially women. Although we have worked together on a strategy for a tampon company and he had some good insights. But there is nothing more embarrassing than discussing tampons with your dad all day.

Do you think that today’s upcoming younger generations are influenced by and respond to brands in the same way as past generations?

I think that brands have only become more important to the upcoming generations. Brands are used by people to define their identities. You are a Pepsi drinker, Volvo driver, Mac user, TiVo devotee, Timberlake fan, Wall Street Journal reader, etc. In addition, the Internet is having a greater influence on people’s daily lives and the speed at which information can be shared.

What areas of marketing do you think are most neglected by business schools?

I think the basic principles of positioning and branding are underemphasized, and the principles of public relations in terms of brand building are very much neglected. Business schools place too much emphasis on advertising and extending brand equity through line extensions. Instead, schools should spend more time teaching the principle of focus and showing that brands are strengthened by narrowing, not extending, their focus. Think Starbucks and coffee, Subway and submarine sandwiches, Red Bull and energy drinks. They should also emphasize that great brands are built with PR, not advertising.
Business schools place too much emphasis on advertising and extending brand equity. Instead, schools should spend more time teaching the principle of focus and showing that brands are strengthened by narrowing, not extending, their focus.”

—Laura Ries

resources to execute that strategy. INSEAD is also very good at global branding.

You mention two dominant forces—the Internet and globalization. The two are really interconnected, in that the Internet has in large part made globalization possible. But they represent huge minefields for business, linguistically, culturally, technologically. How can business schools overcome those hurdles in order to market themselves to such a heterogeneous audience?

There are a lot of professors writing articles and books on the subject, but nobody really knows how it’s all going to work out. You can really only build brands at the periphery of these trends, if you will. That is, you’ve got to get in early. Apple got in early with the first personal computer; Intel got in early with the first microchip. The Internet, global branding, global marketing, and developing global corporations that aren’t really located in any one specific country—an institution that focuses on these developments could be very powerful.

Institutions should focus on these developments rather than focus on finance and try to upstage Wharton, or focus on management and try to upstage Harvard. It’s better to pioneer new territory and hire professors who are recognized experts in new disciplines. That would take a business school a long way toward building a perception of being first in these new areas.

The world where everything was going to happen on the Internet obviously never happened. Magazines are printed, shopping still happens at the mall. But the Internet is still a very powerful force. What role does and should the Internet play in an organization’s efforts to brand itself?

In one word—information. There will be some buying on the Internet, but in almost every situation today people use the Internet to get information about a product or service. And then they decide where and how to buy it—by phone, on the Internet, or at the store. Almost every company should be evaluating its information, communications, and activities via Internet. This is a shift in advertising, too. It used to be that people used advertising to convey information about products and services, like the Sears Roebuck catalog. But these days the Internet is a more efficient way of doing that. People can search for specific information on the Internet much more easily than they can go through the pages of a catalog.

Can the way you present information on your site interfere with your brand? Or is it that when you put up information that’s true for your school, the brand and perception take care of themselves?

That’s an interesting point. That’s where the power of having a focus comes in. If you’re a business school that offers all sorts of things, what is your site? It will be like everybody else’s. The way to make the site look different, feel different, and act different is to have some sort of focus, which will immediately make your site more powerful. A lack of focus will make it messy and complicated. Look at Amazon.com. Amazon used to be simple, and now it sells everything. It’s more complicated, and that’s hurting the company.

Designing an Internet site that’s really helpful and useful is not an easy task these days. The best way to do it is to simplify. Interestingly enough, I think over time most institutions of higher learning have just accumulated all sorts of courses and programs. As a result, everything becomes way too complicated, and that shows up on their sites.

Say that a business student or young manager is given a seemingly impossible assignment—to develop a brand-building campaign that will succeed in supplanting the current dominant brand in the consumer’s mind. Is that even possible?

The fundamental way to accomplish that is to be the opposite. The difference between Home Depot and Lowe’s is a good example. Home Depot is perceived to be messy, male-oriented. So Lowe’s, the No. 2 brand, became clean and female-oriented. Today, Lowe’s is making a lot of progress and doing better than Home Depot.

Likewise, Wal-Mart is perceived as being downscale and inexpensive, so Target became the opposite. It’s perceived as “cheap chic.” Coca-Cola is the old established cola, so Pepsi said, “We’re for the younger generation, the Pepsi generation.” The fundamental strategy is that if you want to build a brand against a dominant competitor, you must try to figure out what No. 1 is and be the opposite of No. 1. In the busi-
Most students do a very good job of learning in the classroom, but they don’t do as well in following what’s happening in the world of business. I find that a lot of younger people think they know everything. But if you ask them what happened yesterday to General Motors, they’ll say, “Well, I don’t know about that.”

—Al Ries

If a business student wanted to become the best marketer and brand-builder in the world, what early experience do you think would prove most valuable to him or her?

Most students do a very good job of learning in the classroom, but they don’t do as well in following what’s happening in the world of business. I find that a lot of younger people think they know everything. But if you ask them what happened yesterday to General Motors, they’ll say, “Well, I don’t know about that.”

If students want to be really good in this business, they have to pay the price, which is spending a considerable amount of time every day reading about what’s happening in business around the world. Students must be able to form opinions about what’s good and bad through observation of what companies are doing or not doing. Unless they’re up-to-date on what’s happening with the larger companies in the world today, they can’t really form a good conceptual approach to marketing.

And in marketing, things are constantly changing, so to be really good, students have to read the business press and the newspapers—The Wall Street Journal, Fortune, BusinessWeek, Forbes, The Economist, The New York Times, USA Today. I subscribe to five newspapers and maybe 200 or 300 magazines. I don’t think there’s a magazine of any note that I don’t read.

It also seems, then, that another challenge for students is not only being up-to-date, but also being
capable of producing a timeline of what’s happening with a company.

Oh, yes. When students read about a company doing this or that, they need to ask, “Is this good or bad?” Then, they need to continue to observe what’s happening with a company. That’s the only way to develop confidence.

Students will never be good at marketing unless they have confidence, and they develop confidence by making predictions and then watching them happen. If they make predictions that don’t happen, students should realize that they’re doing something wrong. That should be constantly in their minds as they read about what these companies are doing.

You have spent your career examining the roles of advertising, PR, branding. In your opinion, what’s the next mountain to climb in the marketing arena? What’s the next wave that organizations should expect to affect their marketing strategies?

Laura and I are working on a book on innovation. We want to explore the areas that companies should focus on in order to innovate and how they should use technological innovation to advance their causes and build their brands.

How do you respond to critics who say that branding, advertising, and marketing aren’t quite as clear-cut as some of your books make them out to be? Is it possible to oversimplify branding, advertising, and marketing and how they all interact?

I would certainly agree with most people that nothing about marketing is at all simple. The process is complicated. But even in a complicated situation, such as warfare, if you don’t have a simple analogy or a simple way of looking at what you’re doing, you probably aren’t going to be successful. That’s my main complaint about most marketing managers—they know everything, but they don’t know enough to apply simple, logical, conceptual ideas to what they’re doing. They run off in all directions doing hundreds of different things. They might do each individual thing well, but they don’t have an overall grasp of what they’re trying to do.

Look at Burger King, for example. Burger King has spent hundreds of millions of dollars every year on all sorts of programs. Instead, it should be the opposite of McDonald’s. Get rid of the swings and slides. Get rid of all those value meals. Let that business go to McDonald’s—it’s going to go there anyway. Burger King should become the grownup business and focus on a different customer.

This may be a simple way of looking at it. But after you simplify it, you need to work out a program. You need to think of the complicated ideas and do the complicated work. But first you’ll always need an overall, simple, conceptual analogy to guide you.
en practitioners often ask the enigmatic question, “If a tree falls in the forest and no one is there to hear, does it make a sound?” The elusive answer may be best left for Buddhist mystics and acoustical scientists to ponder. A more straightforward question to ask might be, “If a business school offers educational programs and no one identifies with its offerings, does it matter how good they are?” Here, the answer is unequivocal: No.

Yet, business school marketing programs often confuse the quality of their programs with their identities in the marketplace. That can be a mistake, says Tim Westerbeck, executive vice president of Lipman Hearne, a marketing consulting firm with offices in Chicago, Illinois, and Washington, D.C. Creating a recognizable name that resonates meaningfully in the public mind—that is, a powerful brand—is not about a school’s characteristics, he says. A brand is less about a school’s rankings and test scores, and more about its culture and mindset.

“When you pick up a school’s view book or look at its Web site, it’s almost always focused on product characteristics. That’s sales,” says Westerbeck. “Branding is based on who you are, not what you do.”

A business school brand should also take into account its hopes for the future, adds George Sopko, vice president of New York City’s Stanton Crenshaw Communications, “As we put it, branding should capture both the ‘is’ and the ‘ought.’ It should describe not only who you are, but also what you aspire to be.”

Increased attention to business school branding has led to much soul-searching within the administrations and faculty of individual schools. Branding is an art, both Westerbeck and Sopko admit, but it isn’t rocket science. Rather, it’s a culmination of discussions that start with business school staff and students asking and answering one single question: “Who are we, really?” To develop a distinct brand, say consultants, business schools must look at their histories, their legacies, and their ambitions to uncover what it is they truly stand for in the business school market.
Establishing a brand identity for a business school is not about what its students, faculty, and staff can do, say branding experts. It’s about how they think.

“Your Brand Is Not ‘Excellence’”

For decades, business schools have banded together to explain the value of the business degree to the public. Now that the MBA and other business degrees are better understood, the drive to differentiate has come once again to the forefront.

“Branding will become one of the most prominent drivers of value across the increasing number of business schools in the next decade,” says Martin Roll of VentureRepublic, a Singapore-based strategy consulting firm specializing in branding. “The branding strategy and program need to go far beyond the product portfolio and embrace the whole offering from the business school, including products, people, price/value, and place.”

Even so, when asked what makes their schools special, many deans will point to their “commitment to academic excellence,” says Westerbeck. By touting excellence as their main distinguishing characteristic, many business schools have unintentionally mired themselves in a sea of sameness.

“There has been a shocking degree of similarity across the board in the way business schools position and market themselves. I do brand presentations for business schools and say, ‘Your brand is not “excellence”—that brand is already taken,’” says Westerbeck. “Nor is it ‘global education,’ nor is it ‘teamwork.’ Those buzzwords have already been used.”

The problem, submits Sopko, is that being classed as “different” has not always paid off for business schools in public venues of evaluation, such as the rankings. On the one hand, business schools want to differentiate themselves. On the other, they all want to be part of the same club.

“For the most part, business schools want to produce students who have all the qualifications and expertise that companies hiring MBAs want,” says Sopko. “Employers aren’t looking for ‘radical’ or ‘unique’ institutions. Those words scare businesses, at least when they’re hiring MBAs.”

That mindset seems to be changing though, says Sopko, as businesses seek more innovative ways to master their individual markets, while addressing prominent issues such as ethics, entrepreneurship, and competitive strategy. As a result, they’re looking for business schools with distinct and identifiable cultures and brands that best coincide with their own.

A Reality Check

Because a brand refers to a school’s identity, however, it cannot be forced. A brand should be based on the reality of a school’s present situation and culture. And above all, says Westerbeck, it must be believable.

“Schools are notorious for ‘deciding’ what the school’s brand is. The deans, administrators, and faculty sit around the table and follow a basic ‘we make it, you take it’ psychology. They’ll decide what their brand will be, then they’ll go out into the marketplace and figure out how to make everyone believe it. That simply doesn’t work,” says Westerbeck.

What a school’s culture and brand truly are can come as a surprise, even to those most closely involved with a school’s inner workings. “I’ve done many focus groups to ask people what they thought of a business school. I can’t think of a time when school administrators weren’t shocked to hear what alumni and corporate leaders think of them,” says Westerbeck. “Sometimes they’re angry, sometimes they’re pleased. Almost always, what people think is very different from what the administrators expected.”

While it may be nearly impossible to change perceptions that are based on what the school actually is and on the product it offers, this doesn’t mean that a school is limited by the public’s current perception of its culture. Rather, it should base its brand on what it already does well, or alternatively, what it has the resources to change.

“Sometimes people believe they can achieve their aspirations through marketing alone, by going out and telling people that we’re no longer regional, we’re a national player,” says Westerbeck. “Sometimes people believe they can achieve their aspirations through marketing alone, by going out and telling people that we’re no longer regional, we’re a national player,” says Westerbeck.

Sure Paths to Bad Branding

When developing a brand, business schools often fall into some common psychological traps, experts say. It’s important that a b-school brand be focused enough to represent its true value to the market but flexible enough to grow with the school as the market changes. “Big picture” thinking will help schools avoid creating a brand with a focus that’s too narrow.

The “one great department” trap. Schools fall into this trap when they try to limit their brand to only one part of the faculty, says George Sopko of Stanton Crenshaw Communications. “Many schools fixate on only one department to the exclusion of others. But all of a school’s departments should support the larger brand.”

To avoid this mistake, Martin Roll of VentureRepublic advises schools to look closely first at what each individual department has accomplished to discover the common thread that holds them all together. “A business school needs to pick one or two of its strongest selling points and build a consistent and unique ‘brand package’ around them,” says Roll.

continued
The common mistake among brand marketers is to try to embrace too many messages in brand-

Westerbeck. “It makes much more sense for a regional school to build a brand on the aspiration to be the best regional provider and to build the scope of its product in its region than to decide it’s going to be in the oranges business after it’s been in the apples business for years. You have to decide that it’s OK to be what you are and become better at that. Or you have to be willing to change your product offering.”

Sowing the seeds of branding where a school already is makes eminent sense, agrees Sopko of Stanton Crenshaw. “Many business schools fall into the trap of thinking they have to have a national or international reputation, when they should really start at home, looking at the impact of their brands locally and regionally,” he says. “Business schools often aren’t as defined as they should be in their local markets, especially those that are part of a larger institution.”

AACSB International’s recent mission-based accreditation standards have gone a long way toward allowing schools to be true to their own strengths and aspirations, Westerbeck adds. Mission-based standards allow schools to create a brand that truly illustrates where they fit in the marketplace.

A Single Message

Branding, say these consultants, is only effective when it infiltrates the mindset of an entire organization, from the person who answers the phone, to the marketing departments, to the librarians, to the upper management. It’s not enough to get everyone on board with a business school’s brand message. It’s also imperative that they communicate it through almost everything they do internally and externally.

Likewise, it is also important to target a brand to each audience a business school reaches. “Imagine how different your school looks to a 24-year-old MBA student, versus a 50-year-old professor applying for a job, versus a 68-year-old potential donor. These are radically different market segments, all of whom are surrounding the same product offering. If your message doesn’t speak to these different markets, your branding won’t be successful,” says Westerbeck.

He adds that many business school departments remain segregated when it comes to marketing and branding efforts, which can sink a brand before it is even launched. “For the vast majority of schools, what goes on in admissions and recruiting is considered their marketing, yet they are only small segments that make the impact of that institution,” he says. “In business schools, rarely are all of their departments integrated, rarely do all work from the same strategic plan, rarely do all communicate the same message.”

Instead, Westerbeck advises schools to examine every avenue that they use to communicate their messages to others in an effective way. It is important to recognize that branding efforts must be ongoing and perpetual.

“The ‘we do it all’ trap.” The flip side of the first trap occurs when schools try to do too much, Roll adds. “Less is more in this context. The common mistake among brand marketers is to try to embrace too many messages in brand-building efforts. Target audiences get confused as the communication does not come through clearly and with the desired impact. The messages are diluted because the audience finds it difficult to get an idea of what the business school’s brand is all about.”

“The ‘it’s all about the logo’ trap.” Just as a single department should not carry a school’s brand, neither should a logo or graphic design motif, no matter how visually appealing that motif may be. “I’ve seen many schools mistake their logos for their brands,” says Sopko. “The school wants to build a brand, but ends up focusing only on design. That’s a huge mistake. The design and the logo are the easy stuff. The brand is a position, a way of thinking.”

“The ‘singing to the choir’ trap.” To create an effective brand, business schools should ask people at the school, in business, and in the general public what they think of when they think of the school. However, limiting these conversations to people who already identify with the school in some way is only getting half the picture, emphasizes Tim Westerbeck of Lipman Hearne.

“To do this the right way, you don’t just go out and sing to the choir,” he says. “While it’s helpful to speak to alumni and donors who already love the school, canvass those who haven’t developed an affinity with the school. You also should approach as many people as possible about their perceptions of the school—especially those who didn’t choose to apply or attend, who didn’t donate money, or who don’t recruit students. Why did they never develop an affinity with the institution?”

“The ‘we’re done’ trap.” Branding, say these experts, is not a terminal project. It’s important to recognize that branding efforts must be ongoing and perpetual.

“Sometimes, higher education institutions go through this whole branding exercise, and then say, ‘Whew, we did it! We’re done.’ Then, they put that work into a drawer and forget about it,” says Sopko. “The key is to communicate it. Start internally, because your best brand ambassadors are your faculty, staff, and students.”
A strong branding message has the power to change the way a school's faculty, staff, and students think about themselves and their school. For example, the Mendoza College of Business at the University of Notre Dame in Indiana recently released its annual dean's report—this year titled “Worthy.” It asks the question, “What makes a business college worthy?” The report, which plays on the words “worth” and “worthy” throughout, struck a chord with readers and even won a gold award in the League of American Communications Professionals’ 2002 Vision Awards Annual Report Competition.

“Everything we do has a branding implication,” says Carolyn Woo, dean of the Mendoza College. “Because we are a Catholic institution, our entire mission is about achieving academic excellence in the context of a faith-based institution. It’s not just about success, but about achieving success with an understanding of the responsibility that comes with success.”

Past reports have also followed the lead of the school’s overall brand. Mendoza’s last report, titled “Bursting,” pictured a seedling unfolding and followed a theme of finding expression, explains Woo. The report before that, titled “Impact,” carried a theme of responsibility. The report’s gold award isn’t as important as the fact that the brochure’s message—and with it Mendoza’s brand—was effectively conveyed. Not only that, it resonated with the staff as a reinforcement of their collective accomplishments and aspirations.

In addition, the school’s brand is expressed through everything the school does, says Woo. For instance, Mendoza’s new classroom wing, the Giovanini Commons for Collaborative Learning, has an aesthetic and atmosphere that reinforce a feeling of communal interaction and responsibility. She also weaves the school’s brand throughout her own speeches and articles, and encourages her faculty to do the same. “I don't give speeches called ‘Worthy,’” she says, “but, for example, I’ve given a speech titled ‘Grace in a Competitive World.’ I’ve written an article for BizEd called ‘Personally Responsible.’ That particular theme is repeated in everything we do.”

A brand is both an identity and an outcome, Woo believes. In fact, Woo has found that once a faculty and staff understand a school’s brand they develop a sense of pride in that identity. More important, they bring the brand’s spirit into their work and research. In this way, they perpetuate and enhance what the brand signifies.

“Of course, it’s wonderful if people like the work and understand the message,” says Woo. “Even so, my greatest moment of satisfaction came not when I received the notification that the Worthy brochure won the gold award, but when a faculty member said, ‘I received the magazine and I felt so proud that I was a part of this.’”

“Worthy” Efforts at Mendoza College of Business

A strong branding message has the power to change the way a school’s faculty, staff, and students think about themselves and their school. For example, the Mendoza College of Business at the University of Notre Dame in Indiana recently released its annual dean’s report—this year titled “Worthy.” It asks the question, “What makes a business college worthy?” The report, which plays on the words “worth” and “worthy” throughout, struck a chord with readers and even won a gold award in the League of American Communications Professionals’ 2002 Vision Awards Annual Report Competition.
internal and external audiences. Business school administrators often forget that their staff, faculty, and students have a great impact on how a brand identity reaches the public, whether through a conversation, an article, or a television interview. When everyone doesn’t just understand the brand, but believes in it and communicates it as “brand ambassadors”—that’s b-school branding at its best.

A Brand of One’s Own

Even if a school’s academic offerings are excellent, a student may still look elsewhere if the school does not communicate its product in a way that connects to his or her aspirations and individual beliefs. Therefore, when a school focuses too much on product characteristics, class offerings, or academic specialties, it risks missing the point of branding.

“I don’t mean to diminish in any way the huge amount of work that schools put into defining their curricula,” says Westerbeck. “But it’s amusing to me that most prospective MBA students don’t really care much about the details. They just want to know that they’re going to an institution that will be well-matched with their aspirations and that will help them achieve something in their careers.”

Diversity. Ideas. Independence. Community. Entrepreneurial spirit. These terms represent the core principles behind the brand of INSEAD, with campuses in Fontainebleau, France, and Singapore. “It is a combination of these elements that fuels our ambition, which is to be the most innovative and influential global business school,” says its dean Gabriel Hawawini. “That’s what we see our brand as being all about.”

They are grand aspirations for a relatively young school, Hawawini admits. INSEAD graduated its first class of MBA students in 1960. But without clearly defined, stated, and communicated goals, emphasizes Hawawini, the school’s students, faculty, and staff would have no consistent voice with which to communicate what INSEAD stands for.

Like most business schools, INSEAD comprises multiple departments including its MBA, executive education, and development and fund-raising departments. “They all are looking after their own programs. So, we get together to discuss how we can keep sight of the bigger picture,” says Hawawini. In addition, the school works regularly with a marketing consultant and asks everyone to adhere to strict corporate identity guidelines. In this way, everyone knows what they can and cannot do with colors and the INSEAD name and logo.

The values that make up INSEAD’s brand have been slowly woven into the school’s identity since its inception. The school has not done so deliberately, stresses Hawawini, but rather it has looked back at its history and based its current identity and ambitions on its evolution. And that strategy has worked. The school’s international reputation is now backed by its “no dominant culture” mantra, which ensures that no one nationality—not even the French—make up more than 10 percent of the student body. The notion of ‘minority’ is a very positive one at INSEAD, Hawawini points out. “We say, ‘Everyone is a minority at INSEAD.’ There is no dominant culture. It’s truly multicultural.”

To further establish the multicultural aspect of its brand, the school also cut ties with the origin of the INSEAD name, which used to be a French acronym standing for the “European Institute of Business Administration.” The school dropped the acronym 13 years ago in favor of the simpler “INSEAD” moniker. “The ‘E’ stood for European, so we made the decision to drop the acronym and forget its origin,” says Hawawini. “We are first an international and global institution,” he added, so limiting its association to Europe was no longer appropriate to the school’s identity.

Branding, says Hawawini, is important for any business school that strives to be known for its unique qualities, rather than for its general offerings. “In the larger business school market, people go to ‘get an MBA.’ We want to position ourselves this way: It’s not an MBA. It’s the INSEAD experience,” he says. “If the term ‘MBA’ is banned, that’s fine with us. That’s the point of branding.”
Branding goes beyond a product or school, says Sopko, to an individual’s view of the world. “At a cost of $60,000 to $100,000, an MBA is a very carefully considered purchase. It’s not a $60 pair of shoes or a $1,000 computer,” says Sopko. “The selection of a business school becomes a part of a student’s personal branding process.”

Over the long term, the degrees students eventually earn will comprise a much larger portion of their identity than the shoes they wear, the cola they drink, or the cars they drive. Students will identify with the business schools they choose, and so they will choose those schools carefully. It only follows that business schools, as well, must very carefully create their brands.

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29

BizEd

NOVEMBER/DECEMBER 2003

“Bold ideas. Lasting impact.” Those four words, which are the foundation of the new brand for Case Western Reserve University’s Weatherhead School of Management, have 18 months of work and soul-searching behind them. The school, based in Cleveland, Ohio, worked in part with Stanton Crenshaw Communications to develop its new brand, which was recently launched in a schoolwide celebration.

Michael Devlin, Weatherhead’s executive director of relationship management, notes that it took some time for school staff to come to an agreement about what the larger business school represented, to itself and to the public. “Every two weeks, everyone who communicated with various audiences met, and I asked, ‘What is unique about Weatherhead? What makes it different from Duke or Emory?’”

However, because they all came from different departments within the business school, they all had their own stories to tell, says Devlin. “The exec ed department said, ‘We teach leadership better than anyone else.’ Our admissions staff said, ‘We treat our applicants with more consideration.’ Our health systems management department said, ‘We teach health systems management better than any other school, and we’ve been doing it for 35 years.’”

While those claims may or may not be true, Devlin adds with a laugh, the theme that ran through all of those stories became evident. “Finally, we came to the conclusion that our history is punctuated with some really radical ideas, and that those ideas that peppered our history were really what makes Weatherhead unique. So, that’s where ‘Bold ideas. Lasting impact’ came from.”

Those four words are taken from the following, longer brand statement: “Among the world’s best business schools, Weatherhead is a leading catalyst for advancing bold ideas that have a lasting impact on business and society.” What’s important about that statement, says Devlin, is not just that people hear those words, but that they internalize the brand’s message, which will become a part of every form of internal and external communication in the school. The goal, he says, is that the school’s faculty, students, and staff all begin to tell the same story.

“Beyond that, I hope that it becomes so much a part of our culture that it becomes second nature to people,” says Devlin. “I hope that when you meet someone from Weatherhead, that person will be talking to you in terms of the school’s ongoing legacy of bold ideas.”

Such an internalization of the message is already clear in some of the world’s biggest companies, Devlin points out. “Look at Ford, which proclaimed that ‘Quality is job one.’ That was a statement not just to customers, dealers, and suppliers, but also to its employees. No matter whether an employee works on the production line, in the marketing department, or in the finance department, Ford is going to stand for quality, so you’d better come to work with that in mind.”

Weatherhead’s brand is only a few months old, says Devlin, but it already has taken hold of the imaginations of its staff. “I was at a marketing meeting, and someone offered an idea that we host a major annual conference on a particular area of expertise. Immediately, all the barriers went up and everyone started saying, ‘Yeah, but…’”

“The person simply responded, ‘Hey, this is a bold idea and it would have a lasting impact on the school.’ That stopped everyone. The idea won instant respect,” Devlin says. “The brand is already at work. I think that’s wonderful.”

A Bold New Brand at Weatherhead

“The Peter B. Lewis Building at the Weatherhead School of Management
Four years ago, the U.S. Army published a manual on leadership with three words imprinted on the cover: “Be—Know—Do.” References to that manual on leadership Web sites brought a flood of calls and e-mails from people who felt the U.S. Army had developed the perfect shorthand phrase to describe the concept.

“Ten years ago, that wouldn’t have happened. These days, people are hungry for meaning and significance,” says Frances Hesselbein, chairman of the board of governors of the Leader to Leader Institute, formerly the Peter Drucker Foundation for Nonprofit Management, New York City. Her own definition of leadership is even simpler: “It’s a matter of how to be, not how to do. We may spend much of our lives learning how to do and teaching others how to do it, yet in the end it is the quality and character of the leaders that determine the performance, the results.”

Teaching potential CEOs not only how to do, but how to be, has become the challenge of business schools as they determine how to coax their students into developing the practical and ethical frameworks that will enable them to be leaders. The increasingly urgent focus on leadership has partly been a byproduct of corporate scandals and partly a response to a cry for leadership from the business community.

“About 20 years ago, business schools became more focused on teaching technical skills, and these hard skills began to crowd out softer skills,” says Richard E. Sorensen, dean of the Pamplin College of Business at Virginia Tech in Blacksburg. “Then businesses started to say, ‘Hey, your graduates have great tech skills, but they can’t lead different types of task forces.’ Some of them also couldn’t run a meeting, communicate with people, or get teams to agree to common goals."

To create students with those abilities, more and more schools have put leadership skills at the heart of a business degree. Since 1992, all MBA students at the University of Pennsylvania’s Wharton School in Philadelphia have been required to take a leadership course in their first year. “The underlying premise was that companies that hire our students want them to come out of the program having acquired all the skills that define great leadership,” says Michael Useem, professor of management and director of the Center of Change and Leadership at Wharton.

Sorensen expects leadership eventually to become as important as technical skills at b-schools. That’s certainly true at Virginia Tech, which has made an emphasis on leadership almost as high a priority as its emphasis on the IT skills that are the school’s hallmark. The b-school administrators who share Sorensen’s views on the importance of leadership are realizing that their next hurdle is to figure out how to teach the concept in a classroom setting.

### Leadership Deconstructed

For the most part, today’s business educators are trying to break leadership skills into a variety of teachable chunks, some of them experiential and some of them observational. “We can’t teach people how to lead, but we can provide ideas, justification, and a few devices to help students develop their own leadership styles,” says Useem. “We conjure up in the classroom situations where they are put on the line and have to think strategically.”

Students also study leaders who have operated with and without integrity. “Through case analysis, along with an introduction to more conceptual ideas, we provide students with a framework to think about their own character development and integrity,” Useem says.

Leadership is taught on multiple levels, says Lee G. Bolman, Marion Bloch/Missouri Chair in Leadership at the Bloch School of Business and Public Administration at the University of Missouri-Kansas City. Not only must students acquire an understanding of the concepts and strategies that result in good leadership, they must learn about themselves and their own beliefs.

“Leadership is a performing art in which self is the vehicle,” says Bolman. “In some ways it’s like acting. In knowing who I am, knowing something about how people see me, knowing what I care about, what my goals are, or what’s important to me, I can understand who I am as a leader.”

Therefore, to learn leadership, students undergo a three-part learning process that fairly closely follows the dictate of that old Army manual. They are exposed to case studies so
Within
they know about good and bad leaders; they experience challenging situations where they have a chance to do exercises in leadership; and they develop an awareness of their own skills and personal beliefs so they know how to be excellent leaders.

Exposing students to an array of good and bad role models might be the easiest part of teaching leadership. At Wharton, students look at executives from AT&T, HP, IBM, Toyota, Daimler-Benz, and British Airways to deconstruct what corporate leaders did right and wrong and what they should have done differently.

“I tell them, ‘Don’t try to emulate anybody else, but look at the best and the worst to know how you want to behave,’” says Useem. He stresses how eBay’s Meg Whitman built a top-notch management team that saw her through rough times, whereas Ken Lay had no such talent to draw on when Enron started going down. “I tell students, ‘You don’t want to copy Meg Whitman or do the exact opposite of what Ken Lay did, but borrow from the best of Meg Whitman and avoid the worst of Ken Lay. Decide what you need personally.”

Bolman notes, “Students can learn a great deal from wrestling with leadership challenges, even if they’re doing it vicariously.” At UMKC, teams of students research leadership issues at Enron and Andersen, drawing some background information from a multimedia presentation put together by the Darden Graduate School of Business Administration at the University of Virginia. “There are wonderful video clips of Jeff Skilling and Ken Lay and the whole senior cast of characters at Enron talking about their values and their ethics. That gives you a very interesting set of questions. When they say these things, are they sincere? Are they lying? If they’re not lying, what happened at Enron? We also look at more heroic examples like Jack Welch of GE or Ricardo Semler of Semco in Brazil. I look for a range of people.”

Leadership Through Experience

Providing students opportunities to exercise leadership in demanding situations is at least as important as discussing the issues of leadership. At the University of Michigan Business School in Ann Arbor, incoming MBAs participate in a program called Multidisciplinary Actions Projects (MAP), in which teams of four to six students analyze business problems and offer solutions to real-world problems. “They spend seven weeks in the field full-time on multifunctional projects comparing the learning system at business schools to medical schools. “You do not learn open-heart surgery from the best researcher. You learn it from a cardiologist who has cut 1,000 times and takes you with him into the operating room.”

Other schools have crafted a variety of experiential learning opportunities, some of which take place in the classroom, some outside. “We offer mentor/mentee experiences, where students spend time shadowing someone in the real world,” says Bolman. “We also send students into real-world situations.”

For instance, in UMKC’s EMBA program, second-year students are put in consulting teams and assigned to assist small, struggling, inner-city businesses. “Many of the businesses have very weak management systems—they’re very loose and entrepreneurial,” says Bolman. “Inevitably, what the students find out is that a lot of the challenges rise from working with the people, particularly whoever is in charge.” Partway through the consulting project, Bolman says, the faculty leads the students through a leadership assessment process so students can study the links between leadership, strategy, and culture.

At Virginia Tech, students in the business leadership minor practice leadership through voluntary activities. For instance, the career fairs are all student-run, and about $3 million of Virginia Tech’s investment portfolio is managed by students working in self-led teams. A number of students, primarily scholarship recipients, also participate in a special leadership program set up at one of the residence halls. Through this program, they work on leadership development and experiential learning by providing high school and campus leadership training, supporting events like Earth Day, developing campus diversity initiatives, and working on other projects.
One of the key components of today’s theory of leadership is that more experienced executives must constantly teach leadership skills to those coming after them.

Some leadership activities, however, can take an even more adventuresome turn. For instance, Wharton students can choose to participate in a series of Leadership Ventures, out-of-classroom experiences that allow them to make decisions under stressful conditions. These excursions include treks through the Himalayas, Ecuador, and Patagonia, as well as a day at the U.S. Marine Corps training center in Quantico, Virginia. “Going through the pressures of a Marine Corps drill helps students become better at making tough decisions when the world seems to be going to hell in a handbasket,” says Useem. “Getting through the Marine Corps training will give them the confidence to get through their current experience, whatever it might be.”

These experiential learning opportunities tend to kick-start a student’s sense of self-awareness as well. For instance, at UMKC, a one-hour simulation gives students a chance to practice leadership skills—but also forces them to make some self-assessment. That simulation, which is centered around an organization trying to produce a product, includes among its players a client, a top manager, and various workers. The simulation is set up so that every player feels a high level of pressure to achieve his particular goal.

“It gets intense,” Bolman says. “I’ll interrupt the exercise halfway through so we can reflect on what’s going on and students can get feedback from the people around them about how they’re responding to challenges. This is one important way that people can learn about themselves.”

To encourage that sense of self-awareness, Bolman also has his students write a “leadership autobiography” in which they describe the people and events that have influenced them. “That history is enormously influential in a lot of ways, but most people haven’t really thought about it or used it to think about where they are now or where they might go,” he says.

Leaders as Teachers

Students become most aware of their own leadership strengths when they begin training others to be leaders, and those leadership qualities are developed most rapidly when the learning occurs in teams. While history primarily has viewed leaders in “great man” terms, says Bolman, significant shifts in the working world have led to shifts in the view of leadership.

“As we move to more complex organizations existing in a fast-changing turbulent world, the old model of one person at the top making the decisions just doesn’t work,” Bolman says. “As businesses have decentralized and moved decision-making to a variety of nodes, they inevitably need more leadership from more people in more places in the organization. Historically, the assumption has been that leadership is something people do with their subordinates. One of the things that people who are reasonably sensible realize is that, no, leadership is something you do with subordinates, with peers, with people outside, and very much with your boss.”

Most business schools require students to function in teams at least part of the time to hone their ability to work with others. At Wharton, incoming MBA students are divided into teams, as balanced as possible in terms of genders, nationalities, and business backgrounds. To complete their various projects, the teams rotate leadership responsibilities among the members while the others take on different roles, such as background researchers. “The best projects come from the teams that learn to act together and exercise shared leadership,” says Useem.

Hesselbein of the Leader to Leader Institute refers to this shared leadership responsibility as “circular management,” and it’s a style she has employed for at least 30 years. She acknowledges that it’s not easy for many of today’s organizations to dismiss the old command-and-control form of leadership. “If you throw out the old hierarchy, that old chart that everyone inherits, then you have to look at the language. You have to purge it of ‘up’ and ‘down,’ ‘top’ and ‘bottom,’ and ‘superior’ and ‘subordinate.’ We find when people move into a circular system, enormous energy is released. But you have to have faith in your own people and your own ability to lead to move an organization into this kind of structure.”

You also have to be willing to teach leadership concepts to others, for one of the key components of today’s theory of leadership is that more experienced executives must constantly teach leadership skills to those coming after them. At the University of Michigan, Tichy leads five-day workshops for incoming MBAs that explore the “virtuous teaching cycle,” in which learners become teachers who continue to learn interactively from their own students. The program is designed to help them develop a platform for their own “teachable point of view” that they can then pass on to others as they enter the corporate world.

This concept is also in play at Wharton. Through its Cadre of Leadership Fellows, select students receive additional training in how to help teams lead themselves more effectively. While working with study teams, students develop their own leadership capabilities and learn how to develop leadership in others. “One of the defining elements of leadership is being good at helping others develop leadership in themselves,” Useem says.

Useem also drives home that point when he finishes teaching a course on leadership. “I tell students, ‘You’ve gone through a number of ways to conceive, define, and illustrate...
leadership. Now your calling is not only to exercise it but to help everybody around you, especially subordinates, become better at it as well. Leadership is not just about your making the big decision, but about your training the next generation below you to be the best leaders they can possibly be.”

**Change and Ethics**

Not only must today’s leaders develop self-awareness and learn how to teach concepts of leadership to others, they must know how to cope with two of the most critical issues in business today: change and ethics.

“Without question, the No. 1 theme in business in the last few years has been teaching people how to create change and to know when to do it,” says Useem. About six years ago, he says, Wharton created its Center for Leadership & Change Management, dedicated to helping people understand how to “lead and how to make decisions during times of enormous uncertainty and stress. So when markets are volatile, when the world is really unpredictable, when competitors are appearing in the backyard, and when globalization leads to the lowering of national boundaries, they can be swift and sure-footed.”

Change and leadership are strongly linked, agrees Bolman. Leaders—who are often the change agents—do not always understand that even positive change produces a sense of loss, he says. Because the leaders have already integrated their own sense of loss into the project, they have moved past its effects and are not prepared for its impact on the people around them. “But if they aren’t aware of its effects, they might not be able to make sense out of what are often surprising, powerful, but sometimes subtle and hidden ways people resist change.”

One of the frightening things about change, says Bolman, is that it reconfigures basic routines, so that things once taken for granted no longer apply. “In organizations, not only does change disrupt patterns, but it often means that you’ll be asked to do things that you might not understand how to do,” he points out. “All of a sudden, in a sense, you’ve been de-skilled. That can be really scary—and infuriating.”

Good leaders not only understand how change will affect their people emotionally, but they forecast when change might occur, so that they can be more prepared to deal with it. The Leader to Leader Institute suggests that organizations undergo a self-assessment every three years, revisiting their missions and scanning the environment for two or three major trends that will have the greatest impact in upcoming months. “If the board of governors and the management team keep watching for change, they will always have the missions and goals that serve them best,” says Hesselbein. “That’s one of the best ways to lead change. Then there are no surprises—that you have any control over, that is. There are always earthquakes.”

Just as important as the subject of change is the topic of ethics. “My own view is that you can’t talk sensibly about leadership without talking about how leadership is based on certain criteria and values,” says Bolman. In the past, he notes, leadership classes took more of a how-to approach. “How do you lead? Should you be more task-oriented or more people-oriented in your leadership style? But inevitably you get to the question of purposes and values, and those have to be part of the subject matter that’s taught.”

In fact, the ethical base at the core of any leader determines what kind of leader he will be, maintains Sorensen of Virginia Tech. “You can have a very effective leader who has no ethics, such as Hitler or Stalin; but a leader who does not have ethics creates a disastrous situation,” he says.

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**Corporate Challenge**

Universities that don’t find ways to offer MBA students more practical experience will find themselves left behind by corporations that engage in their own leadership training programs, believes Noel M. Tichy of the Michigan Business School. It’s a trend he predicts will continue, even if universities create strong leadership programs.

“Fundamentally, the leaders will be doing much more of the teaching inside the organization,” he says. “Leaders develop leaders. Professors and consultants are the worst people in the world to develop them.” He likens teaching leadership to raising children. “If you had kids, would you hire a consultant or a professor to sit at your breakfast table and share your values with your children?” Since the answer is clearly “no,” he believes some of the strongest leadership programs in existence are those at companies like GE, PepsiCo, Royal Dutch Shell, and Best Buy, where top executives engage directly with rising managers.

Tichy taught for many years at GE’s Leadership Development Center in Crotonville, New York. At the time, executives were learning from case studies and hearing lectures from professors based at a variety of elite business schools. Tichy helped reorganize the center so that managers began to focus on “action learning” —real work projects. “We decided to throw out the cases and bring the top executives in so we could wrestle with
While many schools have incorporated ethical discussions into their basic lectures for more than a decade, Useem admits that these issues have taken on “a certain degree of salience in the past 18 months, particularly in terms of character and integrity.” Hesselbein, too, believes that recent corporate scandals have increased overall interest in hard-to-pin-down qualities of values and principles. “Ten years ago, people who would have said, ‘Oh, those are nice concepts but they don’t apply in the real world’ are very interested in that kind of leadership,” she says. “As times grow more tenuous, people tend to examine not just what they’re doing, but why.”

The Impact of Leadership
While today’s business schools are determined to share all the concepts of leadership with their students, many of them aren’t content to stop there. For instance, at Virginia Tech, the emphasis on leadership permeates the entire campus and spills over into community outreach programs. Through its Institute for Leadership in Changing Times, Virginia Tech shares resources among business, military, and women’s leadership programs. It also teaches leadership concepts to executives and police officers, who need to learn management skills on top of pure technical skills to advance in their careers.

In addition, the school runs a program, co-sponsored by the Virginia Police Chiefs Association, designed to teach leadership to high school students. The local police associations identify and recommend the students for the program, which is run by Virginia Tech undergraduates, giving them a chance to practice their own leadership.

“The high school program, as you might expect, is also a way to try to interest these students in applying to Virginia Tech,” says Sorensen—and the school finds other ways to stress the value of leadership to potential applicants. Brochures about the leadership program are mailed to all students offered admission to Virginia Tech, and the school’s Web pages are filled with information on the topic. “We focus on the whole issue of leadership so we can get a higher percentage of students with that background coming to Tech,” says Sorensen.

Leadership is also one of the criteria for granting undergraduate scholarships. “We look at students’ leadership involvement in church groups, athletic teams, or honorary societies,” says Sorensen. “We think that student participation in development activities at the high school level will lead to student participation here on the Virginia Tech campus. This in turn predicts their job participation when they graduate.”

Such an unrelenting focus on leadership skills has an ultimate benefit to students once they graduate, says Sorensen. He believes that recruiters will “increasingly look for some kind of validation that students have experiential skill sets, rather than just looking at what students earned on the CPA exam and grade point average.” To give students a tangible credential to show prospective employers, Virginia Tech has developed a leadership minor that shows up on student transcripts. Sorensen says that recruiters are highly interested in this proof that students have such skills. “We find that it amounts to a $2,000 salary differential. That’s certainly an attraction to students participating in the program,” he says.

As leadership centers proliferate and books about leadership crowd the shelves of bookstores everywhere, both students and corporate executives have many opportunities to further their understanding of this critical business skill. It’s a skill that virtually everyone in the workplace, at every level, will be expected to exercise at some point—and those who have practiced and prepared for it are the most likely to succeed when faced with their first real-world chance to lead.
Every business school is interested in continuous improvement. Administrators often get their best ideas for making strategic or comprehensive changes by benchmarking their own programs against schools that are much like their own. Yet some schools might expose themselves to even more innovative initiatives if they investigate institutions that aren’t exactly peers, including schools or organizations that operate in less familiar ways.

We recently conducted a survey on interorganizational monitoring to learn how administrators choose schools to serve as benchmarking institutions. Our Web-based survey was e-mailed to deans, associate deans, and top administrators at all AACSB-accredited business schools, as well as major accredited international business schools—a total of 448 business schools. Seventy percent of the schools responded.

We learned that most business schools compare themselves to institutions that are extremely similar to theirs in terms of “structural” factors: size of the school, region, religious affiliation, type of degrees granted (bachelor’s, master’s, doctoral), and ownership (public versus private). Those salient structural factors are related to major resource constraints.

Schools also tend to compare themselves against institutions that are similar in “identity-related” factors. These include reputation, image, and values in areas such as research, teaching, service commitments, and activities such as cooperative learning. Those factors help form the rich texture of the school’s identity and often are crucial during the comparison process.

An Innovative Approach
Benchmarking against an identical school can be very efficient since similar business schools face many of the same challenges. What one administrator learns from another institution will be fairly easy to transfer to his own business school. Further, when people are dealing with a complex, changing environment, they find it comforting and validating to know that other business schools are facing equal challenges and making similar decisions.

However, administrators encounter two key problems when they compare their schools only to institutions that are similar in both structural and identity-related ways. First, such a choice limits the diversity of information that emerges...
How Schools Choose to Benchmark

School Identity

What is your school’s single most important program?

- Bachelor’s Business Degree: 60%
- General Master’s: 30%
- Executive Master’s: 5%
- Specialized Master’s: 3%
- Doctoral Degree: 2%

Where do you focus most of your energy in recruiting and placement?

- Locally: 43%
- Regionally: 39%
- Nationally: 11%
- Internationally: 7%

Which of the following is of primary importance at your business school?

- Teaching: 68%
- Research: 32%
- Service: <1%

Comparison Schools

What qualities do you most admire in an aspiration school?

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What areas are you most likely to target for improvement in your own school?

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<td>PROGRAM OFFERINGS</td>
<td>25%</td>
</tr>
</tbody>
</table>

What has changed at your school in the past three years?

<table>
<thead>
<tr>
<th>Component</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROGRAM OFFERINGS</td>
<td>4.2**</td>
</tr>
<tr>
<td>TECHNOLOGY</td>
<td>4.2</td>
</tr>
<tr>
<td>MISSION, GOALS, AND OBJECTIVES</td>
<td>4.0</td>
</tr>
<tr>
<td>STUDENT QUALITY</td>
<td>4.0</td>
</tr>
<tr>
<td>OVERALL REPUTATION</td>
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<tr>
<td>TECHNOLOGY</td>
<td>3.8</td>
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<tr>
<td>MISSION, GOALS, AND OBJECTIVES</td>
<td>3.7</td>
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<tr>
<td>SCHOOL’S FINANCIAL RESOURCES</td>
<td>3.7</td>
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<tr>
<td>TECHNOLOGY</td>
<td>3.3</td>
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</table>

*Scale: 2=very important, 0=not important at all

Even though administrators indicate that their “school’s financial resources” and “faculty research output” are the areas that most need to improve, in reality, these are the areas that are less often targeted for change. In general, business schools are more likely to change areas that are most readily available and convenient to monitor—such as program offerings and school mission—and not the areas that are more difficult to monitor but that are clearly more important to gaining competitive advantage.
We have found that a relatively small number of schools make an active effort to study institutions very different from their own. Among our survey respondents, 15 percent benchmark organizations other than business schools.

Through the benchmarking process. Second, from a strategic perspective, choosing a benchmark school that is nearly identical makes it more difficult for a school to differentiate itself from its closest competitors. Thus, the school loses a chance to develop a competitive advantage.

The answer to both problems is to look also at schools or organizations that are not at all familiar. During such comparisons, administrators might find it more difficult to translate what they have learned onto their own campuses, but they likely will encounter more innovative practices and ideas.

We have found that a relatively small number of schools make an active effort to study institutions very different from their own. Among our survey respondents, 15 percent benchmark organizations other than business schools. Of that 15 percent, slightly more than half compare themselves to other professional programs, such as law, medical, and engineering programs, as well as liberal arts programs on campus. About seven percent compare themselves to organizations outside traditional academia, specifically for-profit businesses. The most popular for-profit businesses to benchmark include consulting firms, for-profit training companies, and service-based organizations. Hotels such as the Ritz Carlton are often named, possibly because the business schools benchmarking them are considering adding on-campus facilities. Schools that benchmark against such businesses report that their external reputation has improved significantly.

Best Practices

While looking outside the academic arena might be going too far for some administrators, we do believe that all schools can benefit by using a wider lens when viewing comparison institutions. In fact, to administrators choosing comparison schools, we would make four recommendations: Be broad, be involved, be bold, and be true to the goals of benchmarking.

Be broad. As administrators go through the benchmarking process and select competitive, peer, and aspiration groups, they should make certain they have a broad range of comparison organizations. While the peer comparison group might consist of schools that are nearly identical on structural and identity-related features, the aspiration group might consist of schools and organizations that are dissimilar, but which offer many new ideas.

Be involved. In our survey, we found that schools that most improve their reputations and financial resources are those where administrators, faculty, and staff are most directly involved in the benchmarking and comparison process. When benchmarking is done through reciprocal exchange
methods such as campus visits and individual networking with other business schools, reputation and financial resources improve. Those findings hold regardless of the degree-granting type of business school, its operating budget, and whether it is a public or private institution. We do not detect any significant improvement in those factors when benchmarking is limited to the use of such arm’s length methods as examination of publicly available information or the use of external consultants.

Incidentally, our survey reveals that fewer than one in four business schools is exerting a substantial amount of effort on the benchmarking process, and one in five is exerting little or no effort. The overall level of benchmarking among business schools is surprisingly low, but we believe that the new accreditation standards approved by AACSB International will stimulate efforts in this area.

Be bold. Many schools today are facing an increasingly threatening environment—one where their school’s financial and reputational status is under escalating pressure. Many administrators react by choosing comparison schools that will make their own schools look good. For example, a school that is facing a sudden drop in reputational rankings...
might change its comparison group from a wide range of “top” schools to a narrower range of top “small” schools or top “quantitatively oriented” schools. In essence, they are introducing a greater number of structural and identity-related variables to define their relevant comparisons. We found that schools under greater threat also choose comparisons that are lower in reputational status, which has the short-term effect of making comparisons look more positive.

While making a school appear to be a big fish in a smaller pond might make some constituents feel better in the short term, in the long run such a strategy chokes off the influx of diverse ideas that could be gathered from the benchmarking process at a time when a particular school most desperately needs to break out of a slide. We’re not saying that benchmarking lower-ranked schools is bad in all cases—there is a great deal to learn from many different types of schools and organizations. But it is not a winning long-term strategy to focus only on lower-ranked schools in an attempt to look better in comparison.

Be true to the goals of benchmarking. Use the new AACSB International comparison standards as an opportunity for productive change. Benchmark and change the things that provide a better upside potential, even though they might be more difficult to change. Many times business schools benchmark easily visible aspects of their comparison choices such as reputation, student quality, program offerings, and mission. Such data can be retrieved from publicly available sources such as school Web sites and popular business periodicals.

A school will be more successful if it can improve factors such as teaching quality, faculty research, and the development of financial resources. These are factors that require gathering richer information over a longer period of time and using more intensive benchmarking practices such as campus visits and individual networking with peer administrators. These efforts require more commitment from top administrators, but they ultimately will pay off by providing a competitive advantage for the business school.

We realize that creating these comparison groups will pose a challenge for many schools. If done properly, however, interorganizational monitoring can serve as a catalyst for major improvements in business schools across many levels of teaching, learning, and research.

Jim Fairbank is assistant professor of management at The Behrend College at Pennsylvania State University in Erie. Joe Labianca is assistant professor of organization and management at Emory University’s Goizueta Business School in Atlanta, Georgia.
Lights

By Tricia Bisoux
In the “command center” of the 135,000-square-foot Charles F. Knight Executive Education Center at Washington University in St. Louis, Missouri, a row of televisions is positioned above a large console of switches, gauges, and computer monitors. Technicians sit beneath the array of equipment, monitoring the activity in each classroom, from a professor’s movement in the classroom, to the quality of the audio and lighting, to the status of each piece of equipment.

This bustling room—known at the Knight Center as “mission control”—looks more television production studio than computer lab, more Hollywood than higher education. Anyone who enters is almost sure to think the same thing: This isn’t the typical IT support for a business school.

With its growing reliance on distance learning, videoconferencing, and multimedia presentations, business is embracing the latest in audiovisual technologies, perhaps more than any other discipline. And now that most higher education institutions have adopted the latest computer and Internet technology, presentation technologies represent the next frontier for business schools to explore.

“In the past, IT support and AV support were two different functions. Now, the technology has really come full circle. IT and AV have become so interconnected, they’re almost the same,” says Russell Just, an AV technician and head of the audiovisual command center at Washington University.

Equipped with everything from document cameras to data projectors, CDs to DVDs, the classroom, in many cases, has become both stage and recording studio, as educators deliver more sophisticated multimedia presentations to more media-savvy students. As a result, the staging, production, and format of educational materials promise to become almost as important as the materials themselves.

Advancements in multimedia technologies and an emphasis on audiovisual prowess are turning business school classrooms into true theaters of educational presentation.
“AV cannot be an afterthought. Multimedia is an integral part of the instructional environment, like the markerboard.” —Gerry Ewing, Stetson University

Not an Afterthought
Audiovisual technicians emphasize that educators should think of AV first, not last, when planning a major redesign or new construction. James Westbrook of A Visual Image in Irving, Texas, served as the consultant for the installation of state-of-the-art AV equipment in 150 classrooms at Texas Christian University in Fort Worth, including 30 rooms at TCU’s Neeley School of Business. Westbrook notes that when schools hire an AV technician-consultant too late in the game, they often end up spending more money than they originally planned.

“AV has traditionally been an oversight in both higher education and commercial business. If AV isn’t taken into account from the beginning, electricians may have to rezone lights in the classroom or redo conduits after the fact,” says Westbrook. “A business school can save time and money in the long run by hiring an experienced AV systems integrator as a design consultant in the initial planning stages. A systems integrator works directly with the architect to coordinate the electrical system and structural requirements in the design.”

The Olin School of Business at Washington University knows this all too well. Although it eventually turned to an audiovisual consultant for help, it did so after the Knight Center had already been constructed, which caused difficulties. Most prominently, says Brian Bannister, associate dean of finance and administration, the initial design did not include enough space to accommodate the vast range of audiovisual equipment needed or the office space required for the staff who would oversee its operation.

“The room where the command center is now was supposed to be a storage room,” says Bannister. “When the audiovisual consultant came, he told us he needed a place for ‘the rack.’ We mistakenly thought the AV rack could be placed in a closet. We were totally taken by surprise when we saw how much equipment was involved.” Not only did the Knight Center lose its storage room, but closets throughout

The Metrics of Audiovisual Technology

Information addressed to the design of the 21st-century classroom is still a bit scattered, says Gerry Ewing, director of instructional services at Stetson University. Therefore, he compiled a 21-page list of criteria for design of the modern multimedia classroom. The list represents an assemblage of pertinent information culled from other schools’ past experiences, data from classroom consultants, and presentations at venues such as InfoComm. The following guidelines are adapted from Ewing’s document titled “Classroom Technology: Design Criteria and Considerations”:

Screens
- Many sources that Ewing found recommend that screen height should be one-sixth or one-seventh the distance to the room’s back row. But those same documents recommend that the information on the screen be no more than six words across and six rows down. “When was the last time you saw a professor do that?” he asks. Ewing recommends that screens should be at least one-fifth as high as the distance from the screen to the last row of seats. A rule of thumb is that no one should be closer than two times the image height or farther than six times the height of the screen.
- A screen should be mounted high enough for students in the back row to see its bottom, typically four feet from the floor.
- Screens today are slightly rectangular, in a ratio of 3.0 (height) to 4.0 (width). Because of the use of DVD and HDTV, however, screens that are 30 percent wider will be necessary in the future.
- Ideally, the vertical viewing angle should be about 90 degrees. To assure that those seated at the front sides of any room can properly see the projected image, the maximum horizontal viewing angle should not exceed 110 degrees.

Video/Data Projectors
- Multimedia projectors are permanently mounted to the ceiling. Calculate 2.2 times the width of the screen to approximate the distance between the screen and the lens of the video projector.

Sound
- Major sound system components should include a mixer, loudspeakers, amplifiers and processing, and microphones. The system should be designed for continuous operation and include feedback suppression, not just for speakers at the podium but also for presenters who roam the auditorium using wireless microphones.
- Facilities seating 150 people or more should include a monaural single-source sound reinforcement system to be used to reproduce speech and general background audio from auxiliary sources such as multimedia computers, CD players, or televisions.
- For U.S. schools, the Americans with Disabilities Act requires assistive listening devices for at least 4 percent of the seats, with a minimum of two seats equipped. These requirements may differ from country to country.
the building were repurposed to accommodate audiovisual racks for individual classrooms.

Gerry Ewing, director of instructional and media services at Stetson University in DeLand, Florida, agrees that planning for AV at the outset is crucial to any classroom design. Stetson recently completed renovations of its Lynn Business Center, which included the input of an audiovisual consultant and systems integration company. In addition, Ewing developed exacting specifications and guidelines for incorporating AV equipment into each classroom, combining his past experience in adapting AV technology to the classroom with a wealth of current research.

AV, like any technology, Ewing believes, “cannot be an afterthought. Multimedia is an integral part of the instructional environment, like the markerboard.”

Now that AV has become more integrated with computer technology, the field has become quite specialized, says

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**Lighting**
- Low-voltage controlled switch systems provide control of zoned lighting systems, both incandescent and fluorescent fixtures.
- Fluorescent dimming, via electronic dimming ballasts, provides flexible, reliable, and cost-effective control of standard drop-in ceiling fixtures.
- All light switches and controls should be located adjacent to the multimedia console, as well as each doorway. Switches should be designed to include (or to allow the addition of) low-voltage interfacing with an external audiovisual control system.

**Control**
- Touchpanel technology simplifies the operation of the entire system by offering an intuitive, visually based control panel for the presenter. The touchpanel can allow faculty to create personal light settings or recall preset scenes and greatly reduces the complexity of system control, allowing users to concentrate on their presentations.

**Podiums**
- Podiums no longer are the focal point of the modern classroom, as professors prefer to interact more directly with students without a barrier between them. Some schools in corporate height-adjustable podiums, and others, like Stetson University, use podiums built at writing, not reading, height. “We wanted to avoid those lecture halls where the person was almost like a preacher standing behind a massive wooden structure,” says Ewing. “We’ve minimized the height of the podium and put the computer monitors under the surface, under glass. A 39” height has become the standard.”

**Walls**
- Walls that provide a backdrop behind anyone likely to be on camera should have a neutral color (such as blue or gray) and a smooth, nonglare surface. Wall surfaces will become more important as more video is recorded digitally, because textured surfaces and bright colors require more memory to store and more bandwidth to transmit via the Internet.

**Classroom Size**
- Rectangular classrooms should be wide and shallow, to allow professors the best access to students. An “ideal room dimension ratio” is 1.0 (height) to 1.5 (width) to 2.5 (length).
- Large classrooms should not include a raised stage, since it does not keep faculty on the same level with students and hampers their movement throughout the classroom.

**Infrastructure**
- HVAC vents should be located away from ceiling-mounted projection equipment and document cameras. Furthermore, vents should be placed away from projection screens so that air circulation does not move the screen.

For a complete copy of “Classroom Technology: Design Criteria and Considerations,” contact Ewing at gewing@stetson.edu.
Sophisticated computer software and the newest Web-based technology make it possible for a technician to detect—and fix—a problem before a professor even knows one exists.

Westbrook. With modern classrooms incorporating smart podiums, DVD/VCRs, digital document cameras—and the lighting, sound systems, wiring, and control systems that come with them—a school’s regular IT staff may not be enough.

“AV technology is advancing very rapidly,” Westbrook says. “A traditional consultant may not be able to keep up in the same way as a dedicated AV technician who is in the field installing the equipment every day.”

Organizations such as the International Communications Industries Association (www.icia.org) headquartered in Fairfax, Virginia, and the National Systems Contractors Association (www.nsc.org) in Cedar Rapids, Iowa, offer business schools a place to start when contemplating the AV equipment and support for a new facility or renovation; they offer listings of qualified consultants, as well as information about the latest technology. In addition, the ICIA sponsors InfoComm, an international trade show showcasing the latest in presentation technologies.

To stay up on the latest AV technologies, Washington University’s Bannister and Just regularly attend InfoComm to keep up with the technologies available. They emphasize that creating the right balance of audiovisual technologies in the classroom isn’t about buying the most expensive products. It’s about planning ahead, staying informed, and getting the best products to suit a school’s needs.

Hollywood Productions

The comparison between the classroom and a theater is nothing new. But the comparison is now going beyond analogy. Increasingly, a business school classroom is taking on the accoutrements of a professional theater, complete with lights, cameras, microphones, and acoustical panels. Many schools are paying close attention to light, wall color, and sound quality in anticipation of digitally recording classes for replay via DVD and online streaming video.

Classroom lighting has also come to the forefront to add more drama to the classroom. Easy-to-use touchpanel controls allow professors to act as their own lighting directors, choosing the level and areas of lighting most appropriate for a presentation. In addition, professors who once avoided using projectors for fear their students would fall asleep in the darkness now can use them throughout class and still keep their connection with students. Lights in projectors are now bright enough for images to be viewed in only slightly dimmed or even full light.

Lighting, automatic screens, ceiling-mounted projectors, and other media—matched with the power of the Internet—

New data walls, including this one manufactured by Trans-Lux, can display anything from stock ticker information to CNN. The data wall shown here is at the University of Saskatchewan in Saskatoon.
have given educators new freedom to be creative in the classroom, says Larry Kitchens, director of instructional services at Texas Christian University. Professors can create an entire multimedia presentation at home, post it to the Web, and download it to the classroom computer. There is no need to photocopy handouts, hook up laptops, or even order that soon-to-be-obsolete AV-cart-on-wheels.

“There was a time when we didn’t have enough projectors to circulate among classrooms,” says Kitchens. “Now, we have projectors, screens, VCRs, DVDs, and CD players in each classroom. Professors have really changed the way they design their presentations, to include PowerPoint, commercial CDs, and videotapes.”

Although some educators were reluctant to integrate technology into their course delivery just a decade ago, now they are the primary drivers for change in the market for presentation technologies, says Nancy Knowlton, president and co-CEO of Smart Technologies, a manufacturer of interactive SMART boards in Calgary, Alberta. “Educators have asked us to make the workspace as flexible as possible, yet still easy to use,” says Knowlton. “They don’t want to use just one Web site or one CD-ROM or one software application. They want to combine them all.”

With more access to presentation technologies, business students are using the equipment as much as the business faculty, creating everything from PowerPoint presentations to full-fledged commercials. The shift from teacher-generated materials to student-generated materials is an exciting side effect of having the equipment so readily available.

“We frequently check out camcorders and digital cameras to students. We’ve helped students edit video for marketing and advertising classes. Some students have done fictitious ads for beauty products and motorcycles, using their roommates as actors,” says Ewing of Stetson University. “Some of the ads are better than what I see on television.”

**From Mission Control to e-Control**

A primary driver in the increasing popularity of AV equipment in the classroom has been advancements in AV controls. For instance, wireless remotes and laser pointers now allow professors to change PowerPoint slides, start a DVD, change a television channel, or point out specific data from anywhere in the room, so they never have to turn their backs to the audience. Likewise, sophisticated computer software and the newest Web-based technology make it possible for a technician to detect—and fix—a problem before a professor even knows one exists.

Jason Frenchman of Crestron, a manufacturer of audiovisual control systems headquartered in Rockleigh, New Jersey, says that level of control has been very attractive to the budget-conscious higher education market. For instance, its touchscreen product Media Manager offers centralized control of everything from the lights to the document cameras to the PowerPoint presentation on a PC. It allows control not only within the classroom, but also from remote locations.

“There has been a convergence of audiovisual technologies with computer presentation technologies. In addition, distance learning has become a huge phenomenon. Therefore, the ability to control audiovisual equipment and presentation technology remotely has become more important,” says Frenchman. “With today’s technology, a school’s director of instructional services can know that a lamp in a particular classroom is going to go out tomorrow and that he needs to replace it, which can make his life easier.”

That kind of technology is called “e-control,” referring to the Web-based management and diagnosis of equipment and technology in the classroom. Only a few higher education institutions are using e-control to its fullest extent, says Ewing. The functionality it adds to the classroom, however, makes it likely to become a standard feature on most campuses.

“The technology is now at the point where every classroom can have its own IP address,” says Ewing. “I can pull up a duplicate of the touchscreen that operates a classroom several buildings away. I can see what options the professor has chosen. I can turn the lights on or off, log lamp life, or see that someone’s in a room who’s not supposed to be and notify campus security.” As a result, tasks that once took a collective of staff members can now be conducted by only one person.

AMX Corporation of Richardson, Texas, is another company in the control systems market. AMX has recently introduced products tailored to the education market. Its 17-inch Modero display offers more space for the increasing number of touchscreen buttons required by a multimedia classroom. Another product, Meeting Manager, allows instructors to preprogram integrated presentations before class even
begins, explains Scott Norder, AMX’s vice president of business development.

“If an instructor wants to present pre-recorded content, he can schedule a classroom to have the VCR cued to display the show and the TV monitors and projectors in the room tuned to the right channels,” Norder explains. “Such control systems make the more complex presentation systems effortless to operate and easy to maintain. Rather than worry about the equipment, instructors can focus on what they do best—educating.”

The “Wow” Factor
Enhancing the functionality of classroom AV equipment is only one reason b-schools are tapping into this new technology. They’re also using the visual impact of audiovisual technology to enhance their campuses. Colorful data walls that display a range of stock information and video in real-time have offered business schools a way to send a message to the public that they stand at the forefront of the information age.

Gene Coyne is vice president of sales for Trans-Lux of Norwalk, Connecticut, a provider of electronic display walls. In the past, he says, Trans-Lux primarily served the corporate and investment market, but business schools are becoming a growing presence on his client list. One reason for this burgeoning interest in real-time displays, he believes, is business schools’ pursuit of that ever-elusive “wow” effect.

“When students and potential donors tour a school, the school wants them to walk in and say, ‘Wow, look at this place,’” says Coyne. “That reaction can be a big recruitment tool.”

Bannister of the Olin School agrees that the “wow” factor can be a way to enhance a school’s public persona. In fact, he believes the Olin School may have missed an opportunity to take full advantage of its IT and audiovisual command center, now located in the back of the Knight Center behind closed doors. Had Olin School administrators known then what they know now, says Bannister, they might have chosen to place the command center in a more prominent place in the building, behind glass, so that visitors could easily pause for a moment to view it in action.

New Challenges
Educators know that students are bound to become more accustomed to the “wow” of multimedia and may be less than satisfied with the static presentations of the past. The implications for educators may be significant. Schools may put more into producing their course videos, to create more sophisticated videos for students who watch the recording outside the classroom. They may move more courses to be broadcast via streaming video, or require that courses be recorded in multiple formats for flexible access. They may become, in essence, more like Hollywood than ever before.

Bannister of the Olin School points out that its executive MBA and executive education students are developing higher expectations when it comes to the quality and aesthetics of taped classes. The format of recorded classes is also becoming an issue. Some students prefer to watch the recordings on the road, but they are unable to watch VHS tapes when they travel. Likewise, streaming video requires a high-speed Internet connection that not all hotels provide. Consequently, students are requesting that courses be recorded straight to DVDs, which can be viewed on a laptop anywhere in the world.

“Production issues have become a greater challenge,” says Just. “If we don’t go straight to DVD, it’s a huge process to transfer a digital signal to DVD. And if you have 13 hours of courses to transfer at the end of a weekend—and everyone wants their media by Tuesday—your time is limited.”

On a recent trip to InfoComm, Just saw a new generation
of recording technology that intrigued him. “We found a $5,000 classroom device that will take video straight to DVD,” says Just, “and think that going straight to DVD is what we need to do for this audience.”

The Next Wave
Courses for some disciplines, such as literature or mathematics, may never become multimedia havens. The subject matter does not require such an approach. But in disciplines such as the sciences, the performing arts, and business, audiovisual technologies will make more possible in the classroom than ever before.

“Students want to be engaged in the classroom just as they’re now engaged in their ordinary lives,” says Knowlton of Smart Technologies. “Multimedia is everywhere, so if all an instructor does is talk, that isn’t going to make an impression on many of today’s students.”

Bannister and Just of the Olin School already are looking at the next progressions in technology, including an audience response system that will allow students to respond to classroom questions electronically. They’re even considering adding motion-activated cameras to classrooms. “That camera technology will enable us to have a ‘follow-the-professor’ automatic camera system that will be motion-oriented. It can focus on the professor and track his or her movements. Eventually, that will keep us from needing a dedicated technician,” says Bannister.

Ewing of Stetson University, for one, is excited about the future of classroom AV technologies. He looks forward to the advancement of streaming video and high-definition television, or HDTV, to enhance the classroom experience even further. “For a long time, I worked mainly as an AV technician, but now I think I’m back to the job I always wanted to do, which is instructional design and development,” Ewing says. “At this stage, the technology is fairly robust and almost bulletproof. We have touchscreen panels and Web-based controls, so we don’t have to run to the next building to fix a problem, and we don’t have to train users as much. We can get on with the business of teaching.”

As Ewing has found, audiovisual technology is changing the way educators present information in their classes just as profoundly as computer technology changed what information they presented. The better the lighting, the more inviting the sound, and the more exciting the presentation, some believe, the more interactive and effective the class. The danger, of course, is that once students have a taste of classes that take advantage of the full range of multimedia options, there’s no going back to the chalkboard again.

“At this stage, the technology is fairly robust and almost bulletproof. We don’t have to run to the next building to fix a problem, and we don’t have to train users as much. We can get on with the business of teaching.” —Gerry Ewing, Stetson University

The popularity of distance learning has been an important driver in the increase in the implementation of AV-infused classrooms. Stetson University, for example, incorporated three distance learning rooms in the renovation of its business school building.
Walkers Welcome at Georgia Tech’s ‘Technology Square’

The Georgia Institute of Technology recently opened Technology Square, a new $180 million multibuilding complex on its Atlanta campus. The largest portion of Technology Square—189,000 square feet—is the new home to Georgia Tech’s DuPree College of Management. Across the street is Centergy Center, a 486,993-square-foot office building featuring Georgia Tech’s Advanced Technology Development Center, an incubator for high-tech business startups. Together, Technology Square and Centergy Center are designed to be the catalyst for a high-tech corridor in Atlanta.

The new facility will allow DuPree to integrate advanced technology throughout the curriculum. Common classroom activities now include interactive polls, electronic discussions, access to network resources, and video conferencing. The building features a high-speed digital and wireless network, smart podiums, multimedia and distance learning equipment, and whiteboards that can electronically save and archive content.

The expansive space of the new facility translates into greater capability for the school, says Terry Blum, DuPree’s dean. “Our greatest excitement is not for the new building itself, but about the opportunity it offers,” says Blum. “It will allow us to expand our imaginations that have been locked away for lack of space.”

In addition to its classrooms, computer labs, and e-learning facilities, Technology Square and Centergy Center also have incorporated something a bit unexpected into their high-tech design: attention to the needs of pedestrians and the surrounding community. As a result, the new development recently was recognized by Pedestrians Educating Drivers on Safety (PEDS) as one of the most pedestrian-friendly developments in the city of Atlanta.

The facility incorporates first-floor retail and restaurant space, a publicly accessible courtyard, on-street parking, wide sidewalks, and pedestrian crosswalks. Because of Georgia Tech’s metropolitan location, it was crucial that the new development meld the campus community with the metropolitan community, say school representatives. To this end, Technology Square also houses the Center for Quality Growth and Regional Development, a research facility dedicated to Atlanta’s metro area; the Economic Development Institute, an organization dedicated to Georgia’s business development; and the 252-room Georgia Tech Hotel and Conference Center.

According to a study by the Business Software Alliance and IDC, a research firm in Framingham, Massachusetts, decreasing software piracy to a rate of 30 percent worldwide could create 1.5 million jobs, add $400 billion to the global economy, and generate $64 billion in taxes, money that could be used for education or health care. Currently, 40 percent of software is pirated worldwide.
**NEWSBYTES**

**PCs FOR IRAQ**
Madar Research, a research firm based in Dubai, United Arab Emirates, predicts that Iraq will purchase 450,000 PCs every year between 2004 and 2008. The firm also estimates that the country’s IT spending will surge up to US$1.42 billion by 2008, as it rebuilds its technological infrastructure. The rebuilding has already begun. In July, seven Iraqi ministries and three Baghdad community governments were furnished with computers, copiers, and printers by an aid organization.

**EU DEMANDS BANNED SPAM**
The European Union is in the process of legislating spam—or junk e-mails—into oblivion by making outright spamming illegal. The new legislation, which prohibits any promotions to people who have not “opted in” to such mailings, became law this fall. The EU sees the law’s usefulness in jeopardy if the U.S. does not put similar legislation in place, and has asked the U.S. to revisit its policies on spam. The U.S., however, favors an “opt-out” system, which currently requires users to specifically ask to be removed from lists in order to avoid unwanted mail.

**TCU MERGES E-BIZ**
This fall, Texas Christian University’s Neeley School of Business in Fort Worth merged its e-business, decision sciences, and supply chain management courses into a single department called the department of information systems and supply chain management. The move, say school officials, is to reflect the integration of these three functions in the business world. Although the three disciplines are now integrated, undergraduates can still declare majors in e-business and MBA students can pursue concentrations in e-business.

**LESS FOR WINDOWS**
Microsoft Corp. recently lowered the cost of a package that includes its Windows operating system and Office suite of software in Thailand to $40, according to a report from market research firm Gartner Inc. The move, according to Gartner, is in response to the increasing use of the Linux operating system. Gartner indicates that the company may make similar price cuts in China as well. The cost of the same package in the U.S. starts at about $380.
Online MBA Launches at ASU

This January, W.P. Carey School of Business at Arizona State University in Tempe will welcome the first cohort of students to its new, Web-based, 48-credit-hour degree program. By adding a distance education option to its offerings, the Carey School expects to draw students not only from the Tempe metropolitan area, but also from national and international markets.

The AACSB-accredited program will begin with an on-campus, five-day orientation, which will introduce students to the technology they will use to access course content and integrate team-building exercises to create a community among their fellow students and faculty. Then, students will return home to pursue required coursework at home, at work, or on the road.

“This approach maximizes convenience, yet develops in students the ability to complete assignments on time,” says M. Johnny Rungtusanatham, the program’s faculty director, who adds that the program will enforce “time fences”—deadlines to ensure that students move ahead at the same pace as their classmates. “For students, it will be as if they were working on a project deadline, analogous to scenarios they will face in the corporate world.”

Besides the use of time fences, the program incorporates several mechanisms to minimize isolation, says Rungtusanatham. Students in the online program will develop relationships during the initial face-to-face meetings, while they continue to foster a sense of community online.

“A valuable lesson we have learned is that students drop out if they have no intellectual or emotional support from peers. That issue is especially pressing in an online program,” says Rungtusanatham. “Our students will realize that they are not alone ‘out there.’ They’ll know that others are going through the same experience.”

edgelab Gives Students Experience in Real-Time

In 2000, GE Capital created edgelab, a proprietary facility for the company, in partnership with the University of Connecticut’s School of Business Administration on its Stamford campus. The facility is home to the Connecticut Information Technology Institute, a development center that works closely with the Stamford business community. In addition, edgelab offers students the opportunity to work directly with GE associates to create tech-related business solutions, in addition to providing them with much-needed technology training.

Although the facility does include an e-classroom where students acquire technology training, the facility is not so much a classroom as it is a true idea lab, says Chris Kalish, edgelab’s director and chief technology officer. Students working in the 12,000-square-foot edgelab facility have access to 80 workstations, 12 computer servers, and 12 PDAs, as well as UConn’s wireless network and GE’s internal network. Since edgelab’s launch, the experience the students have been able to receive has been as real as it gets, he says.

“GE provides the projects, which

New Course Aims to Thwart Hackers

Any student who plans on protecting businesses from computer hackers would do well to sign up for a new course at Aurora University in Aurora, Illinois. “Principles of Information Security,” taught by computer science professor John Gudenas, is designed to meet business’s rising demand for students with the skills to defend against computer hackers and other information security risks.

The course will teach students the basics of protecting information assets, setting protection levels, responding to security breaches, and designing information security systems with intrusion-detection and reporting features. A basic introduction to cryptography—the system of encrypting computer messages, information, and passwords—is also included.

As business computer systems have become more sophisticated, so have computer hackers, says Gudenas. “In our current information age,” he says, “this course is useful for the computer-literate business student, or other student who desires to understand current problems of securing corporate or laboratory information.”
tend to be fairly high-risk in terms of their outcome. Their implementation may be very new or centered around product development,” Kalish explains. A typical project model is a combination of expertise from the sponsoring GE business, academic literature and teaching, Six Sigma techniques, and the students’ own creativity, he adds.

So far students have worked on projects as involved as the development of a biometric scanner, in which a computer scans a person’s physical attributes to recognize his or her identity. Such technology is in its very early stages, says Kalish, but through edgelab, students can get in on the ground floor.

“Students, faculty, and GE professionals work very intimately with these projects, as far as doing test cases and working on design principles,” says Kalish. So far, the implementation rate of the projects that students have worked on has been “close to 100 percent.”

‘Netcentric’ Behavioral Lab Test-Markets Tech

The Robert H. Smith School of Business at the University of Maryland in College Park has opened the Netcentric Behavioral Laboratory, the third component of the business school’s Netcentricity Laboratory. Netcentricity also includes the school’s Supply Chain Management Center and the Netcentric Financial Markets Laboratory.

Researchers from across the school’s academic departments, from marketing to decision and information technologies, will utilize the behavioral lab to administer computer-aided experiments, conduct Internet-based behavioral research, and videotape interviews and focus groups. One study in progress, for example, involves virtual audio and video players. Researchers in this study are tracking how consumers’ satisfaction with a product changes with the addition of new features, using the lab’s workstations to record online users’ clickstreams as they interact with the players.

“The lab’s technology allows us to more fully capture the users’ experiences with the products than would other methods of data collection,” says Rebecca Hamilton, assistant professor of marketing at the Smith School. “In the lab environment, we can carefully control the stimuli users see. We can measure the effects that small but potentially important product adjustments have on consumers.”

In addition to increasing research activity at the Smith School, the lab provides resources for teaching at the undergraduate, MBA, and doctoral levels. Instructors can use the lab to conduct computer-aided demonstrations, run simulations, and videotape team interactions. More important, it provides students with an opportunity to learn first-hand how experimental research is conducted.
How B-Schools Drive Productivity

The increase in U.S. productivity has been a source of considerable debate in economic, business, and government circles. Is the past decade’s growth sustainable? Which sectors or types of jobs are most affected? Why has the increase persisted during the recent recession? What are the policy implications? In an expanding global economy, why aren’t other countries experiencing the same increase? What are the drivers?

These questions and the debate itself go on and on. But while “better management” is sometimes mentioned as one of the drivers of business productivity, I assert that business school leadership is also a primary catalyst. I also think that business schools should do a much better job of communicating how management education and research contribute to—and even drive—business productivity.

From 1998 through 2002, output per hour in the non-farm business sector in the U.S. (a conventional measure of productivity) increased at an average annual rate of 3 percent—more than twice the average pace over the previous four decades. And the increase continues in 2003. Deregulation, a surging stock market, and declining technology prices have freed up capital for managers to invest in productivity-enhancing technologies like computers, software, and communications equipment. Such investment has enabled businesses to better manage supply-chains and inventories, access customers, and maintain records, boosting productivity along the way.

Too often, business schools are left out of the discussion about productivity. Productivity gains, often acknowledged to raise the standard of living in the long run, are linked to factors such as the introduction and adoption of technology innovations, improved information or data, and restructuring of labor and product markets—not improved educational methods. As a result, the public generally does not recognize business schools’ contributions to these economic advancements.

This lack of awareness exists even though management innovation through education and research has been integrally connected to the private sector since 1881, when one businessman’s interest triggered the emergence of all business schools. At that time, Joseph Wharton, proprietor of American Nickel Works, asked University of Pennsylvania trustees to develop the world’s first school of business. His pioneering vision was to raise the status of business education to the level of professional schools for lawyers and doctors.

Since that “provincial experiment” in Philadelphia nearly 125 years ago, business owners and managers have continued to engage academics on many levels to achieve results benefiting American business practice and the greater economy. Early business school faculties generally comprised business practitioners and academics from other university departments like mathematics, economics, sociology, and psychology.

Their research focused on work processes, new technologies, and employee conditions—issues that continue to affect productivity and are taught in business schools today. Of course, business research and education have taken on new dimensions over the last several decades, adding new areas of inquiry such as marketing, derivative pricing, and quantitative methods. When the Ford and Carnegie studies of the late 1950s claimed that business was not a distinct academic field because its professors needed doctoral-level education, business doctoral programs grew at an astonishing rate. Business schools began to adopt a more deductive approach, and education became more rigorous in theory development and quantitative measures.

Modern business school research initiatives often encompass testing of new management techniques to validate, disprove, or measure their effectiveness. Faculty research initiatives have developed theories, practices, and programs that are conveyed through business schools and applied in the marketplace, resulting in improved productivity. For example, academic and management guru Peter Drucker has taught people how to manage more effectively. More recently, Michael Porter has developed theories related to competition that teach business students...
and managers alike how to think more strategically. In other instances, the business community has introduced ideas that are widely adopted and taught to business students via cases or internships.

Through research and consulting, we evaluate rapidly changing technologies and their prospective applications so we can bring cutting-edge ideas to the classroom. For instance, one George Washington professor recently returned from a sabbatical during which he researched RFID tags (radio-frequency identification tags), a new technology introduced by Wal-Mart and others that is expected to revolutionize inventory management, which, in turn, improves supply-chain efficiency. He will teach students about this innovation in “Emerging Technologies,” a course that has been in our curriculum for years, but with frequently revised content.

From anecdote to theory, the fact that business schools contribute to productivity is unmistakable. We serve as conduits for knowledge. We create and disseminate management ideas and best practices to future and current managers. We teach students to think strategically and help them understand how to make decisions that will minimize or eliminate mistakes and improve efficiency. We teach students to determine the potential benefits and challenges of a new venture. At the same time, we encourage students to think creatively and to take calculated risks.

Keeping a business school curriculum current and relevant, much less “ahead of the curve,” is a great challenge. Unlike other academic areas, a business school’s curriculum must constantly evolve to reflect the dynamic competitive and innovative nature of business. The business classroom is a forum for discussion about what is and what is not working in the application of new marketing, risk management, or information systems applications. It is an incubator for the evolution of “best practices” that are worked into textbooks and other course materials—and that ultimately find their way to the business world. The content, topics, and cases in such basic fields as accounting, finance, and marketing must regularly change to reflect new findings, practices, technology, information availability, and even environmental or demographic changes.

Business students also get hands-on opportunities to develop their skills through experiential learning by serving as consultants to managers of actual companies working with pressing business challenges. It’s interesting to observe visiting managers’ reactions to students’ presentations. These managers fervently take notes, trying to capture the creative ideas of objective student outsiders who aren’t burdened by the “but we’ve always done it this way” mindset. We often hear from managers who have implemented and benefited from these fresh perspectives.

Employers and employees alike are aware of the necessity for lifelong learning due to the accelerating pace of technological innovation and application development. Businesses need to develop their human capital so that they can help their managers attain new knowledge and skills that complement fixed capital investments in new technologies or processes. Meanwhile, in order to advance in their careers, employees need to refresh their skills and perhaps even reposition themselves. Both factors have fueled demand for business school programs and the introduction of new delivery modes.

And yet, many people outside our own ranks don’t know of these activities. Articulating and communicating to society the value of management education and research may be one of our biggest challenges as business educators. Although perhaps not in the same league as finding the cure for cancer, management tools such as improved inventory control or portfolio hedging may ultimately lead to better productivity and, in turn, better jobs, income levels, and even quality of life.

Joseph Wharton knew how important management education was to a productive and prosperous society. It’s time we, too, get that word out. We need to communicate what business schools have contributed—and what they continue to contribute—to the productivity of the economy. [2]

Susan M. Phillips is dean of The George Washington University School of Business and Public Management in Washington, D.C.
Management Misinformation

What an iconoclastic essay James Hoopes uses to open his intriguing book False Prophets! While the bulk of the book consists of personal and professional biographies of some of the top names in business management, the introduction essentially declares that most modern management theories are bogus, because they overlook an essential truth. “Top-down power and its potential abuse are here to stay in corporate America,” he writes. “It is foolish to think otherwise.”

The problem, he notes, is that the true structure of corporate management is so at odds with fundamental American concepts of freedom and self-government that theorists and business gurus keep trying to invent ways to make the two systems mesh. “For a century now, one of the gurus’ main tactics for dealing with our ambivalence about management power has been to try to make corporate life seem freer than it is,” Hoopes believes. Hence all the emphasis on leadership, bottom-up management, and empowered work teams. These optimistic management gurus, he says, don’t seem to have realized “how flimsy a bridge they [have] thrown across how immense an abyss” as they overestimate “the moral possibilities in corporate life.” In business—as in all other walks of life—power corrupts. Hoopes declares that we need to stop pretending that top CEOs will stop abusing power and instead start hoping that they will acquire “the humility that will help minimize self-righteous use of power.”

After that rousing introduction, the book settles into its main focus, a close look at the lives and influences of the people who have shaped management theory. These include Frederick W. Taylor, Mary Parker Follett, Chester Barnard, W. Edwards Deming, Peter Drucker, and a host of others. Hoopes, a history professor at Babson College, cannot help but take a historical perspective on his subject.

In a fascinating—if horrifying—parallel, he describes early American slave owners as the first management class, who shared management tips through essay contests and published tracts that justified their treatment of their workforce. While one likes to believe corporate management strategies today have grown a little more humane, one can’t help but recognize some of the rhetoric. (Perseus Publishing, $27.50)

Selling to Women

No matter what you sell, most of your customers are probably women. They are involved in 85 percent of all U.S. purchases; they earn $1 trillion annually. They have the money, and they know how to spend it—but they’ll only spend it with you if you understand what they want from your products and services.

That’s the premise behind Mary Lou Quinlan’s Just Ask a Woman, the title also given to the marketing consulting firm she started in 1999. In a chatty, intimate, and friendly style, Quinlan shares her insights into the stress that colors women’s lives and how this leads them to demand products that are reliable, simple to operate, and able to save them time. Make it hard for a woman to buy or use something, and she’ll turn her back on it, the author says. “A woman’s stress filters the way she decides, shops, and behaves,” Quinlan says. “Like it or not, stress is standing between you and your marketing success with women.”

Women also buy products based on the input from their “board of advisors”—friends, neighbors, television commentators, and other people they trust. Their attitudes toward specific brands and products are strongly influenced by good and bad memories, product legends that may or may not be true, and original research they do while actually shopping.

Without understanding these and other complex factors that go into a woman’s decision to buy, says Quinlan, marketers cannot hope to break through the wall of stress and connect their products with their target market. The book’s fun style does not mask the fact that Quinlan considers this a very serious topic—one that marketers would do well to take seriously, too. (Wiley, $27.95)

Marketing Savvy

A great marketing campaign creates instant awareness of a specific product and often becomes part of the cultural landscape. Ordinary consumers, not just marketing experts, remember “Where’s the beef?” and “Please don’t squeeze the Charmin” decades after the ads first aired. But how can a marketing firm come up with the next dramatic and effective ad? Linda Kaplan Thaler and Robin Koval explain the mysteries of adver-
tising in Bang!, which details the big-bang theory of getting a commercial noticed.

“The Big Bang approach to marketing is tailor-made for today’s world,” they write.

“Consumers are so inundated with advertising and products that only a disruptive idea will penetrate their consciousness. It’s unlikely that any of us will ever be promoting a truly revolutionary product that commands attention all by itself. Thus it’s all the more essential that your message be revolutionary.”

Lively anecdotes and dissections of actual marketing campaigns support their theories of how to grab consumer attention with wacky and counterintuitive ideas. For instance, the authors’ advertising agency, Kaplan Thaler Group, was responsible for creating the annoying, ubiquitous, and highly memorable AFLAC duck campaign. Much of their advice is similarly unconventional, as they recommend taking risks, breaking traditional rules, and working in small, cramped quarters to create a sort of contagion of creativity among staff members. The book is consistently entertaining and downright funny in places, but every story has a lesson and every scrap of information is relevant. It’s an excellent read for anyone pursuing the field of product marketing. (Currency/Doubleday, $24.94)

Quick Looks
As business education becomes increasingly important around the world, various regions of the globe are experiencing their own unique challenges in crafting and teaching a basic management curriculum.

International Business Teaching in Eastern and Central European Countries takes a close, hard look at the transitions under way in that area over the past 12 years. Editor George Tesar has gathered eight essays by 19 authors to examine such topics as “The Role of Economics in the Management Curriculum,” “The Use of Case Studies in Teaching Business Courses,” “Learning Styles,” and “Companies as Business Laboratories.” In addition, individual essays examine the state of business education in Moldova and the Czech Republic. (International Business Press, $24.95)

The dot-com bust of the last few years was not quite as much of a disaster as it seemed at first. In fact, only about 1,500 of the approximately 5,000 dot-com start-ups have gone out of business, writes Edward Deak in The Economics of e-Commerce and The Internet, an overview of the economics of the Internet. The book examines the strategies, successes, and failures of key e-commerce firms, both business-to-consumer and business-to-business. Included are discussions of why grocery retailer Webvan failed and why eBay has succeeded so spectacularly well. One chapter deals with the infamous dot-com IPO scandals that are still haunting major Wall Street firms. Another chapter considers issues of privacy and security. Intended as a classroom text, the book makes interesting reading for anyone following the fluctuating fortunes of technology stocks in recent years. (Southwestern Thomson Learning, $97.99)

Between 1997 and the middle of 2002, the General Accounting Office found 919 firms that needed to make accounting restatements to correct faulty accounting reports. In Hidden Financial Risk: Understanding Off-Balance Sheet Accounting, Pennsylvania State professor J. Edward Ketz lists all 919 of them. He also succinctly describes and deconstructs what specific accounting transgressions occurred at companies such as Waste Management, Sunbeam, AOL Time Warner, Qwest, Tyco, and Enron. Along the way, he gives a pretty detailed education in calculating financial risk and hiding debt through a variety of legal and not-so-legal maneuvers. Unscrupulous CEOs aren’t the only ones to blame for recent accounting scandals, he points out, noting how regulation systems and corporate governance also failed to provide adequate checks. To fix the problems, he calls for nothing less than a change in culture: “Managers must consider themselves stewards of the investment community instead of lords and ladies in some corporate fiefdom....We can improve the credibility of financial accounting.” (Wiley, $39.95)
Thinking Big
Indiana University Kokomo
Kokomo, Indiana

Indiana University Kokomo’s proximity to two of the most prominent business schools in Indiana—the Kelley School of Business, Indiana University at Bloomington, and the Krannert School of Management at Purdue University in West Lafayette—might seem a disadvantage. But IU Kokomo’s dean Niranjan Pati views his school’s location as an opportunity to fill a niche.

“Larger schools may have more resources, but we can offer small classes, typically 25 to 30 students, all taught by terminally qualified professors. We don’t use teaching assistants in either our undergraduate or graduate programs. That is one of our distinctive competencies,” says Pati.

To further its program, IUK’s business school made a commitment to seek AACSB accreditation. “In spite of a limited number of faculty and a small budget, we attained our goal,” says Pati. The school was accepted for candidacy in 1993 and earned AACSB accreditation in 2001.

“Our main challenge was to find the time and resources,” Pati comments. “Our faculty and staff really had to go beyond the call of duty to write the reports and put the processes into place to make it happen.” IUK’s business school is one of only a few programs of its size to earn AACSB accreditation at both undergraduate and graduate levels.

The school serves about 350 undergraduates and nearly 100 graduate students. It accommodates a few full-time MBA students, but most graduate students participate in its part-time program. Most are mid-career students; many are employed by two of the largest companies in the area, DaimlerChrysler and Delphi Delco.

This year, IUK’s undergraduate students consistently performed well on the Educational Testing Service’s Major Field Test for business. Students in its investment class, taught by Dianne Roden, also ranked in the top 5 percent at the national Collegiate Investment Challenge, the fifth year in a row they’ve ranked in the top 10 percent.

Ties to the community are especially important for a small school, adds Pati. Therefore, students in its capstone MBA course participate in the Collegiate Management Program, working as consultants to area businesses. This year, they developed a plan to revitalize Kokomo’s struggling downtown business district.

The school also maintains a partnership with The Kokomo Tribune and The Kokomo Perspective, local newspapers, in which its faculty provide regular columns and book reviews.

“These win-win types of partnerships allow us to reach out into the community,” says Pati. He notes that as the dean of a small school, he has a special responsibility to monitor the local environment to find opportunities to keep his school at the forefront of management education.

“Our intent is not to stay where we are, but to improve ourselves and continue to enhance our programs. Even so, we will continue to maintain our small school atmosphere and maintain our niche,” says Pati. “Small schools can think big.”