

## Chapter 23

"As you know," Christopher Page says in his polished baritone, "we succeeded in persuading local companies, some of them very major, to form a committee. The committee's task was to reach a consensus on what these companies would like us to teach."

Apparently B.J. is not happy with the way Chris is putting it. "Our Executive MBA program is the most lucrative program we have. Unfortunately, we don't enroll enough students in it. This is the first time we're talking directly with organizations about our Executive MBA program," she emphasizes. "The presidents of the organizations who formed the committee told me that they don't send more students to Executive MBA programs because these programs are not tailored to their specific needs."

"In the last three weeks," Chris continues, "Jim spent many hours with the members of the committee, helping them verbalize their requirements. This paper is the results of their efforts." He hands a thin document to B.J.

Very thin. The first page is just a title: "Special Executive MBA Program."

The second page contains a relatively short list of topics. It doesn't take long to read.

"We will not have any problems conforming to their requirements," Chris says to B.J. "As a matter of fact, I think that even today we cover all of them. What do you think, Jim?"

"Yes," Jim says flatly. "If you ignore the somewhat strange verbalization, it's all the standard topics; projects, production, systems, finance, managing people, marketing. Nothing is special about it. It's the standard topics covered in every MBA program."

B.J. is slightly impatient. "This is an opportunity we cannot afford to miss. And in order to make it work, our program must be special. If we continue to do what we have done, which is what everybody else is doing, we will continue to get the same unsatisfactory results. My question is, how can we make our program special?"

"The key is on the next page," Jim says. "The problem is not with the subjects covered, but with the content and the method of delivery. Look at the next page."

"The knowledge taught does not bring value to the company," B.J. reads the first item.

"How can they say such a thing?" Chris is indignant.

"Easily," B.J. flatly responds. "The question is, can we do something about it?"

"I believe we can," Jim says. "Take, for example, Johnny's new production course. I heard from some of the students that they have already implemented this knowledge and gotten impressive results. In their departments they cut the inventory while improving volume. Or Charlene's course, in accounting, it's fantastic!"

"A fantastic course in accounting?" Chris cannot hold back his astonishment.

"Yes," Jim says. "What she teaches now about investment justification is of great value. I've personally heard stories from our students of how they used this knowledge to save hundreds of thousands of dollars for their companies."



"Hard to believe," Chris murmurs.

Jim pretends he doesn't hear. "Allow me also to say that my systems course, the way I have radically modified it this year, is also bringing value. But the best, no doubt, is Richard Silver's course. You have heard about it?"

"Of course," B.J. responds. "But may I ask what happened? You've all taught these courses for ages. How come now, all of a sudden, they are all so great?"

"It's Johnny Fisher," Jim responds. "He brought the breakthrough from UniCo, and we've all built on it. It had a major impact on what we teach. Almost everything had to be modified. Chris, you heard his colloquium. . . ."

"Only the first fifteen minutes; there was an important meeting I had to attend. But I did hear very good things about it."

Can it be that the dream team I was praying for exists in my university? B.J. wonders incredulously. She reads the second item, "The examples used in class are too artificial."

"That's a real problem," Chris says. "For quite some time I have been pushing for more extensive use of the Harvard Business School case studies. But you know how tough it is to overcome inertia, especially among us professors."

"The Harvard cases are a step forward, but I'm afraid they are not good enough," Jim ventures.

"What do you mean?" Chris is surprised.

"The problem with cases is that they are deterministic," Jim explains. "Either the data is given or not. But reality is not like that. Reality contains many things that are malleable, vague, even debatable."

"True," B.J. agrees, "but there is nothing we can do about that."

"I think there is. Rick has shown us the way."

"Richard Silver?" B.J. checks.

"Yes. In his course, all the problems that they work on are real. They are problems that the students bring from their work. I agree that it's not so easy to use his style of teaching, but one thing is for sure, he is very successful with it."

"Fine. And the last item is, 'Students do not acquire problem-solving skills.' Well, obviously in Richard's class, they do."

"Correct," says Jim. "But that's not enough. Solving a few problems is not sufficient. We have to teach them how to do it systematically for every subject."

"That's a tall order," Chris comments.

"It is," Jim responds. "But with the thinking processes Johnny brought from UniCo, it's much simpler than one would think. We don't teach enough of it. But now that the rest of us have learned it, we are going to integrate it into all our courses. It will also help us use Rick's teaching method. Not everybody was born with his natural talent." After a second he adds, "It's not only possible, it's mandatory."

B.J. is trying to absorb all the good news, when Jim quietly continues, "There is one major problem, you know. How are we going to convince companies that our Executive MBA Program is of such value?"

"It won't be easy," B.J. agrees. She contemplates ways. None look promising. "Do you have any ideas?" she asks.

"The four of us were talking about it, and we did come up with an idea. But it's too unconventional."

"Carry on," she says softly.

"I think the major problem is that companies no longer believe that a person finishing an Executive MBA program has become a much better manager due to it. They don't see the tangible benefit to the company. So, why don't we promise it to them?"

"What do you mean?" Chris asks.

"Something like . . . For example, can we offer that the companies pay for the education only after the student has used his knowledge to bring the company benefits of at least one hundred thousand dollars? It's not such a big risk. You see, the mistakes companies make today are so fundamental the four of us are confident we can deliver such benefits, at least until our knowledge becomes standard practice in these companies. But by then the value of our teaching will be established."



"Out of the question," Chris exclaims. "We are a university. We are not some fly-by-night consulting firm. We don't have to prove ourselves."

"Yes, we do," B.J. says. "It's about time we got off our high horse. We do not deliver enough value; we hear it constantly. We do have to prove ourselves."

"No other university would think of offering such a thing. It's embarrassing."

"Listen to yourself," B.J. tells him softly. "'No other university would think of such a thing.' You are right. They won't offer it because they can't deliver. Moreover, if no other university would think of offering such a deal, it is even better for us."

Chris shakes his head. "We don't offer deals. It's craziness."

"I think we'd better think it over," B.J. says calmly. "With open minds. Thank you, Jim. You opened my eyes, and in more than one way."

When Jim has left, Chris turns to her, "B.J., we are a university, not a bunch of gamblers. What's gotten into you?"

"Tell me, Chris. Do you believe what Jim told us, all these great things?"

"I've known him for over twenty years now. He is one of the most solid and reliable people I know. What he told us sounds hard to believe, but if he says they can deliver, they can."

"So it's not such a big gamble."

Chris starts to protest, but B.J. stops him. "Let's not argue; let's do our homework first. Before next week let's each talk with one president, not necessarily from the companies that formed that committee. Let's see what is needed to persuade these business people that we have an excellent program for them."

"I'm not going to offer any crazy deals," Chris is adamant.

"I didn't ask you to. Just try to persuade them that we have an excellent MBA program. Stress the points that we discussed: that the program will bring value to their companies, that it uses their real-life scenarios and that it will teach their managers to

solve problems better. Let's learn what it takes to persuade them."

"That, I can do."

"Oh, yes, Chris, there is something else. It looks like this Richard Silver is a real gem."

"He is, and we are going to lose him, since you won't approve any tenure."

"We cannot afford to lose him. Submit the papers; I'll sign them."

"Don Pederson, please."

"May I ask who's calling?"

"Professor Fisher."

"Hello, Professor Fisher. Just a moment, please."

Music comes on, but not for long. "Johnny. How are you?"

"Fine, Don. Got a moment?"

"Always. What's up?"

"I think I've done my part of what we discussed last month. It's your turn to move."

"So soon? Are you sure?"

"I think so," Johnny says in a tone that indicates more confidence than the words imply.

"Tell me more." Don, true to his nature, wants to make his own evaluation.

"If I understood you correctly, you invested in the five of us so that you would not have to invest so much in every person you hire."

"Correct. There is no sense in UniCo having to educate every new employee, when that is supposed to be the job of the universities."

"Our university is ready," Johnny says, and then elaborates. "This year's graduates from the Executive MBA program are thoroughly indoctrinated in the throughput world. They feel comfortable with Theory of Constraints applications in production, finance, in systems, and listen to this, Don, in project management."



"So it's not just you teaching it." Don is pleased.

"Of course not, one person doesn't teach all these subjects. All the professors involved in the Executive MBA program are contaminated. And Don, they are doing an excellent job."

"How do you know? Are you judging by their grades?"

"You taught me too well for that, and besides, final exams are more than a month away. I'm using your criteria: results achieved by the students in their own companies."

"Great. What about marketing and the learning-organization aspects?"

"There is movement there as well. But that's not the issue. Don, I think we have crossed the biggest obstacle; the dean and the president of the university are all for it. They are launching a special MBA program that is centered around TOC. And listen to this. They are marketing it to local industry, based on results to be achieved in reality. Talk about an offer that can't be refused. Next year we are going to run three of these programs in parallel.

"That's good. But Johnny, what about the other aspect? You know it is as important, if not more so.

"You mean demonstrated, practical, research ability? I told you we developed the application for project management. It's already been tested in several companies. It gives the same type of astonishing results as the other applications of TOC."

"We need that," Don says. "We are not doing so well managing projects."

"Yes, I know," Johnny replies. "I've heard the facility you're putting up here in town has already slid six months behind schedule. But Don, this application is very powerful. It was tested on new-product development as well, and it's working."

"Fabulous. It looks like you've covered all the necessary ground work. It is time for my involvement."

"Definitely. If you want our university to teach this practical know-how to our undergraduates as well, you'd better move now. By the way, what progress have the other four professors made?"

"Not bad. It looks like we will have hubs in an engineering school and in human resources. But judging by what you say, you are the most advanced. Tell you what. In three weeks I'm coming to your neck of the woods to straighten up our operation there. Maybe it would be a good idea if you could arrange a one-day rush course for me in this project management?"

"No problem, but don't you think you have to meet with the dean of the business school?"

"Johnny, I know how to handle such things. What I have to do is to suggest that this knowledge will be taught at the undergraduate level as well. If they will agree, Unico will commit to hiring their top graduates."

"Wow," Johnny cannot hold his excitement. "That will give our university national acclaim."

"Yes," Don says. "Especially when Unico will donate handsomely so that your university can get the biggest bang for their valuable education. And, Johnny, the person to talk to is not just the dean. When we deal on such a scale, I'll have to talk with the president. Is he a strong person?"

"You may say she is." Johnny grins to himself.