

Chapter 3

She is tall, over six feet tall. And slim. Elegantly dressed. Almost too elegant. Always. Not the type one calls beautiful, but striking. First impression is of expensive silk. Maybe because she never raises her voice, maybe because of the traces of a soft Southern accent. But it's just a first impression and it doesn't last for long. It's the underlying steel that is hard to escape noticing.

She is analytical, ambitious, an excellent manipulator, and she introduces herself as B.J. vonBraun. That's also the way her name appears on her letterhead. The rumor is that the first initial stands for Brunhilde. Nobody dares verify it. Her letterhead also says: University President. The crowned, unchallenged queen. And there is no king, not recently anyway.

It's summer, and Washington, D.C., is sweltering. It's hot even after sunset. But not at the restaurant where the university presidents are holding their formal dinner.

B.J. is seated between Bernard Goldsmith and Alistair Franklin. It wasn't too difficult to maneuver them to sit with her. Both are sharp, and experienced old acquaintances. But most impor-

tantly, they each have large business schools at their universities.

"How is your business school registration?" B.J. asks, as if just making conversation.

"Could be better," Alistair says casually.

Before B.J. has a chance to probe more deeply into this vague answer, Bernard does the job for her. "Do you mean that you've started to notice, as we have, that maybe the bonanza is about to be over?"

That's what she likes so much about Bernard; he always gets to the point without being aggressive. What she likes about Alistair is that he never avoids the issue.

"It's too early to tell," he answers. "But you may be right. This year we aren't going to send many 'we are sorry' letters."

Bernard nods. "It seems as if we are accepting anyone who knows how to spell his name. Hopefully. What about you, B.J.?"

Judging by his tone of voice, Bernard is as concerned about the subject as she is.

"The same, I'm afraid."

Mindlessly she continues to eat her Caesar salad. So it's not unique to her school. This is good news in a way, but alarming in another.

Alistair articulates what they are all thinking. "The last ten years or so were very good for us. Organizations' demand for new MBAs grew, and the desire of young people to acquire MBAs grew proportionately. We didn't have enough capacity to supply the demand. No wonder we enjoyed a hefty queue of applicants banging on our doors." He stops to sip his red wine. They wait for him to continue, but he doesn't.

Bernard picks up the ball. "So, is what we are witnessing now simply a result of the universities succeeding in building up enough capacity?"

"Probably." Alistair's eyes are fixed on his glass. "But it is not as simple as that. You know how systems tend to react. They almost always undershoot or overshoot. I'm afraid that the

rapid decline in the number of surplus applicants indicates that we overshot."

"Judging by the rate at which business schools are still expanding all over the country, it's just a matter of time before we have empty seats," Bernard agrees with him.

Coming here was a good idea. B.J. is pleased. She is also pleased with the two partners she chose for dinner. "So we don't have enough applicants because the capacity of business schools has grown beyond the number of people who want to become managers?" she asks in her soft voice.

"Might be," Alistair succeeds in answering before the waiters start to serve the prime rib.

"This means that we had better restrain our business schools from continuing to grow at their current frantic pace. At least until we find ways to encourage more young people to choose management as a career path," Bernard thoughtfully concludes.

Alistair waits until the overly assertive waiter is satisfied before commenting, "It might be much worse."

"What do you mean?" asks Stanley from across the table. Apparently this conversation is of interest to other presidents as well.

"It might be that we don't have enough applicants because we are already over-supplying the market demand and the word is out that an MBA degree doesn't guarantee a lucrative job anymore."

"If that's the case," Bernard wonders aloud, "then it's not simply a matter of slowing the growth of our business schools. The challenge is how to smoothly shrink them. That's tough."

B.J. concentrates on the meat, evaluating what Bernard has just said. He is actually echoing her own concerns, but when she hears somebody else saying it she has her doubts. It can't be that bad. . . .

"On second thought," Bernard breaks into the silence, "we can boost the demand. All that's needed is to pass a law obliging every manager of a public company to hold an MBA. Make

it statutory, like medical doctors or CPAs, or attorneys for that matter."

"Too much, too soon," Stanley objects. "I don't think that we should even think of legislation. It's against the essence of capitalism. And it's not practical, there is no way to enforce it. Besides, I don't think that the whole issue is relevant. Registrations for our school continued to grow this year, exceeding last year."

"I've talked with our friends at Harvard and MIT. They don't see any signs of softening either," Alistair contributes.

"They never do and never will," Bernard comments with a trace of envy. He picks at his prime rib and then pushes it slightly aside. "Their applicant list for everything is longer than my arm. What am I talking about, much longer than that. I've heard they can afford to accept only one applicant out of five. Considering the prices they charge, it's heresy."

"Why?" asks Jerry Preston. By now the individual discussions have died out. Everybody is waiting for Bernard to answer. He is not in a hurry, he likes being the center of attention. First he drinks a little red wine, then he dabs his lips with the white linen napkin.

"Do you want to know why? I can tell you why. Check their business school syllabus. They teach almost exactly the same material that we do. Maybe their professors are better researchers, but I doubt they are better teachers. The only difference between us and them is that graduating from one of the Ivy League schools is like having a license to steal. It's not any difference in substance, it's just the reputation."

"That's good enough," Stanley says flatly. "Besides, there is an important difference—they have better students. The best from all over the country apply to those schools, and as you said, they are able to pick just the *crème de la crème*."

"Once again, it boils down to reputation, not to substance." Bernard doesn't argue, he is just releasing some steam.

It might be that business schools are facing a crisis, B.J. thinks to herself. It might be that Stanley is right and the crisis is far on

the horizon, but only the prestigious universities are immune. All the others are exposed.

"How do you build a reputation like that?" Jerry asks.

"Very simple," Bernard replies sarcastically. "You build the university two hundred years ago, and carefully cultivate the alumni." He looks around the table, challenging anyone to defy him. Stanley does.

"That's not the only way. We all know of cases where faculty have built national acclaim. They succeeded in gathering a group of exceptional scientists, whose breakthrough research put their department firmly on the map.

Alistair shakes his head in disagreement. B.J. knows exactly why. There is no way a small university like hers or Alistair's can attract people of such caliber. These exceptional people want, and are able, to go to the already acclaimed universities. Anyway, she simply can't afford the high salaries they command.

Maybe she can cultivate talent already existing in her business school? Support and encourage them in some way. . . . What way? And what is the likelihood that the business school has some unrecognized Feynman in their midst?

Chapter 4

I look around the class. There are many more students than I expected, almost thirty, but it doesn't matter; I've taught classes four times as large and I'm well prepared. I slaved all summer, reading everything I could lay my hands on. I interviewed over a dozen people with a lot of experience in project management, much more experience than these young managers have. I think I can handle anything they throw at me. Or at least I can swing at it.

They all take their seats. It's quiet. I'd better start.

As usual, the first row is almost empty. The last person to become quiet is sitting in the back row. Good. He is a large man, about my age. He can stand some abuse. "What's your name?" I ask, pointing at him.

I picked right because he doesn't try to pretend I am pointing at somebody else. "Mark Kowalski," he replies in a booming voice.

"Why have you chosen this course?" I ask bluntly. One thing is for sure, I have everybody's attention. They are not accustomed to my teaching style. A professor is supposed to lecture,