

"No," says Fred. "I don't think that our findings confirm that there is a lot of safety."

Before the debate starts again from scratch, Mark suggests a compromise, "Let's gather much more data."

Ruth doesn't agree. "What's the point," she says. "We don't have to assemble more data, it will not help us figure out why we have a self-fulfilling prophesy. We have to think."

"Fine," Mark smiles. "You'll think, we'll assemble more data."

"If in some mysterious way your data proves that there is not so much safety, I'll never forgive you," she warns them.

"Why is it so important to you to be right?" Fred asks. "Just because I teased you about Steve?"

"Forget Steve, I have a much better reason. There must be a lot of safety or we don't stand a chance of reaching the pot of gold. Ten thousand shares. I want them."

"Me, too." Fred smiles. "But I'll bet on our 'around the clock' idea to eventually lead us there."

"Forget it. With the inflated egos of our engineers, it will never work."

"Maybe we'll find a way," Fred says, but even he doesn't seem to have much hope.

"Dr. Silver's safety is much more promising." Ruth stands firm.

Mark doesn't take sides. "Should we report to Isaac Levy that maybe another avenue is starting to open up?" he asks.

"Too early," is Ruth's opinion.

"Much too early." Fred is firm.

## Chapter 7

When Chris is shown in, B.J. is behind her desk. He puts her memo in front of her and sits down, not saying a word.

B.J. picks up her memo and pretends to read it, slowly. "Well?" she says at last.

"It's totally unacceptable!" Christopher Page declares.

"Why? Your budget was approved based on a forecast. The forecast proved to be exaggerated by over three hundred students." She is firm. "What's so strange about trimming the budget according to actual registrations?"

"That's not the way to run a business school," he states, making a considerable effort to control his frustration. "We are not a mom and pop grocery store. We cannot and should not change with every small fluctuation. We have to work according to a long-term strategy."

"What long-term strategy?" B.J. softly inquires.

That throws him off balance. There is no strategy, unless one calls the tradition of increasing the budget by fifteen percent each year a strategy. On the other hand, he doesn't want to



continue the debate about the future of the business school at this meeting.

"Chris, the business school must trim the budget according to actual registrations," she repeats.

"It's impractical and you know it," he answers impatiently. "The fact that there are fewer students per course does not reduce the cost of giving the class."

"We can reduce the number of courses," she insists.

"Too late," he says, categorically.

"No, it's not," she is as firm. "In the last two years the school has increased the number of elective courses by over fifty percent. You don't have to wait for next year, you can trim some next semester."

"It will be an administrative nightmare," he objects.

Ignoring him, she sails on. "And in so many required courses you are running two or even three parallel classes. Merge them. We can do with fewer adjunct professors."

Twenty minutes later, defeated, Page retreats from B.J.'s office. She is not happy, either. She knows she won just a battle. The business school's committees are still processing recommendations for tenure and are still actively pursuing donations for another building. She has no doubt that if she throws her weight around she can block them.

B.J. makes up her mind. She presses the intercom. "Please get me Bernard Goldsmith," she requests of her secretary.

Bernard picked B.J. up at the airport. When they reached his car, B.J. said, "Let's not go anywhere, just drive."

He is not surprised. They had discussed it before. A car is one of the few places they can have a discussion without being interrupted.

Two minutes later they are on the highway heading away from town. The traffic is light.

"Bernie, I don't know what to do," B.J. almost whispers.

Bernard has known her for a long time. He knows that he doesn't have to help this strong and sharp woman to clarify her

dilemma. She wouldn't talk, not even to him, before she verbalized it clearly to herself. She came to him to try and find an answer. So he patiently waits for her to continue. He has to wait for quite some time.

"Remember our last conversation, in Washington?"

"The drop in applicants for our business schools," he says, demonstrating that he remembers.

Of course he does. Being the president of a university, which has a large business school, Bernard is naturally interested in the subject. Not just interested, concerned. He was concerned before the dinner discussion in Washington. The discussion intensified his concerns, but day-to-day responsibilities distracted him. B.J.'s phone call brought it all back.

"I think that at the gathering in Washington we didn't analyze the problem correctly. It's much worse than we suspected," B.J. categorically states.

Regarding B.J. as one of the most forward thinkers in his profession, her last sentence really worries him. Anxiously he waits for her to explain.

"We were concerned about a potential gradual decline in enrollments at our business schools," B.J. starts her explanation from the very beginning. "In Washington, we said that it was because the business schools' capacity grew, and continued to grow, beyond the market need for MBAs."

"We also said it might be that the word is out that an MBA degree doesn't guarantee a lucrative job anymore," Bernard adds.

"Correct. And since then I've conducted a large survey that verifies it."

"Can I have a copy?"

"Certainly. But Bernard, I'm afraid that we had a conceptual mistake in our explanation. Consciously, or subconsciously, we were extrapolating from the drop that happened in registrations to the law schools. The symptoms are the same, but I'm afraid that the causes are vastly different."

She pauses before she continues. "In law schools they are



going through the normal adjustment between demand and supply. Their problem is that they over-supplied the market needs."

"Over-supply is an understatement. Who needs so many lawyers?"

She ignores his remark. "That is not the case for business. We are not even coming close to supplying the market needs. Over-supply cannot possibly be the cause."

"How do you know?"

"Everybody knows that there is a big shortfall of qualified managers. Couldn't you use some in your organization?"

"If I could get rid of some of my inept buffoons, I definitely could."

She smiles. "Oh, Bernie, it's so good to be with you."

"I will not say 'same here' until you tell me the answer."

"The answer for what?"

"If we aren't over-supplying the market demand, why have we started seeing the same symptoms?"

B.J. becomes tense again. "I didn't say that we aren't over-supplying the market demand, I said that we are not even close to supplying the markets' needs."

"Have mercy on me, stop talking in riddles, I'm just a simple university president," Bernard jokingly begs.

"Bernie, when are we going to open our eyes?" she quietly says.

"Please open them for me," he requests sarcastically.

B.J. doesn't respond. She feels sad. It's so obvious, it's written on all the walls, it hit them in the face, but even Bernie doesn't want to face the obvious. Why impose it on him.

He strokes her hand. "Please." His voice contains only genuine interest. Well, it took her a very long time to face it, too.

In a lifeless tone she starts to explain. "What law students get in law schools is not just a piece of paper but essential knowledge. Do you know of a single person who thinks that one can become a good lawyer without studying?"

"I know people for whom the only good lawyer is a dead

one," he tries to cheer her up. "But I see what you mean. Almost nobody will claim that you can't become a good manager without first having an MBA. You and I don't have MBAs and we manage large organizations."

"In the last few weeks I've used every opportunity to check the opinion of managers about the validity of our teaching. Bernie, it's horrible. There is widespread awareness that it's basically useless."

"Aren't you exaggerating?"

At any other time such a comment would trigger some harsh response from B.J. Any other time Bernard would not think of making such a comment.

"Some managers told me that they are disillusioned to the extent that they are no longer looking for young, bright MBAs. Others told me that they even discourage their people from registering for an MBA program."

Bernard had sufficient time to relate her message to his experience. It matched. Slowly, he says, "What you are claiming is that we are building our grand castles on quicksand."

"Let's face it, Bernie. We don't deliver and the market, to a large extent, already knows it."

They drive in silence for a while. Bernie tries to digest. "But B.J., it can't be. If you are right, nobody would have registered. We charge tens of thousands of dollars, they spend years of their lives, and we don't deliver anything of value? If that were true they would have thrown stones at us. No, B.J., you must be wrong."

"Bernie, what do you want? You want me to say that I'm wrong? You want to convince yourself that I'm just an hysterical woman who is absolutely wrong? But Bernard, what for? It does not change the facts."

At last she reached him. He cannot regard it any longer as a concern, as another item on the agenda. He knows she is right. Almost none of his friends consider an MBA important. He himself, when hiring managers, doesn't consider it as relevant anymore. Still . . .



"B.J., answer me just that. What is saving us from tar and feathers?"

"The respect for higher education," she answers in a lifeless voice. "Respect that is well-deserved by some of our departments but not by others."

It makes sense to him. His mind is racing now, trying to see the ramifications. "When organizations overcome the respect for a university degree the real collapse will happen. I wonder how many business schools will survive then. B.J., we must do something about it. We must save our business schools. They amount to half the university."

"There is nothing to do," B.J. says flatly. "Management is an art and we try to teach it as if it is a science. It cannot work, it doesn't work, and it will never work."

"I don't agree," Bernard is adamant. "It's not art. Organizations have procedures. They operate through defined structures. They institute rules. Management is not based just on impressions and intuition. In organizations many things can even be measured by numbers."

She thinks about it. "You may be right," she says, not willing to argue. "Do you really think that, in its current state, management is like an accurate science?"

"If it were, we wouldn't face the problem," he agrees.

"Do you also agree that we should not count on a miracle? That we should not behave as if we expect business know-how to be turned into science in the near future?"

She doesn't wait for him to agree. "So one thing is clear. We cannot sit around, doing nothing, waiting for the unavoidable collapse of our business schools. Bernard, we must move. It's our responsibility."

"What do you suggest we do?" He speaks so softly she barely hears him.

"There is only one thing that we can and must do. We must start to prudently shrink our business schools."

For another three miles no one says a word. Bernard thinks about what it means. B.J. does the same.

"B.J., I must bitterly thank you, but you didn't fly here just to open my eyes. You have a problem. What is it?"

"Bernie, I'm not up to it," she confesses. "I fought to become the president of a university in order to build. To build a place for young and not-so-young people to grow. Now I know I must slash, that's the only way, still I cannot bring myself to be a butcher."

"I understand," he quietly says. "But B.J., now we both know what will happen if we continue to refuse to address the issue. The business schools will tumble anyway, and if we don't start to trim now, the trauma will be much bigger. The business schools might take down other departments with them. We have responsibility for hundreds, for thousands of people."

"I know. Believe me, I know. But Bernie, I cannot do it. Not even the first step. I tried to bring myself to stop granting tenure. Our business school qualified eight candidates. I read their files. Not much is there, but from the little there is you can see how hard they had to work for it. How many years they devoted. I can picture their families. I can picture how it will ruin them."

"Don't misunderstand me," she adds. "I don't have any problem getting rid of a person who is not carrying his weight. Nobody will accuse me of being softhearted, but these people deserve better. They are good, bright, hard-working people."

"When you are in charge of an omelet you have to break eggs."

"Let somebody else break people," she says bitterly. "I'm thinking of resigning."

B.J. is not a person to say such a thing lightly. With effort, he restrains himself from referring to her shocking statement and says, "You don't break them. You do them a big favor."

She almost chokes.

"Listen to me," he continues in a harsh voice. "Let them get out now. They are young. They are bright. They will carve themselves a good niche. Every year that you allow them to stay



diminishes their chances. The market will be less appreciative of their knowledge and they will be less able to adapt."

She doesn't answer. Five minutes later, she puts her hand on his. "Can you please return to the airport. I can still catch the six o'clock flight."

They drive in silence.

When she leaves, she kisses him on the cheek, "Bernie, you are a good friend."

## Chapter 8

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There's a knock on my door. I raise my eyes from my work and see Jim already coming in with a stack of papers in his hand. "It's beautiful," he says, and drops them on my desk. "With your twenty-six cases on top of the ones I've gotten in the past two years, we now have plenty for a good article."

He pulls up a chair. "Here are my suggestions for the various sections." He thumbs through the pile and at last hands me a handwritten page. I'm an expert at deciphering Jim's handwriting, but this one is stretching the limit.

"Overdue and overruns," I finally guess the first subtitle. "Rick, there is a lot of research published on the subject, and for most of our cases we don't have the exact numbers. So, what I suggest is that you assemble the most appropriate references and we'll report that our findings confirm the previous research."

So far it translates into a minimum of two boring days in the library, I note to myself, wondering what is still to come.

"The emphasis should be on categorizing the official and the