



Marketing Science

Publication details, including instructions for authors and subscription information:
<http://pubsonline.informs.org>

Commentary on the 2004 ISMS Practice Prize Winner: A Business School Should Combine Academic Research and Its Application to the Real World

Leonard M. Lodish,

To cite this article:

Leonard M. Lodish, (2005) Commentary on the 2004 ISMS Practice Prize Winner: A Business School Should Combine Academic Research and Its Application to the Real World. Marketing Science 24(3):332-333. <https://doi.org/10.1287/mksc.1050.0134>

Full terms and conditions of use: <https://pubsonline.informs.org/Publications/Librarians-Portal/PubsOnLine-Terms-and-Conditions>

This article may be used only for the purposes of research, teaching, and/or private study. Commercial use or systematic downloading (by robots or other automatic processes) is prohibited without explicit Publisher approval, unless otherwise noted. For more information, contact permissions@informs.org.

The Publisher does not warrant or guarantee the article's accuracy, completeness, merchantability, fitness for a particular purpose, or non-infringement. Descriptions of, or references to, products or publications, or inclusion of an advertisement in this article, neither constitutes nor implies a guarantee, endorsement, or support of claims made of that product, publication, or service.

© 2005 INFORMS

Please scroll down for article—it is on subsequent pages



With 12,500 members from nearly 90 countries, INFORMS is the largest international association of operations research (O.R.) and analytics professionals and students. INFORMS provides unique networking and learning opportunities for individual professionals, and organizations of all types and sizes, to better understand and use O.R. and analytics tools and methods to transform strategic visions and achieve better outcomes.

For more information on INFORMS, its publications, membership, or meetings visit <http://www.informs.org>

Commentary on the 2004 ISMS Practice Prize Winner

A Business School Should Combine Academic Research and Its Application to the Real World

Leonard M. Lodish

The Wharton School, University of Pennsylvania, Philadelphia, Pennsylvania 19104, lodish@wharton.upenn.edu

I am pleased to comment on the article by Zoltners and Sinha, which summarizes a very fruitful combination of academics and entrepreneurship. This article illustrates the added value that can occur if academic research is taken to the next level and actually applied in real situations, where clients are paying money to solve their problems and get help with their decision making. There are many phenomena that models and decision support systems need that don't come out until an attempt is made to apply them in real situations. Figures 7 and 8 are very instructive in showing how difficult it is to add value in the real world for the territory design problem. The current solution is not what an academic would call a complete, all-encompassing solution that optimizes the profitability of the client company's salesforce.

The current ZS approach is a combination of "optimizers," alternative predictive models that help evaluate "nonoptimal," but more acceptable, alignments, ZS alignment experts, and the client salesforce management. The market telling ZS that their "optimized" solutions weren't good enough (e.g., "the Joe McDonough challenge") was the impetus for all the subsequent development. ZS had to find a balanced way of combining qualitative assessments of field managers with the analytical modeling and optimization.

The MAPS system is by itself not that academically interesting—it is a graphic and quantitative way of estimating the impact of changing alignments from the optimized ones. However, it is very easy to use and gives the field managers control over the system, and it enables them to effortlessly try alternatives they like and see the sensitivity of their new alignments to

objective function variables, such as travel time and territory balance. This perceived control over the system makes it much more likely for field managers to adopt the new alignments. The MAPS system also substantially lowers the amount of drudgery necessary to implement a new alignment. What my colleagues and I, who have also implemented models in the real world, have discovered is reinforced by the ZS experience:

It is much easier to get managers to adopt aids to help them to do their jobs *easier*, than it is to adopt aids to help them do their jobs *better*.

The ZS experience is a great example of how insightful John Little's (1970) article was, in introducing the decision calculus concept. (It is entitled "Models and Managers: The Concept of a Decision Calculus.") John would describe the ZS systems and procedures as a decision calculus. He further stated that a good decision calculus should be:

1. simple—easy to understand conceptually;
2. robust—hard to get bad answers from;
3. easy to control;
4. adaptive—easily updateable as new information becomes available;
5. complete on important issues;
6. easy to communicate with.

Little's article was published six years before ZS started their journey. However, its message not only summarizes some of the major reasons for the ZS implementation success but also provides still-relevant guidelines for others who try to develop models and procedures that will actually help managers be more productive. The ZS contribution reinforces these enduring guidelines.

I think it is safe to say that the ZS article would not have been published as a stand-alone article in

Marketing Science without the support of the Marketing College Practice Prize. If the ZS article is now read by a number of marketing scientists and MBA students around the world, then the Practice Prize will have made a valuable contribution to the educational process and to the literature in marketing science that will actually have an impact on practice. I hope the Practice Prize is a catalyst for more impactful examples of marketing science to appear in the journal. If we want our (academic) work to actually be used, we need more material in our academic literature that provides both the substance and the organizational challenges and context.

We are teaching and researching in schools of business. It should be a big plus that our work is applied to make businesses work better. How many of our business schools explicitly consider the impact on practice of their researchers work in their promotion and tenure decisions?

We have been working in our own way at Wharton to bring some of our students further along in their education in how to actually apply many of the models, concepts, and methods from the classroom to the real world. The Wharton Global Consulting Practicum has teams of five Wharton MBA students and five MBA students in one of our partner business schools in Israel, India, Chile, Peru, and Colombia. The teams work for five months with a real company in the partner country that wants to either enter or

improve their position in the North American market. The teams begin with a blank slate and end up developing a fact-based, strategically sound operational plan for their client. They have budgets for original research, data gathering, and analysis. We have developed a support structure of experienced mentors for the teams (18 this year) to help them develop implementable solutions that will add real value to their clients. Many of Little's concepts, as implemented by ZS Associates, are learned by experience in this practicum. However, the teaching effort expended to support this activity is much more than that for standard courses. My colleagues and I in the practicum spend the time because we understand how valuable it is to our students. If someone can figure out a way to mass produce the learning of these teams so it can be added to all the students' educations, they will improve the value of business school education significantly.

I know that other business schools and Wharton have been working on a number of other initiatives to bring more of the real world into the business educational programs. I hope the ZS article and the Practice Prize Competition provide more incentives to keep trying.

Reference

Little, John D. C. 1970. Models and managers: the concept of a decision calculus. *Management Sci.* 16(8) B466–B485.