

INTEGRATING THE INTRODUCTORY MBA COURSES: THE ROLE OF MARKETING

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ABSTRACT

The professional business community has called for change in the educational process. To meet the call we designed and implemented a course titled Integrated Business Concepts and Techniques. This fifteen unit course is intended to be the first course taken in our MBA program. The purpose of this paper is to present the role of marketing in this context. We discuss our basic design, the role of marketing, and some of the marketing and pedagogical issues we encountered.

INTEGRATING FUNCTIONAL CURRICULUM

The professional business community has called for change in the educational process (Brownell and Jameson 1995) (Chief Executive 1993) (Foggin 1992) (Sheridan 1993) (Watkins 1993). Managers are operating in environments where economic pressures are strong and resources are scarce. Industry leaders recognize that a traditional functional orientation is not nimble enough in environments where time to market can be a critical priority. Furthermore, cross-functional teams may be key to an organization's success or failure (Kaeter 1993).

The American Assembly of Collegiate Schools of Business (AACSB) has called for change. The preamble to the AACSB Guide to Achieving Accreditation "challenges schools to pursue continuous improvement... one of accreditation's guiding principles is the tolerance and even encouragement, of diverse paths to achieving high quality in management education... The curriculum should integrate the core area and apply cross-functional approaches to organizational issues (American Assembly of Collegiate Schools of Business 1993)."

To meet this call for change, six faculty members, representing six functional areas, designed and implemented a course titled Integrated Business Concepts and Techniques (IBCT). This course is the introductory course in our MBA program for those students with non-business undergraduate degrees.

There were three primary motivations for developing the IBCT course. Students are unprepared for the realities of the modern business world (Skousen and

Bertelsen 1994). Further, several universities have seen success with similar courses [see (Ehrhardt 1992) (Foggin 1992) (Massingale and Dewhirst 1992) (Reeve 1992) (Russell 1992) for a good example of the efforts of another university]. We believed an integrated course would address many of the professional world's concerns, finally, we desired to be innovative and make a good program even better.

INTEGRATED BUSINESS CONCEPTS AND TECHNIQUES COURSE DESIGN

Our university has maintained a traditional MBA program for more than twenty years, with a current enrollment of about 500 students. Six functional courses are required of the non-business undergraduate prior to beginning the formal MBA course work. These core courses cover accounting information and managerial decisions, managerial economics, operations management, managerial marketing, managerial finance, and the social and legal environment of business.

Course Construction

We believe the course should provide: (1) an integrated conceptual foundation on which to build each student's graduate program, (2) an understanding of how modern organizations develop their strategies in a world of uncertainty, (3) an understanding of the role of structure in achieving the organization's goals and objectives, (4) an opportunity to gain competence in the use of common business tools and procedures, (5) an opportunity to gain experience in the development and operation of cross-functional teams, and (6) an opportunity to improve oral and written communication skills.

Our first objective was to make sure we had topics from each functional area integrated throughout the course. However, providing a line of continuity throughout the entire course presented a daunting challenge. Our solution was to develop a single integrated case.

Honda of America permitted us access to corporate data and management practices. The faculty created a fictional consulting firm, the Alcalá Consulting Group (ACG), to permit the interface between a supplier

company and Honda. Students in the class entered the employ of this consulting organization, and the faculty played the role of senior partners. In the scenario presented to the students, ACG had been hired by a fictional semiconductor firm called Kettering Systems to analyze a potential opportunity with Honda. Kettering Systems believed Honda was about to extend an offer for Kettering to provide a computer chip that would increase the gasoline efficiency in sport utility vehicles. This context was used as an integrating framework for the functional subject matter.

Primarily, the course would be organized around assessments and decisions that managers in organizations must make. We designed four one-month long sections, each of which built upon the material and experiences from the one previous to it.

The first section is named Strategy I. The objective is to conduct a high level assessment of markets, competitors, corporate strengths and weaknesses, value chains, opportunities and threats. The required output is to perform a corporate level SWOT, recommend what markets and products the firm should be concerned with, and define the critical success factors in those selected product markets. The faculty team provides an overview of corporate history, ethics, values and corporate culture, long range strategic forecasting methods, and various international aspects. In addition, the teams receive instruction to develop their written and oral presentation skills.

The objective of the second section, Strategy II, is to examine the strategies and capabilities of the various business functions (marketing, finance, accounting, operations, procurement and human resources) within the organization in order to determine whether the firm would be able to succeed in the future. The required output is a detailed, functional level SWOT and recommendations for changes to functional level strategies required to improve the odds for success in the selected product market. Information provided by the faculty includes marketing theory, economic optimization, risk analysis, cost analysis and estimation, promotion techniques, and pricing strategies.

The objective of the third section, Structure, is to assess the existing organizational structure and infrastructure and recommend changes likely to improve chances for achieving the functional and corporate strategies defined in previous sections. The structures examined include the accounting system, financial structure, employee compensation, incentive and evaluation systems, management information systems, and operations systems. The output required is a recommendation of structural changes that will allow the

firm successfully to implement its strategies. The faculty presents information on organizational structures, managerial accounting systems, capital budgeting methodologies, supply systems, managerial information systems, and operations management.

The final section's objective, Implementation, completes the transition from the strategic to the tactical. By now, corporate and functional strategies are well-defined, structural weaknesses or barriers revealed, and plans made for correcting the weaknesses. Outputs required of the students are tactical decisions that will allow the firm to successfully develop its business. The faculty team provides information on product selection criteria, product design, incremental capital structure decisions, make or buy assessments, and performance assessment.

THE ROLE OF MARKETING

The marketing concept provided the thread that tied together most facets of the integration. Students were indoctrinated in the idea of a customer orientation from the first day of the course. The marketing system context was variously described in terms of networks of customers and suppliers, in terms of value chains, and in terms of keiretsus. The goal of each firm in the system was described as a total company effort aimed at achieving customer satisfaction at a profit. Thus, the marketing concept served as a benchmark against which to measure the specific firms involved in the context of the course. Are all of the functional areas at these firms seemingly engaged in a customer orientation, and are all of the systems at these firms likewise engaged? The extent to which the students find congruence between the firm's systems and structures and the marketing concept allowed them to develop a foundation from which to assess potentially damaging issues.

The Product Market Context

There were two contextual product markets that the students investigated: the automotive semiconductor market, and the sport utility vehicle (SUV) market. The hypothetical situation given to the students was to assess whether it would be in Kettering Systems' best business interests to begin a relationship as a component supplier to Honda of America. To understand whether this relationship might make sense depended on a grasp of both product markets. Thus, the second major section was built around an in-depth analysis of the SUV market, a review of the automotive semiconductor market, and a study of the relationships between the two.

This analysis provided the pull for topics in all of the traditional marketing mix variables. The students had to develop an understanding of the current SUV market: its size, its growth rate, where the product class might be in terms of the product life cycle, the segments involved, the basis of segmentation criteria, and so on. Having just completed an econometric analysis of the entire automobile market as a requirement for the micro-economics portion of the curriculum, they were able to use some of those tools to build market forecasts for the SUV market.

Secondary research into the sport utility vehicle market provided the students with a host of demographic materials. Using this material as a basis, the students also developed a portfolio of promotion materials about SUV's in order to construct some thick descriptions of the psychographic profiles of various market segments. The demographic information, combined with study of SUV promotion materials, allowed inferences about the nature of the segments. By attempting to map these profiles to the psychographic clusters available from Equifax MicroVision™ materials, the students could estimate the size of potential markets. With other secondary research, the students could begin to understand the level of penetration achieved so far. From that they could begin to infer where the SUV market was positioned with respect to the product life cycle. Perhaps they might even estimate when maturity might occur.

With sources obtained by exploring Internet WWW sites, the students were able to accumulate pricing information regarding 128 different SUV models! Coupled with the concurrent information being delivered to them about the nature of demand and elasticity from the micro-economics curriculum, they were able to construct an analysis of the kinds of pricing models utilized in this product market. Typically, students take the foundation course in micro-economics and then seem to promptly forget most of its content. However, some of the pricing strategies in the marketing curriculum (such as profit maximizing strategies) are, of course, inextricably linked to micro-economic concepts like marginal analysis. Integrated in this fashion, the students were able to use the theoretical economic underpinnings in a marketing context to help them understand what was happening in the SUV market. They were also able to gain an appreciation of some of the limitations of the economists' *ceteris paribus* assumptions. Of course, marketers understand that much of what they do is subsumed within the *ceteris paribus* assumptions.

These market analyses gave the students a context from which to construct marketing strategies for the

fictitious Kettering Systems. It quickly became apparent that there was not a simple fit between the relatively low volume production required for Honda vehicles in the SUV market vis-à-vis the expense of an R&D effort to develop a new semiconductor. This forced the students to construct some strategic options for the firm beyond the obvious. In turn, this led to issues in product development, product management, and marketing strategy. An amazing aspect of this approach to learning is that these students were grappling with a complex marketing situation after only six weeks of MBA school.

The charm of this particular context for marketing pedagogy is that the students had to develop an understanding of consumer behavior models as they related to the SUV market as well as develop an understanding of the business to business marketing concepts at play between Honda and Kettering Systems.

Distribution and logistics considerations also came into play both strategically and tactically. The students contemplated the implementation of various strategic options such as deciding how to best produce, inventory, and ship chips to the Honda assembly plant where the permissible just-in-time windows are only fifteen minutes wide for incoming parts.

ISSUES ENCOUNTERED

Overall, we were pleased with the results but a series of issues surfaced that warranted our attention. Although there were issues in a number of categories, we focus here on those most directly related to marketing pedagogy.

Workload

A phenomenon that occurred to some extent for each of the faculty was the desire to ensure that all of the traditional core functional material was included in this course. In part, this resulted from a desire to maintain the same level of rigor as in the functionally oriented approach, and to provide a comprehensive view of each functional discipline.

It became quickly apparent that there was too much material to place in a one semester offering. In addition, the particular case context we chose was not conducive to the incorporation of every aspect of the functional material. For example, the distribution variable in the marketing mix was not as easily addressed as product and pricing variables were. Also, to some extent, the context did not lend itself to a comprehensive investigation of promotion. On a positive note, we

had to think hard about what material was really critical for the student. The number of marketing topics addressed in the textbooks continues to proliferate, but the length of a semester remains constant. Thus, all marketing instructors face this same issue, and it becomes an issue of depth vs. breadth. With respect to the marketing aspects in this course, we attempted to strive for depth in the critical and basic marketing areas vs. a survey of a large variety of topics. Also, the context of the case also was a driver towards depth instead of breadth.

Information Overload & Expectations

The students quickly amassed a tremendous amount of information about the SUV market through online database searches from both traditional library sources and Internet sources. Their problem was one of winnowing through this huge amount of information in order to find appropriate material. This led us to glimpses of several interesting phenomena. This kind of research was new for these students, and, as a result, they didn't have a good grasp of what it was they should be looking for. They also didn't have much ability to perform sophisticated online searches, thus they tended to accumulate far too much material. This massive quantity of information rapidly became overwhelming and led almost to paralysis on the part of some students. Although this project had a six week time horizon, the students tended to procrastinate because they didn't understand the enormity of the task. As a result the teams had to push very hard to finish their report on time.

As a result, the reports tended to be overly large and replete with many obvious mechanical, typographical, and grammar errors. One of the teams presented a report in excess of 160 pages. The reports tended to be descriptive instead of analytic and synthetic. We found that the students had little experience in effective project management and rather rudimentary analytic skills. In addition, their skills for synthesis were almost non-existent. Of course, these skills are some of the primary objectives for most MBA programs: to foster the abilities of analysis, synthesis and critical thinking.

If the students were provided with a limited set of information they may have been able to spend more time thinking about it rather than sifting through it. On the other hand, that approach would not have given them the valuable opportunity of performing an in-depth piece of secondary research. We have not yet decided on an optimum way to resolve this issue.

Another interesting phenomenon relevant to marketing was a marked tendency for the students to resist mak-

ing inferences about the future. One of the section requirements was to estimate the date of maturity and the commensurate unit volume at maturity in the SUV market. Students had learned to make linear forecasts with the help of unsophisticated econometric models, and they understood that this linearity was only appropriate for some specific relevant range. However, they were very uncomfortable with inferring where and when the slope of the product life cycle would decay. We don't know if this was a particular phenomenon of our group or if this is a larger difficulty with beginning MBA students. Perhaps it is related to their lack of analytic skills, let alone their synthetic skills. They also never thought to investigate other similar automobile product classes that might have served as surrogate models for the basic structure of the SUV market.

Although the concurrent integration of the micro-economic underpinnings with the marketing applications of the theory was useful for demonstrating the value of the economics, it was sometimes problematic for effectively demonstrating its use in marketing. The students generally seem to need more time to digest big new concepts like demand and elasticity. By quickly moving to how these concepts were useful in pricing and promotion activities, we tended to overwhelm the students. They understood the value of the material, but had not had enough time to digest it, contemplate it, and then implement it in a marketing context.

Push Versus Pull Learning

We attempted to shift from a push system to a pull system for student learning. We originally defined four integrated projects in such a way that they would intrinsically create demand on the part of the students for the necessary knowledge. However, the students didn't have any idea what to ask for. This may be a fundamental flaw in our course design. We believed that by assigning a set of requirements for a section, the students would ask to learn about the skills and tools necessary for the successful completion of a project. The problem, clear enough in hindsight, is that the students do not have enough business acumen at this point in their MBA program to have any idea of what it is they should be demanding from the faculty. Thus, we reverted to pushing what we believed was the necessary information. Oftentimes, the students could not even relate a particular tool, skill or presentation to its implications for the section! One solution for this issue is a much more detailed brief outlining the requirements for the section project.

Course Perceptions

Although the participating students were enrolled in the equivalent of a heavy, full-time course load (eighteen credit hours), they still perceived the entire experience as just one course. Their frame of reference, based on undergraduate experience, is mostly in terms of three-unit courses. In addition, this is their first experience with graduate school, and their workload is appropriately greater at this level than at the undergraduate level. As a result, the students perceived an intense state of work overload incongruent with their perception of the workload associated with just one course. This was further aggravated by the fact that many of their peers were finding much more time to spend at the beach. In our zeal to integrate the entire functional core over one semester, we created a workload that, in reality, probably was too much work for all but the most dedicated and gifted students.

CONCLUSION

Hundreds of hours were spent designing and teaching the Integrated Business Concepts and Techniques course. We believe an integrated approach is necessary for the fulfillment of modern graduate business education requirements. Clearly, this trial course offering was not without its problems but we regard this type of integrated course structure as a path to the future. The marketing component was much more easily woven into the structure of the course than was some of the other functional material. It was heartening to watch students quickly adopt the marketing concept as the only paradigm that makes sense. The marketing concept was, in a sense, the organizing principle for the entire integration. Although the transition to an integrated curriculum is proving more difficult than we expected, we remain confident that the students will depart with a higher level of sophistication about the realities of modern business than they would have if they completed a series of traditional functional courses.

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