Changing Needs in Executive Education

By

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ABSTRACT:

The ever-changing business environment has caused corporations to continually re-assess their own human resource development programs. In general, university-based executive education programs have yet to achieve their true potential in terms of meeting the needs of their customers. Recent documented studies have indicated a growing dissatisfaction with the effectiveness of universities in developing and providing state-of-the-art management programs. Integral to the development of an effective program, is a clear understanding of what the customers perceive as "effective" executive education, and the perceived role of the universities in providing that education.

The successful university of the future will be the one that can translate the often-changing needs of the customer base into a coherent offering of executive education programs that meet these needs, as well as match the strengths of the providing university. Only then will university-based executive education become an ingrained portion of the evolving business's total human resource development process.

In this thesis, a market analysis of the executive education industry was completed in an effort to better understand what the customers perceive as relevant executive education. Data was gathered by means of interviews with present academic experts on the subject of executive education, interviews with human resource managers from firms with varying levels of participation in university-based executive education programs and these firm's employees, and finally by means of surveys of past and present participants in executive education programs.

These investigations have lead to greater insight into the ever-changing needs of the customer base, and subsequently allow for suggested possible university strategies in line with what is perceived to be the market's needs.

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And regardless of how modest this endeavor may be perceived to be, there are a few people worth mentioning, who without their presence and support, this thesis would not exist.

First my beautiful wife, whose unbelievable patience throughout this past year of weekend commutes was instrumental in my survival. Second my nine month old son, who now makes future education issues all that much more important to me. And finally my father who I respect and admire tremendously, and my deceased mother who I miss dearly.
I. RESEARCH APPROACH:

Initial efforts were focused on the review of published literature on executive education, and its role within the overall executive development process. The intent was to gain an overall view of the executive education industry, and the societal and business trends that may have an impact on the executive education industry. Then, a framework was established whereby executive education programs could be characterized in terms of key areas of product differentiation. Product trends within each of these distinct areas of differentiation were then reviewed.

Various forms of marketing research, which will be described in greater detail in section VI. of the thesis, were then employed in an effort to validate and enhance initial basic research on the executive education market and its characteristics. The intent was to provide a sharper focus on what the customer’s needs are within this industry by way of these surveys and interviews. And ultimately, the intent was to provide for personal insight on strategic directions that universities could possibly take in better satisfying these customer needs.

To better understand the process under which a university’s faculty and administration go about strategically assessing and providing executive education, the author became personally involved with the faculty and administration of M.I.T. responsible for executive education programs. This was done in an effort to complement the basic literature review and the directed surveys and interviews. This was done in an attempt to ensure a better understanding of any unique constraints under which universities may operate. This was also done to assure that any strategic recommendations that might come out of the research would be actionable from a university’s perspective.

The author initially participated in a weekend strategic retreat of M.I.T.’s senior faculty and administration. The group was gathered in an effort to outline their roadmap to preeminence as well as to discuss any issues that may impede their efforts. Issues discussed of particular relevance were:

- What is the definition of preeminence at a university business school?
- The problems and challenges in meeting strategic initiatives in gaining preeminence.
- Customer satisfaction, program delivery, and educational services.
- Marketing and external relationships.

Various informal discussions were held both during the retreat as well as in the following weeks with the associate dean responsible for executive education, the director of the two year
masters program, the director of the career development office, and the director of two of the unique executive education programs provided by M.I.T..

Also, in an effort to gain feedback on the findings and general observations, the author participated in the university's business school marketing strategy committee.

This attempt to understand the university's inner-operations through participation in the strategic planning process, through various informal discussions, and through participation in the university's marketing strategy committee, was to better allow the author to put the researched customer needs into a context whereby the author could perhaps better understand any university's ability and/or desire to ever meet these observed customer needs. Although it is recognized that universities can be very different in their approach toward the development and administration of executive education programs, it was felt that an understanding of some of the unique characteristics of at least one university could provide valuable insight necessary for the development of concluding observations of relevance to the universities.
II. GENERAL FOCUS OF THESIS:

The thesis, while intent on understanding and characterizing the entire executive education industry, is generally focused on strategic implications as they pertain to university sponsored, regularly scheduled, open enrollment general management programs. These programs are full-time, non-degreed programs with the exception of the London School of Business, M.I.T., and Stanford Sloan Programs. General management programs can be characterized as programs intent on preparing middle managers and above, who have predominantly functional backgrounds, for future general management responsibilities. These programs are assumed to be focused on high-potential middle managers and above, and taught in English. The above defined programs constitute approximately 33% of all programs offered today in the university based executive education market according to the 1994 Bricker's International Directory. The above focus was taken in an effort to allow for more clarity in regard to final strategic imperatives that a university could take. A review of the entire executive education market was still necessary to understand where these general management programs fit within the scheme of the entire executive education market. And, it is recognized that many of the concluding observations may also apply to all executive education programs, and not just to the general management programs.
The executive education market is a lucrative one. In the Harvard Business Review, it has been estimated that expenditures for total employee training and education has grown by nearly $10 billion over the past decade to become nearly a $45 billion industry. Training of the top professionals and managers within these firms in the form of university based open-enrollment, and executive MBA programs; in-house company training; and customized courses taught by business schools, independent learning groups, and consultants is estimated to be a greater than $15 billion industry.

With this growth in executive education, has come a significant proliferation of product offerings developed in an effort to meet the customer’s rapidly changing needs. Bricker’s International Directory, now in its 25th year of existence and considered as a reliable authority on executive education worldwide, presently lists a total of 472 available programs offered by greater than 90 different universities and non-profit organizations in fifteen different countries. In the United States alone, attendance in university sponsored education programs is estimated at over 12,500 participants annually.

Universities, once relied upon as the major source of executive education programs, are now under severe scrutiny as their effectiveness has been increasingly questioned. A Vicere, Taylor, Freeman study of representative samples of Fortune 500 manufacturing, service, and global corporations illustrated this growing skepticism. The survey brought to light the following trends:

A decrease in the perceived effectiveness of universities in management development by 18% -- from 61% down to 50% in the 1987 to 1991 timeframe.

An increase in the perceived variation by school in providing management development of greater than 47% -- from 19% to 28% in the 1982 to 1991 time frame. Vicere et al. suggested that this may imply that universities had been successful in differentiating their product.

An increase in the perceived ineffectiveness of universities in management development of 70% -- from 10% to 17% over the 1987 to 1991 time frame.

Competition within the executive education market has become fierce. Although not clear as to whether due to increasing appeal of this market, or the decline in the universities effectiveness in satisfying corporate customers, the number of entrants developing and offering programs has grown significantly. The most significant competition to the universities comes from the corporations themselves. As customer needs have rapidly evolved, corporations have turned internally to satisfy executive education programs. Firms are establishing programs to meet specific strategic goals, or to transform corporate culture in regard to issues such as the bureaucracy prevalent in many larger firms today. Firms such as General Electric and Motorola have run their own unaccredited, yet universally respected, internal universities for a long period of time, and have lately inspired a slew of corporate imitators. Attendance in these internal programs is estimated to be nearly four times that of the university sponsored education programs. As these internal “universities” grow in stature, many firms are looking to market their offerings to both their direct suppliers as well as to other interested firms. The prevailing perception that executive education programs were just a mini-MBA course has caused corporations, who once looked to universities to develop programs for them, to move away from one-time, packaged education programs. Now firms are looking for high-impact, customized programs, tailor-made to meet their firm’s specific needs.

This has lead to the entrance of another set of providers of executive education -- leading to even more intensive competition. These new players are the general consulting firms, the ever-increasing number of executives choosing to take early-retirement from industry, and non-tenured teachers from leading universities. Also, there are very reputable firms that provide the materials utilized in executive education programs in areas such as managerial style, and culture of the organization. In essence, these firms are developing turn-key modules that consultants, professors, or individual firms can utilize in developing a comprehensive education program. Firms such as Harbridge House in Massachusetts develop these modules in specific areas of interest which can then be utilized individually or as part of a comprehensive package as noted earlier.

The general consulting firms have the potential to provide the greatest challenge. As well as previously established relationships with the business world, the consulting firms have

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the resources necessary to develop quality education programs. Although it has been documented that the general consulting firms are generally focused on their core business now, it is not inconceivable that these firms could mount a full attack on this lucrative market as the present substantial growth in their core business subsides. Consultants offer the ability to respond quickly and effectively to client needs as their greatest competitive advantage. The majority of the consulting firms are establishing a small internal staff for coordination, and an established network of faculty from business schools who provide the expertise in the necessary subjects. This alignment provides for ultimate flexibility, and establishes the consultants as the providers of the commonly described “virtual business school.”

Executive education costs are not totally immune to the review of the majority of firms who are now under significant cost pressures in general. In an effort to minimize costs, some firms are now contracting directly with university faculty in an effort to reduce the costs of customized programs. This also leaves the university out of the picture in terms of participating in the monetary benefits of executive education. The most significant trend in terms of funding of executive education, which is the result of continuing cost pressures, is the advent of the consortium. This trend became evident through documented materials on executive education, as well as from the interviews with the industry users of executive education, and the academians. The consortium is a team generally comprised of faculty, outside consultants as necessary, and non-competing firms who agree to work together either in the development of specific education programs or on common areas of interest within the field of executive education/development.

Costs to develop and deliver the preferred custom programs generally exceed those of open enrollment programs, and therefore smaller and medium-sized companies are becoming increasingly more predominant in the open-enrollment programs offered by the universities.

Also, with the increasing wealth of emerging countries, the international business person is becoming a more predominant participant as well. This trend parallels the overall globalization of the business world. Executive education is becoming a global industry as well with credible executive education programs now being conducted in at least 70 countries.

Along with this shift to smaller and medium-sized firms in open enrollment programs, is a shift in the users of managerial and executive education programs. A Douglas Ready survey of approximately 90 corporations and business schools for Fortune magazine provided significant insight into trends in regard to the users of executive education. The survey gathered data on

the participants of programs five years ago and obtained outlooks on projected users by the surveyed firms 5 years from now. The trends as projected by this survey can be summarized as follows:

A decrease in participation of entry level managers in programs from the mid-twenty percent range to 15 percent of total participants.

A decrease in projected middle manager participation of nearly 30%, from 25% of participants to approximately 17% of total participants.

An increase in projected participation of international managers by greater than 100% from 3% up to 7% of total participants.

An increase in high potentials projected to participate from 12% to 14% of total participants.

A decrease in functional managers and specialists projected down from nearly 10% to a range of 5%.

And, projected participation of senior executives at a constant 10% of total participants.

This Ready survey also projected trends in the types of programs which would be used for executive development. The survey projected the following:

Use of university education would hold over the next five years at approximately 8% of the total time corporations would allocate towards executive development.

The use of customized university executive education programs would double to approximately 4% of the total time corporations would allocate to executive development.

The use of university executive MBA programs would drop from approximately 3% of total time used to 2% of total time corporations would allocate to executive development.
The use of internal company executive education, after rising dramatically over the last five years, would hold with the greatest portion of allocated time at approximately 17% of total time allocated to executive development.

In regard to the type of programs that firms planned to use, the survey pointed out the following dramatic shifts:

A decrease in the use of open-enrollment programs from nearly 70% of all programs used to 40% of programs developed and used from five years ago to five years from the time of the survey.

A significant rise in custom/partnership programs from approximately 15% of programs utilized to greater than 30% of the programs firms planned to utilize.

And, the growth in the use of consortia programs tripling to nearly 7% of all programs utilized.

The executive education industry can be characterized by rapidly increasing competition. The industry has experienced a marked change in the customer base interested in executive education, a marked change in the preferred format of executive education products, and finally a redefinition of what relevant education means to corporations. Today's CEO's continually cite executive development and its role in assuring a supply of future managerial talent as a key concern of theirs in documented surveys. And, unlike the market for MBA's, all insist that the executive education market has a long way to go before it reaches the point of saturation. In fact, there may be a growing role for executive education within major corporations. The executive education market provides great potential for organizations that can provide high-quality programs that are intensely focused on the changes within the marketplace, and the needs of the constantly changing business organizations. The most successful universities will be those that do the optimum job of aligning their core capabilities with the corporation's needs within the realm of that firm's total executive development process. Yet, these trends suggest a need to better understand the users of executive education, and a need for more active communication through partnering and alliances. And, because of the relative future or present power of the

participants in executive education programs, success or failure within this highly visible market is intensified.
IV. SOCIETAL TRENDS & THEIR SUBSEQUENT IMPACT ON EXECUTIVE EDUCATION:

Executive Education is somewhat unique in that it is heavily influenced by general trends in society worldwide. In order to make an informed decision on what product attributes to focus on, in offering an executive education program, educators must be aware of the prevailing themes occurring in “the real world” outside the ivy covered walls of academia. This is essential if they are to provide subject matter for research and review which the students will perceive as relevant. Also, various researchers suggest the need for the development of a general understanding of these “predetermined things” since the difficulty in forecasting them will further illustrate the need for life-long learning and growth of the executive. Or more simply put, change in the world will also change the demands on the executives of the future. Therefore, a brief look at common trends that prevail in the world today is necessary. In looking at these trends, the successful marketer of executive education programs will be the one that can understand the implications of these changes on what participants in executive education require to bolster their “tool box”. A general framework established by Harper Moulton and Arthur Fickel was utilized to illustrate these trends, and was enhanced as necessary through the use of current business periodicals.

A series of cultural and societal trends now have strong implications on what is considered as relevant educational material in the executive education classroom. Changes in population growth -- most specifically the rise of China and India as the predominant markets of the future -- must be taken into consideration. As work shifts, the personality of that workforce is changing also. There is a marked increase in women in the workforce in many cultures, as well as a marked aging of the workforce in many of the traditional world economies. These transformations have been instrumental in changing the attitudes of those participating in the workforce. Noticeable shifts in the attitudes on such matters as the family versus work are common and present significant leadership issues for today’s executives. The above imply the need for an exhaustive review of the traditional human resource teachings, and perhaps a consolidation with the latest organizational behavior concepts.

Changes in the world’s energy sources suggest a need for a more in-depth knowledge of all the world markets, and the governmental policies affecting business in all nations. The fact that world power in many cases hinges on the supply of oil, the fact that devastation of the world’s rainforests has an strong impact on many of the world’s natural resources, and the impact

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12 Ibid
of pollution and the subsequent actions of nations to remedy it, make the inter-relationships of the world markets all that much more necessary to appreciate and understand.

The decline in communism, and the rise of democracy in itself has created an entire new set of business executives requiring education in the principles of free market economies. Regional instabilities and world relationships may now determine the market powers of the future, and the successful executive will require a broad knowledge of the complex international interdependencies. As the world aligns in a regional manner, trade and protectionism play a key role in the management of an international firm, as well as the need to understand the economic consequences of deficits, interest rate and currency fluctuations. Simply put, the world is much more inter-related now, and an understanding of the macroeconomic consequences of domestic policies will be an imperative for the successful executive of the future. As the world economies become more inter-related, a significant stress will be put on the executives of the United States who have traditionally been accused of being more inwardly focused than their foreign counterparts.

From a business perspective, restructuring and decentralization have put a premium on a set of skills vastly different from those utilized by those accustomed to managing in the past world of bureaucracy. Doing more with less, and the subsequent decrease in middle management with its impending requirement for an influx of strong generalists, have forced managers to adjust leadership styles or perish. Significant talk is now focused on the management implications of re-engineering efforts, and specifically on the impact it has had on the managers challenged to execute within this new environment. Mergers and acquisitions reached a record in terms of the value of US Corporate take-overs this past year with a value of $339.4 billion. This, along with the increase in strategic alliances and corporate collaborations, is all bringing the business world closer together — both from a dollars and cents perspective, and from a cultural perspective. As technologies change the face of the business markets faster and faster, a premium is put on entrepreneurial and innovative skills. Perhaps the most apparent by-product of the pressure on businesses to “do more with less”, has been the increased demand on educators to provide relevant education quickly and effectively in a manner that provides for immediate and tangible returns for executive education participants and their sponsoring firm.

The rise of the computer, with its subsequent increase in functionality and price performance, has been the predominant technological trend affecting the educator’s approach to executive education. The world continues to be brought closer together with advances in telecommunications. Automation and robotics, with their resultant productivity gains, are forcing leaders to understand the human consequences of this progress. The world is becoming increasingly technology dependant, and therefore the business leader of the future must be aware
of technology, and not afraid of it. The years of casually avoiding electronic mail etc. are gone for executives intent on competing on an equal playing field with competitors. A world-class executive education program will utilize technology and integrate it into the education process in a manner that makes executives comfortable with, and proficient in, the use of technology.

Not only is society changing perhaps more quickly than in all of history, but also at an ever-accelerating pace. The forementioned trends are added in an effort to illustrate the significant forces at work in society, and their subsequent effect on what one deems as relevant educational material. With these trends comes a rapid redefinition of effective processes for education of executives, and in fact a redefinition of what it takes to be a successful business leader. The successful executive educator of the future will be the one who accurately understands the key competencies necessary for the future leader, and delivers research and data to support learning in these areas in a timely manner so as to avoid obsolescence.
V. PRODUCT ATTRIBUTES AND TRENDS:

As far back as the Kenneth Andrews book, *The Effectiveness of University Management Development Programs* published in 1966, the need for universities to successfully differentiate their executive education programs has been emphasized. In order to appreciate the recent product trends in executive education, it is most helpful to first identify an appropriate set of key characteristics of executive education programs which provide for differentiation within the executive education industry. Below is a set of key determinants of differentiation and customer considerations for each of these characteristics, as well as the recently documented trends within each area. The ten categories of differentiation were developed by the author from a variety of sources in an effort to ensure the most comprehensive characterization of executive education programs.

A. Faculty Strength:

In assessing faculty strength, the key points to be considered are the overall competency of the faculty, how they compare to previous teachers the executives may have had, and whether the faculty was knowledgeable of the latest issues at the leading edge of their field of study. Also, one must consider whether the faculty is available for out of class discussions, whether the subjects they are teaching are integrated with the entire program subject matter, and whether the faculty is aware of the participating executive’s firm and its business issues.

Perhaps the most significant trend, as portrayed in various executive education market overviews, is the trend towards more faculty contracting their educational services individually. This is being done as opposed to working as an agent of their sponsoring university. Basically, this has allowed coordinators of the “virtual universities” to utilize faculty talent worldwide in developing the most comprehensive education packages while avoiding the overhead associated with the benefits a university provides to its faculty. The successful university sponsored programs have more effectively focused their faculty on providing a comprehensive, integrated program that is marketed by the specific university as a university sponsored product. Universities must also be aware of the fact that many well-published faculty, considered as

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14 For the most broad-based list of product considerations, please refer to *Business Week’s Guide To The Best Executive Education Programs*.
quality lecturers, may ultimately provide the greatest competition to the university’s executive education programs if they are not awarded tenure'.

B. Curriculum Design and Content:

This area is one of significant present focus and debate. Issues to consider, in regard to the program’s design and content, start with an understanding of the overall integration of the program and its subjects. Also of significant concern is whether the subject matter is of a current and applicable nature. Executives look for material that will be directly useful upon their return to the workplace, as well as useful in their overall personal development. This dictates that assignments be linked directly to the executive’s own work when at all possible. Although there is no clear answer, the program coordinators must monitor the amount of workload to insure that excessive workload does not impede overall learning. In dealing with today’s executive, it has become essential to develop the proper balance of theory and application. The curriculum must provide new ways of thinking (the theory), AND new ways of approaching these problems (the application).

Certain programs have received high grades for their efforts to integrate the classes into a total education package. The trend here is a simple one -- the better rated programs are credited with doing a good job of intergrating the unique subject matter into a comprehensive learning experience. Professors at Wharton, for example, have coordinated lectures from previously unrelated disciplines in an effort to force the participants to address business problems in a new, multidisciplinary way. Again, the issue of how current the material is has become more and more an issue for business executives who have experienced significantly accelerating change within their working environment. Certain programs, such as those developed by the University of Michigan, have gained great acclaim for providing leading edge subject matter. This is reflected accordingly in their overall rating as an excellent provider of executive education.

Two trends, as illustrated in documented materials as well as in the author’s subsequent interviews, are emerging in the area of curriculum design and content. First, corporations are looking for courses tailored to the specifics of their individual firms. This is nearly diametrically opposed to the intent of an open enrollment program, which is commonly more lucrative than a custom program. An approach that has gained momentum in dealing with this issue is the development of programs that deal with groups of similar interests, such as Duke’s program

\[1\] Robert Fulmer and Albert Vicere, Executive Education and Leadership Development: The State of the Practice, University Park, PA, 1995, p. 15.
directed at medium sized firms. Another trend that is gaining momentum in meeting this corporate desire, is the development of university-corporate relationships in joint research. An example of this is the International Consortium for Executive Development Research (ICEDR), a group of 30 international firms and 20 universities focused specifically on executive development. More and more, the faculty are going to the corporations with custom-tailored programs delivered on a subcontract basis. Second, universities are being challenged to provide assignments that provide for learning by doing - specifically as it relates to each firm's own business interests. For example, instead of listening to an expert teach strategy and planning, the instructor acts as a coach or consultant in guiding the executives in developing a strategic plan for their own business.

In regard to the overall content of executive education programs, a few trends are predominant. The first is an increasing internationalization of programs - both in content and participants. The University of Michigan as an example, is holding a joint program in Switzerland whose intent is to prepare managers for global competition. The second trend is the slow integration of subjects outside the realm of traditional business issues into executive education programs. For example, executive education programs are now frequently looked at as a comprehensive and integrated package of classes whose goal is to teach leadership skills, personal effectiveness skills, as well as the fundamentals necessary to resolve critical business issues facing a company. A more subtle trend is in the treatment of corporate strategy, which is now presented from a more explicit and operational perspective compared to past programs. A fourth trend in the overall content of programs is the increasing interest in the managing of the human resource, as dictated by the ever-accelerating change taking place in business and society. And finally, literature pointed out a recent return to the basics that business had largely neglected in past boom periods. These above mentioned trends in general content are somewhat contradictory in nature, yet are indicative of the participants desire to get "more for less".

Another differentiator of a more subtle nature, which is generally considered under the category of curriculum and content, is that of the awarding of degrees. In regard to the full-time, general management programs, the London Business School, M.I.T. Sloan School, and the Stanford Business School are unique in providing a degree upon completion of the program. Since a degree is not generally considered to have influence on managerial success, literature does not consider this as a compelling point of differentiation. This still holds true for the sponsoring company of a participant in an executive education program. But since the degree does provide leverage in multi-company careers, the degree can be a significant point of differentiation for the individual attendee. Ultimately, the individual executive is responsible for
his/her own development, and therefore may prefer a degreed program for reasons not readily apparent to the sponsoring firm.

C. Program Directors:

Simply put, the person closest to the customer has perhaps the strongest impact on the customer’s perceptions of the overall program. The day-to-day management of the program in terms of logistical support, the support staff’s willingness to help, and the overall program coordination are of extreme importance to executives that have lived a life of constant time pressure handled through effective and efficient administration of their time. An executive expects to be treated as an executive as opposed to as a student, and this can cause unique issues of conflict in terms of things as simple as the level of work the executives are expected to do. The management of these issues falls on the shoulders of the program director. Just as importantly, the program director is looked upon as the primary contact to the marketplace, and therefore must be in constant contact with faculty as an advocate of the marketplace and the particular customers. A lack of coordination between administration and faculty can cause a relatively comprehensive and well-intentioned executive education program to be perceived as poorly planned and out of touch with the “real world”.

There are no observable trends in regard to the role of the program director, although there is clearly an opportunity for perceived excellence within this area.

D. Participants:

In the majority of surveys of the past decade, it has been detailed that the executives get their primary learning from the other participants - either through informal discussions, team assignments, or through discussions held in the classroom environment. Noticeably less broadened participants may have a negative impact on the primary learning of any participant as well.

No evidence was found that suggests that as the market has grown, that universities have become more selective in their acceptance of participants. And, with the proliferation of programs over the past years, it may be hypothesized that anyone interested in a program is welcome to attend. Traditionally these programs have been reserved for those managers and executives who appear on executive succession planning tables, are presently high management potential middle managers, replacements for incumbent executives, or incumbent executives. With programs becoming more and more tailored to specific firms or industries, the make-up of a
class is becoming more homogenous, and less and less at the discretion of the sponsoring educational group. Past literature generally accuses companies of inadequately thinking through the reasons why they are sending someone off to an executive education program. The inability of firms to adequately review candidates for programs, and the loss of control by universities in determining participants, may further impede the overall ability of educational groups to ensure the highest quality group of participants. As the program director is generally the contact with the marketplace, the responsibility for best managing for a quality group of participants is generally considered as the responsibility of this program director.

E. Teaching Methods:

This area has received the most attention in executive education literature in recent years. For the providers of executive education, this is perhaps the most difficult area in which to adjust as fast as customers dictate. In teaching executives, the faculty must play the role of the facilitator, expert provider of the latest research in their area of focus, as well as allow the class to develop through the various experiences of the executive participants. Traditional debates continue to be held over the benefits of lectures versus open discussions versus the case method vs small group work.

The trend today is predominantly towards experiential learning in the form of outdoor learning experiences, computerized simulations of various business situations, and action learning.

Action learning, which has been popularized by the efforts of such organizations as the University of Michigan and General Electric, is receiving the most attention. Under this method, teams are given a real-life business problem to solve (as identified by the sponsoring business), and the teams are challenged to develop conclusions which are then presented to the management of the business who identified the issue originally. This method is effective in killing two birds with one stone. It provides the executives with a chance to use the preferable method of hands-on learning, while providing quicker and more tangible results for the firms investing both their money and their executives valuable time.

A new generation of computerized "war games" developed by consultants is also spreading rapidly within the field of executive development. As business is now calling for mid-level managers to clearly understand business strategy, many leading companies regard war games as a viable training tool for budding executives. The telephone and pharmaceutical industries, as detailed by the consultants developing these packages, have been very active in the
utilization of these simulations. These industries are facing massive structural changes which are similar to those of many major industries today -- thus validating the potential for continued growth in the popularity of these simulations.

In regard to experiential learning through the use of outdoor experiences, this method has managed to survive being labeled as a fad and is now considered as a viable means by which to educate. The better outdoor experiences are believed to place the emphasis on learning - most specifically teamwork - and merely use the outdoors as the classroom for teaching this subject matter. This qualification of experiential learning through the outdoors was substantiated in the literature as well as in the interviews with the academic experts.

The desire of business to be able to recognize more tangible results from their investment in executive education is hypothesized to be the major reason for one other emerging trend in teaching methods. There is a marked move towards providing more feedback to the participants in executive education programs. While it was once considered a mistake to provide feedback to the executives of past programs at the risk of offending, feedback is now seen as a means of driving self-improvement in the program participants.

Finally, a more subtle trend that is slowly gaining favor is the incorporation of the specific executive's customers into the education process. The thought behind this initiative is to expose executives to real customers as part of their development process. For example, Xerox in its Senior Management Program, has its executives participate in candid panel discussions with their customers to understand what the customers like and dislike about the executive's company.

**F. Facilities:**

While some programs are known for their extravagance, such as Wharton which has snacks rolled in on the breaks by formally dressed servers, it is not clear that this enhances the participants perception of the program in general. The interviews of industry users for example, generally down-played the importance of facilities. Simply stated, the limits of facilities may be overcome by providing world class quality in other areas of differentiation.

One trend that may be partially attributed to the relative scope of some facilities, is the increase in the advertising educational groups are doing in an effort to maintain enrollment in their facilities. This aggressive approach to advertising their programs as evidenced by the broad use of business periodicals, can be hypothesized to be in an effort to better utilize some relatively large facilities. This has put significant pressure on those universities not necessarily

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comfortable with being in the facilities optimization business. And, as the industry becomes more commercialized, and arguably more commoditized, it can be hypothesized that providers will be forced to advertise more aggressively to match the competition or risk to be a lesser known - and potentially lesser used - provider of executive education regardless of program quality.

G. Program Length:

The length of programs has been under intense scrutiny over the past few years. Executives have less and less time to spend out of the office, especially if they are truly the key decision makers one would be targeting to participate in an executive education program. The classic and widely acclaimed study of the effectiveness of university executive education programs done in the 1950’s by Ken Andrews, stated unequivocally that the longer the program, the longer lasting the effects, especially in the areas of attitude changes and thought changes. The academic community would support this, and would argue that longer programs can deliver a much more effective learning experience since education is a process that cannot be rushed. Present literature on the most effective approach to executive development suggests that there is a preference toward participation in a series of reasonably short programs at critical times in an individual’s career as opposed to attending one extended general management program.

The trend in terms of program length is one of the clearest. There is a trend toward a shortening of all programs -- most specifically in the general management programs. Landmark programs such as Harvard’s Advanced Management Program have been shortened from 13 to 11 weeks, and Stanford’s Executive Program has been reduced from 8 to 6 weeks. As business leaders look for more tangible results quicker, the educational organizations will continue to be challenged to make the most of the time they do choose to allocate for particular programs.

H. Program Scheduling:

Program scheduling is an attribute which can be argued from two perspectives. The first option is to get the executive out of the office and immerse him in the education experience all at once. Or as a compromise on the issue of length, the sponsoring university can schedule split sessions which allow the executive to learn for a period of time, and then allow the executive to go back to work and apply what has been learned in the classroom.

17 Kenneth Andrews, The Effectiveness of University Management Development Programs, pp. 178-183
There is no marked trend in regard to program scheduling other than a general move toward overall flexibility in an effort to satisfy any unique customer groups. Flexibility is being offered in terms of the previously mentioned split-session formats, optional sessions, and the offering of various electives to choose from. An example of this variation in scheduling is Northwestern's Kellogg School of Business which has adopted an alternative format for its advanced management program, meeting twice a month from September to May instead of for four weeks straight.

1. Program Cost:

Actual costs of executive education programs has been relatively high, and the continued growth of the industry would suggest that cost is not a major determinant in choosing one program over another. This was also supported by the interviews done by the author. The issue of cost as it relates to executive education may be a lesser issue in differentiation due to the fact that it is difficult to put a price tag on a good education. The perceived benefits of university programs as well as the perceived role of universities in developing management talent are difficult to measure. For example, a longitudinal survey performed by Vicere et al.\textsuperscript{18}, which is shown in the following figures, first listed the following as the ranking of the perceived benefits of university programs:

<table>
<thead>
<tr>
<th>BENEFITS:</th>
<th>'82</th>
<th>'87</th>
<th>'92</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide outside perspective, exposure to other viewpoints, networki ng</td>
<td>55%</td>
<td>59%</td>
<td>65%</td>
</tr>
<tr>
<td>Generalize specialists and broaden their vision</td>
<td>21%</td>
<td>39%</td>
<td>22%</td>
</tr>
<tr>
<td>Allow executives to reflect on, and gain insight into career, work role, personal style and effectiveness; encourage renewal; and insulate from work</td>
<td>8%</td>
<td>13%</td>
<td>22%</td>
</tr>
<tr>
<td>Expose executives to faculty experts and latest management information in a high quality academic setting</td>
<td>35%</td>
<td>37%</td>
<td>19%</td>
</tr>
<tr>
<td>Complementary nature of university and in-company programs</td>
<td>4%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Provide rewards and contribute to self-esteem</td>
<td>1%</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Gain specific skill or functional expertise</td>
<td>10%</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>Expose executives to a variety of programs that cannot be delivered as economically or effectively in company</td>
<td>28%</td>
<td>38%</td>
<td>7%</td>
</tr>
</tbody>
</table>

\textsuperscript{18}A. Vicere, M. Taylor, and V. Freeman, "Executive development in major corporations: A ten-year study." Journal of Management Development, Volume 13, Issue 1, pp. 4-22
As previously noted and shown above, these benefits are relatively intangible, and therefore difficult to put a price tag on from the perspective of the buyer. The survey also provides further insight into previously discussed issues within the industry that need to be addressed. The benefit ranked as number one, the gaining of an outside perspective and exposure to other viewpoints, is a benefit that is strongly dependant on the quality of the other participants within the program. This would suggest that program coordinators should place heavy emphasis on participant quality if they hope to meet the perceived benefits of the customer. The drop in the perceived benefit of generalizing specialists would suggest that there will be pressure on universities to either provide a quality general management program, or be lost in the overall market decline of these programs. The increase in the perceived benefit of allowing executives the ability to reflect on various personal characteristics from 8% to 22% would support the previously mentioned trend towards less traditional business classes in the overall composition of the executive education program. The drop in the perceived benefit of exposure to faculty experts may be a reflection on the perceived quality of today’s faculty or may be indicative of the trend toward firms bringing key faculty or consultants in-house, as opposed to sending executives to the university. And finally, the very significant drop in the perceived economies achieved by utilizing university programs as opposed to establishing the programs in-house may be interpreted as an indication of the increasing willingness of firms to develop effective internal programs to support their particular firm’s needs.

The Vicere study also provided insight into the perceived roles of universities in developing management talent as noted below.

<table>
<thead>
<tr>
<th>BENEFITS</th>
<th>‘82</th>
<th>‘87</th>
<th>‘92</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop and present state-of-the-art research and issues</td>
<td>32%</td>
<td>45%</td>
<td>58%</td>
</tr>
<tr>
<td>Provide quality instruction and faculty</td>
<td>27%</td>
<td>10%</td>
<td>25%</td>
</tr>
<tr>
<td>Revitalize, challenge, and stimulate in an environment of reflection</td>
<td>7%</td>
<td>10%</td>
<td>21%</td>
</tr>
<tr>
<td>Broaden and develop managers of the future</td>
<td>7%</td>
<td>43%</td>
<td>21%</td>
</tr>
<tr>
<td>Respond to the needs of business as partner, consultant and resource</td>
<td>14%</td>
<td>15%</td>
<td>21%</td>
</tr>
<tr>
<td>Provide external contacts and dialogue exchange</td>
<td>8%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Be pragmatic and relevant through experiential learning</td>
<td>10%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Teach specific or functional skill</td>
<td>5%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Provide background prior to employment</td>
<td>18%</td>
<td>2%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Again, these roles are not very absolute in terms of their cost, which makes the job of determining price performance difficult in this situation. There are other points of significance that can be noted from the above data - some subtle, as well as some more obvious.

The significance of this perceived responsibility of universities to provide state-of-the-art research cannot be ignored. The business community has a strong dependence on the universities to provide advanced research, and the universities therefore have a corresponding obligation to bring this research to market as rapidly and effectively as possible. The university that can do this may be able to clearly differentiate itself from the pack.

There is a marked increase in the business world's expectations of the university to play a role in research as a partner. The business world is looking for application of state-of-the-art research to their specific problems in a consultory manner. The successful university may be the one that is willing to take its expertise to the customer, as indicated by the trend toward more customized programs.

I. Special Features:

The interviews and literature suggest that special features of a program can help enhance the executive's perception of a program, but these features are not generally considered as a key prerequisite of any attendee. The trends in terms of special features include - but are not limited to - the providing of a spouse program, an alumni program, a recreational program, a distinguished speaker series, and/or a leadership assessment function as requested.

With this understanding of the overall market and the predominant trends within this market, an understanding of the societal and business trends that may have an effect on the executive education market, and a clearer detailing of the key product attributes of an executive education program, it is now possible to initiate various forms of market research in an attempt to better understand the various customer segments and their unique requirements.
VI. MARKET RESEARCH METHODOLOGY:

The data and conclusions developed within the thesis are derived from varying perspectives in an effort to provide for the most comprehensive picture of the customer's ever-changing needs. A combination of personal interviews and surveys was utilized. Also, a variety of sources were utilized. Information was gathered from academic experts in executive education, industry executives responsible for executive education within their firms, present employees within these firms, and finally from past and present participants in university based executive education programs. The intent was to understand common themes within each of these various elements, and then to ultimately determine possible strategic approaches the universities could use in meeting observed customer needs. Each method and its directed audience is covered below in an effort to articulate in general terms the intentions of the research approach, as well as the specific questions asked. The order in which the questions are addressed below is not necessarily the order in which they were asked to the respondents. Summarized comments of each of the interviews as well as a summary of each survey as executed, are provided in the appendices. All information gathered was under the premise that all respondents would remain anonymous in an effort to ensure utmost candor and sincerity in responding.

A. Interviews of Academic Experts:

The first focus was on academic experts in the field of executive education. After initial contact to explain the intent of the research, a copy of the questions was provided to the four interviewees to allow for any preparation they may have required. Then an interview, either via telephone or personal meeting, was performed. Interviews ranged in time from a minimum of 30 minutes to a maximum of one hour and 15 minutes. Subsequent follow-up, if necessary, was arranged at the interviewee's convenience to ensure thorough elaboration on any points in question. These academians were chosen first in an effort to enhance the initial overall market research performed. The four experts interviewed can be characterized as follows:

Associate Dean responsible for Executive Education at a Top 10 B-school
Associate Dean responsible for Executive Education at a Top 20 B-School
Professor active in Executive Education at multiple Top 10 B-Schools
Executive Director of the International Consortium for Executive Development Research (ICEDR).

The first set of questions was focused on gaining these experts perception's of what today's customer's were looking for from an executive education program. This provided a
unique opportunity to access persons involved in the management of executive education programs, and who therefore were close to the firms and their participants. The interviewees were also personally involved with the subject either through teaching in these programs, participation in the development of comprehensive surveys, or through research focused on the executive education industry. To gain their perspective on the customer's changing needs, the following questions were asked:

What are your personal views on what the corporations are looking for from university based executive education? Any subtle changes in the past year?

Could you please rate the following differentiators?
(Rate either as very critical, somewhat critical, or nice but not critical)
(Also please comment on whether focus needs to be more or less than you presently perceive the focus to be on these differentiators).

Faculty Strength?
Curriculum Design and Content?
Program Directors?
Participants?
Teaching Methods?
Facilities?
Program Length?
Program Scheduling?
Cost?
Any Special Features?

The second set of questions was to provide clarification on market trends versus potential fads. Although responses would be subjective in nature, it was hoped that insight to validate previous research could be gained. Questions asked were:

Which of the latest "fashions" -- action learning etc., do you feel are worthwhile?, and your perspective as to why.....?

From your perspective, what are some examples of the "consumate" or "world-class" university based executive education programs and why......?
What do you believe to be “leading edge” subjects?

The next area of focus was on more specific market issues. The questions asked in an effort to gain the expert’s insights were:

*What is your opinion on the university’s ability to gain back market share from internal business executive education programs?*

*What do you believe to be the optimum length for a general management program? And your opinion on split-session versus a one time program?*

*Do you feel universities should target individuals or corporations?*

The final question was to ensure focus for any further literary research that may have been necessary, and to ensure that the most recent literature was utilized. The question posed was simply:

*Any recommended readings that may provide insight on the above issues?*

Since interviews were utilized, it was possible and sometimes necessary to “frame” the questions and clarify as necessary. This was done to ensure that the interviewee understood what issue was intended to be addressed in their response.

Upon completion of this initial set of interviews, it was now possible to get a clearer picture of the overall market. Also, it was now possible to speak with industry users of executive education with a higher level of insight, and to probe in greater depth on the salient issues.

B. Industry Users of Executive Education:

In choosing firms to interview in regard to the various executive education issues, the intent was to access firms that had vastly different views on the use of university based executive education. Also the intent was to understand their varying approaches to educating their firm’s executives in general. This was done in an effort to gain the greatest breadth of perspective while making it more evident when a common theme was emerging amongst the various firms. Four executives responsible for executive education within their respective firms were interviewed. The firms can be classified in terms of their varying use of executive education as follows:
Strongly focused on the use of internal programs, with limited external participation
Strong proponent and user of university based executive education programs
Under transition, reengineering the firm's entire executive development process
Strongly dependent on university based executive education

After initial contact, an advance copy of the questions was faxed to the executives to allow for any prior investigation they may have required. Interviews ranged from 45 minutes to nearly an hour and a half. Anonymity was assured in an effort to get the most candid responses possible. A description of those interviewed is as follows:

Manager of University Programs and Executive Education for a Fortune 500 firm and leader in the telecommunications industry.
Vice President and Technology Division head of Human Resources for a Fortune 500 firm in the computer industry.
Senior Vice President of Human Resources for a relatively young $400 million firm in the energy cogeneration industry.
Executive Coordinator of executive education for the technology division of a Fortune 500 firm in the computer and telecommunications industry.

The first set of questions was posed in an effort to understand the firm's overall approach to executive development, and the role that executive education played within this total human resource development process. It was hoped that these questions would provide confirmation that their firm was representative of one of the diverse approaches to developing and educating their executives. The intent was to also understand whether their specific approach was a new approach, or one that had been a part of their firm's culture for a period of time. Also, the following set of questions was posed to better understand the documented change in market needs. Specifically, was the change due to changes in the firm's overall philosophy, or more a matter of intensified pressure on the universities to provide a higher level of return. In other words, had the market changed what it had been saying, or was it that the universities were just now starting to listen. The questions asked were as follows:

*When educating executives, are there specific objectives you have for the programs that you utilize?*
Have there been any recent changes in your approach to educating the firm's executives?

The second set of questions was to gauge the firm’s expectations for both university based and internal programs. It was also to gain insight into whether the market shift to internal programs was a failure of universities to provide quality programs in general, or the university’s inability to meet the changing needs of the customer. The questions were intended to isolate their perspective on university provided education, and to understand if any concerns they may have with universities were a concern with the university’s general competence, the university’s unwillingness to change, or the university’s inability to change to meet the needs of the customer. The specific questions asked in an effort to stimulate discussion on these matters were:

Does your firm utilize both internal and external sources for executive education? And if so, are there varying expectations of what the two sources provide?

Over the past decade, there has been a marked move by firms to handle their own executive education as opposed to utilizing universities. Do you feel this trend will continue? And if so, why?

With this background and any potential biases of the firm better understood, the author could now address the customer’s expectations of university programs as well as gain a perspective on which areas of product differentiation were of the most significance to them. Specific needs were addressed in an effort to support or refute the reported trends, and to understand if there were any needs that were necessary as an absolute minimum to anyone providing an executive education program. Or put another way, would any particular approach of the university to providing executive education programs limit its ability to reach a portion of the potential customer market. The following questions were asked of the interviewees:

If and when your firm utilizes a university-based program, what is it that your firm expects from the university?

When utilizing universities, what subjects do you feel should be covered in a program, and are there certain recent subjects that warrant being addressed?
From your perspective, what are some examples of the “consumate” or “world-class” university based executive education programs and why......?

Could you please rate the following differentiators?
(Rate either as very critical, somewhat critical, or nice but not critical)
(Also comment on whether focus needs to be more or less than you presently perceive the focus to be.)

Faculty Strength?
Curriculum Design and Content?
Program Directors?
Participants?
Teaching Methods?
Facilities?
Program length?
Program Scheduling?
Cost?
And any Special features?

And finally, in an effort to accentuate or validate the customer’s needs, the level of involvement of the firm’s executives was investigated. There has been significant literature suggesting that high-level involvement at the CEO level is integral to the success of any firm’s executive development process, and this issue was addressed directly with each firm. Specifically, it was asked:

Who is responsible for the overall development of executive’s within your firm? And what role does the CEO play in the overall development process?

In an effort to validate what the particular firms had stated, a high-potential middle manager or executive from each of the firms was also interviewed. These were informal interviews of 30-50 minutes. The interview consisted of open-ended questions asking for a description of their participation in the firm’s internal and external executive education programs, and for their opinions on the effectiveness of the various programs. Although interviewing one participant in the firm’s programs cannot be considered as ultimate validation, it was felt that the interviews would provide some level of confirmation of each firm’s approach.
As previously mentioned, these interviews were primarily concerned with adding validity to the executive's responses already recorded. (The executives interviewed were all informed of the intent to interview a participant in the development process and that no names would be exchanged.) Also, it was hoped that their description of their participation in the programs would provide insight into the thoroughness of each of the firm's overall development process. And finally, another perspective on the effectiveness of both internal and external programs was solicited in an effort to understand such things as the relevancy of various subjects. Summarized notes of these interviews are also included in the appendix.

C. Past Participants in Executive Education Programs:

In an effort to gain insight from past participants in executive education programs, a survey was mailed to two past classes of Massachusetts Institute of Technology's Sloan Fellows program. A two page survey was mailed to all 105 past participants - domestic and international - with an addressed and stamped return envelope. The overall response rate was 23%. The response rate for the class of 1983 was 22%, and the response rate for the class of 1993 was 25%. There were four relatively open questions incorporated within the survey to allow the respondents to address various issues to the extent they determined to be appropriate.

The intent of this survey was to focus more on the individual's needs, as opposed to the needs of the firm. Past participants from classes of greater than one year ago were chosen in an effort to gain perspective from participants who would have had more time to reflect on their experience, and would have had more time to apply anything learned. Two fairly different era's of participants were chosen to understand if time tempered or intensified their need for specific subjects -- specifically some of the "softer" classes such as organizational behavior. It was also assumed that there would be a higher level of management responsibility represented by the class of 1983.

The first set of questions was posed in an effort to clearly focus on the issue of relevant subject matter. Having had the time to reflect on their education experience, it was hoped that the respondents would be able to respond based on years of experience and the subsequent opportunity to possibly apply the subject matter. The questions asked were as follows:

*As you look back on your experience at Sloan, are there any subjects you wish had been covered in more depth to allow you to be more effective in your career?*
From your perspective, if you were to send someone who works for you to any executive education program, what is it that would be important for them to learn?

For yourself, what subjects or areas of study might you find useful if you were to enroll in another executive education program of any length?

The other specific issue the survey was intended to address, was in regard to the issuance of a degree. Considering the increasing willingness of employees to move from firm to firm, it was hypothesized that the degree would be gaining in importance. The question posed to understand the potential significance of this product attribute to the customer was:

How important was the offering of the degree by MIT in your decision to enroll in the MIT Sloan program? And now, how important is the degree to you?

A summary of all these responses is included in the appendix.

D. Present Participants in an Executive Education Program:

Present participants in the Massachusetts Institute of Technology’s Sloan Fellows program were surveyed in an effort to provide further clarification on two marketing issues: First, whom to target in the marketing of executive education programs, and second, the importance of the degree as a product attribute. The survey was left in personal mail folders with a request for response and return to another folder. The survey was also anonymous in an effort to solicit the most candid information available. The response rate was 55%. Responses were, in general, very detailed in the description of the individual’s personal situation as it related to the questions.

The first question was posed in an effort to gain an individual perspective on what they considered as the key components of a successful executive education program, and to provide further insight into whom to target as the primary customer— the individual or the firm. In asking for details on their personal nomination, the intent was to gain further insight into their firm’s process for annual selection, as well as to gain some insight into their firm’s overall development process and approach to executive education in general. As mentioned previously, this information was anticipated to provide further insight into whom, and how to, market executive education programs. The question specifically asked was as follows:
Please briefly describe how you picked this program? Specifically, was the nomination etc. more individually driven, or corporate driven? And, did you compare this to other executive education programs? And if so, why did you choose the MIT Sloan program?

To further understand the importance of the awarding of a degree in executive education programs, the individuals were asked to:

*Please describe the importance of the degree in you decision to come to MIT. Was it “very important”? “somewhat important”? or “not important at all”?*

These responses are summarized in the appendix with all the other survey and interview data. After gathering all these inputs, the next step was to understand whether any predominant common themes were evident. Observations on any apparent common themes from the various research groups are provided in following sections.
VII. OBSERVATIONS FROM INTERVIEWS WITH EXPERTS FROM ACADEMIA:

The first area pursued in the discussions with the experts from within academia was in regard to their perceptions on any changes in the customer’s needs. In general it was confirmed that there has been a substantive change in what business is looking for from the providers of executive education. There has been a marked swing toward education for returns — with a desire to see immediate deliverables from those participating. While firms better understand their responsibility to develop leaders, their needs have become more short-term. This may help explain the evolution to more internal programs.

In regard to the key product differentiators, four attributes were unanimously identified as the most critical. *Curriculum design and content* was agreed by all to be the most important product attribute, and that this attribute absolutely required more focus. It was felt that this provided the best opportunity for a university to say something distinctive about itself and its programs. *Faculty strength* was critical in that the value of any program and its subject matter is dependent on the ability of the faculty member to communicate the information effectively. *Participants* were also classified as being critical. The respondents mentioned a need for both firms and universities to better focus on who they send to programs and why they send them. And finally, *teaching methods* were identified as being very critical. The interviewees pointed out a need to spend more focus on assuring that the various methods employed do make a difference in the education experience. Cost in the form of more returns for the dollar invested, was also noted as being of some relative significance.

The second intent of the interviews was to substantiate present market trends. In regard to the latest fashions in educating such as action learning, the effectiveness was noted as being ultimately good or bad based on the teacher. Also, the experts noted that universities may in fact be less inclined to utilize some fashions such as computer simulation since this can arguably be considered more as training as opposed to education. Action learning was accepted as the most popular trend of the past few years, yet it was pointed out that it has been with us for many years. The subtle difference now is that firms are looking for subject matter tied to their firm-specific issues to allow for more noticable and immediate returns. Competency modelling - the determination of the key attributes of a successful leader within the unique world industries - was mentioned as a key fashion trend, which is anticipated to grow in importance in the near future.

Although opinions varied on all the components of a successful program, some common elements were observed. It was felt that programs do need to be flexible, either in terms of a broadened portfolio to support the varying individual needs, or in terms of the program’s ability to be personalized and customized to different firm’s issues. Strong research centers linked to
the classrooms was mentioned as a perceived common determinant of future success. Also, the ability of the university to integrate all the various subjects addressed in their programs into a comprehensive education package was cited as a key determinant of success.

There were varying opinions on what could be considered as a leading-edge subject. All did agree that it was strongly dependent on the individual. Two common themes did prevail. The first one was a perceived need to upgrade the “bread and butter” subjects by applying leading edge thought to these core subjects. And there was also general agreement that some of the “softer” subjects, such as managing innovation and creativity, leadership skills of the future, change management, team leadership, and multi-cultural leadership, were critical in state-of-the-art executive education programs.

The questions asked in an effort to better understand documented market trends did provide insight into a variety of areas. The first area of insight was in regard to the university’s potential to gain back the market share they have lost to internal company education programs over the past few years. It was felt that this is not a zero-sum game between the universities and business. Firms are learning to take responsibility for developing leaders, and it has become an important initiative for them. Yet business will need to rely on universities for some level of support. Therefore, there is still room for excellent executive education programs. But the key determinants of an excellent program have changed, and the universities must adjust accordingly if they hope to be perceived as an integral component in the executive development process of future businesses.

In regard to an optimal time for a senior level general management program, all agreed that business is looking for shorter programs. And all agreed that a good senior level program required at least three to five weeks in order to be effective and fit within the constraints of the customer’s calendar. Ambivalence was apparent since traditional academians believe longer is better, while the customer just doesn’t have the time for a longer program.

The debate over split-session versus single session programs remains unresolved. Opinions were diametrically opposed. There was general agreement that if a split session format was to be utilized, it was necessary to ensure complete integration of the program to maintain the intensity of the learning experience both in the class and back at work.

All agreed that there is no easy answer to the issue of whom to target when developing and selling executive education programs. Not only are the individual’s needs very diverse, but so are the needs of the firm in which they operate. If there was any majority opinion, it would lean toward targeting those firms that are changing and seriously addressing their needs, since it is the firm that ultimately pays the bills. Yet, each of these firms will also have unique needs. It
was also pointed out that some firms don’t think in terms of the individual, which means that the universities cannot forget the individual’s perceived needs.
VIII. OBSERVATIONS FROM INTERVIEWS WITH INDUSTRY USERS:

First and foremost, the interviews with the executives responsible for executive education within the various firms confirmed the very different approaches successful firms have taken in educating executives. Strong contrasts in approaches were evident. While one firm was strongly devoted to university based programs with wide participation, another depended almost entirely on internally developed programs and was somewhat skeptical of the usefulness of university based programs. And in another case, one firm was totally dependent on university programs for outside exposure and perspective while another firm chose to reengineer its internal program participation to provide for this exposure and perspective from within its own very large executive population.

Despite their differences, there was some commonality observed in all of their approaches to executive education. Each of the firms did differentiate how they would utilize both internal and external programs. And each of the firms did differentiate what they felt each (internal vs external programs) could provide, with all of the firms showing a strong tendency toward utilizing internal programs for any desired establishment of culture within the firm. Just as importantly, whether through a requirement of the participants to leave with specific action plans to create change, or through the firm’s stated mission of developing individuals and providing for their personal growth with the intent of bringing them back to grow the corporation, each of the firms looked to those that completed an executive education program to then lead change within their respective organizations. And of a more subtle nature, all the firms did confirm an evolution to more of the human aspects of executive education. The firms all indicated an evolving focus towards subjects such as future leadership skills as opposed to just focusing on improving technical skills. Also, if these softer skills did relate to internal culture or the firms approach to leading, then there was a tendency towards these programs being coordinated and run internally.

In terms of gaining an understanding of industry’s expectations of internal versus external programs, it became evident that there was a strong reliance on internally driven programs to create and enforce corporate culture. While not confident that universities could fulfill this role, there was general acceptance of the fact that universities could more adequately provide cross-industry, cross-functional, and cross-national visibility and perspective.

Due to the changing needs of these firms, all questioned the return of the university to the position of predominant supplier. All the interviewees accept the role of universities in their executive development process -- specifically in the form of participation in open enrollment programs that provide executives with increased perspective. The industry users also perceived
an opportunity for universities to expand their role somewhat through customized programs personalized to the firm’s specific needs. The expectation was that this would be in the form of strategic university - business partnerships.

In regard to the specific expectations firms had for the university sponsored programs, along with the previously mentioned general expectations, there was a common expectation for world-class faculty, who were experts in their field of study, to participate in any program.

When questioned on their beliefs as to critical subjects, the answers varied somewhat as would be expected. But, the previously noted human aspects of leadership such as diversity management and change management were predominant in their responses. Other subjects deemed as important seemed to be dictated by the firm’s cultural direction. For example, if the firm was intent on becoming more flexible and quick on its feet, it would highlight entrepreneurialism as a critical subject. And, if the firm was intent on competing in global markets, the firm would list global issues as a critical subject. Again, each firm had its unique idea of what was important based on its own perceptions.

The interviewee’s perceptions of world-class programs were as varied as could be expected. There were no “sleepers” mentioned, with all those mentioned being previously published as university programs of noted excellence.

And finally, in regards to a prioritization of the key product differentiators, the same four differentiators as noted by the academic experts were identified. First, curriculum design and content was deemed as most critical with a feeling that more focus is still needed, and that the universities must listen to industry while developing their curriculum. Second, was the strong expectation of the universities to provide world-class faculty in support of executive education programs. The third attribute determined to be critical was the teaching methods of the universities. There was an expectation that universities would take ownership for determining the most effective teaching approach. And with the firms taking strong ownership for understanding the breadth and skill of the participants in their programs, it was also expected that the universities would then ensure the appropriate level of skill and experience from the other participants in the programs.

Conspicuous in its absence was cost as a critical differentiator. All the firms were focused on the quality of the product, with very little mention of cost as a critical issue.

In all cases, ownership of executive education was at a level immediately below that of the CEO. And in each case, the CEO’s played a predominant role in defining or re-defining the firms overall approach to education - including executive education. As described in the interviews, it would seem that industry has accepted the responsibility for developing its future leaders and is focusing accordingly. The described involvement of the CEO’s further emphasizes
the high visibility that developing future leaders is getting within the business community. Also, the level of sophistication in the executive development process of each of the firms seemed to be dependent on the overall financial resources of each firm.
IX. OBSERVATIONS FROM SURVEYS OF PAST PARTICIPANTS IN EXECUTIVE EDUCATION PROGRAMS:

Prior to addressing the common themes that became apparent upon analysis of the response data, a few comments must be made on what was not found. Two distinct generations were picked as the survey targets in an effort to understand if the length of time out of a program, or the length of time in potentially higher levels of responsibility would have an impact on responses. The data would suggest that this is not the case, as no apparent differences were noted other than the singular case mentioned in the following summary. Also, in regards to the international population, there was no marked differences in responses from the 10% of the total international participant survey group that did reply.

The responses to the first question posed in an effort to understand what individuals perceived as their particular needs in terms of relevant subject matter are summarized below.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humanizing the Workplace *</td>
<td>46%</td>
</tr>
<tr>
<td>Finance (Mergers &amp; Acquisitions, Accounting, and International)</td>
<td>46%</td>
</tr>
<tr>
<td>Marketing (New product introduction, and Market Research)</td>
<td>12.5%</td>
</tr>
<tr>
<td>Reengineering</td>
<td>8%</td>
</tr>
<tr>
<td>Systems Dynamics</td>
<td>8%</td>
</tr>
<tr>
<td>In-depth Manufacturing concepts</td>
<td>8%</td>
</tr>
<tr>
<td>Others mentioned at least once:</td>
<td></td>
</tr>
<tr>
<td>Establishing a business overseas</td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td></td>
</tr>
<tr>
<td>Negotiation skills</td>
<td></td>
</tr>
<tr>
<td>International management</td>
<td></td>
</tr>
<tr>
<td>Information Technology</td>
<td></td>
</tr>
</tbody>
</table>

* Humanizing the workplace includes: organizational and employee development, managing change, learning organizations, team building, strategic human resource management, leadership, and effective non-confrontational communications.

Of significance is the fact that 46% of the respondents felt that they would have benefited from more in-depth discussion of issues coined by one of the respondents as "humanizing the workplace". This response indicates that the industry trend, as well as the initially documented trend towards softer subject matter outside the realm of the traditional mechanical business skills
was in all likelihood a well intentioned effort to meet these customers needs. As the business world becomes more and more complicated, it seems that participants are looking more and more to the universities to provide creative options on how to cope.

Of equal significance, was the percentage of respondents that felt further focus on the field of finance and accounting (including mergers and acquisitions and international finance), was necessary for enhancing their careers. As firms get flatter and flatter, it seems that all managers are being asked to take ownership for the firm’s overall profitability.

A variety of comments seemed of significance in validating past survey data. For example, various respondents referred to the contacts and relationships established as much more important than any particular subject. This would support the previous Vicere study in which the major perceived benefit of executive education programs is in providing outside perspective, networking, and exposure to other viewpoints. Another series of comments was directed at the desire of participants to learn state-of-the-art business theory that can then be effectively applied to present day business situations.

When past participants were questioned on areas they would like their subordinates to study if sent to any program, the same themes held relatively true.

| From your perspective, if you were to send someone who works for you to any executive education program, what is what would be important for them to learn? (Respondents could choose more than one) |
| Subject: | Percentage: |
| Humanizing the Workplace * | 67% |
| Finance (Mergers & Acquisitions, Accounting, and International) | 42% |
| Dealing in the global marketplace | 17% |
| Gained perspective | 17% |
| Marketing principles | 17% |
| Strategic Planning | 12.5% |
| Management of Technology and Technology transfer | 8% |
| Systems Dynamics | 8% |
| Others mentioned at least once: | |
| Labor relations practices | |
| Information Technology | |
| Service management | |
| Economics | |

* Humanizing the workplace includes: organizational and employee development, managing & implementing change, learning organizations, team building, strategic human resource management, leadership, and effective non-confrontational communications, valuing diversity, process thinking and management, and interpersonal skills.

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Again there was a marked focus on both the softer side of humanizing of the workplace as well as the focus on the more traditional subject of finance and accounting. Interestingly, an overwhelming 91% of the older class of 1983 felt that the area of humanizing the workforce was essential versus a still significant 46% of the class of 1993. It can be hypothesized that the older class may recognize the need for a set of human resource management skills required which are relatively more unique than the set of skills they have utilized in progressing through their careers.

Comments again pointed to the respondents belief that one of the most important benefits of any executive education program is the ability to gain further perspective through exposure to new ideas and experiences as communicated by the other participants. The respondents commented on the need to align the needs of the individual with the needs covered by the particular program to ensure an effective learning experience. The accurate definition of the needs of the individual and the subsequent matching to the appropriate program, was recognized by the respondents as being their responsibility.

In retrospect, the third question on individual needs may have been redundant in that the responses nearly mirrored the responses of question #1 in which the individuals basically detailed their personal needs inclusive of any future participation in any executive education program.

<table>
<thead>
<tr>
<th>For yourself, what subjects or areas of study might you find useful if you were to enroll in another executive education program of any length? (Respondents could choose more than one)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subject</strong></td>
</tr>
<tr>
<td>Humanizing the Workplace *</td>
</tr>
<tr>
<td>Finance (Mergers &amp; Acquisitions, Investment banking, and derivatives)</td>
</tr>
<tr>
<td>Advanced Marketing Principles</td>
</tr>
<tr>
<td>Dealing in the global marketplace/international business operations</td>
</tr>
<tr>
<td>Total process efficiency in Manufacturing practices</td>
</tr>
<tr>
<td>Reengineering</td>
</tr>
<tr>
<td><strong>Others mentioned at least once:</strong> Project management TQM Computer Science Economics Management Information Systems Interviewing skills for Sr. management candidates Industry specific details/information</td>
</tr>
</tbody>
</table>

* Humanizing the workplace includes: managing & implementing change, learning organizations, and managing the organization for size and flexibility.
The responses to the third question directed at individual needs provided insight on one particular point. As executives proceed through a series of educational experiences, it seems that their needs do become somewhat more finite -- perhaps explaining the proliferation of programs in the executive education market targeted at these more specific subject areas.

The final question aimed at understanding the significance of the degree as a product differentiator helped to establish one point. Although in a small portion of the responses there was a change in the importance of the degree from "then" until "now", all respondents referred to the degree as having some level of importance at all times. Also, respondents did comment on the variation in the significance of the degree internally where results were the key determinant of success versus externally to their firm where a degree is one of the few common denominators used by those searching for potential job candidates.

| How important was the offering of the degree by MIT in your decision to enroll in the MIT Sloan program? And now, how important is the degree to you? |
|---|---|
| THEN: | NOW: |
| Very Important: 83% | Very Important: 83% |
| Important to Moderately 17% | Important to Moderately 17% |
| Important: | Important: |
X. OBSERVATIONS FROM SURVEY OF PRESENT PARTICIPANTS IN AN EXECUTIVE EDUCATION PROGRAM:

The first intent of this survey was to understand what the present participants had considered as important criteria in their decision to participate in the particular executive education program. The responses detailed the firm’s process for nomination, and also specified the nature of the nomination - specifically was it individually or corporate driven. The second portion of the response was to provide insight into the issue of whom to target when selling executive education programs.

In regard to criteria for choosing a particular program, the most predominant reason mentioned was the fact that one of the participant’s superiors had participated in the program in the past. Although not as practical a criteria as one might expect, it certainly illuminates the potential a program has in building a reputation (and perhaps a participant backlog) by fostering strong relationships with past attendees. Other commonly noted criteria in order of occurrence were the reputation of the institution, the academic rigor of the program as opposed to other programs, and geography.

In the issue of whom to target for future executive education programs, the respondent’s answers did provide some insight. 68% of those participating were there as a result of a corporate driven nomination process where the participant was told of their selection to attend an executive education program. Of these, nearly half (32% of the total respondents) were then given an opportunity to choose the institution they would like to attend. The remaining 32% of the total respondents were in the program due to varying levels of individual marketing and self-promotion. Taking into consideration those that were given a choice of at least one other option, even when nominated through a corporate driven process, the total percentage of respondents that would or could be influenced by individually targeted marketing equates to a formidable 64%. In other words, 64% of the participants were individually determining which program to attend, and therefore would be looking for the program that best met their perceived personal needs.

In an attempt to further understand what impact the awarding of a degree may have on differentiating a particular executive education program, the respondents were asked to describe the importance of the degree in their decision to attend the MIT program. 86% of the respondents assigned some level of importance to the awarding of the degree as a feature of the program. 7% of these respondents pointed out the varying levels of importance the degree would carry internally versus externally in the open job market. Also, the degree was confirmed as being much more personally significant as opposed to being a priority of the nominating
corporation. And finally, many candid comments were made in regards to the amount of time expended versus the awarding of a degree. In other words, tolerance for the length of the program was greater since a degree, which was personally important, was being awarded. This would suggest that tolerance for the length of a program may be less and less if there are no perceived tangible rewards for the individual participant.
XI. CONCLUDING OBSERVATIONS:

Although diverse in nature, there are a series of strategic areas of concern which can be addressed with a new-found level of insight based on common themes that evolved from the many divergent perspectives.

THE BROAD VARIETY IN CUSTOMER NEEDS:

As evidenced by the research, the requirements of each firm vary -- sometimes significantly -- in the education of their executives. Also, needs can vary significantly at an individual level within each firm. For example, one of the academic experts went so far as to say that the needs of each firm and its employees depends on the management level of the participant in the executive education program. It was suggested that lower level managers require skill development, middle managers require integration of the various functions, and senior level managers require networking and perspective. Therefore, one could assume that universities could target a certain level of manager and solution that particular market. Unfortunately, many firm’s definition of a lower level versus middle versus senior level manager vary. For example, a middle manager at a Fortune 500 business may be responsible for revenue and expense far greater than the total revenue of the most senior level manager of a smaller or medium sized firm that has participants in an executive education program. It is very difficult to generalize the needs of participants by means of any particular categories. All this variation requires the universities to spend the time to intimately understand the needs of each participant on an individual basis. It is the opinion of the author that the successful executive education programs of the future will have to spend the time and effort to go into the sponsoring firms, and work with the firms in defining individual needs. The university will then need to provide advice on when and where individuals should attend the appropriate executive education programs. Universities will need to convince business of their value-add by understanding the firm and its various needs at a very detailed level, and then will need to explain how the university can help in meeting these needs.

The research further suggests that to be successful universities need to be flexible in meeting these broad needs through either a broadened portfolio or through the ability to personalize programs to individual needs. The author believes that the decrease in the perceived effectiveness of university executive education programs can be partially attributed to the previously mentioned proliferation of programs in the executive education market. Proliferation could result in a dilution of research and teaching resources at least initially. Proliferation could
also lead to a lack of focus -- both on the present and future needs of customers. And, in a market with a more discriminating buyer, the risk of portfolio proliferation can be great. Therefore, a strategy whereby the university customizes base programs to the personal needs of the varying customers is suggested.

PROGRAM CUSTOMIZATION:

Any attempts at customizing programs to suit particular programs must be weighed against considerations of the university’s areas of research strength. Proliferation of programs at the expense of quality is not a viable alternative in this maturing market where excellence will be a key determinant of ultimate success. While personalization of curriculum is a strong customer desire, customer needs are so unique that this is a difficult if not impossible task. The successful university sponsored executive education program of the future will be the one that most creatively personalizes programs while optimizing its core strengths. Although certainly not all-inclusive, some examples of creative opportunities for customizing to provide a level of firm-specific personalization, are as follows:

Continual communication with the sponsoring firm to get unique business issues that they would like the participant to address while in the various classes.

Prior to entrance, and post acceptance to a program; the development of a three-way “contract” between the university, the sponsoring firm, and the individual outlining the areas of desired focus and improvement. The “contract” could be reviewed post program to assess effectiveness, and to provide feedback to the participant and the firm.

Management of the shorter programs or modules to ensure unique demographics that would be desireable to a group of firms. For example, focus participant targeting and ultimate acceptance based on a criteria such as being an executive in a service industry or a high-tech industry.

Joint Competency Modelling. In partnership with targeted business accounts and their key human resource people, have university faculty understand the key determinants of success in particular businesses, and channel high potentials within that firm to the appropriate programs available that offer these areas of study. While all participants may not (and probably should not) end up at that particular university’s programs, this will
provide constant insight into the changing needs of key customers that can subsequently be incorporated into the university's program offerings. Consultation of this sort can allow for insight into businesses' changing needs, while letting the customer know that the university is interested in meeting firm-specific needs.

**CRITICAL SUCCESS FACTOR - TIME TO MARKET:**

As previously noted, business is looking to the universities for leading edge research, yet as the research showed, business participants are looking for this state-of-the-art research to be applied to today's problems. The successful university will be the one that can bring relevant research to the classroom as quickly and effectively as possible. This relationship of theory and its applicability to today's issues can be an awkward one which requires resolution of conflict in various areas. First, to get this mix right, faculty must spend the time to understand the unique issues of the business world by leaving the research centers - and in partnership with business - understand contemporary issues of relevance. The teachers need to be taught. Secondly, learning from the customer is needed. University faculty must accept the fact that the users of executive education can in fact be a viable source of innovation in terms of business approaches etc. within the executive education market. And finally, effective linkage of the efforts of research centers to the classroom requires a high level of coordination between university faculty and administration. Any contention between these two areas could seriously impact the success of an executive education program, and therefore common incentives are suggested. For example, an improvement in a program's external rating could equate to equal incentive bonuses for all the participating faculty and administration.

**TEACHING METHODS AS A MEANS OF DIFFERENTIATION:**

The research clearly pointed out the importance that both users and providers of executive education put on the various teaching methods. The universities should, and can be at the leading edge in terms of teaching methods. This is another opportunity for universities to develop a level of differentiation. There are relatively easy ways in which the university can apply the latest trends in teaching methods to the subject matter of any particular executive education program. For example, action learning can be utilized by simply requiring assigned papers to be applied to specific issues from the participant's work area as determined by the participant or his/her manager. Basic pricing simulations can be applied in a basic marketing or economics program to demonstrate the basics of supply and demand principles. Feedback can
be provided through the previously mentioned use of a three way contract or a document of understanding which could detail progress against the specific goals of the firm and the attending individual. And exposure to the customer can be covered by means of a specific assignment requiring the participant to survey his or her customers for development of a presentation to be given in a basic marketing class. Although the examples may be relatively simple in nature, one should not overlook the message. There is an opportunity for universities to be state-of-the-art, in a key area of differentiation, by means of some relatively simple adjustments in how classes and assignments are handled.

DIFFERENCES BETWEEN TRAINING VERSUS EDUCATION -- WHO CARES?:

In the interviews with the experts from academia, the interviewees spent some time differentiating between training and education. The experts pointed out that universities are in the business of educating, and not training. Yet, each industry user and academic expert had at least a slightly different view of what training and education were. Therefore, a university that takes an approach whereby it believes it is only there to educate, could be limiting itself into extinction. The industry users all look to universities to play a role in teaching executives by methods which universities may perceive to be training. For example, it is the opinion of the author that executives are more comfortable learning by doing -- or action learning. And, some of these excercises may be perceived by academians to be training excercises. Rather than spending countless hours on developing a finite definition of training versus education, the excellent university of the future will apply basic research and its theory (education) to the real-time problems of present-day executives in the most effective and expedient manner (which may be considered as training). As life cycles for products have shortened, so have the life cycles of many areas of basic and relevant research. Executive education has become more short-term focused in nature. Therefore, the universities must accept the fact that training from their perspective, may now be considered as education from the customer’s perspective.

SIGNIFICANCE OF THE PROGRAM PARTICIPANTS:

Since the ultimate success of a program is judged by the present and future success of its participants, this opportunity for differentiation is one that should be strongly emphasized. Present participants are a key determinant in the success of today’s programs based on their ability to provide real world insight and perspective that enhances the subjects under discussion.
Past participants provide monetary support, as well as a pipeline for future participants as indicated by the survey of the present participants in an executive education program. Past participants not only can be relied upon as one source of future program attendees, but also as a valuable link to the ever-changing business world. Past participants can be utilized as guest lecturers or speakers on the latest business issues. For example, past participants could be brought in to hold a roundtable discussion on their individual firm's approach to diversity management and the problems in working within those constraints -- with comparisons and contrasts discussed by the various participants. With an increasingly discriminating buyer, the emphasis should be on the quality of participants and not the quantity. Their success perpetuates the success of the program. This requires a more aggressive, yet focused approach to dealing with past, present and future participants.

CUSTOMER TARGETING:

The issue of customer targeting for executive education programs is not one based on the question of whether to target the firm versus the individual, but rather on the issue of targeting of individual needs in line with the university's program offerings. Universities don't want inadequately qualified participants in their programs, and businesses do not want to spend money sending participants to programs that will not suit their needs. Universities require an individual to be responsible for the development of a strategic plan for gaining access to participants with characteristics that suit the needs that any particular university program can support. With such varying needs at an individual level, the universities cannot afford to let the firms bring participants to them. The universities must creatively reach a broad audience to solicit participants who need what their program can provide. As an example, even broad-based advertising in business periodicals should outline what needs the particular program is set up to meet, and the university should accept participants based on the participant needs only if they are in line with what the advertised program has to offer. While targeting under the premise of better meeting the needs of the customer, the university can also be enhancing the quality of their overall program through the acceptance of more appropriate participants.

THE ROLE OF THE PROGRAM DIRECTOR:

With the ever-increasing competition within the executive education market, the program director must take a more and more active role in the marketing of executive education programs. The director should be called upon to provide strategic plans outlining key individual groups to
be targeted, key business firm’s to be targeted, and key industries to be targeted in an effort to ensure quality participation in the university’s executive education programs. With the diverse needs of these groups, a focused plan for participant targeting is essential considering the resource constraints under which executive education administration offices are generally required to operate. Whether targeting is done through the establishment of partnerships with key large, medium, and small firms, and/or through broad-based marketing targeted at a firm’s high potential individuals, the Director should be ultimately responsible for the management of this crucial balance of relationships.

FACULTY COORDINATION:

The role that faculty coordination will play in the ultimate success of a university’s executive education programs cannot be understated. Strong leadership, to ensure faculty participation in university sponsored programs -- as opposed to faculty participation in programs as an outside consultant -- is necessary. And strong leadership to ensure that the appropriate mechanisms are put in place to allow research center work to be expeditiously brought to the classroom in an effort to benefit the university’s programs, is an imperative. Since it is the teacher and not the teaching method, that determines the effectiveness of the education experience, an aggressive approach to staffing and de-staffing of programs to ensure the highest quality of teaching can be very instrumental in the overall quality of an executive education program. And, rather than limit the faculty scope to only those faculty at the particular university, universities should consider engaging in exclusive contracts with non-tenured faculty and respected faculty from other universities. Universities could exercise this contracting approach to developing the “virtual university” in an attempt to counter the actions of the consultants who have claimed this as their unique competency.

PROGRAM LENGTH:

Although the conventional thinking is that shorter is better, universities cannot afford to shorten programs at the expense of quality. While traditional thinking is that valuable executives cannot be gone from the office for too long, it can also be argued that a good leader has organized to ensure effective operation of the firm with or without the leader. Regardless of which way one prefers to argue, the universities must determine what they feel is adequate time to teach what is deemed as relevant subject matter, and then must creatively schedule to provide for optimum attendance. All this should be done with an understanding that the firm and the
executive are willing to invest time equivalent to what he or she perceives to be the benefit of the program -- whether that is a very tangible degree, or recognition for participation in a world-class executive education program. A continuing trend toward either a longer program with a degree awarded, or a shorter program of approximately two to five weeks can be expected. There seems to be no place for the general management program in the middle. Also, in an effort to mitigate concerns of attendance impact on office performance, programs should be scheduled to align with traditional worldwide business lulls. Also, universities which assemble general management programs as a series of unique learning modules could allow for varying levels of participation in the total program package based on the particular participant’s schedule and desire to participate in selected modules.

PROGRAM COST:

In the present market, universities cannot afford to lower the overall quality of their programs. Cost as an excuse for cutting corners at the expense of program quality is not a valid excuse. With cost conspicuously absent from the industry users list of critical program differentiators, universities should take notice. It is the opinion of the author that universities can use cost as a reason to eliminate bureaucracy in an effort to provide more efficient services, or in an effort to appear more responsive to the customer. But, universities cannot use cost cutting as an argument for reducing the quality of particular programs. The customer is not asking for universities to cut the cost of programs, just to teach what is relevant in their eyes. If a university is spread too thin, it should first consider cutting costs through a more focused and limited portfolio, and not through the dilution of services on its present portfolio of programs. Quality is more important to the users, and should not be compromised under the premise of cutting program cost for the customers.

THE FATE OF THE GENERAL MANAGEMENT PROGRAM:

The general executive education market is projected to stabilize in terms of the utilization of universities as providers of executive education programs. The growth of internally developed programs is also projected to stabilize, yet the competition for the set of external customers has intensified. And firms are willing to pay the required money to ensure that their employees obtain a quality education, with the average budget expenditures for executive
education now at $2 million per year. The research also indicates that the cost of a particular program will not make or break it in the market, although excessively high or low costs could be a secondary point of differentiation. But, the buyer has become much more discriminating in terms of output per the dollar expended. Therefore, the excellent executive education provider of the future will need to develop well integrated, well focused, quality programs. This is somewhat in contrast to the trend of the past few years of mass proliferation of product offerings aimed at capturing any and all participants.

Within this market, the general management program still can play a key role. The small and medium sized firms require these programs to provide cross-functional and cross-industry exposure, as well as potential networking opportunities that their internal programs are not capable of providing. This is not as much the case for the larger firms that are learning to manage the participant mix within their vast resource pools to optimize overall exposure to varying perspectives. Yet, with middle managers still comprising the largest percentage of participants in executive education programs, the large company can still be viewed as a viable source of participants since middle managers in larger firms traditionally rise to the levels of middle management by means of a relatively functional career path and subsequently require a level of broadening that these general management programs can provide.

The degreed general management programs can also be considered as a viable product offering. There seems to be a market need, with limited competition. While sponsoring firms may not be concerned with the offering of a degree, the individuals are finding this option much more appealing with the demise of the one company, life-long employment era of the past. And, with the individual ultimately responsible for his or her career, this growing interest in the degree cannot be ignored in terms of an opportunity to provide a product feature with growing appeal. Targeting of individuals may provide for a more effective pool of potential participants in these programs. A one year hiatus from work to gain a degree not only is more economical from the perspective of the individual, but may also be more appealing to the sponsoring firm. But the executive education provider of the future will have to be very careful in the recruiting for these programs so as to not damage previously established business partnerships.

The survey data also suggests that general management programs are already in place to provide the subjects customers consider as necessary. The traditional finance and accounting subject matter, and the human resource management issues are already a core portion of these programs. But programs must address these issues in a manner whereby the latest research within these fields is applied to present day business issues. Clearly a general management

program can differentiate itself by providing a progressive, state-of-the-art human resource management class addressing the contemporary issues focused on humanizing the workplace. As the business world has changed rapidly, employers are looking for creative means in which to address the real issues of increasing diversity in the workplace, the human impacts of reengineering and change, and issues related to the motivating and leading of teams in this era of continually asking employees to do more with less. A general management program could also differentiate itself through the development of a comprehensive finance class for non-financial managers. With the flattening of business organizations, many managers with no financial experience are now owners of a portion of the overall firm’s profitability and are in need of a comprehensive review of accounting and finance basics.

A quality general management executive education program can also provide a strong strategic base on which to mass customize in providing more personalized programs. General management programs could be established in a series of unique modules which could be offered in varying packages of subject matter, as well as in modules dedicated to specific industry groups or firms as necessary, by coordinating module focus and participant acceptance into these particular modules. The customer is looking for an integrated executive education program, and a general management program and its core modules could be utilized as the base providing cohesiveness. This approach would also allow for more effective coordination of the limited faculty time available, yet so necessary in providing quality executive education programs. As an example, a general management program could be organized with a module on humanizing the workplace, a module on finance and accounting for non-finance managers, and a module on international management. Program participation could then be managed at a module level -- with slots being sold either as an entire package of the three modules, or as a combination of any two or one module. As previously mentioned, participant acceptance could be managed to ensure attendance in the various modules of particular industry groups, if a level of personalization is considered necessary. For example, the module on finance and accounting for non-finance managers could be focused towards service industries by managing acceptance of the open slots not sold to participants in the total general management package.

Executive education in the form of general management programs is here to stay. These programs will be required in the broadening of present middle managers and executives from the small and medium sized firms, as well as the functionally focused managers of the larger firms. Yet the participants and their sponsoring firms are going to migrate to those programs which can be flexible in helping the participants apply their new-found conceptual business foundation to his or her contemporary business issues.
THE UNIVERSITY'S FUTURE ROLE IN EDUCATING EXECUTIVES:

It is the opinion of the author, as well as the opinion of the majority of those interviewed, that the business-university relationship in educating executives is not a zero-sum game. Universities have the capability to provide what the customer wants from the universities. The opportunity is there for a win-win situation. It also seems to the author that the business world is anxious for the universities to increase their participation in the education of executives. As businesses work to better focus on their core competencies, internal executive education is not generally listed as a targeted competency.

The issue is whether the universities can provide what executives perceive as relevant. The challenges universities will meet in satisfying the needs of participants in their executive education programs are not unlike the challenges the traditional firm is encountering in its efforts to meet customer needs in an increasingly competitive world market. The perceived failure of the university to understand the changing needs of their customer base—whether through ignorance or as a result of apathy—has caused a breach in what once seemed to be a solid relationship. The breach has been aggravated by the fact that executives are now asking their subordinates to do more with less, and are themselves being asked to do more with less. And, the author perceived a level of frustration from industry users that comes from their inability to see any sense of urgency from the universities' in changing to meet businesses' needs. Perhaps what makes this more appalling to the business world, is the fact that these are the very same universities to whom we are looking to teach our future business leaders.

The university that best understands the customers' needs, and provides an integrated program based on state-of-the-art research applied to today's problems, has an opportunity to gain a position of excellence in the executive education market. Or just as importantly, it is the opinion of the author that the university that best understands what it best can provide, and aggressively targets just those individuals with complimentary needs, also has an opportunity to gain a position of perceived excellence in the lucrative executive education market. The successful university can do this by simply practicing some of the concepts that they preach.
XII. APPENDICES
APPENDIX A.

INTERVIEW DETAIL FROM ACADEMIC EXPERTS
Questions for Academic Experts in Executive Education

What are your personal views on what the Corporations are looking for from University-based executive education? Any subtle changes in the past year?

*The changes are substantive changes.*
*Companies are now investing more in leadership.*
*What was once a “once in a lifetime” occasion for the employee, is now an “investment in the company”.*
*Described it as education for returns.*
*Larger companies are moving away from the general audience programs, and leaning toward custom programs.*
+ that firms are speeding up change
- that firms could become too internally focused
- that it could become training, and not education
*Medium and small companies are increasing usage of the general programs.*
*Feels the key is a strong balance of internal and external programs for balanced perspective.*

Which of the latest “fashions” -- action learning etc. do you feel are worthwhile?, and your perspective as to why....

"Action Learning" - a strong supporter of this if done correctly -- that is if it is hands on, plus outside perspective, and teamed properly to work on a real problem, and not just make work.

"Competency modelling" for example where they try to delineate the key characteristics of a successful leader within their specific firm .... risk of making clones

"Experiential learning" - ie: outward bound etc., are recommended for establishing a working relationship within a learning group -- promote teamwork versus overall development.

"Computer Simulations" -- excellent tools for getting close to actually running a business. CAVEAT: simulation of own business leaves it open to debate of the “experts” allegedly within your business, and may get hung up if it is not perfect. And, if the simulation is generic, then it is imperative that time is taken to take the actual game learning and translate it back to the “real businesses” of the participants.

Consortium Programs -- where four or five companies get together and develop a program which works on shared problems (eg. gaining market share), in which each firm sends a team to work on the problem, and to present recommendations and analysis. “powerful”, and “growing”.
From your perspective, what are some examples of the “consumate” or “world-class” University-based executive education programs and why....?

Listed many eg. Michigan, INSEAD, IMD, Columbia, etc.

Described the common threads of these programs:

A broadened portfolio - customized to meet changing customer needs
Open enrollment programs shortened, and personalized where possible
An effort on all programs to customize around a firm’s problems
Active in consortiums, and their development
All had strong research centers that were effectively linked to the classroom, to allow for quick transfer to the participants of latest info.

Any recommended readings that may provide insight on the above? (I have read multitudes of literature, and was just looking for any very recent publications if there are any)

Draft of his latest work in the mail asap.
Jay Conger on leadership

What is your opinion on universities ability to gain back market share from internal business executive education programs?

Considers it a “toss-up”

Real competition from consulting firms moving in... As firms go to action learning, this is competition for consultants (ie: who needs a consultant to fix my problems when I can put an internal team to work on it - and develop them as well.) So if consultants can’t beat ’em, join ’em.

If universities do get innovative ideas to market fast, shorten open programs, customize and gain customers via consortiums (per above common threads), then a university can be very successful, and if not -- they will be gone in 5-10 years.

What do you believe to be “leading edge” subjects?

Two subjects “absolutely crucial”:

Information Technology + Logistics

Described the above as the key differentiators of leading firms today, and as the unique areas where firms of the future can differentiate themselves.
What do you believe to be the optimum length for a general management program?

Split session versus one time?

2 weeks = superficial, 3-4 weeks the absolute least for a general management program.

Split session is so-so, but can "lose a lot of its punch" in between sessions. To be successful, it must maintain its intensity.

Do you feel universities should target individuals or corporations?

Leans toward targeting the corporations. As most firms are in a state of transition, and the corporation ultimately determines the tools needed for anyone to succeed, it is best to follow them and their changing needs.

Could you please rate the following differentiators?
(Rate either as very critical, somewhat critical, nice but not critical, )
(Also comment on whether focus needs to be more or less than you presently perceive the focus to be)

Faculty strength? Very Critical, and needs more focus
Curriculum Design and Content? Very critical, and needs "absolutely more" focus, and is the key differentiator.
Program Directors? Critical, same focus
Participants? Very Critical, and needs more focus as sponsoring educational group needs to understand composition and casting better.
Teaching Methods? Very Critical, and more focus on insuring that the teaching methods really do make a difference.
Facilities? Critical, same
Program Length? Critical, and dependant on what is being taught “great deal of attention” to speed up.
Program Scheduling? Critical, and same focus - alot of experimenting already done.
Cost? Becoming Very Critical. A lot more focus, in what was once a price insensitive market -- pricing is now an issue.
Special Features?
Questions for Academic Experts in Executive Education

What are your personal views on what the Corporations are looking for from University-based executive education? Any subtle changes in the past year?

Changes are not subtle -- fairly rapid
Companies are looking for immediate return on their investment
It was "reward", and now an "obligation"
Firms are looking for ways to change
Executive Education was a mini-MBA, and now it is looked upon as a means
to create a culture of change.
Business education is a relatively young field, and therefore many conflicts
in opinions, and direction.

Which of the latest “fashions” -- action learning etc. do you feel are worthwhile?, and your perspective as to why....

Action learning is "training" which is a "quick fix"
Felt strongly that the key is the basics which are "timeless" and are therefore
"education" as opposed to above training.
Felt that these basics will provide the foundation in further years for individuals
to meet change.

From your perspective, what are some examples of the “consumate” or “world-class” University-based executive education programs and why....?

Felt that longer programs were more substantive eg. Sloans, Harvard AMP etc.
“Education takes time”
Considers U of M as promotional leading edge versus substantive leading edge.

Any recommended readings that may provide insight on the above?

“Attitude Change During Management Education”

What is your opinion on universities ability to gain back market share from internal business executive education programs?

Individual’s belief is that the tide is turning back towards universities
Corporations are learning that they have to take responsibility for their
executive’s development, and therefore they will rely on universities
more -- assuming universities carve out a role and use technologies
effectively in educating.
What do you believe to be “leading edge” subjects?

There are fundamental subjects, and there are leading edge thoughts within these subject areas. Basis of all is Psychology, Economics, and Mathematics.

What do you believe to be the optimum length for a general management program?

Split session versus one time?

The longer the better.
Split sessions don’t work well.

Do you feel universities should target individuals or corporations?

Should target both, because some firms don’t think in terms of individuals.

Could you please rate the following differentiators?

(Rate either as very critical, somewhat critical, nice but not critical, )
(Also comment on whether focus needs to be more or less than you presently perceive the focus to be)

Faculty strength?
Curriculum Design and Content?
Program Directors?
Participants?
Teaching Methods?
Facilities?
Program Length?
Program Scheduling?
Cost?
Special Features?

Feels all are very critical. Feels the key differentiator of the future will be curriculum design and content. Specifically “the ability of the university to say something distinctive about itself”.

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What are your personal views on what the Corporations are looking for from University-based executive education? Any subtle changes in the past year?

"Something different than what the company itself can provide"
Tough to answer until you determine who the customer is.... firm or individual
Individuals generally looking for breadth - exposure to different industries, functions, theories, and not necessarily direct skills.
Trend toward more programs outside the U.S.
Original plan of this school was 2/3 open enrollment, and 1/3 custom, and it has ended up being just the opposite -- 1/3 open, and 2/3’s custom.

Which of the latest “fashions” -- action learning etc. do you feel are worthwhile?, and your perspective as to why....

Has used action learning for years
Simulation good as a component of the total package
Experiential learning done upfront with this particular school to change the way individuals think about teams themselves, as well as facilitate teamwork in general.

From your perspective, what are some examples of the “consumate” or “world-class” University-based executive education programs and why....?

MIT Sloan, and Wharton based on personal experience
Why Wharton? Substantial portion (20%) of 5 week program is dedicated to the “liberal arts” subjects, and is integrated into the total program.

Global Management Program (Penn, Belgium, Japan) provides for interaction with outside industry and its leaders for basically 3 long weekends.

Any recommended readings that may provide insight on the above?
None

What is your opinion on universities ability to gain back market share from internal business executive education programs?

No, for basic open enrollment university programs
Except in recession, both universities and internal programs will grow. But hybrid/tailored/cooperative programs are the most likely to grow.
What do you believe to be “leading edge” subjects?

“Bread and butter” subjects for those looking to cross functions, although it is key to have the latest thoughts on new twists on HR, IT etc.

What do you believe to be the optimum length for a general management program?

Split session versus one time?

Harvard’s AMP too long
He wanted 8-9 weeks, school did surveys saying 4 weeks the most execs. can afford to be out, and the school ended up at 5 weeks.
MIT’s 9 weeks is too long.
Degreed programs obviously must be longer

Do you feel universities should target individuals or corporations?

Should target both. Different markets with different needs

Could you please rate the following differentiators?

(Rate either as very critical, somewhat critical, nice but not critical, )
(Also comment on whether focus needs to be more or less than you presently perceive the focus to be)

Faculty strength? Very Critical
Curriculum Design and Content? Very Critical
Program Directors? Somewhat Critical
Participants? Very Critical
Teaching Methods? Somewhat Critical
Facilities? Somewhat to Very Critical
Program Length? Somewhat Critical
Program Scheduling? Somewhat Critical
Cost? Somewhat Critical
Special Features?

General Comments: Wharton is a “hot program”
It is turning people away
It is a $30 million business at U of Penn
The Program is evaluated every 1/2 day throughout the 5 week program to focus on faculty strength, and to allow for constant communication with the customer - (students to faculty).

No impression that students are looking for “multi-media”
Wharton successful but doesn’t push publications like a Harvard
Questions for Academic Experts in Executive Education

What are your personal views on what the Corporations are looking for from University-based executive education? Any subtle changes in the past year?

Depends on the level of the participant:  
Lower = skill development  
Middle = integration of functions  
Sr. = Networking  
Sr. + = Perspective

The change to more and more short term solutions, and more practical training

Which of the latest “fashions” -- action learning etc. do you feel are worthwhile?, and your perspective as to why....

“Fashions” are valuable or useless based on who is using it, when, and how

The key is to tie all these programatic fashions together into an integrated continuum.

Believes the new frontier is in the totally integrated program that "manages the white spaces". In other words has upfront participant review, integrated classes, and post program feedback in a comprehensive package.

From your perspective, what are some examples of the “consumate” or “world-class” University-based executive education programs and why....?

Programs come and go........

Darden, because it is well integrated/team taught/ and is a learning process

Michigan’s global leader program because it is bold even if it is alot of hype

INSEAD because of its multi-cultural characteristics

Any recommended readings that may provide insight on the above?

Jim Walker’s Human Resource Planning - which looks at EE as strategic development
What is your opinion on universities ability to gain back market share from internal business executive education programs?

*Changing needs have driven the move to internal programs - more short term*

*Not a zero sum game*

*EE still a big deal with firms, so still room for an excellent program*

*Although Market is basically set in terms of the mix of internal vs external due to these changing needs to more short term returns*

*Hybrid's may be best approach to insuring freshness in offerings*

What do you believe to be “leading edge” subjects?

*Creativity and innovation (especially predominant in Japanese programs)*

*Next generation leadership - Change management, Team management, multi-cultural management.*

What do you believe to be the optimum length for a general management program?

  Split session versus one time?

  *3-4 Weeks.*

  *The longer programs are losing share*

  *Split sessions appealing as long as it is integrated*

Do you feel universities should target individuals or corporations?

*Depends... but mostly individuals*

*Feels the migration has been too much to the corporate side*

*Universities provide a better value-add service if they help individuals*
Could you please rate the following differentiators?
(Rate either as very critical, somewhat critical, nice but not critical,)
(Also comment on whether focus needs to be more or less than you presently perceive it to be)

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<td>Program Scheduling?</td>
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<td>Cost?</td>
<td>Nice but not critical</td>
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<tr>
<td>Special Features?</td>
<td>Nice but not critical</td>
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APPENDIX B.

INTERVIEW DETAIL FROM INDUSTRY USERS
Questions for Industry Users of Executive Education

When educating executives, are there specific objectives you have for the programs you utilize?

Specific goal: exec's to leave with a specific “personal action plan to create change”. Key Themes: Action learning - real business problems
Focus on teamwork
Focus on global involvement/perspective
Teach “principles based decision making” as opposed to depending on bureaucracy
Active involvement of Sr. Executives who assign the problems
Focus on “running a business”, financial tools and entreprenuerialism

Have there been any recent changes in your approach to educating the firms executives?

With new CEO, there has been a major area of focus
All corporate managment programs have been redesigned with above focus
Also now working to evaluate effectiveness of programs with follow-up surveys to insure behavioral change.

Does your firm utilize both internal and external sources for executive education? And if so, are there varying expectations for what the two sources provide?

Internal focused now on change, culture, and strategy
Internal designed utilizing consultants and academia
Do utilize external. Open enrollment programs based on individual situations.
Also utilize tailored -- Darden, a consortium of companies. Two weeks with a business problem and business teams - cross company.
Will selectively book at external when in need of specific components

If and when your firm utilizes a university-based program, what is it that your firm expects from the university?

Experts in their field
High credibility, and tied to the industry
Effective communicators

Does your firm have a preference for Open Enrollment or Tailored programs?

New focus and goals lend to a preference for tailored programs.
Open enrollment programs will require greater scrutiny.
Who is responsible for the overall development of executive’s within your firm? And what role does the CEO play in the overall development?

Senior VP of HR owns executive responsibility, and reports directly to CEO. CEO very personally involved in choices as well as active participation. CEO driving content and priority, while units select participants and pay.

From your perspective, what are some examples of the “consumate” or “world-class” University-based executive education programs and why....?

Darden: action learning, team oriented, and multi-company
Thunderbird: (T-bird worked actively in establishment of new programs)

Does your firm have a set of standard requirements that it utilizes when choosing specific programs for use?

Individually based. Although now would look for multi-national, action learning based, team based, and multi-functional as is the goal with their new programs.

Over the past decade, there has been a marked move by firms to handle their own executive development as opposed to utilizing universities. Do you feel this trend will continue? And if so, why?

Firm would like to go outside more, but not in the form of open enrollment. Culture is individual to the point where universities can help tailor programs, but it is unlikely that they will be able to suit individual firm's goals through an open enrollment program.

When utilizing universities, what subjects do you feel should be covered in a program, and are there certain recent subjects that warrant being addressed?

Entrepreneurial skills, key financial tools for decision making and analysis, and diversity management and teamwork.

Does your firm have any belief on the optimum time for an executive education program?

Internal programs are under 2 weeks. Others are on an individual basis.

Does your firm prefer a one time session, or a set of split-sessions?

Personally believes split session is a good approach, to reinforce and tie-back.
Could you please rate the following differentiators?
(Rate either as very critical, somewhat critical, nice but not critical, )
(Also comment on whether focus needs to be more or less than you presently perceive the focus to be)

- Faculty strength?  Very Critical
- Curriculum Design and Content?  Very Critical, and more focus
- Program Directors?  Somewhat Critical
- Participants?  Very Critical, more focus now internally
- Teaching Methods?  Very Critical, more focus req’d
- Facilities?  Very Critical - taken seriously at their firm
- Program Length?  Varies, shorter better for majority
- Program Scheduling?  No opinion
- Cost?  Somewhat less critical, although under pressure due to overall budget constraints.
- Special Features?  No opinion

Two new programs: Business Management Institute for 8 days (Wed-Sat, Mon-Thurs)
cross geographic, cross functional, for “managers in a position with significant impact on profitability”

Global Executive Program for all newly appointed executives
Tues evening - following Friday
Sponsoring executive with a business problem

Both programs based on teams, with action learning. Goal is to analyze and present recommendations on a real business problem.
Within each corporation, an individual high-potential executive or middle manager was interviewed to understand their experiences within the individual corporation's programs. The survey was done to understand their experiences, and to contrast their experiences and perceptions to that of the industry's human resources expert within that same firm.

(Individual interviewed was a present high-potential middle manager within the technology portion of this firm.)

Attended first line management, and middle management 1 week schools
Attended management assessment - 1 week intensive "testing"
Attended a 1 week program where all the Sr. VP's came in, as well as a 1 day shadow program with a senior executive. (Seemed like a "reward")
Attended two functionally focused programs (1 week) as a site's representative. Various functional "seminars".

Firm's programs all under review and reengineering. Has not attended under the new program. But knows others who have attended and were very positive of new approach. (Participant was not at the level required per the literature)

General Comments:

Individual not clear on how all programs were integrated if at all.

Annual 40 hours of management education was "loosely enforced".

Old programs of lecture format generally.

Aware of reengineering efforts, and strongly supportive.

Questioned effectiveness of previous programs - other than some domestic networking.
Questions for Industry Users of Executive Education

When educating executives, are there specific objectives you have for the programs you utilize?

*Firm’s culture drives higher education*

*Different initiatives of the firm drive education drive - mostly through development of courses through Motorola U.*

*Firm openly supports individuals who wish to get educated*

Have there been any recent changes in your approach to educating the firm’s executives?

*Firm started education with measures and technical goals -- such as 6 sigma, c-t reduction -- and have evolved to more human aspects such as total customer satisfaction, and the firm’s newest initiative focusing on the individual and his/her relationship with their manager. This evolution has been a difficult struggle.*

Does your firm utilize both internal and external sources for executive education? And if so, are there varying expectations for what the two sources provide?

*Utilize consultants for development of internal courses, and for more “soft” skills, such as leadership etc.*

*Utilize universities for more of the basic technical skills.*

*Utilize Motorola U for culture, initiatives, and “soft skills”*

If and when your firm utilizes a university-based program, what is it that your firm expects from the university?

*The firm looks for the teaching of specific technical tools to supplement the employee’s job.*

Does your firm have a preference for Open Enrollment or Tailored programs?

*The firm requires 40 hours of education on “whatever you want” as long as it supplements job in any way so that could be used for external education.*

*Firm aggressively takes all state of the art thoughts and develops internal programs to teach them.*
Who is responsible for the overall development of executive's within your firm? And what role does the CEO play in the overall development?

*Corp. executive training dept. specifically for executives in the firm.*

*Each division has training specialists with advanced degrees, as well as some functions (eg. marketing) have their own departments for their training needs.*

*CEO very instrumental in establishing strong education culture, and is now aggressively working to push down to the individual level.*

From your perspective, what are some examples of the “consumate” or “world-class” University-based executive education programs and why....?

*Company drives state of the art internally, by benchmarking externally, and then taking the best of other industries, consultants, and academians. develops a world class internal program -- mostly on soft skills.*

*Rarely utilizes external programs on a blanket basis.*

Does your firm have a set of standard requirements that it utilizes when choosing specific programs for use?

*Based on needs of the individual - and the firm does aggressive need's assessments to insure appropriate use of available sources for education.*

*Firm encourages (and is flexible) in the application of the 40 hours of mandatory education each employee must get.*

Over the past decade, there has been a marked move by firms to handle their own executive development as opposed to utilizing universities. Do you feel this trend will continue? And if so, why?

*Definitely feels the drive will continue toward internal, except for the basic general management programs, or extreme technical areas.*

*Internal = “soft skills” that need to be personalized to the specific firm.*

When utilizing universities, what subjects do you feel should be covered in a program, and are there certain recent subjects that warrant being addressed?

*Conflict management, diversity management issues, legal issues, and communication skills.*
Does your firm have any belief on the optimum time for an executive education program?

Based on the needs of the individual.

Does your firm prefer a one time session, or a set of split-sessions?

Generally prefer a one time session, and ensure constant effectiveness of programs through an aggressive and continual needs assessment driven by training specialists through input from experts, consultants, managers, the individual employees, and customers.

Could you please rate the following differentiators?
(Rate either as very critical, somewhat critical, nice but not critical, )
(Also comment on whether focus needs to be more or less than you presently perceive the focus to be)

- Faculty strength? VC - demand leading edge
- Curriculum Design and Content? VC “Very, Very Important”
- Program Directors? SC “Not who, but how well”
- Participants? SC
- Teaching Methods? VC
- Facilities? No comment
- Program Length? SC in that it must match individual’s needs
- Program Scheduling? SC in that it must match individuals needs
- Cost? Least important
- Special Features? No comment

General Comments:

Why company is so strongly focused on internal education: Due to the firms success, they have the resources to do it internally, and they choose to because they feel it is so important. Whereas other firms either can’t afford to, or don’t think it is important enough (yet).

Firm aggressively utilizes benchmarking to insure that the firm does not become too internally focused.

Firm also feels that taking state of the art thoughts, and personalizing them to the firm provides for a more effective transfer of learning - as the ideas are more specifically applied to an environment the employees will be more able to relate to...

Firm is “committed to constant learning”

“We watched what happened to IBM, and we don’t want it to happen here.”

Firm does not have a set process of assessing, and applying required education to employees -- (reference individual’s survey comments on individual skills assessment of high potentials as “so-so”)

Strong emphasis on competency modelling and training to determine educational needs.
Within each corporation, an individual high-potential executive or middle manager was interviewed to understand their experiences within the individual corporation’s programs. The survey was done to understand their experiences, and to contrast their experiences and perceptions to that of the industry’s human resources expert within that same firm.

(Individual interviewed was a past high-potential V.P. within the semiconductor portion of this firm. Individual had recently shifted to another major semiconductor firm.)

S.E.P.  Senior Executive Program, held annually for VP’s and up.
Very focused on business goals, and updated to a current issue annually.
For example: 80’s class on Asian competition and strategies.
Action Learning is a key component.

Another program for operational managers as well.
2 Week off-site intensive manufacturing issues involving wargames.
For example: ’92-93 was on flexible manufacturing issues

Separate classes for Marketing and Sales

Internal U - a vision of CEO’s
To supplement the education system and,
to provide quality training for suppliers.
For example: High level of functional illiterates in Phoenix, and therefore “Internal U” was utilized to attack basic functionality.

General Comments:
Individual expressed a high respect for the high education focus, and felt that the annual education was relatively well integrated.

Individual’s perspective was that the firm was “so-so” on skills assessment.

Classes were cross-functional with teams.

Expressed a preference for these internally developed programs.

Felt S.E.P. was “very effective”.
When educating executives, are there specific objectives you have for the programs you utilize?

*The mission is the same for both internal and external programs:*

"develop individuals and grow them, and bring them back to grow the corporation"

*Custom programs more focused on corporate initiatives and culture*

*University programs utilized more for individuals to make the transition from functional to general management. Although even in this case they are looking to be allowed to have some personalization.*

*Firm also strongly supports a series of experiences in the development process, and believes that the first one should be internal to understand the business prior to going external as a representative of the firm."

Have there been any recent changes in your approach to educating the firms executives?

*Approach has been relatively consistent over the last 5 years, although the constant changes in the industry drive changing needs on specifics."

Does your firm utilize both internal and external sources for executive education? And if so, are there varying expectations for what the two sources provide?

*Preference: #1 Custom programs - internal to drive culture/initiatives#
#2 Tailored programs - preference towards consortiums (they participate in 8-9 at AT&T)
#3 Open enrollment programs - for general management
#4 Functional programs as needed individually*

If and when your firm utilizes a university-based program, what is it that your firm expects from the university?

*Expects partnerships - the leveraging of partnerships
  eg: tying the firms nomination process into the universities application process.

*World class faculty*
Does your firm have a preference for Open Enrollment or Tailored programs?

Preference is towards consortiums versus basic open enrollment
Firm does value open enrollment programs (more than others), especially for senior executives - especially the higher level managers requiring additional perspective, external networking, and outside industry knowledge.

Preferences as listed in earlier question

Who is responsible for the overall development of executive’s within your firm? And what role does the CEO play in the overall development?

All activities under corporate HR and a Sr. VP
Process for development:
1) I.D. required competencies through competency modelling
2) Optional “insight” process to do personal reflection on one’s own dimensions of leadership. (Assessment not successful -- as one with perhaps one “flaw” could be “black-listed” without the opportunity for them to improve on that flaw.)
3) Career Plan development
4) Executive Education as appropriate

CEO plays a very strategic role, and is very supportive and is the most critical element in the executive development process. (Compared to GE’s CEO.)

From your perspective, what are some examples of the “consumate” or “world-class” University-based executive education programs and why....?

Id’d Harvard AMP, INSEAD, Global Leadership at Michigan, and Sloan Programs

Keys they look for: Globalization
Address management of change
Quality faculty
Quality of other participating firms

Key is to match program to the needs of the individual - firm accepts that responsibility.

Does your firm have a set of standard requirements that it utilizes when choosing specific programs for use?

Length-wise: 2-4 weeks for a general mgt. program - longer for higher levels or more seasoned managers.

TREND: Even firm’s internal program: Leadership Development and Advanced Management Program was 5 weeks, and is now down to 2 weeks.
Over the past decade, there has been a marked move by firms to handle their own executive development as opposed to utilizing universities. Do you feel this trend will continue? And if so, why?

Firm believes a BALANCE OF INTERNAL & EXTERNAL is essential. Therefore will be a need for external, and certainly for the more senior levels of management looking for things an internal program can't provide -- such as outside perspective (international and outside industry), external networking, etc.

When utilizing universities, what subjects do you feel should be covered in a program, and are there certain recent subjects that warrant being addressed?

- Globalization
- Organizational Change - ("ability to come to grips with change")
- Coverage of all functional areas
- Strategic thinking
- Team building

Does your firm have any belief on the optimum time for an executive education program?

2-4 weeks generally ok for general management. (based on level)

Does your firm prefer a 1 time session, or a set of split-sessions?

Prefers split sessions - although difficult for internationals, and only if program is greater than two weeks prior to a split

Could you please rate the following differentiators?

(Rate either as very critical, somewhat critical, nice but not critical, )
(Also comment on whether focus needs to be more or less than you presently perceive the focus to be)
- Faculty strength? Very Critical
- Curriculum Design and Content? Very critical and must listen to industry in designing programs.
- Program Directors? Nice but not critical
- Participants? Very critical
- Teaching Methods? Somewhat critical - no opinion on one best method.
- Facilities? Nice but not critical
- Program Length? Somewhat critical
- Program Scheduling? Somewhat critical
- Cost? Somewhat critical

In general, universities must continue focusing on being more flexible, and should continue focusing on business and its needs.

TREND: The firm does impact studies with participants, their manager, and the participants employees to see if behavioral changes have occurred. The firm looks to those that receive education to become agents of change within the firm.
Within each corporation, an individual high-potential executive or middle manager was interviewed to understand their experiences within the individual corporation’s programs. The survey was done to understand their experiences, and to contrast their experiences and perceptions to that of the industry’s human resources expert within that same firm.

(Individual interviewed was most recently Executive assistant to a division president, and has been with the firm for 19 years)

Participant in the firm’s management development program which is called the Leadership Continuity Program (LPC).

Person averages approximately 4-6 weeks of education / year.

Person has participated in an external program virtually every two years. eg: Emory, Kellogg, Motorola “U”, Aspen Institute etc.

Firm has Corporate Learning Center with vast array of subjects ranging from Graduate level to basic training available to all students.

Participated in variety of the firms management and executive training programs
More technical training at “lower” level management classes
More electives and strategy at the higher levels of management
Annual Strategy Workshops for executive level employees

Interviewee’s General Comments:

Vast majority of individual’s education has been driven by corporate process
Although individual has driven some program participation

Since 1989 employee has been required to form informal contract outlining what is expected in regard to learning and then what will be brought back to the firm.

Genuinely impressed by the firm’s education programs

Education considered as an accepted part of the firm’s culture

Attendee at MIT in the Sloan Fellows program
Personal growth is major benefit of this program
Exposure to various cultures and industries
Strong in Strategy, Technology, and Quantitative subjects
Weak in administration, marketing and organizational psychology
Questions for Industry Users of Executive Education

When educating executives, are there specific objectives you have for the programs you utilize?

Different for internal versus external
As a young - rapidly growing firm, first goal was education in the practical applications of management, geared toward firm specifically.
Now looking to broaden the more senior level executives

Have there been any recent changes in your approach to educating the firms executives?

Have evolved into the useage of open-enrollment university programs over the last 2-3 years.

Does your firm utilize both internal and external sources for executive education? And if so, are there varying expectations for what the two sources provide?

Internal for practical applications of management such as: perf. mgmt, supervisory skills, interacting with employees, teamwork, etc.

Internal geared toward firm and development of philosophy/culture.

STEP programs - strategies to elevate performance, firm now has 5 of these core programs/modules.

External utilized for more senior executives to gain global perspective, and is geared toward a specific individual and their needs.

As individuals progress upwardly, there is a need for a more global perspective.

If and when your firm utilizes a university-based program, what is it that your firm expects from the university?

Diversity of participants to provide global perspective as well as cross-functional.
Global outlook on all subject matter.
Credibility in the program and its participants.

Does your firm have a preference for Open Enrollment or Tailored programs?

The firm is just starting to utilize open enrollment programs, and is utilizing them for the global perspective.
Do bring in faculty for specific subject matter discussion facilitation.
Who is responsible for the overall development of executive's within your firm? And what role does the CEO play in the overall development?

*V.P. of human resources drives, although not "done in a vacuum" - uses management committee involvement.*

*CEO less active, and more interested in the internal aspects.*

From your perspective, what are some examples of the “consummate” or “world-class” University-based executive education programs and why....?

*"Those that have taken into consideration the diversity of the applicants"*

Looking for interaction with top faculty and experts in various fields or industries.

Does your firm have a set of standard requirements that it utilizes when choosing specific programs for use?

*Diversity of applicants.*

*Firm tends to gravitate to the "top ten" schools.*

Over the past decade, there has been a marked move by firms to handle their own executive development as opposed to utilizing universities. Do you feel this trend will continue? And if so, why?

*Young and growing company which is just now going external.*

*Will continue to utilize for above reasons (assuming there are resources available to enroll !!)*

When utilizing universities, what subjects do you feel should be covered in a program, and are there certain recent subjects that warrant being addressed?

*Global issues with a global perspective.*

*Breath of coverage of the basic functions.*

Does your firm have any belief on the optimum time for an executive education program?

*Experience is that we can survive without our key executives, and it is a mark of a good manager when he/she can leave and the team can perform well in his/her absence. And it seems that it is more effective for the participants to go away as a one-time occurrence. We see this education as a long-time process, and therefore it requires a commitment from the firm as well - both dollars and the time necessary.*
Does your firm prefer a one time session, or a set of split-sessions?

See above.

Could you please rate the following differentiators?

(Rate either as very critical, somewhat critical, nice but not critical, )
(Also comment on whether focus needs to be more or less than you presently perceive the focus to be)

Faculty strength? Very Critical
Curriculum Design and Content? Very Very Critical
Program Directors? Nice but not critical
Participants? Very Very Critical
Teaching Methods? Very Critical
Facilities? Somewhat Critical
Program Length? Not critical to somewhat critical
Program Scheduling? Nice but not critical
Cost? Not critical - this is a long term investment.
Special Features?
Within each corporation, an individual high-potential executive or middle manager was interviewed to understand their experiences within the individual corporation's programs. The survey was done to understand their experiences, and to contrast their experiences and perceptions to that of the industry's human resources expert within that same firm.

(Individual interviewed was a Senior V.P. based at headquarters for the firm. Individual has been with the firm for the 10 year life of the firm.)

Participated in the firm's STEP programs which are for basic management skills. Found them extremely useful. Found it good for team morale and for networking within the firm.

Programs did such things as employee surveys of managers style with feedback. Good chance to mix HQ staff with the sites.

External:

Key exec's also participated in the Karras negotiation seminar. (Because the CEO had participated and liked it.)

This individual plans for each employee to attend or participate in 2 seminars per year since the functional area in which the employee works is changing so much.

Also participates in seminars/conferences as a speaker in area of expertise.

Attendee at MIT in the Sloan Fellows program. Here because of success of previous attendees in the Fellows program.

This individual is part of the succession plan for the firm he works for, and they were looking to round out the employee who had a strong engineering functional background.

Interviewee's General Comments:

Ultimate success of a program determined by the participants and their success before and after attendance in the program.

Education is equally dependant on what you put into it....
Concern with programs aimed at the lowest participant skill denominator, as opposed to the middle or highest denominator.

Questions academic effectiveness and quality, but spoke strongly of personal growth from interaction with other class participants.

Administration ineffectiveness of present program a disappointment.
APPENDIX C.

PAST PARTICIPANT SURVEY SUMMARY
SUMMARY OF FINDINGS:

To: Sloan Fellows Class of ‘83

From: Stu Reed, Sloan Fellows Class of ‘95

Subject: Thesis on Executive Development

Dear Sloan Fellow,

As you are aware, we are required to do a thesis as a requirement of the M.I.T. Sloan Fellows Program. I have chosen to do mine on the subject of executive development. Specifically, mine is a marketing-based thesis focusing on what role the universities will play in the future development of business executives. I am in the process of interviewing experts in the field of executive development, heads of human resource development at various firms, and past classes of attendees in various executive programs. Therefore, I would like to ask you a few brief questions, and I would ask that you take the time to answer them and return them to me as soon as possible. I would appreciate your participation, and thank you in advance for any insight you can provide. Upon completion of this questionnaire, would you kindly place the answers in the enclosed, self-addressed envelope and place in the mail as soon as possible as I will need to have all of my inputs received by the middle of February in order to appropriately analyze and develop any prevailing themes.

SUMMARY DETAIL:

#1) As you look back on your experience at Sloan, are there any subjects you wish had been covered in more depth to allow you to be more effective in your career?

- Human Resource Management * 5
- Management of Change 1
- Finance (International) 4
- Accounting (Capital Asset Management) 2
- Marketing (New Product intro, Market Research) 3
- Economics 1
- TQM 1
- System Dynamics 1
- Computer Science 1

“applied to business situations”
“greater familiarity and use of practical tools”
“contacts and relationships were more important than the classes”

* Human Resources includes: Organizational Dev., learning org., leadership, and effective non-confrontational communications.
#2) From your perspective, if you were to send someone who works for you to any executive education program, what is it that would be important for them to learn?

- Humanizing the workplace * 8
- Managing Change 2
- Dealing in the Global Marketplace 4
- Finance & Accounting (Cash flow management, capital budgeting) 4
- Marketing Principles 2
- Management of Technology (Technology transfer) 2
- Strategic Planning 1
- Labor Relations practices 1

* Humanizing the workforce includes: learning organizations, non-adversarial negotiations, valuing diversity, process thinking and management, interpersonal skills, leadership versus management, and team building.

#3) For yourself, what subjects or areas of study might you find useful if you were to enroll in another executive education program of any length?

- Humanizing the Workplace 4
- Management of Change 2
- Dealing in the global marketplace 2
- Finance (Derivatives) 2
- Advanced Marketing Principles 2
- Techniques in reengineering 1
- Project Management 1
- TQM 1
- Interviewing Skills (for Sr. Management candidates) 1
- Computer Science 1
- Economics 1
- Management information systems 1
- Industry specific details/information 1

#4) How important was the offering of the degree by MIT in your decision to enroll in the MIT Sloan program? And now, how important is the degree to you?

**THEN:**

- Very Important 9
- Moderately Important 2

**NOW:**

- Very Important 8
- Moderately Important 3

"degree takes on significance when changing firms"

**NOTE:** Few changes from "then" to "now" in terms of significance
SUMMARY OF FINDINGS:

To: Sloan Fellows Class of ‘93

From: Stu Reed, Sloan Fellows Class of ‘95

Subject: Thesis on Executive Development

Dear Sloan Fellow,

As you are aware, we are required to do a thesis as a requirement of the M.I.T. Sloan Fellows Program. I have chosen to do mine on the subject of executive development. Specifically, mine is a marketing-based thesis focusing on what role the universities will play in the future development of business executives. I am in the process of interviewing experts in the field of executive development, heads of human resource development at various firms, and past classes of attendees in various executive programs. Therefore, I would like to ask you a few brief questions, and I would ask that you take the time to answer them and return them to me as soon as possible. I would appreciate your participation, and thank you in advance for any insight you can provide. Upon completion of this questionnaire, would you kindly place the answers in the enclosed, self-addressed envelope and place in the mail as soon as possible as I will need to have all of my inputs received by the middle of February in order to appropriately analyze and develop any prevailing themes.

SUMMARY DETAIL:

#1) As you look back on your experience at Sloan, are there any subjects you wish had been covered in more depth to allow you to be more effective in your career?

- Humanizing the Workplace * 5
- Finance (Including Mergers & Acquisitions) 5
- Reengineering 2
- Systems Dynamics 2
- In-depth Manufacturing concepts 2
- Est. a Business Overseas 1
- Strategy 1
- Negotiation Skills 1
- International Management 1
- Information Technology 1

“The contacts/relationships will last well after some of your course materials fade into oblivion”

*Humanizing the Workplace includes: employee development, change mgmt., learning org., team building, and strategic human resource mgmt.
#2) From your perspective, if you were to send someone who works for you to any executive education program, what is it that would be important for them to learn?

- **Finance & Accounting (Including Mergers & Acquisitions)**: 6
- **Humanizing the workplace**: 5
- **Implementing Change**: 1
- **Gained Perspective**: 4
- **Core Skills - generalist skills**: 2
- **Strategic/Tactical Planning**: 2
- **Marketing**: 2
- **Systems Dynamics**: 2
- **Information Technology**: 1
- **Service Management**: 1
- **Economics**: 1

*Humanizing the workplace includes: organizational psychology, leadership, team motivation, and teamwork.*

"It would be important that they learn the world is a lot larger than the company that they work for."

"It would be key to gain exposure to new ideas and experiences" ...... "learn from the experiences of others"

"Individual needs would be based on the individual's needs" ...... "and it would be key to define the needs and match them well"

#3) For yourself, what subjects or areas of study might you find useful if you were to enroll in another executive education program of any length?

- **Finance (International, Mergers & Acq., investment banking)**: 6
- **Humanizing the workplace**: 4
- **Total process efficiency in Manufacturing practices**: 3
- **Reengineering**: 2
- **Marketing (Cust. service, mkt. segmentation, new mkt. entry)**: 2
- **Advanced negotiation skills**: 1
- **Service management**: 1
- **International business operations/practices**: 1

*Humanizing the workplace includes: learning organizations, change mgmt., managing for flexibility, and organizational sizing.*
#4) How important was the offering of the degree by MIT in your decision to enroll in the MIT Sloan program? And now, how important is the degree to you?

THEN:

- Very Important: 11
- Important: 2

NOW:

- Very Important: 12
- Important: 1

"degree critical for a planned switch in companies"
SUMMARY OF FINDINGS

To: Sloan Fellow's Class of '95
From: Stu Reed
Subject: Thesis on Executive Education

As you may be aware, I am doing my thesis on Executive Education with a focus on University-based, open-enrollment programs. The thesis is marketing research based, and is directed at understanding what role Universities may play in the future development of business executives. In doing the research, I have been working with academic experts, industry human resource leaders, and past Sloan Fellow's classes. I would now appreciate it if you would take the time to answer two brief questions, and return the answers to my mail folder as soon as possible. Thanks in advance for taking the time to answer and return the brief survey.

#1) Please briefly describe how you picked this program? Specifically, was the nomination etc. more individually driven, or corporate driven? And, did you compare this to other executive education programs? And if so, why did you choose the MIT Sloan Program?

| Corporate Driven Nomination: | 68% |
| Corporate Driven With Choice of Program: | 32% |
| Individually Driven: | 32% 32% |

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100% 64% --> Requires individual targeting

Reasons for choosing, when given the opportunity to choose:

- Past attendees now in participants direct management chain
- Reputation of institution
- Academic Rigor
- Geography

#2) Please describe the importance of the degree in your decision to come to MIT. Was it “Very Important”? “Somewhat important”? or “Not important at all”?

| Very Important: | 36% |
| Important: | 11% |
| Somewhat Important: | 32% |
| Important externally, not internally | 7% Some level of Importance: 86% |
| Not Important | 14% |

-----

100%
General Comments:

Response = 55% of those surveyed

High occurrence of past attendees steering present participants to attend their previous program.

Willingness to expend the time, but only when a degree is involved.

Degree noted as more important personally as opposed to the sponsoring organization.


*Bricker’s International Directory of Executive Education* (1994). Princeton, Peterson’s


