

The Pedagogy of Executive Education in Business Markets

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ABSTRACT. There is a growing recognition in Corporate America and other markets throughout the world that knowledge, the result of learning, and competence in technological and managerial skills are key competitive advantages. *Business Week* estimates that approximately \$12 billion is devoted to executive education annually. However, only a quarter of this is being delivered through university settings. This shift towards alternatives to universities as sources for executive education is a result of a growing number of corporations that see current university-based programs as ineffective.

In this paper, we trace the evolution of the substance of business marketing education, underscoring the current trends in this field that focus on concept development and, to some extent, the application of these concepts in the context appropriate to participant managers. We then examine the pedagogical methods used by educational programs to address the identified trends. In the concluding section we discuss what we see as the missing piece in business marketing education. We propose that academic institutions need to go beyond the development of concepts and their contextual application to providing an architecture that enables change that corporations (the customers) are looking for. Addressing this additional objective requires not only innovative development and delivery of substance, but also developing and orchestrating the cultural climate for effecting change. Traditionally, academic institutions have delivered high quality conceptual and contextual knowledge, but have a lot to learn regarding education for effecting change. We believe that academic institutions with carefully crafted strategies that focus on leveraging their core competencies, coupled with a fierce dedication to quality, teaching excel-

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lence, innovation, and measured market responsiveness will not only survive, they are likely to flourish in partnership with the corporate community. [Article copies available for a fee from The Haworth Document Delivery Service: 1-800-342-9678. E-mail address: getinfo@haworthpressinc.com]

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INTRODUCTION

As businesses entering the 21st century adjust to the demands of a global economy, the need to develop new, more effective ways to compete looms larger than ever before (Vicere, Taylor, and Freeman 1994). There is a growing recognition in Corporate America and other markets throughout the world that knowledge, the result of learning, and competence in technological and managerial skills are key competitive advantages—perhaps the only sustainable advantages a firm can have (Lorange 1994). It comes as no surprise that corporate training budgets have ballooned to around \$45 to \$55 billion annually (Greco 1997; Nohria and Berkeley 1994). *Business Week* estimates that approximately \$12 billion of this amount is devoted to executive education. However, not all of this is being delivered through university settings. In fact, only about a quarter of this total is delivered by academic institutions, with the rest coming from consultants and training firms (Fulmer and Vicere 1996). According to Meister (1994), corporate universities, that is, non-university affiliated in-house education and training departments of large corporations, have tripled from about 400 a decade ago to more than 1,000 by 1996.

This shift towards alternatives to universities as sources for executive education is a result of a growing number of corporations that see current university-based programs as ineffective (Vicere, Taylor, and Freeman 1993). The good news is that it is still not too late for universities to respond. Ready, Vicere, and White (1993) found a growing desire on the part of the corporate community for academics to have a stronger link to the challenges and realities of today's workplace. Academic institutions with carefully crafted strategies that focus on leveraging their core competencies, coupled with a fierce dedication to quality, teaching excellence, innovation, and measured market responsiveness will not only survive, they are likely to flourish in partnership with the corporate community (Vicere, Taylor, and Freeman 1993).

In this paper, we focus on executive education specifically in business marketing. Our purpose is not to pinpoint its size—we know it is big—but rather to understand its evolution and trajectory in terms of content and process. It is our belief that in order to be successful, academic and consulting institutions need to go beyond the development of concepts and their contextual application to providing the architecture that will enable the change that corporations (the customers) are looking for. Addressing this additional objective requires not only innovative development and delivery of substance, but also developing and orchestrating the cultural climate for effecting change. By and large, universities and academic institutions know how to do the former; they have a lot to learn regarding the latter. Consulting companies usually force the latter, but very few are capable of harnessing the energies and knowledge of a company's managers to conceptualize the change. The need is for a happy combination of both, and that's our challenge. While the executive education market is big and getting bigger, there is the danger that business schools might miss this opportunity unless they make fundamental changes in the design, delivery, and management of executive education programs (Lorange 1994).

We present our rationale in the next three sections. We first trace the evolution of the substance of business marketing education, underscoring the current trends. We then examine the pedagogical methods used by educational programs to address the identified trends. In the concluding section we discuss what we see as the missing piece in business education—the architecture for effecting change.

EMERGENCE OF A CONCEPTUAL STRUCTURE IN BUSINESS MARKETING EDUCATION

In the sixties and seventies, business marketing education primarily centered around training professionals, mainly “engineers” to think like “marketers.” The sales function did the bulk of the marketing, with most of the people hired into the sales function having technical backgrounds. Business marketing's challenge was to influence sales personnel, mostly technical people, to think commercially.

Meanwhile, on the consumer marketing side of the discipline, there was a sweeping movement towards the marketing concept, which was defined dramatically differently from the selling concept. Fundamen-

tally, marketing started with the customer's needs and wants, and sales with the pre-configured product from the factory. Influenced by that wave, business marketers attempted to better understand their customers' buying behaviors. Thus, concepts of Organization Buying Behavior (OBB) (Webster and Wind 1972) and its complement, Industrial Procurement and Purchasing (Corey 1978), became popular executive education topics in the late seventies. As a direct offshoot of the OBB focus, customer segmentation ideas became more refined. Thus, ideas like benefit segmentation were added to the industrial manager's tool box in the early eighties.

These ideas began to coalesce around the concept of Industrial Marketing Strategy (Corey 1978; Webster 1984), which became a hot topic of executive education programs. Not surprisingly, this trend was coincidental with the rise of corporate strategy as an important management discipline (concepts such as Strategic Business Unit analysis and Product Portfolio models that became important inputs into the strategic plans of large corporations). This was indeed the heyday of conceptual thinking and many business schools mounted executive programs taught by scholars expounding elegant principles.

Towards the late eighties and early nineties, three trends profoundly changed the field of business marketing. First was the rise of high technology businesses. Technology entrepreneurs brought products and services to the business-to-business domain that no longer fit the narrow definition of "industrial" products. Telecommunications, information, and computing technology changed the face of many industrial products. Software and intelligence became a big part of the equation. Under the new environment, upgrades rather than maintenance (and services) became an important product factor. A business had a lot to gain by developing relationships with customers rather than managing transactions. Consequently, customer acquisition and retention strategies began to pervade executive education. But now, armed with financial tools, the calculation of the net present value of a customer took on more bite. Customer value measurement and management gained in popularity (Gale 1994; Slywotzky 1996). Along with this rediscovery of the customer concept, account management, especially as it relates to large accounts, gained significant attention.

Second, because of the winds of change brought by the technology revolution, companies in mature businesses revamped their product development processes to refashion their product line. Time-to-market

became a key competitive weapon. Meanwhile, the recession of the early 1980s and the rise of Japan as the third power (Europe being the other) forced a near universal commitment to re-engineering and cost containment. Because of their engineering orientation, business-to-business firms were quick to adopt ideas of Total Quality Management, and the notion of cross-functional teams to drive new product development became widely practiced. Thus, stage-gate type new product development efforts (Cooper 1993) began to include a lot more parallel processing.

And lastly, in the nineties, businesses were becoming global, especially with the fast growing economies of Asia offering direct markets for infrastructure related products and services in industries such as telecommunication, information technology, and power. In addition, the growth in consumer spending in these markets created demand for intermediate products, especially for machinery and chemicals. Since most of these technologies were owned by western companies (and Japan), there was a natural migration of these businesses worldwide eastwards and southwards. Such globalization, of course, brought unique challenges of its own. Most large customers expected their suppliers to provide a coordinated sales and service effort at various locations across the globe. This forced a certain standardization and centralization of key marketing functions such as pricing. Yet, at the same time, because the regulations and regional politics were so different, business marketers had to hone their local adaptation skills. Managing global customers was now a very important aspect of business marketing strategy.

So by the early nineties, a somewhat circumspect field had exploded with managers seeking cutting edge knowledge that went beyond the traditional bounds of marketing. New ideas on customer loyalty management, new product development processes, order cycle management, and global account management got added to the ever-expanding thirst among business-to-business marketing practitioners. High tech marketing consultant Regis McKenna wrote, "In the 1990s, the critical dimensions of the company—including all of the attributes that together define how the company does business—are ultimately the functions of marketing. That is why marketing is everyone's job, why marketing is everything, and everything is marketing." The executive landscape had also begun to look much more varied, with backgrounds other than engineering or technology being just as common, further complicating

the role and task of the educator. Moreover, business marketers were looking for connections to general management in addition to function-specific knowledge. Table 1 provides a brief overview of the substantive trends in business marketing education.

***Towards a Contextual Emphasis:
Executive Education in the Nineties***

The trend towards conceptualization which started in the seventies and strengthened in the eighties was blended into corporations' needs for customized applications in the nineties, where the dominating trend was for making relevant the concepts in the context of one's work environment.

There has been a clear shift from a pursuit of knowledge for the sake of erudition to knowledge for the sake of action. Gone are the days when firms would send people to one-off courses "almost as an inoculation that would ward off management failure" for 15 years or so (Arkin 1996). Now firms want education and training that will help them re-create their businesses on an ongoing basis (White et al. 1994). This trend is strengthened by the fact that business managers are increasingly well equipped with the frameworks to quickly absorb knowledge because of their own

TABLE 1. Changes in Emphasis: Business Marketing Executive Education

1970s	1980s	1990s
Sales Management	Marketing Management	Customer Value Management
– Focusing on Training Engineers	– Understanding the Marketing Mix	Creating, Delivering, and Capturing Customer Value
– Negotiations	– Linking Marketing Effort to Sales Effort	
Industrial Buyer Behavior	Benefit Segmentation	High Technology Marketing
Procurement Strategy	Marketing Strategy	New Product Development
	– Strategic Business Unit Analysis	Supplier Base Reduction and Supplier Tiering
		Managing the Global Customer
		– Global Account Management
		Managing in the Inter-active World of the Internet

formal business (MBA) training in the essentials of management. What managers seem to want is a better understanding of how to apply these concepts in the best possible way in their environments, and help in creating the right climate for the planned changes. The contextual application of the content has therefore become critical along with a focus on creating the right environment that will facilitate and support change. In fact, the very notion of “understanding” means that a manager has the ability to apply standard or formal knowledge in a novel context. It is one thing to know, in principle, how to assess the lifetime value of a customer, it is another thing to make that assessment when the customer has become a very different entity.

In the past, corporate education played a reactive role in sustaining firm performance (White, Pierce, and Rush 1994). In this approach, firms defined the necessary skills, knowledge, and attitudes required by personnel and arranged for training in areas where a gap was identified. Usually, the answers were found in standard, off-the-shelf programs. Once the people were trained, the job was done. Now, the focus is more on developing customized programs (Hequet 1992) that (a) keep in mind the targeted firm’s needs in its industry environment, and (b) focus on continuously anticipating training needs over time while developing programs that proactively fill potential gaps in skills and capabilities (Boyatzis, Cowen, and Kolb 1995), rather than trying to fill gaps in the needs of the present. To achieve this, firms have pushed towards developing in-house, on-the-job training that lets employees learn in the environment that they work in. They want executive education programs to be focused on how the participants can use their learning on the job rather than accumulating concepts for knowledge sake (Noel and Charan 1992).

Other changes have taken place as well. Executive education programs are more cross-functional than the departmental or compartmentalized approach of the past. Last but not least, the global nature of the business in most industries has led to a demand for a global rather than a North American perspective. Table 2 provides a summary of some of these trends.

PEDAGOGICAL METHODS AND OBJECTIVES

In keeping with changes that drive a more contextual emphasis from a purely conceptual one, pedagogical methods to deliver busi-

TABLE 2. The Changing Face of Executive Education

Unique Events	→	Life-Long Learning
Standard Off-the-Shelf	→	Customized to Specific Needs
Reactive-Fill Gaps for Today	→	Proactive-Train for Tomorrow's Needs
Acquiring Knowledge	→	Action Orientation
Listen and Learn	→	Ask, Interact, and Learn
Individual Focus	→	Team Focus
Functional Silo Approach	→	Inter-functional Emphasis
Domestic Focus	→	Global Emphasis

ness education have also broadened from traditional open-enrollment programs (i.e., managers from different businesses in the same class) to customized programs and action learning exercises, where managers from the same business or company get together to solve a common problem. In this section, we discuss key aspects of three regularly used program architectures and the role of technology in enhancing their effectiveness and efficiency.

Traditional Executive Programs

Traditional executive programs include focused programs that are built around a topic such as salesforce management, new product development, etc., and general programs which provide a broad coverage of several topics in the field of business marketing.

Focused programs are usually of three- to six-day duration. General programs are longer and up to two weeks in length. These traditional programs are traditionally offered by academic institutions or by the training arm of large corporations, often with assistance from academics. The purpose is to expose a cross-section of practitioners to recent thinking in the field and to ensure that some of the evergreen classics, such as “segmentation,” “value pricing,” etc., are duly covered.

These programs provide managers considerable opportunity to learn laterally from one another as they share their experiences of how a particular concept was applied in their respective organizations. This is possible mainly because of the heterogeneous backgrounds of the participants from a wide variety of firms in a wide variety of indus-

tries. Such an exchange is very useful in catalyzing participant thinking for possible in-house adaptations.

A more recent trend, especially at educational institutions, has been to blend classroom and field learning. The program is delivered in two or three modules with executives going back to their work environments during the in-between time that could vary from a month or two to almost a year in some cases. The in-class program may not be particularly customized and may rely on the “lateral learning” advantages of an open enrollment course. But at the end of each module, participants are assisted in fashioning a project that they would attempt to conceptualize, organize, and implement over the course of the three modules.

The advantage of this model is that the analytical and implementation parts are integrated by design. Over the life of the program, participants have a chance to adjust their plans based on the feedback from the implementation. These staged programs work well when teaching material is sequenced from analyses to implementation.

Customized Executive Education

An organization which sees the need for change (e.g., market orientation), or simply the need for higher sensitivity towards a certain set of issues (e.g., relationship with distribution partners), may seek an educational institution or a group of educators to help focus its managers through a customized education program.

As part of the educational program, some stimuli such as business cases may be customized to closely reflect the host company’s business situation. It is important to note that it might not be necessary or even desirable to structure a large chunk of the program with company-specific material. In fact, by using outside-company material, especially of firms in similar situations, the educational experience is vastly enhanced. Senior management may not be that sanguine to believe that solutions to complex problems could be worked out in two weeks. Rather, the purpose is to open up the host company’s managers to out-of-the-box thinking. This is best achieved by a compare-and-contrast of several similar situations, both within and without the industry. Lectures and discussions on relevant topics of interest to the host company could also add considerably to the value of the program.

A customized executive education program is usually only as successful as the commitment shown by senior management to the pro-

gram, and the openness and willingness they show in capturing ideas that come out of the program for further exploration and action. If senior leaders do not seize the initiative in structuring in-house forums, task forces, and follow-on mechanisms to sustain the momentum of the educational program, a lot of well-directed energy could be wasted and middle management may end up being even more frustrated and de-motivated than before the program. These programs also invariably involve a close working relationship with the host company's senior managers, including the design of the course syllabus. The outcome of the discussion, however, should reflect the true and open sentiments of the group.

In one specific case, which one of the authors of this article spearheaded, a large high technology company with a diverse range of analytical instruments and high value-added supplies used a customized executive education forum as a process to identify and prioritize key issues it faced. The up-front research and cases provided a frame for top management to hone in on issues and problems. The CEO and all members of the company's executive committee along with all senior managers participated in every session of the one-week program. The trainer's role was to surface and elaborate on the several issues faced. Not surprisingly, at least half of them were "systems and process" related, and only about half "substance" related. Much of this was possible only because of the open-mindedness and humility of the senior management. The trainer's responsibility had been to maintain a balance whereby the key decision makers could approach the realignment constructively and objectively. The company then undertook a major realignment and reorganization task over the next year after the executive program was concluded.

Action Learning

The ultimate test of a program's impact is the ability to observe and measure significant change (Fulmer and Vicere 1996). In action learning, a small set of senior managers from a host company typically initiate work with a team of educators to clarify and refine a set of problems or issues of primary focus. Once identified, the educators and host company's senior management usually prioritize, and select a cluster of topics to lead off the Action Learning exercise. Through a mixture of case discussions around company-specific issues and lectures jointly offered by educators and managers, a large cross-section

of appropriate middle managers is exposed to the problems and challenges. This is usually a quick, one-to-three day event.

The initial follow-on Action Learning workshops could take a couple of days, but are usually the starting point of a longer process. In Action Learning, experiential learning through spirited dialogue with peers and faculty can promote new ways to solve daily management challenges, as well as build strategies for the future (Rasmusson 1997). The educator's role here is very tricky. One has to maintain a sense of objectivity, listen carefully and encourage broad participation, yet not take away attention from the core issues that the group has been assembled to address and solve.

After this problem *socialization* has been achieved, the next step in Action Learning involves the structuring of internal task forces to attack the problem pieces. The educator's role is to ensure a creative process without necessarily having to participate in the substantive discussions. For example, the task force should be carefully composed to ensure that it has necessary breadth and depth of knowledge to create solution paths to ensure continuity of the work outside the task force. This will invariably suggest someone who has (or is likely to have) some responsibility and accountability for the potential action steps.

Ensuring transition steps to consolidate and advance the deliberations from the task force is a very important part of Action Learning. The educator may have a role to play in helping the senior management integrate the various pieces into a collective blueprint. He or she may need to assist the senior management in working out a mechanism by which the resultant huge surge of thinking and action planning will get imbibed as part of the routine work of the organization. Depending on its nature and size, an Action Learning project cycle can vary from several months to over a year.

Consider, for example, AT&T's Leadership Development Program (Vicere 1996). This two-week residential program is designed to transform middle managers into general managers and leaders and to create change agents that could transform AT&T's culture, starting with themselves. The program is rooted in the basic philosophy that learning has not taken place unless behavior has changed and new action has been constructed. The core elements of the program include (a) pre-course work where each manager documents a key challenge they face and engages in a dialogue with an AT&T coach on their expectations from the program, (b) group process where at the

outset of the program each manager shares with a small group (that he/she was assigned to) the gap between where they are and where they need to be with regard to addressing their current and future business challenges, (c) classroom discussions with business school professors, top AT&T executives, and customers that broaden the perspectives of the individuals, (d) learning circles where individuals discuss and debrief what happened during the day, (e) leadership laboratories and experiential exercises where the managers have an opportunity to work in teams to solve unique problems, (f) holistic activities including physical exercises, and (g) action plans where individual managers leave with a documented plan of what they need to do in order to address a pinpointed future challenge.

In 1986, GE implemented an action-learning format that complemented changes in the company. GE's action learning places participants in a problem solving mode. It stretches them by challenging them with the types of problems faced by business leaders who are a level or two above them. The issues are relevant and require decisions. Typically, two teams of five to seven people each work on a single project provided by a senior business development manager from one of GE's 13 separate businesses. The problems are real and participants receive continuous feedback on their efforts. Each group is given all the information required for them to make the decisions. In addition, they are also given the opportunity to interview GE managers, customers, suppliers, analysts, and other GE employees. At the end of the program, the groups make a presentation to the business manager and his or her team that is actually faced with the exact same issue. The groups are expected to present and defend their positions or rethink their strategies. One such project required participants to develop a consumer lighting strategy for Western Europe. This task was prompted by GE's acquisition of Tungsram in Hungary and Thorn Lighting in the UK; this had given GE an 18% share of the market from its previous 2% (Noel and Charan 1992).

The three broad methods of delivery discussed in this paper are not mutually exclusive approaches. They serve to underscore the difference in objectives. Many times, a hybrid combination will better serve the educational objectives. Table 3 summarizes the key distinguishing aspects of the three approaches.

The three program formats illustrated in Table 3 should not be confused with the pedagogical tools such as lectures, case discussions,

TABLE 3. Key Elements of Three Program Formats

<i>Action Learning</i>	<u>Goal</u> Problem Solving <u>Emphasis</u> Action Planning <u>Role</u> Trainer plays the role of catalyst
<i>Custom Education</i>	<u>Goal</u> Problem Identification <u>Emphasis</u> Awareness and Analysis <u>Role</u> Trainer is part facilitator and part catalyst
<i>General Education</i>	<u>Goal</u> Continuous Learning <u>Emphasis</u> Reinforce existing, and introduce new, knowledge <u>Role</u> Trainer is mainly facilitator

and simulations (these are discussed briefly in Appendix A). Each program architecture should use a blend of these tools and more. For example, workshops and structural exercises are critical to the Action Learning format.¹

The Role of Technology

Recent technological advances have created new opportunities to enhance the effectiveness and efficiency of executive education programs. These opportunities cluster around three sets of activities: on-campus applications, off-campus applications, and distance learning (Bardach 1997).

Examples of on-campus applications include putting an existing written business case on disk so that participants can use the power of spreadsheets to analyze alternative scenarios and conduct what-if analysis. Other examples include development of simulations that can be adapted to the needs and expectations of different companies in different industries. It is not uncommon for instructors in most business schools to teach in multi-media enabled environments where they seamlessly switch from the conventional blackboard to Powerpoint files for presentations to videos and simulation exercises, and then to

live video conferences with senior executives or experts at remote sites (Bardach 1997).

Technology has also influenced off-campus communications. Executive education participants demand and expect to have the ability to communicate and share information with one another electronically from remote locations off-campus. A number of schools have begun to experiment with instruction on the Internet or via CD-ROM to provide advance readings, exercises, and information to participants.

Finally, technology has also broken down the walls of a classroom. In distance learning, traditional programs are now delivered via satellite, delayed tape broadcasting, or the Internet (Bardach 1997). These modes of instruction appear to work better for lectures dealing with technical details rather than interactive discussions of complex and nebulous management and business problems.

DESIGN PRINCIPLES FOR FUTURE EXECUTIVE EDUCATION IN BUSINESS MARKETING

In spite of the rapid growth and availability of new approaches and concepts, as is the case in other areas of management, their successful implementation in business marketing executive education has been limited. For example, Hammer and Champy (1993) write that less than a quarter of all re-engineering efforts have been successful. There are several factors that need to be in place to implement changes. First and foremost, it is important for senior management to wholeheartedly support these initiatives. At GE, the Work Out program was essentially CEO Jack Welch's antidote to action paralysis. Change is hard and difficult only rarely because of lack of relevant ideas. It is mainly because of managerial resistance. Much of this is not an active defiance of turning down new approaches, but instead borne out of a genuine misperception of whether change would be beneficial. New ideas are rarely shot down, but rather dissipated through a multitude of queries and delays. Fundamentally, it is a problem of the mind and unless executive education can boldly and directly incorporate a change process as part of the user's action agenda, its ultimate benefit to the user would be questionable. In fact, a constructive approach in any program is to have executives actively monitor and share their own and others' resistance to accepting and using new ideas. An open discussion of the sources of resistance and the forms they can take can

make managers not only more skilled in assessing new ideas and approaches, but also more willing to accept those that are believed to be truly valuable.

Perhaps an even more fundamental requirement for effective executive education would be to provide the climate and support necessary for executives to carry their change ideas forward into their work environment. Dhebar (1995) argues the need for “spending most time on courses that hone problem-solving and process-management skills geared to the overall organization.” Fundamentally, executive education is about causing change. This change may be something as focused and narrow as a specific program or it may involve broader organizational systems, processes, and people. But regardless of its scope, the hardest part of change is the “execution,” not the idea. Action Learning and Custom Executive Education methods are superior alternatives on that score, but they do not have the general forum and a cross-sectional peer group of the traditional program. While the former may be better suited to execute change, the latter may have the creative edge in designing opportunities for change. We’ll need to better learn how to transition from substance to action in future executive education efforts. This, however, may appear to get uncomfortably close to what consultants are supposed to do. But there is a difference. Good executive education relies on the creativity and ability of participants to cause change. The trainer’s role is not to solve the problem (that is usually the consultant’s role), it is to provide a forum to help executives solve their own problem by providing the appropriate platform. Therefore, the design elements become critical. One has to design not only the course content, but the ambiance of the mind to enable translation into practice.

While executive education has adjusted well to customers’ needs to blend conceptual knowledge with contextual reality, there is one more important component that has to be tackled before executive education programs can become truly effective—that is cultural change.

The Future of Business-to-Business Executive Education

Concepts ➤ Concepts + Context ➤ Concepts + Context + Cultural Change

The single most important quality that distinguishes outstanding executives from those who are just very good involves their style or

habits of mind. That is, it is how an executive thinks more than what or how much he or she knows or thinks about that is most critical to his/her success. Executive education programs must be concerned with helping managers understand and, as appropriate, improve upon their way of thinking. In order to do a good job, there are several issues that program developers need to be cognizant of. These include:

1. The Paradox of Current Knowledge

Two interesting outcomes of creativity research merit attention here. The first is that essentially the same processes involved in ordinary thinking are also involved in creative thinking. The second is that the development of new ideas is shaped to a considerable extent by existing ideas. Concerning this last point, it is not a surprise that early passenger railroad cars resembled stage coaches or that when executives are asked to draw an animal found on a newly discovered planet where any conditions may be assumed that these animals are remarkably similar to those found on Earth.

The more experienced a manager or executive is, the greater the reservoir of existing knowledge. This offers, simultaneously and paradoxically, more opportunity to be creative and to be constrained. Since there are more items or building blocks of knowledge that can be combined and/or used in novel ways, there is more opportunity to develop a unique perspective, just as the larger the number of pieces in a kaleidoscope the greater the number of potential patterns that can emerge with each subsequent twist. At the same time, the greater the experience or knowledge base, the larger the number of assumptions, decision rules, and expectations operating, especially without awareness, and hence the more structured and inhibited thinking is likely to be. This leads to a paradox marked by more opportunity to be creative and to be more constrained. The greater an executive's experience the greater the magnitude and likelihood of this paradox. In executive education, then, it becomes especially important to map existing knowledge. By mapping existing knowledge, it becomes easier to determine which element of the paradox is most being served.

Since different executives in a program will have different experiences, even if employed by the same organization, many different and even conflicting (hopefully) assumptions, expectations, and decision rules will be surfaced. In this instance, it is important to explore such disagreements. This can be done in two ways. First, by asking, under

what conditions is each conflicting assumption likely to be correct/incorrect? This helps identify even more basic considerations that may normally be hidden from program participants. Second, it is important to ask why each of the alternative positions might always be the preferred position and to push on the boundaries of when it would not be preferred. In this way, existing knowledge can be mapped and then used creatively to fashion new knowledge.

2. Metaphors as Discovery Tools

Another important principle for designing executive education programs concerns the prominence of metaphors. A metaphor is the representation of one thing (a “topic” such as competition) in terms of another (a so-called “vehicle” such as the concept of war). Metaphors are essential for learning. In fact, learning is the process of acquiring and using metaphors. In the simplest case, the process of metaphor as learning is found in the use of past experience as a metaphor (vehicle) for understanding—learning about—a new experience (the so-called topic).

For example, warfare metaphors relating to competitive strategy reveal a number of useful short-term and long-term tactics and strategies to consider. It helps highlight important differences between defensive, offensive, and preemptive business policies. At the same time, it tends to “hide” strategies that are more tacitly cooperative, that tend to grow a general market, and that put the best interest of the customer ahead of the worst interest of a competitor. These latter ideas are hidden by the warfare metaphor in the sense that they are less likely to be thought of at all because they are incommensurate with existing frames of reference, they are less likely to be openly suggested when they do occur to someone, and they are less likely to be considered seriously once suggested since existing insights and associated supporting evidence favor the warfare metaphor. It is then useful to try to identify the cost of having alternative strategies hidden from consideration. The hidden strategies could produce a very different posture for a firm and even a very different industry climate.

3. Linking Explicit with Implicit Knowledge

A general learning principle is that new knowledge is acquired only in conjunction with existing knowledge. (Here, too, we cannot provide

explanation but will note that this applies even to seemingly completely novel ideas or other stimuli.) An idea will go unnoticed if it does not trigger a relevant existing mental model. This is also consistent with the observation made earlier concerning the paradox of current knowledge that being creative depends in part on what is already known.

The majority of what executives know is implicit or tacit knowledge acquired without awareness. It would be surprising were it otherwise since most of an executive's time is spent in informal rather than formal instructional settings. Formal executive education programs almost by definition stress explicit knowledge, no matter what instructional methods are used. To be learned well, explicit knowledge, such as a particular way of calculating the future value of a customer, guidelines for managing cross-functional teams, or how to establish pricing policy, should be connected with other existing knowledge, assumptions, expectations, and decision rules. This may be done by showing how an idea is an extension of an established practice. Or it may simply be introduced using a familiar analogy or metaphor to help convey the new idea. Since tacit and explicit knowledge come together, one cannot be understood without the other—a central premise of mental models is that each element within a model has meaning only in terms of other elements with which it is connected. A manager who is only aware of his or her explicit knowledge may only be aware of a few pieces of his/her mental model. Imagine trying to anticipate the image of a jigsaw puzzle when fewer than 12% of the pieces are available and there is no box cover. Without a fuller understanding of the tacit elements of their mental model, managers will not only have difficulty in understanding why it is (or it is not) working well, but also have difficulty in conveying the same to their colleagues.

4. Anomaly Detection

Most business problems have no clear best answer, are not routine and therefore standard responses are unlikely to work, and it may not even be clear what the problem is—only that there is one. Ill-structured problems represent major learning situations. In fact, they demand learning in contrast to routine problem situations which demand use of what has already been learned.

In a study done by one of the authors of this paper, a striking distinguishing characteristic between people with different levels of problem solving skills was their treatment of anomaly and pattern

seeking. Less skilled problem solvers tended immediately to look for patterns in the problem situation that suggested solutions. They seemed to ask first, "What is there about the present that resembles what has been seen in the past?" More skilled problem solvers, on the other hand, tended first to seek out irregularity or anomaly. They seemed to ask first, "What is different about the situation that distinguishes it from what has been seen before?" Past experience was also relevant for more skilled problem solvers, but at a later point in the process. Alternatively, their past experience might have said, "Don't constrain your view of a novel situation too soon with prior perceptions and solutions."

Having established the importance of understanding mental models, we will not elaborate on techniques here. Several, such as Zaltman (1997), are available. It will suffice to say that all executive actions are the result of different bundles of connected ideas or constructs. It is important to understand what executives' mental models are. This is a requisite first step for addressing change.

Change management has to go beyond addressing managers' mental models. As work by Kotter (1996), Kanter (1983) and others reveal, there are many structural dimensions to change. While educational programs by themselves might not be enough to address such systemic issues, it is important that one of their main objectives should be to create the climate for structural change. We urge program managers to give this issue its due in their course design. Many forward-looking companies provide exactly such a forum for executives returning from executive education. The HR or training department of such organizations will reap a fortune, if the ideas from such a forum are integrated into a larger change process.

In this paper, we argue that executive education's primary role has changed from knowledge dissemination to action orientation. It is in the action required of a novel challenge brought on by a competitor's actions or a change among customers, for instance, that the true grasp of knowledge is measured. But effective action cannot come without good analyses anchored by the appropriate product/market/industry context. The power of executive education is that it creates a new knowledge frame that is generated by managers who are ultimately responsible for implementing them as well. In our opinion, universities and academic institutions are only halfway there.

NOTE

1. A detailed discussion of each such tool is outside the scope of this paper.

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APPENDIX A: Tools for Delivery

There are several ways in which program content can be delivered in executive education. These include lectures and case discussions. In addition technology enhancements now allow for the use of simulations as effective pedagogical tools.

Lectures and Case Discussions

Lectures are very useful when the instructor communicates knowledge or explores a new phenomenon or develops a new way of looking at things. In this mode, the instructor has the flexibility of choosing the sequence/flow of information that he or she feels is the most appropriate. What participants receive, therefore, is an understanding of the phenomenon from the instructor's point of view. This approach can miss out on the opportunity for participants to synthesize and customize knowledge in their contexts. While such a step is difficult to achieve when lecturing to a heterogeneous group of managers, in more homogenous groups (e.g., managers from the same company or industry), it is always useful to embellish the lecture with steps to adapt the ideas in the participants' own context.

Case discussions are a more interactive mode of learning. They allow for participants to learn content in a specific context and then validate this learning in other contexts as well. By properly choreographing a case (Rangan 1995), an instructor can lead students through key conceptual and decision issues in a case without necessarily pre-judging the correctness of the participants' contributions. Given that a case is an instrument to stimulate inductive thinking, a

healthy vigorous debate on the merits of an argument is an absolute cornerstone for a good case discussion. This does not mean that the instructor does not have a point of view, it only means that the instructor does not presuppose that his or her viewpoint is the most accurate. At the same time, a wrong analysis should not be condoned. It is better for a deliberate and systematic discussion to expose the faulty premise. In a good case discussion, the participants build frameworks inductively by taking the responsibility for putting the building blocks together. In this mode, if done correctly, participants learn the content in the right context.

The Role of Simulations

Simulations are very effective in helping business marketing executives understand specific aspects of the dynamic nature of their marketing strategy decisions. Like the case method, participants engage ideas in a manner that stimulates discussion of issues and comparison of strategies.

One very popular simulation used in business marketing programs is INDUSTRAT, developed by Professors Jean-Claude Larréché and David Weinstein. It allows executives to experience first-hand the use and value of strategic market orientation concepts. It mirrors the complexity of the industrial marketing environment, including the evolution of customer buying behavior and product technologies. Participants in the exercise actively employ ideas, analytical approaches, and marketing data to manage a firm's business. The core decisions are interactive and their effect critically depends on competitive actions. Each participant acts as a member of a management team involved in strategic marketing decisions. Each team competes against four others over a number of iterations, each representing a year in the history of the industry. Each firm starts the simulation with its own set of strengths and weaknesses. The competitive scenario, while subject to some industry-wide parameters, evolves according to the interactions among the firms. Another business-to-business simulation, "Managing Customers for Profit" (Narayandas and Petersen 1997), written by one of the authors of this article, develops concepts of customer management, exposing and training participants to notions of how customers are acquired, served, loyalty built, and mutual performance enhanced.

In general, simulations enhance learning because they are:

1. *Interactive.* They use multimedia (films, audio, video clips) to provide instantaneous feedback, coaching, and encouragement to users. In the customer management simulation, described previously, when the manager makes a decision to significantly cut account management expenses, there is the immediate feedback of an irate customer (on video) complaining about the lack of response from the field sales rep. Or, in another situation, when the manager makes a decision that leads to a significant drop in revenues and profitability, an audio of the CEO comes on highlighting the cash flow problem as a result of that decision. This kind of interactivity is not possible in conventional pedagogical tools such as paper-based cases where the decision making is in a static one-shot mode of analysis and action plan.
2. *Open.* In these simulations, the manager has access to the underlying model and the assumptions made in creating the model. This allows the manager to understand the reason for a certain type of response. The manager can then challenge the assumptions of the model and make changes accordingly to customize the simulation to his or her needs. This is especially true of the customer management simulation, described above.
3. *Non-Threatening and Out-of-the-Box Analysis.* Dynamic simulations encourage managers to test out actions that they might not otherwise risk. Many times this leads to valuable insight regarding long-term effects of certain strategic actions.

Overall, we have found that these dynamic simulations provide managers with an interactive, user-friendly learning mode that closes the gap between an intellectual understanding of business marketing concepts and the operational understanding it takes to actually do it.

