UNICON

The Newcomers Workshop

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Graduate School of Business

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Executive Director
UNICON
Welcome and Introductions

Outline of Presentation

– The Executive Education Business
– The Executive Education Marketplace
– Strategic Framework and How We Compete
– UNICON: Your Professional Resource

• Group Discussion/Questions
  – Why am I attending the conference?
  – What do I want to learn?
  – How do the answers to those questions relate to my job challenges?
The Executive Education “Business”
Typical School Objectives

• To meet the needs of corporate customers.
• To enhance the school’s general awareness and expand its corporate relationships.
• To provide a vehicle for enhancing the school’s reputation.
• To provide a forum for the dissemination of information on new research findings.
• To provide faculty an additional source of income.
• To make a financial contribution.
The Executive Education “Business”
Basic Profit Model

• Profit = Revenue – Costs
• Revenue = Price x Quantity
• Quantity = Instruction days x Participants
  = Paid Days of Instruction (PDIs)

* High fixed cost model
The Executive Education Business: Program Evaluation

– Does the faculty deliver high impact ideas?
– Does the quality of teaching live up to expectations?
– Are faculty members at the leading edge of knowledge in their fields?
– Are faculty members curious about the knowledge participants bring into the classroom and their particular business situations?
– Was the level of the participants appropriate for the content?
– Is the return on investment worth the money spent and time away from the job and family?
– Executives seek a compelling reason to attend.
The Executive Education Marketplace:
Economic Drivers of Management Development

- Technology
- Globalization
- Knowledge builds wealth
- Alliances
- Relentless competition
- Reach for individual customers
- Differentiation: brand
- Good citizenship
- Constant turbulence
<table>
<thead>
<tr>
<th>The Executive Education Marketplace: Strategic Management Development Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Creating unity and alignment</td>
</tr>
<tr>
<td>• Increasing bench strength</td>
</tr>
<tr>
<td>• Achieving responsible growth</td>
</tr>
<tr>
<td>• Integrating executive development and HR systems</td>
</tr>
<tr>
<td>• Developing business acumen and leadership skills</td>
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</tbody>
</table>
The Executive Education Marketplace: Customer Expectations of Business Schools

- **Tomorrow’s knowledge today**
  - “continuous access to cutting edge thought and research”
- **Targeted messages**
  - “an investment in learning about my industry and my company”
- **Increased organizational capability**
  - “teaching that bridges theory and practice”
- **Integrated learning**
  - “a holistic approach—from strategy to execution”
- **Partnership**
  - “a relationship through which we can drive growth—personal and business”
- **Network of resources**
  - “a group of exceptionally smart faculty, students, staff and alumni that I can rely on to get the information I need to run my business”
- **Full service environment**
  - “a place apart to recreate the sense of the possible”
- **Value for money**
  - “a positive return on our investment”
The Executive Education Marketplace: We Live in our Clients’ World, Too!

- Market growth
- From open to custom to partnership
- More “action learning”
- Executives as teachers
- Use of coaches
- Shorter programs
- More flexibility

- Need to accelerate quality improvements
- Systems approach to executive development
- Companies reducing the number of suppliers
- Expectation of measurable bottom line impact
- Value vs. price
# A Strategic Framework: Porter’s Five Competitive Forces Modified for Executive Education

## Potential Entrants

- Consulting firms
- Loosely organized high performance teams—Superstars, general faculty/tenure op-outs and wash outs/consultants
- Major Corporations—backwards integration

## Suppliers–Talent

- Business School Faculty
- Consultants/Senior Executives
- Tenure opt-outs/washouts
- Material Developers
  - Case producer
  - Video, Audio, Simulation
  - Software
  - Text publishers

## The Executive Education Industry

### Publicly Offered Programs

<table>
<thead>
<tr>
<th>Short Seminar Programs less than 1 week</th>
<th>Functional &amp; Mgmt. Dev. Programs 1-3 weeks</th>
<th>General Management Programs 4 weeks or longer</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Associations</td>
<td>• Mostly Business School</td>
<td>• Predominately Business Schools</td>
</tr>
<tr>
<td>• Business &amp; Trade Journals</td>
<td>• Some Associations</td>
<td>• Some Associations</td>
</tr>
<tr>
<td>• Private Firms</td>
<td>• Some Private Firms</td>
<td>• Some Private Firms</td>
</tr>
<tr>
<td>• Handful of Universities</td>
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</tbody>
</table>

### Consortium Programs

- Corporate, Development Staffs
- Business Schools
- Private Firms
- Individual Consultants

### Custom Programs

- Corporate, Development Staffs
- Business Schools
- Private Firms
- Individual Consultants

## Buyers

- Buying Centers within Major Multi-National Corporations
  - Fortune 1000
  - Service
  - Industrial
  - International
  - Association / Consultants

## Rivalry Among Existing Firms / Organizations

## Potential Substitutes

- Internet courses
- CD Rom
- Interactive video
- Teleconferencing courses
- Non-Traditional Degree Program, Certificate Programs, In-house Corporate Programs
How We Compete—Key Success Factors

Discipline of Market Leaders

**Product Leadership**
- Best in-class programs
- World-class faculty
- Superior customer value
  - relevant content
  - high pay back

**Customer Intimacy**
- Business strategy / mix
- Building and defending brand equity
- Customer share versus market share
- Anticipating customer needs

**Operational Excellence**
- Quality / effective systems
- Economies of scale
- Reengineering processes
How We Compete
Market / Product Matrix

Current Products

MARCET PENETRATION
• Modification of current programs
• Aggressive marketing communications

MARKET DEVELOPMENT
• Global expansion
  – Asia
  – Europe
  – Latin America

New Products

PRODUCT DEVELOPMENT
• Three to five new high potential public offerings per year

DIVERSIFICATION
• Video tapes
• Instruments and cases, etc.
• Software
• Distance learning
New OEP Program
Selection By Topic/Theme

<table>
<thead>
<tr>
<th>Market Demand</th>
<th>Faculty Capability</th>
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<tbody>
<tr>
<td></td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Med</td>
</tr>
<tr>
<td></td>
<td>Low</td>
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<td>Low</td>
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The Exec Ed Continuum
Where Does Your School Fit?

- Program Types Offered
  - Open Enrollment
  - Custom

- Institution Orientation
  - Research
  - Teaching

- Exec Ed Degree of Independence from rest of B-School
  - Low
  - High

- Teaching Faculty
  - Senior Tenured
  - Adjunct

- Faculty Compensation For Exec Ed Teaching
  - Part of Normal Teaching Requirement
  - Paid for All
# The Exec Ed Continuum
## Where Does Your School Fit?

<table>
<thead>
<tr>
<th>Senior Exec</th>
<th>Participant Mix</th>
<th>Junior Exec/Middle Manager</th>
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<tbody>
<tr>
<td>Global</td>
<td>Company Mix</td>
<td>Regional</td>
</tr>
<tr>
<td>Large</td>
<td></td>
<td>Mid Mkt/Small Cap</td>
</tr>
<tr>
<td>Public</td>
<td></td>
<td>Private</td>
</tr>
<tr>
<td>Wide Industry Range</td>
<td></td>
<td>Targeted Industry Focus</td>
</tr>
</tbody>
</table>

- High Involvement: Faculty Involvement (program design, administration, etc.)
- Low Involvement: Faculty Driven

- Faculty Driven: New Program Development
- Market Driven: Residential and Teaching Facilities
- EE Operated: Not Provided

Additions to the list?
UNICON
Your Professional Resource

• Values

• Vision

• Structure

(Refer to UNICON Directory)
UNICON
Who We Are

- The International University Consortium for Executive Education
- Worldwide – 78 Universities
- Non-degree Programs / Services
- Volunteer
UNICON
How We Work

• Board
  • 6-Year Chairman / Vice Chair / Former Chair

• Committee
  • Benchmarking
  • Board Continuity
  • Conference
  • Research
  • Finance
  • Membership
  • Communications

• Get Involved!
Congratulations!!!!

You Survived Basic Training!