Strategies to Maintaining a Steady Growth Despite the Economic Ups and Downs

UNICON Concurrent Session
December 5, 2008
9:00-10:30am
Sound Room

Jean Choy and Paul Frogley
Foster School of Business
University of Washington
Outline

• Impact of the global economy on executive education
• Three ways the Foster School has minimized the negative impacts
  1) Diversify program portfolio
  2) Motivate internal bench-strength
  3) Build effective advisory boards
• Key take-aways
Impact of the global economy

- 1997: Asian Financial Crisis
- 2001: 9-11
- 2003: Dot.com bubble burst
- 2007: Collapse of the housing market and sub-prime bust

So what strategies have worked for the Foster School?
1) Diversify program portfolio

- open and custom
- short and long-term programs
- domestic and international
- case study: Korea
Foster in Korea

• Strategic entrance to Korea about 12 years ago.
• The following year gained 3 new custom programs.
• Business from Korea comprised about 10% of international back then.
• Today, it’s half of all international businesses
• In the last ten years, key leaders have traveled to Korea almost 50 times.
• So why Korea?
Why Korea?

1) Identify and match your competitive advantages
2) Understand the political environment
3) Develop core supporters in that country
4) Stay committed and go in for the long haul
Identify and leverage your competitive advantages

- Geographical Location
  - Proximity
  - Convenience

- Internal Bench Strength and Champion
  - Staff (understanding of culture and language)
  - Faculty (passion and appreciation)
Understand the political environment

• How is education viewed?
  – Life-long learning concept

• Are there incentives for organizations to partner with us?
  – Educational expenses
  – Government funding and tax incentive
Develop core supporters in that country

- High-level Influencer/supporter
  - Well-Respected
  - Connections to the Business Community
  - Personalized Business Relationship
- Alumni
  - Start with one person at a time
  - Recognize publicly
  - Provide linkages on a wider scale (eg, university)
Stay committed and go in for the long haul

• Be prepared to commit for more than just a year or two
• Stay with your plan, despite economic changes
• Remain agile and flexible
• Maintain contacts with old partners
2. Motivate internal bench-strength

- Staff and Faculty are our core products
- How do you motivate them to raise their performance?
- How do you leverage their performance to grow your business?
- Case study on faculty incentive plan
Motivate internal bench-strength

- Faculty Incentive Program
- Compensation linked to performance
- Performance linked to referrals
- Referrals linked to B.I.S. and growth
- Does this really work?
  - Track and measure
  - Comprehensive process that everyone understands
3. Build Effective Advisory Boards - How to start

Your Board is your touchstone to the business community and will help you benchmark the needs of the business community. Think carefully about…

- The purpose of the board. What is your value proposition?
- The size of the board.
- The diversity of the board (experience, industry, etc).
- The structure of the board meetings.
How to Maintain your Advisory Board
- Keeping them engaged

• **Meet with them frequently** - Keep them informed and respect their time
• **Make them feel valued** - Recognize your board accomplishments
• **Give them a Purpose**- Internal as well as External responsibilities
  – “A” Cubed (Awareness, Advocacy, Assessment)
• **Clearly Define Tasks**
  – Give (Set expectations of what you want them to contribute i.e. sponsor their employees)
  – Get (Set expectations of what you want them to solicit from the business community i.e. company tours, speakers )
  – Get off (Set time limits for Board membership and know how to remove ineffective Board members)
Program Boards – what’s the key to their success?

Two Case Examples:

- PRBP Board (since 1970)
- AIMS Advisory Board (since 1962)

*Each Board is unique and requires a committed TLC*
Jean's Board Maturity Spectrum

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<thead>
<tr>
<th></th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
<th>Stage 5</th>
<th>Stage 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment Level</td>
<td>low</td>
<td>low</td>
<td>medium</td>
<td>high</td>
<td>very high</td>
<td>very high</td>
</tr>
<tr>
<td>Engagement Level</td>
<td>low, misses meetings</td>
<td>gives advice when asked</td>
<td>initiates new ideas</td>
<td>gets involved in development; sponsorship</td>
<td>markets the program/school</td>
<td>owns the program</td>
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<td>Motivation</td>
<td>self assurance; it's for a good cause; looks good on my CV</td>
<td>I have good ideas</td>
<td>I want to make a difference</td>
<td>I want to help the program succeed</td>
<td>believes in the value; starts to think beyond the program</td>
<td>wants to share the benefits; influences key decision makers</td>
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<td>Example</td>
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<td>Exec Ed Board</td>
<td>PRBP Board</td>
<td>AIMS Board</td>
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Key Take-aways

1) Diversity your portfolio....
   BUT be sure to have a deliberate and systematic approach to diversification.

2) Strengthen your bench strength....
   BUT, have a comprehensive process plan in place to track, measure, and follow up.

3) Build your advisory board....
   BUT, be prepared to go in for the long-haul and remain aggressive.
Questions?