

An MBA Your Way

Internet technology is allowing corporations and universities to customize MBA degrees. Will these programs give students what they need?

BY KIM KISER

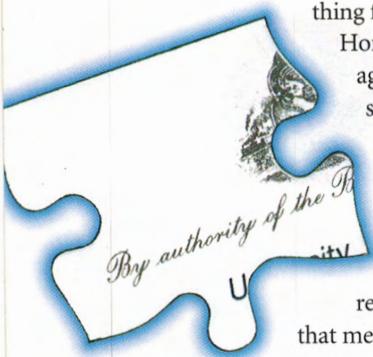
When Karen Calabrese took a job with Honeywell's Western Region Learning Center in Phoenix in 1998, one of her first assignments was to help employees earn their master's in business administration (MBA) degrees. She needed a local university that could bring evening classes to the learning center, and found a willing partner in the University of Phoenix.

But when Calabrese, a senior educational consultant and program manager for academic alliances, started marketing the opportunity to Honeywell employees, she got an unexpected response. Sure, people at the high-tech engineering firm's three Phoenix business units liked the

idea of earning a degree while working. However, attending class at the learning center every Monday or Wednesday night was impossible for many.

"We were getting calls from people saying, 'I'd love to get an MBA degree, but I travel,'" she recalls. "Our folks are on the road constantly. We needed to find a way to meet the needs of people who couldn't attend a bricks-and-mortar facility."

Calabrese went back on the research trail. This time, she looked for a school that would offer an MBA over the Internet, tailor the content and schedule to Honeywell's specifications, and have it ready by the fall of 1999. Although she found schools that offered distance learning MBA programs, most required students to spend several weeks on campus each year. "That was a difficult



thing for me to sell Honeywell management on," she says. "I needed a program that was cost-effective, that had no residency requirement,

that met our accreditation requirements, and

that met the needs of this group of employees."

Calabrese found another willing partner in Susan Rud, business school dean at Capella University (www.capellauniversity.edu) in Minneapolis. In exchange for a guarantee of 15 students who would go through the program as a group, Rud agreed to create a pilot for a customized MBA degree.

After their initial meeting in July, Calabrese and Rud worked by phone and email to draft the blueprints for the program. The curriculum had to include the basic MBA framework: courses in finance, operations and information technology management. However, Calabrese was able to add electives — such as global financial management and ebusiness — that were important to Honeywell. In addition, instructors would allow students to tackle work projects, rather than academic exercises, for some of their assignments.

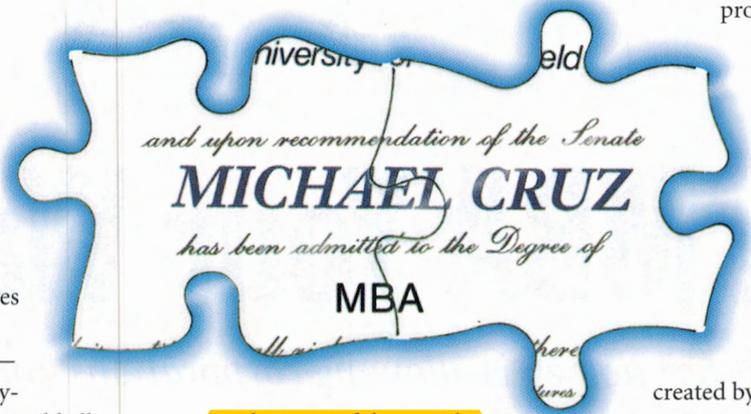
Calabrese and Rud configured the schedule so students completed one course at a time. But to get the group through all 13 courses in time for a November 2001 graduation, they had to cut the number of weeks per course from 12 to eight, eliminate a break midway through each class, and do away with some of the getting-to-know-your-classmates activities normally built into the start of each class.

By September, the instructors were up to speed on how to work with the Honeywell cohort, the class Web site was up, and the 17 students from the company's Western region were ready to log on to their first class.

The Custom-fit Degree

Since creating the pilot for the Honeywell MBA, Rud has talked to several other organizations that are interested in developing similar programs. "Companies realize they have to do this to keep their retention rates high and to attract great people," she says.

Universities are warming to the idea, too. A number of schools have created specialized training and executive programs for employers, but until recently, few have been willing to wrap company or job-related skills training into degree programs. "When the whole concept of degrees came about 200 years ago, people believed everyone had to learn the same core things," says Vicky Phillips, CEO of [geteducated.com](http://www.geteducated.com) (www.geteducated.com), a distance learning consulting firm in Waterbury, Vt. "So like it or not, we had a one-size-fits-all model."



But because of the way the Internet has changed business, we no longer live in a one-size-fits-all economy. That's forced business schools to incorporate lessons on topics such as ecommerce into degree programs, and it's also changed their approach to designing courses. Where it used to take two years to write and publish a textbook that would be used for several years, Internet technology now allows course materials to be updated and customized instantly.

Phillips, who is also co-author of *The Best Distance Learning Graduate Schools 1999: Earning Your Degree Without Leaving Home* (Princeton Review 1998), says employers shopping for MBA programs are looking for a curriculum that can respond to the short shelf-life of knowledge. That's particularly true in fields

such as business and IT, where what you learn today may be outdated in six months. "When it comes to Internet degrees, the whole idea of customizing them is becoming pervasive. It's not a minor trend," she says.

An observer of the distance education industry for the last decade, Phillips has been watching the move toward customization play out in three ways:

By corporation. Honeywell isn't the first organization to want a company-specific MBA. In 1993, the University of Michigan Business School developed a distance MBA program especially for managers at Cathay Pacific Airways in Hong Kong; the university crafted a similar program for Daewoo Corporation in Korea two years later. In 1998, the accounting and consulting firm PricewaterhouseCoopers partnered with the University of Georgia Terry College of Business to launch a consulting-focused MBA

program that combines classroom and distance education. More recently, University Access, a Los Angeles online learning company, closed a deal with the University of North Carolina's Kenan-Flagler business school to build a global executive MBA program for five companies.

By specialty. Last month, Unexus University, which was created by Canadian IT training company Learnsoft Corp., launched an online MBA program for technology professionals. The program, which is awaiting accreditation, is an outgrowth of Learnsoft's certificate program in advanced technology management.

By content. Several for-profit education corporations are using Internet technology to create "superstar" MBA programs. UNext.com in Deerfield, Ill., has formed alliances with Columbia University, the University of Chicago, Stanford University and the London School of Economics and Political Science. The company wants to create an Internet school that will offer an MBA made up of the best courses from those universities. Late last year, Pensare in Los Altos, Calif., signed a deal with Duke University's Fuqua School of Business to license its MBA curriculum. The company also has developed an Inter-

net platform that lets universities create MBA programs using some or all of the Duke curriculum. Senior vice president Dean Hovey says corporations will be able to use the platform to create "certificate MBA programs."

Too Narrow a Focus?

But as education becomes yet another fast product in our white-hot e-economy, is the move toward have-it-your-way MBAs short-changing students? Will those who hold IT or consulting MBAs find themselves at a disadvantage when they change industries? Will employees who enroll in programs designed to corporate specs end up with a degree that's meaningless outside the company they work for?

Some are concerned that students won't get the schooling they really need. "Part of higher education is understanding issues in a larger context," says Mark F. Smith, associate director of government relations for the American Association of University Professors in Washington, D.C.

Smith, who staffs the association's committee on distance education, is especially troubled by the idea of repackaging and selling university courses and customizing them to meet corporations' needs. "In some ways, it's a good thing for a company to tailor training for its own particular use and circumstances. But is it a broad enough educational experience to warrant an MBA? What might be good practice in a particular case might not be good practice if it's applied to more general education."

But Stuart Crainer and Des Dearlove, authors of *Gravy Training: Inside the Business of Business Schools* (Jossey-Bass 1999), say business schools have to be more responsive to the needs of corporations — especially as they go up against for-profit education companies, consulting firms and training programs that can deliver exactly what a company orders.

"Business schools are vulnerable because they are an expensive solution," say the British business writers, who have seen MBA programs designed for businesses or consortiums of businesses catch on in the United Kingdom.

Hadley Baas, a consultant with PricewaterhouseCoopers in Chicago, admits she was concerned that being in a class made up entirely of her colleagues would

Building a Corporate MBA

Karen Calabrese, Hadley Baas and Chris Thaxton have one thing in common: They're busy people. Calabrese, a trainer and program manager for Honeywell in Phoenix, and Baas, a consultant for PricewaterhouseCoopers in Chicago, have jobs that can take them any place at any time. Thaxton, a product data management systems developer at Honeywell in Phoenix, enjoys spending evenings and weekends being dad to his five children and leading his oldest son's Boy Scout troop.

Despite their demanding schedules, all three are also working on their master's of business administration (MBA) degrees — although not in a traditional way.

Calabrese and Thaxton are enrolled in a customized online MBA program offered by Honeywell and Capella University. Baas is taking part in a customized program that combines classroom and online learning through the University of Georgia Terry College of Business and PricewaterhouseCoopers.

Their companies created these programs for employees who live nowhere near a university, who might face a corporate transfer or whose schedules don't permit them to spend a couple nights a week in class. Because they're tailored to the corporations' needs, the degree programs also ensure that students learn about topics that are relevant to their work.

If your training department is thinking about creating such a program, consider the following words of advice from those who've done it:

1 Make sure the university issuing the degree is accredited. Accreditation gives a university credibility. "You can have a degree from a university that's not accredited and what is it worth?" says Susan Rud, dean of the school of business at Capella University in Minneapolis, which is accredited by the North Central Association of Colleges and Schools.

2 Make sure enough employees are interested. When working with PricewaterhouseCoopers to develop a custom MBA program, the University of Georgia required the consulting firm to

have at least 40 people enrolled to make the effort worthwhile. Honeywell had to guarantee Capella a cohort of at least 15. "If you don't have enough people, it might work better to get a consortium of companies together," says Don Burkhard, a director with PricewaterhouseCoopers' learning and professional development group in Tampa, Fla.

3 Have the right technology in place. Students enrolled in the Honeywell-Capella program need at least a 486 computer with a 50 MHz hard drive and 16 MB of RAM that is capable of running multimedia programs. They also need a 4X CD-ROM, a 28.8 kbps modem, Windows 95, Microsoft Internet Explorer 4.0 or Netscape Navigator 3.0, and email capability. (A Pentium processor, 12X CD-ROM and 56 kbps modem are recommended, however.) In addition, be sure the university is able to deliver the courses online and provide technical support when needed.

4 Create a balance. "You have to remember that people are still working full time," says Burkhard. When developing the program with the University of Georgia, Burkhard asked faculty to balance the workload so PricewaterhouseCoopers students wouldn't get hit with multiple exams or projects due the same week. Capella's program is structured so students are enrolled in only one class at a time, thus eliminating problems with conflicting deadlines.

5 Provide face time when possible. Although the students enrolled in the Honeywell-Capella program don't gather on campus, some who live in the Phoenix area have formed a study group that meets in person. PricewaterhouseCoopers' Burkhard found that small groups of students who work together virtually on projects need time for team building when they come back to campus. "Being able to spend time getting to know people and working with them on campus makes it easier when we have to work together over the phone or by computer," says Baas.

— K. Kiser

expose her to too narrow a range of experiences. "Other MBA programs attract people from all different companies," she says.

A year into the program, her doubts have vanished. Baas, who started out in the company's IT group and moved into financial cost management, says the very nature of her fellow consultants' work

gives them an unvarnished look at the challenges faced by companies in a host of industries — a view that employees of those corporations may never be exposed to. "Even though we all work for the same company, we bring a lot of different perspectives," she says.

Chris Thaxton, a product data management systems developer at Honeywell

and a student in the Capella MBA program, also likes being in a class full of people from the same company. "Even if others in the class don't understand the particulars of your job, if they understand the company's culture and vision, you can talk a lot more openly," he says.

Although he's only taken a couple of the bread-and-butter MBA courses so far, he says he has compared notes with friends going through traditional programs and finds they're learning the same material. "These subjects are required for accreditation," he says.

Education for E-People

Baas and Thaxton aren't unusual in their desire to take advantage of online degree programs. According to International Data Corp., a Framingham, Mass., research firm, the number of students enrolled in distance education courses is expected to rise from 710,000 in 1998 to 2.2 million by 2002.

"This is an era where we're seeing more fast-trackers or what I call 'e-people' come along," says Capella's Rud. "They're very talented, and they come into companies and move very quickly. They want education more and more but their time is becoming less and less."

For businesses to attract and hold on to those people, they will have to offer them the chance to improve their skills and education. And they'll have to do it in a way that allows employees to attend class in their own space and time and provides them with knowledge that directly applies to what they're doing. "When I talk to my staffing people, they say the MBA program is one thing people look at when considering a job offer," says Honeywell's Calabrese.

Calabrese, who is also a student in the Capella-Honeywell program, believes this is only the beginning for customized online programs. "I see more and more companies looking into this," she says. "These programs provide flexibility, and that's so important right now because of the fact that our work is changing greatly and our lifestyles are so busy." ■

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