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A FRAME INNOVATION

What should business schools know, be, or do to encourage innovation on their own campuses?

HOW CAN SCHOOLS SUSTAIN CURRICULAR INNOVATION? That was the question at the forefront of my mind as I prepared to write the dissertation for my doctorate in education. While some schools are clearly better than others at developing innovative programming, all of them want their innovative courses to thrive. But what factors motivate faculty to launch innovative offerings? What must a school do to nurture sustained innovation?

I found myself continually drawn to innovations that exist at a few schools but have not been replicated widely by their peers. Eventually, I conducted in-depth examinations of two innovations that stood the test of time—one at Tulane University's Freeman School of Business in New Orleans, Louisiana, and one at the Massachusetts Institute of Technology's Sloan School of Management in Cambridge. By studying these, I was able to develop a framework that could help business educators consider their own schools' unique attributes as they develop distinctive, lasting offerings.

In my research, I drew on the work of Srikant Datar, David Garvin, and Patrick Cullen in their book *Rethinking the MBA*. The authors examine the U.S. Army's being/knowing/doing approach to leadership and apply it to business schools. I use that approach to consider what schools and faculty must be, know, and do to sustain curricular innovation. I have found nine precipitating factors. The more of these factors that are present, the more likely it is that school leaders will be able to sustain curricular innovation.

WORK FOR

BY J.D. SCHRAMM ILLUSTRATIONS BY SHAW NIELSEN

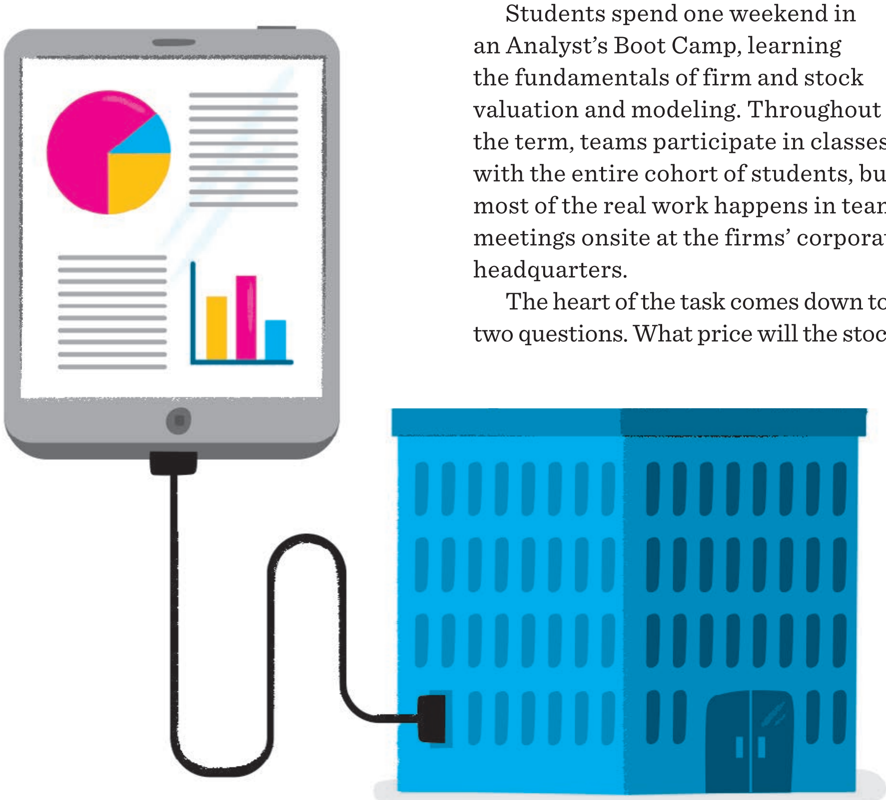
BE	KNOW	DO
Institutionally distinctive. Recognize and leverage a unique attribute (culture, geography, expertise, etc.) that is at the core of the school's identity.	**How to teach.** Embrace sound pedagogy and learning theory to create and deliver innovative courses.	**Focus.** Encourage learning efforts that are large enough to engage students, but small enough to elicit meaningful student input.
Demand-driven. Meet needs expressed by constituents and respond to shifts in academic demand.	**How to schedule.** Design the academic calendar flexibly to assist both students and faculty in achieving learning goals.	**Provide engaging content.** Offer topics that innately appeal to students but also are relevant to broader learning goals.
Collaborative. Embrace and reward the wisdom of faculty and staff who work together in curricular design and execution.	**How to continually improve.** Welcome feedback from multiple constituencies, listen, and implement improvements.	**Experiment.** Provide space for courageous educators to try and fail without significant negative impact.

THE ROAD TO INNOVATION

The first innovation I studied was the Burkenroad Reports program at Tulane's Freeman School. This program sends students out in the field to evaluate the stocks of actual companies.

It began after Peter Ricchiuti became director of the Career Development and Placement Center at Freeman and determined that he needed to "attract the attention of Wall Street." He knew that many successful Louisiana companies traded on the New York and NASDAQ stock exchanges, but potential investors rarely heard the stories behind these organizations. He also knew that Freeman students needed to have rich, practical experiences if they were to land jobs with financial services firms.

In 1993, Ricchiuti pitched a solution to dean James McFarland. What if the students could create professional equity analysts' reports on local firms? While some faculty resisted the idea, thinking that it might be too risky for the school, McFarland sensed that it had the potential to give students hands-on experience in the valuation of firms. McFarland gave Ricchiuti approval to launch the program. (See "Analyze This" on page 42 of the September/October 2002 issue or visit www.bizedmagazine.com/en/Archives/2001-2013/2002/SeptOct.aspx.)



Now endowed as the Burkenroad Reports, the course has developed into a systematic process whereby students collect, analyze, and disseminate research on selected firms. At the beginning of the term, about 200 students are divided into teams of five students each and matched with a company from the available portfolio of firms. Most are companies within a few hours' drive of New Orleans, including some that are headquartered in Louisiana, Texas, Mississippi, Alabama, Georgia, and Florida. Because these are companies typically overlooked by Wall Street, Ricchiuti calls their offerings "Stocks Under Rocks."

Students spend one weekend in an Analyst's Boot Camp, learning the fundamentals of firm and stock valuation and modeling. Throughout the term, teams participate in classes with the entire cohort of students, but most of the real work happens in team meetings onsite at the firms' corporate headquarters.

The heart of the task comes down to two questions. What price will the stock be trading at one year from now? Should an investor buy, sell, or hold the stock? Each team answers these questions in a 30-page equity research report.

Each year in April, participating firms gather for an annual investor conference. Ricchiuti dubbed the first conference "Bargains on the Bayou," hinting that Burkenroad students follow firms that others don't. The event welcomes both institutional and individual investors and is free and open to the public.

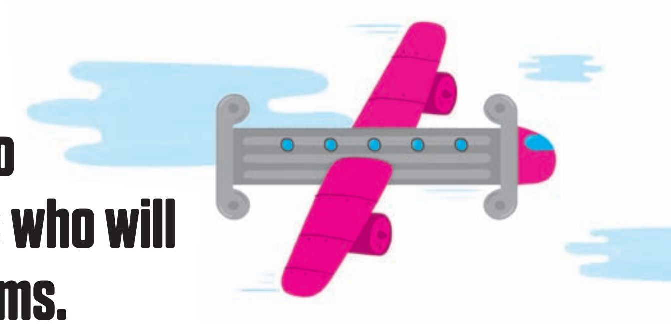
Thirteen years ago, the program initiated the publicly traded Burkenroad Mutual Fund, which goes by the ticker symbol HYBUX. The fund, now worth about US$850 million, is run by Hancock Bank, which utilizes the students' reports to manage it.

Today, Ricchiuti runs the Burkenroad Center full time with an annual budget of about US$700,000. The center's walls are filled with framed articles from *The Wall Street Journal, The New York Times, Fortune, Businessweek,* and others. The Burkenroad course also has been featured on "Mad Money" with Jim Cramer, "Nightly Business Report," and "Wall Street Week with Fortune."

To date almost 700 students have graduated from the course, which typically has a waitlist. Firms appreciate the attention, and many request the chance to be followed by the Burkenroad students. Rod Rackley, general manager of the print division at Lamar Advertising Company, says the exposure generated by the students' reports has contributed to a doubling of the company's stock price over the course of a year.

What did the Freeman School have to be, know, and do to sustain curricular innovation at this level? The Burkenroad Reports program is institutionally distinctive (it focuses on Gulf Coast firms), demand-driven (it serves the firms and the students), and collaborative (a team works under the direction of a visionary founder). It is pedagogically sound (it provides bootcamp

Firms around the world participate in G-Lab, investing US$10,000 to $15,000 to fly out and house the four MBA students who will tackle some of their most vexing problems.



research training), follows an appropriate schedule (it gives students Fridays off so they can travel to the firms), and is committed to continuous improvement (through a feedback loop). Finally, the program focuses on a narrow scope of operations (it works with smaller but publically traded firms), provides engaging content (it develops skills that have real-world relevance), and offers experimental leeway (the dean allowed Ricchiuti to give it a try). Tulane had all nine factors in place to launch an innovative program—which is now in its 22nd year.

THE GLOBAL CLASSROOM

In 2000, MIT professors Simon Johnson and Rick Locke were teaching a course called "Entrepreneurship Without Borders," which focused on the needs of entrepreneurs in global settings. Students in the class already were familiar with a project-based MIT course called E-Lab, which brought teams of students together to consult for local entrepreneurs. They asked if the MIT Sloan professors could create a global version. While at first Johnson and Locke were daunted by the idea, they assembled a handful of international projects for students to work on, and G-Lab was born.

Nearly 15 years later, MIT's Office of Action Learning manages a robust portfolio of offerings modeled after G-Lab, and participating students can choose projects from a wide list of countries and business sectors. For example, China-Lab pairs G-Lab students with local MBAs from several Chinese business schools. S-Lab brings together student teams working on sustainability projects. Firms around the world participate in G-Lab, investing US$10,000 to $15,000 to fly out and house the four MBA students who will tackle some of their most vexing problems.

The G-Lab course has two primary components: the classroom experience in the fall semester and the consulting engagement in January's intersession period. Currently, two tenured faculty members teach the course.

Students form teams and bid on projects, then professors decide on the final matchups. Teams create work plans, including deliverables and timelines; months before they depart for their visits, they provide their plans to the host firms for approval. For the rest of the semester, they participate in calls with clients and begin working on their deliverables. Before leaving for the winter break, they create a final report based on their research.

In January, students begin a three-week on-site engagement, which culminates in a presentation to the client. When students return to MIT, they participate in large- and small-group reflection sessions where they share what they learned with peers and faculty. Faculty involved in G-Lab share teaching and mentoring techniques with each other so that everyone can benefit from everyone else's experiences.

Like the Burkenroad Reports, G-Lab succeeds because it requires MIT Sloan to meet certain requirements of being, knowing, and doing. G-Lab is institutionally distinctive (it draws on the school's entrepreneurial focus), demand-driven (host firms select the problems they want solved), and collaborative (it's operated by a committed team). It's also pedagogically sound (it's focused on action learning), appropriately scheduled (it's held during the intersession period), and continuously improving (through ongoing course adjustments and annual reviews). Finally, it's focused (on small- to medium-sized firms with verified leadership participation), offers engaging content (in sectors that students are keenly interested in), and enjoys experimental leeway (it was launched with pilot projects and allowed to grow).

By most accounts, G-Lab is considered the crown jewel of MIT Sloan's Action Learning efforts. It is the school's highest-profile, most-recognized, and most-cited offering. As one student said, "If you go to Harvard Business School, you should take a strategy course with Michael Porter. If you go to MIT, you should do G-Lab."

ADAPTING TO INNOVATION

The landscape for the MBA is rapidly changing, and schools of management have come under fire for not adapting quickly enough. Rather than simply teaching students the value of innovation, business schools should apply those same principles of innovation to management education itself.

With this research, I hope to provide a compass to administrators considering their own schools' offerings and attributes. They can use this framework to launch innovations of their own, thereby extending the reach and impact of management education.

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