

AC 2009-498: A CALL FOR CROSS-CAMPUS COLLABORATION IN EXECUTIVE EDUCATION: REFLECTIONS ON THE CERTIFICATE IN INNOVATION MANAGEMENT PROGRAM AT THE UNIVERSITY OF MARYLAND

James Green, University of Maryland

Dr. James V. Green is the Director of the award-winning Hinman Campus Entrepreneurship Opportunities (Hinman CEOs) Program at the University of Maryland, and the associate director of entrepreneurship education at Mtech Ventures. He manages the executive education programs and the Technology Start-Up Boot Camp, and serves as the course manager for Mtech Ventures. He is an instructor with the A. James Clark School of Engineering, teaching a variety of courses in entrepreneurship and technology commercialization. His research interests include entrepreneurship education, the psychology of entrepreneurship, and technology commercialization. James is a national presenter on entrepreneurship education with refereed papers and presentations at conferences for the United States Association for Small Business and Entrepreneurship, the American Society for Engineering Education and the National Collegiate Inventors and Innovators Alliance. James earned a bachelor of industrial engineering from the Georgia Institute of Technology, a master of science in technology management from the University of Maryland University College, a master of business administration from the University of Michigan, and a doctor of management with an emphasis in entrepreneurship from the University of Maryland University College.

Judy Frels, University of Maryland

Dr. Judy K. Frels is the Executive Director of Marketing Communications. Judy joined the Smith School in 1999 and currently serves as the Senior Director of Custom Programs, Executive Education Senior Fellow and Lecturer with the Department of Marketing. Her research focuses on the marketing of high-technology products, competitive strategies in network markets, consumers' ability to cope with technology, and consumer switching costs. She uses both traditional survey methodology as well as computerized agent-based simulations. Her research has been published in the Journal of Marketing and Journal of the Academy of Marketing Science. She teaches Marketing of High Technology Products and Marketing Strategy in the M.B.A. program, the E.M.B.A. program and in non-degree executive education programs. Prior to obtaining her Ph.D., Frels spent ten years developing operating systems and compilers, as well as managing and marketing other software and hardware products both at IBM and at smaller firms. She has consulted with several firms including W. R. Grace, Microstrategy, SAIC, Imation, Bay Networks, Input-Output, Inc., and the University of Arkansas for Medical Sciences.

A Call for Cross-Campus Collaboration in Executive Education: Reflections on the Certificate in Innovation Management Program at the University of Maryland

Overview

The education and development of executives and professionals is an increasingly dynamic market with an expanding variety of suppliers and customers. With in-house corporate training, consulting firms, and independent contractors all vying for the market, university-based programs are uniquely positioned to share a substantial stake of the \$50 billion training market in the U.S. and the \$500 million earned by the top 10 providers of executive education custom and open enrollment programs.¹

Whether the aim for universities is to generate funds for faculty research or program development, or to contribute to the economic competitiveness of their region by serving professionals in their communities of interest, this time of contracted budgets and saturated executive education markets calls for innovative approaches to educating executives and professionals.²

Based on our experiences in the development and management of the Certificate in Innovation Management (CIM) Program at the University of Maryland, we report here on the opportunities and challenges of launching and managing a new executive education program in a crowded market with limited resources and competing priorities. We draw implications from these experiences and analyses to identify areas of best practice and potential pitfalls. This paper also helps existing providers of executive education with new insights and perspectives to improve program efficiency and effectiveness, and benefits new entrants into executive education who have the desire, but not the resources, to singularly launch and manage an executive education program.

Background

In 2007, the University of Maryland's A. James Clark School of Engineering and Robert H. Smith School of Business partnered to deliver a groundbreaking executive education series that leverages the unique capabilities of these two world-class institutions. This jointly offered CIM Program is designed to provide entrepreneurs, small-business owners, and executives responsible for innovation and corporate venturing with the tools and framework needed to succeed in an increasingly competitive landscape.

We are targeting Baltimore-Washington, DC area managers and executives within over 5,000 small/mid-size ventures as well as established companies and federal agencies interested in developing innovation within their organizations. This positioning accommodates higher price points and improved marketing efficiencies versus pursuing individual, aspiring entrepreneurs alone. This also sets the foundation for building a nationally-competitive executive education program in entrepreneurship and innovation.

While introductory entrepreneurship and innovation courses are available at low to no cost from the SBA, SBDC, and local community colleges, the most direct competition would be premium offerings from universities in the region and perhaps within a short flight. No universities in our region offered entrepreneurship or innovation-focused short courses in 2007, beyond annual one-day “boot camps”, nor do they exist at the time of this writing.

With a commitment to educating innovators in our region and a desire to fill the void in our home market, both schools were interested in contributing to an open-enrollment executive education offering. However, with limited resources and competing priorities of existing courses and programs, the path to pursuing the development, launch and management of a new program was unclear. Recognizing the value of the program to alumni of both the schools of engineering and business, and seeing the opportunity to leverage existing competencies and relationships, the schools elected to explore collaboration as a means of pursuing this opportunity with existing staff and a seed-level funding of \$25,000.

Organization and Management

With the target market defined for the CIM Program, the next step was to determine the right organizational structure to develop, launch, and manage this new initiative. We recognized that through a unique collaboration of the schools of business and engineering that we could effectively leverage each school’s brand, alumni, and collective strengths, and share in the risk and investment of executive education. With a broad community of candidate customers, to include technology entrepreneurs, small-business owners, and executives managing corporate venturing, the schools decided to co-manage the Program, share all costs and proceeds 50/50, and equally participate in the marketing and administration of the Program.

In a co-director format, the Program is managed by the Director of the Technology Advancement Program, the on-campus technology company incubator at the A. James Clark School of Engineering, and the Senior Director of Custom Programs in Executive Education in the Robert H. Smith School of Business. The co-directors are supported by a two program managers and two marketing directors, with equal representation from each school. This six-person team supports the CIM Program in addition to their core roles with the University. This allowed the Program to start and exist without any fully dedicated staff members and no additional line item management costs.

All elements of the Program are shared equally, from the marketing collateral development to the advertising, client service, hosting, and follow-up activities for each course. In the initial development of the marketing materials, one school developed the website and online marketing ads, while the other school developed print material and direct mail pieces. For the client service, hosting, catering and facilities management, these schools alternate the hosting location and support activities from course to course (i.e. the Business School hosted the first course, the Engineering School hosted the second course, and the third course was hosted and managed once again by the Business School). Surveying and follow-up is managed by the School that hosted the specific course on that occasion.

All costs are shared 50/50 between the schools with a new account established within the University for the CIM Program, and all revenues and costs managed from this new account. At the end of each series of six courses (e.g. semi-annually), the proceeds from the CIM Program after all costs have been covered, are divided equally between the schools of business and engineering.

Objectives and Takeaways

With the market scoped and our team defined, the key objectives and takeaways for our audience was the next area of attention. In evaluating key challenges and opportunities faced by our target marketed, and building on both schools historic commitment to entrepreneurship and innovation, we engaged award-winning instructors from academia with real-world entrepreneurs to help determine what questions to address in the certificate series. Five key themes emerged:

- What is the appropriate strategy for my firm?
- How should I take my innovation to market?
- How can I manage the product design and development process to result in the most successful innovation possible?
- How should I track the innovation's success financially?
- How can I best negotiate with the partners I need to succeed?

This formed for the basis of the inaugural series of five one-day courses to address each of these five questions in turn: strategy, marketing, product design and development, finance, and negotiations. With this foundation, we collaborated with the instructors to build innovative, actionable content supplemented with two conferences and several lectures to build a robust curriculum encompassing two top-ranked schools in their disciplines worldwide.

While single course enrollments were allowed, emphasis was placed on marketing the benefits of enrolling in the entire series. To accommodate individuals with existing expertise in a single area and desiring not to incur the cost and time of enrolling in that course, we elected to award the Certificate in Innovation Management for completion of at least four of the five days of study. The Certificate, awarded from the University of Maryland's A. James Clark School of Engineering and the Robert H. Smith School of Business, was marketed as an avenue to answer the questions posed above, as well as a means to enhance participants resume and officially recognize the knowledge gained in the topics covered. Further benefits afforded to full Certificate enrollees included a 20 percent discount off the one-day module fee and free admittance to three thought-leading conferences: the Clark School's Whiting-Turner Business and Entrepreneurship Lecture Series, the Smith School's CIO Forum, and the Smith School's Netcentricity Conference.

Courses and Schedule

The five courses comprising the inaugural offering of the CIM met one day per course on a monthly basis, for a total of five days of study over a five month period (from December 2007 to April 2008).

Based on attendee surveys, the once course per month format was widely popular and maintained for the second series of the CIM. Based on attendee's sentiment that too much information was included in the one day format for strategy and negotiations courses, a significant revision in the second offering was the extension of these two courses to a two-day format. A leadership course was also introduced based on surveys inquiring about future course interests.

The titles, description, and schedule of the second CIM series are listed in turn for the 2008-2009 offering.

- **Strategies for Managing Innovation.** Effective business leaders are those who excel not only at managing the business but also at outlining and sustaining a strategy predicated on meeting customers' needs and creating competitive advantage. This module will consist of four interconnected themes: profiting from uncertainty, cracking the customer code, building the creative organization and making smarter innovation choices. All include hands-on exercises, references and worksheets for immediate use in real-life situations. October 9-10, 2008.
- **Marketing in Technology-Driven Industries.** Getting your product out to your customers and effectively communicating its benefits is only part of the challenge of marketing. Choosing the right group of customers to approach first, ensuring those customers will be delighted with your offering and formulating a plan of attack for follow-on waves of customer acceptance are key to the long-term success of your venture. You'll leave this module with a step-by-step approach for each of those phases as well as a strong "elevator pitch." You will also gain a deeper understanding of why branding matters in the high-tech arena. October 31, 2008.
- **Innovative Product Design & Development.** Technology, customization and globalization have transformed the way products are designed and developed. Products are becoming ever more complex, yet development times continue to get shorter. This session focuses on methods that agile companies are using today to accelerate concepts to launch and to iteratively integrate customer feedback into product improvements, thereby gaining competitive advantage. November 21, 2008.
- **Essentials of Financial Analysis.** Financial analysis is a fundamental component of setting strategic direction, evaluating marketing and product development investments, understanding your competition, and just about every other aspect of your business. After completing this module, you will be able to confidently make informed decisions based on a variety of essential tools including analyses of financial statements, net present value, internal rate of return, return on investment, discounted cash flow, and break even. December 12, 2008.
- **Effective Negotiation Skills.** Negotiating to a win-win outcome is an essential part of effective business practice today, whether your negotiation partner is across the world, across the country, or across divisions in your company. This session will expose you to

well-tested strategies that ensure you negotiate an outcome that not only satisfies you, but leaves your counterpart satisfied as well. January 22-23, 2009.

- **Leading the Innovative Team.** Working with and leading innovators requires you to recognize your own leadership style and the styles of others you work with, particularly your style when dealing with conflict. This session enables you to better understand your own leadership approach and the unique gifts and talents that each team member brings to a challenge. February 20, 2009.

Instructors

High-energy, award-winning instructors were selected from the university who could offer truly fresh insights and unique alternatives to executive challenges. To bring a real-world perspective to the class, all instructors involved in the CIM bring not only knowledge from the classroom; they offer experiences from the boardroom through significant consulting engagements or active company involvement.

- **Dr. Oliver Schlake, Strategies for Managing Innovation.**
Dr. Schlake is a Tyser Teaching Fellow at Robert H. Smith School of Business, a senior business consultant, entrepreneur and researcher. His publications and research on scenario-based strategic planning and innovation strategy have been featured in leading academic and practitioner journals worldwide. Schlake has been an international management consultant and strategic advisor for leading companies and government agencies in Europe and North-America to include Astra Zeneca, Audi, Bosch, Department of Defense, German Telekom, Junghans, Metso, Siemens, Thomson ISI, and UPM Kymmene. Prior to joining the Smith School he was Assistant Professor for E-Business at National University in San Diego and CEO for German-based consulting firm Scenario Management International (ScMI AG). He has consulted for such organizations as AstraZenica, Audi, Bosch, and the U. S. Department of Defense. He received his Ph.D. from the University of Paderborn in Germany.
- **Dr. Judy K. Frels, Marketing in Technology-Driven Industries.**
Dr. Frels is Executive Director of Marketing Communications, Senior Director of Custom Programs, and an Executive Education Senior Fellow at the Robert H. Smith School of Business. Her research focuses on the marketing of high-technology products, competitive strategies in network markets, consumers' ability to cope with technology, and consumer switching costs. She uses traditional survey methodology as well as computerized agent-based simulations and cellular automata. Her research has been published in the Journal of Marketing, the Journal of the Academy of Marketing Science, the Journal of Cellular Automata, and presented at the Brookings Institution. She teaches Marketing of High Technology Products and Marketing Strategy in the MBA program, the EMBA program and in non-degree, custom programs for the Office of Professional Programs and Services. Frels received a Bachelor of Arts in Computer Science, a Masters in Business Administration and a Ph.D. in Marketing all from the University of Texas at Austin. Prior to obtaining her Ph.D., she spent ten years developing operating systems and compilers, as well as managing and marketing other software and hardware products

both at IBM and at smaller firms. She has consulted with several firms including W. R. Grace, Microstrategy, SAIC, Black and Decker, Imation, Bay Networks, and Input-Output, Inc.

- **Craig Janik, Innovative Product Design & Development.**
Mr. Janik, Founder and CEO of Maverick Lifestyle Corporation, is an engineer, product designer, and serial entrepreneur with 24 years of experience in PC and consumer electronics markets. Janik founded Maverick Lifestyle Corporation in 2005. Maverick develops and sells innovative consumer electronics aimed at simplifying our digital lives. As one of four founders of Speck Design in 1996, Craig managed both consulting projects and internal R&D. In 2000, Janik founded SimpleDevices Inc., a supplier of software and technology to consumer electronics and automotive OEMs including Motorola, Philips, and Delphi. SimpleDevices pioneered digital media distribution over wireless and wired LAN. As CTO at SimpleDevices, he was responsible product development and was instrumental in raising \$10 million in venture capital investment. SimpleDevices was acquired by Universal Electronics, Inc. in 2004. Prior to Speck, Janik worked at IDEO, where he consulted on product developments for Dell and Steelcase. Prior to IDEO, in 1992, he founded Mobila Technology, Inc., a provider of innovative wearable PCs. While at Mobila, Janik generated fundamental patents for flexible wearable electronics. Mobila was sold to ViaPC in 1994. Janik received a B.F.A. in Design from Carnegie Mellon University, and a M.S. in Engineering from Stanford University, has 25 issued patents, and has received numerous awards for innovative products including BusinessWeek, IDEA Gold, and CES Innovations awards.
- **Joseph Perfetti, Essentials of Financial Analysis.**
Mr. Perfetti, Executive Education Fellow, Robert H. Smith School of Business, is a subject matter expert in corporate finance and strategy who has delivered over 1200 teaching days over the past 17 years for leading corporations and consulting firms. Perfetti is a Partner in the consulting firm CEP and has consulted with firms such as McKinsey & Co, Royal Caribbean, Lockheed Martin, Lands' End, AT&T, Eli Lilly, Citibank, Entergy, Black & Decker, Sprint, General Electric, Dow Chemical, Worldspan, Cox Communications, Chase, Sun Microsystems, Champion, United Technologies, Monsanto, Motorola, Shell Oil, ABB, Chevron, the United States Postal Service and Delta Air Lines. Perfetti has authored 3 financial CD ROMs including the award winning Why Finance Matters. A serial entrepreneur, he started Intelliworks, a venture-backed CRM company focused on higher education and an online knowledge sharing company. He previously was a partner in a business simulation and training company where he designed and implemented training seminars for leading companies. Perfetti is a graduate of the Wharton School of the University of Pennsylvania.
- **Dr. Jeffrey D. Kudisch, Effective Negotiating Skills.**
Dr. Kudisch is Teaching Professor of Management & Organization at the University of Maryland's Robert H. Smith School of Business. He is also is a co-founder and Principal Partner of Personnel Assessment Systems, Inc., a human resource consulting firm specializing in management and executive assessment. Prior to joining the Smith School faculty in the Fall of 2002, he was an Assistant Professor and Director of the University

of Southern Mississippi's I/O Psychology Doctoral Program and Center for Applied Organizational Studies. Kudisch has been nominated for teaching awards at the University of Tennessee, University of Southern Mississippi, and the Smith School. Kudisch has written articles in the areas of assessment centers, personnel selection, charismatic leadership, and multi-source feedback, and has presented his research at national and international conferences. Additionally, he has provided consulting services in the areas of leadership assessment, executive coaching, succession planning, assessment centers, testing and selection, training and development, competency modeling, organizational change, employee attitudes, customer satisfaction, and performance management (e.g., performance appraisal, multi-source feedback) to both public- and private-sector organizations since 1988. Before venturing into academia, Kudisch spent several years working in various human resource-related functions at the Tennessee Valley Authority. He is a member of the Academy of Management and the Society for I/O Psychology (SIOP).

- Dr. Joyce E. A. Russell, *Leading the Innovative Venture*. Dr. Russell is a Distinguished Tyser Teaching Fellow and Senior Executive Education Fellow, Department of Management and Organization, Robert H. Smith School of Business. She is a licensed Industrial and Organizational Psychologist and has over 25 years of experience consulting with both private and public sector organizations. Her expertise is primarily in the areas of leadership and management development, negotiation tactics, executive coaching, training, career development, work teams, and change management. Some of her clients have included: Lockheed Martin, Marriott, Oak Ridge National Laboratory, National Institute of Health, Frito-Lay, Quaker Oats, M&M Mars, ALCOA, Entergy, Yodlee, Black & Decker, Boeing Corporation, Hughes Network Systems, McCormick, Nextel, Tennessee Valley Authority, State of Tennessee, Bell-South, L.M. Berry & Company, Bryce Corporation, among others. Russell developed the Executive Coaching Program for the EMBA program at The University of Maryland and at The University of Tennessee. As the Director of both Coaching programs, she has provided executive coaching for hundreds of executives over the past decades as well as selected and trained numerous executive coaches. She has published over 50 articles, books, or book chapters and has presented her research at national and regional conferences. She served as the Associate Editor for the *Journal of Vocational Behavior*, and on the editorial boards of the *Journal of Applied Psychology*, *Human Resource Management Review*, and *Performance Improvement Quarterly*. She received her Ph.D. and M.A. degrees in Industrial & Organizational Psychology from The University of Akron, Ohio and her B.A. degree in Psychology/Business from Loyola College in Maryland.

Pricing

Pricing for the individual courses and series were based on competitive offerings from East Coast universities with an entrepreneurship or innovation theme. The most comparable offerings by content, and their pricing, are presented in turn.

- MIT's 5-day "Entrepreneurship Development Program" costs \$7,400 (\$1,480 daily). As a 2-day course, MIT offers "Strategic Marketing for the Technical Executive" for \$2,600 (\$1,300 daily).
- Harvard Business School's "Building New Ventures" is a benchmark program with a highly regarded 6-day \$7,800 (\$1,300 daily) offering.
- UNC charges \$3,550 for its 3-day "Marketing Strategies for Growth" course (\$1,183 daily).
- Georgia Tech offers 2-day entrepreneurship and management courses for \$1,900 (\$950 daily).

Recognize the need to discount our courses as a new entrant, and acknowledging that we are without the brand cache of MIT or Harvard Business School, tuition for the CIM was set at \$975 per day of study. Two-day courses were priced equivalently at \$1,950.

A series discount and a group discount were available. Registration for the full eight-day series was discounted by 25% for a total of \$5,850. An intermediate discount was also offered with six-days of study for a 20% discount of \$4,680. For companies enrolling at least 3 individuals simultaneously six or more days of study a \$3,000 discount was offered based on a \$1,000 discount per enrollment.

A limited number of \$1,000 scholarships were available for participants enrolling in the certificate series. Applicants were limited to early-stage entrepreneurial ventures of less than 10 people with less than \$1 million in annual revenues. A statement of need was requested from these applicants and awards were contingent on availability of scholarships and level of need.

Marketing

Our initial seed funding was to be used to market the program and to pay the first faculty's teaching fee, assuming that even if we had very poor turn-out, we would need to run at least the first day and pay faculty for their time. A web site was created that outlined the courses, the instructors, and that provided a registration site. A glossy tri-fold self-mailing brochure was created that contained the same information. Lists from several magazines (e.g., Inc, Fast Company) were purchased that targeted the local geographic region.

Three weeks before the first session of the first program, however, the number of registrants was below break-even. This motivated a second wave of marketing through emails to lists of constituents of each school such as each school's alumni, partners, custom non-degree clients and past attendees of events. With this effort, registration surpassed the break-even number and a nearly full class was seated for the first session.

The email announcements were deemed critical to encouraging enrollment and so were continued throughout the initial run of the program prior to each session. Each session typically saw additional enrollees register in the final days. Mid-way through the first run of the program, we included in the program evaluation a question on how the participant had learned of the course. This question had the disadvantage of being late, but we did find that very few

participants recalled learning of the program through the brochure that was mailed. Thus, we revised our marketing strategy for the second year of the program.

For the second year of the program, we started with the premise that our brochure mailing may have had some branding impact, but appeared to have little impact on enrollment. We chose to allocate our \$25,000 in seed funding differently. We did develop a one-page flyer that summarized the previous brochure, updated with new program information. This was designed in-house and could be printed as needed on paper or heavier stock. The web-site was updated with the same information.

The bulk of our marketing funds were spent primarily on on-line banner ads in local business journals, banner ads in the Washington Post online, ads in local technology-oriented newsletters and radio. The spending was rolled out weekly which provided us with an opportunity to examine registrations associated with the media in use each week and adjust the plan as we saw results shift. In addition, we continued to use the internal lists we had used previously to email announcements about the program and to reach out to our custom non-degree clients. Below is a summary of our online marketing efforts.

- Weeks 1-2. Local Business Journal for 5 days at \$2,600 for banner. Used internal email lists, personal relationships, and free channels throughout the campaign. Posted on all free calendars, lists, etc.
- Weeks 3-4. A separate local Business Journal for 5 days at \$5,800.
- Week 5. Repeat one of the local business journals above (pending results) and begin advertising in two local technology-oriented newsletters for \$2,500 per week and \$400 per week, respectively.
- Week 6. (Prior to early registration deadline). Repeat one of the local business journals above (pending results).
- Weeks 7-10 (After early registration). Spend remaining \$3,000-\$5,000 on channels that delivered the best results in prior phases.

Initial Results

There are several criteria against which we measure our success.

- Creating value for the participants of the program.
- Creating financial returns for both schools.
- Enhancing the brand equity of both schools through promoting and delivering an innovative and high-quality program.

We believe we have met the first criteria, based on course by course evaluations and by the willingness of several attendees to offer testimonials. Based on course surveys administered in-class at the conclusion of each course, evaluations are strong for all courses. Statistics from the most recent offering per course are provided here.

	Course Evaluation (1-Very Low, 5-Very High)					
	Strategy	Marketing	Products	Finance	Negotiations	Leadership
Overall	4.53	4.43	4.31	4.59	4.83	4.33
Content	4.53	4.29	4.33	4.71	4.83	3.93
Presentation	4.89	4.57	4.00	4.71	4.89	4.40
Would you recommend?	4.72	4.35	4.17	4.75	5.00	4.36

Testimonials from entrepreneurs, corporate venture directors, as well as government employees are consistently positive.

- "I signed up for this unique professional development opportunity to help sharpen and hone my skills in innovation management, a critical skill that an executive needs in today's global economy to help their company succeed. The program lived up to my expectations, and helped me further strengthen my financial management, marketing, and business negotiation techniques, through hands-on exercises and real-life examples. I would highly recommend the program to any executive-level manager that is interested in acquiring practical and proven ways to help their organization innovate, and succeed."

Raj S. Leyl, MBA '96, PMP, Executive Vice President, RelianceNet
COO and Chairman, Institute for Project Leadership
Chapter Director, Washington D.C., Chief Operating Officer Business Forum

- "As the founder and CEO of a startup, I have very limited time for executive development programs. But the Certificate in Innovation Management provided concepts, frameworks, and takeaways that will help me and my company in key functional areas, all in a format that was perfect for my schedule."

Matt Howard, CEO, SMBLive

- "I liked the course and felt that it was a good value ... The course material was not only interesting but I am using a number of the techniques in my daily work. With the diversity of topics and experienced presenters it was easy to find points of interest and practical, useful tools."

Craig Schell, Engineering Director, Innovation, Professional
Power Tools, Dewalt

- "The Innovation Management Program attracted me because it was one of the first of its kind to address how to accurately manage changes to established systems. The student body was diverse and accomplished, and the interactions were rich and insightful. I gained immediate take-aways from the program and would encourage anyone who works in a fast paced demanding environment to participate as they will garner valuable insight into executing change management strategies."

Congressional Staffperson

The second criteria, financial returns, has also been met. We do not consider the program yet to be a “cash cow” but we have seen financial returns to both schools in both years the program has run. We believe that continued refinement of our marketing plan will increase enrollment and may decrease our marketing costs, thus enhancing the net return to each school.

The third criteria – building brand – is more difficult to judge in the short term and overall. We believe it has enhanced the reputation of both schools within the University as being innovative and willing to collaborate across school boundaries. Further, although significant contributions to brand equity won’t occur until the program awareness grows, we do believe that the quality of the program offered and the unique nature of the program does contribute to both brands in the small community of people who have experienced the program and possibly in the minds of people who have learned of it. It has provided us with another service to offer to important corporate clients of the schools, strengthening our relationships with them.

Implications

Implication 1: Providers Must Support Time and Cost Pressures of Individuals and Companies

While the current business environment of market-altering innovations and intense global competitiveness presents a complex array of challenges and opportunities to small and large companies alike, it is an increasing struggle to afford training and education.³ The available time participants have for attending executive education courses is tighter, given the need to focus on the tasks at hand, particularly if staff has been downsized or time away from the office may result in lower revenues at month’s end.

This combination of economic and time pressures demands affordable, high-impact education offerings if providers hope to enroll sufficient audiences to offset costs, and hopefully generate proceeds beyond breakeven. Our experience is that collaboration allowed the creation and sustainable management of an open enrollment programs serving an average of 26 students per course on a monthly one-day basis, while hiring no additional staff to support the CIM program. Not only has the collaboration proved to be an efficient use of resources, it enable cost sharing in a time where university budgets are stressed, thereby lowering the economic risk incurred by the individual colleges investing in the program.

Implication 2: Universities Need to Collaborate to Serve Increasingly Dynamic Customers

To serve entrepreneurs, small-business owners, and executives responsible for innovation and corporate venturing, the value of the collaboration between the schools of business and engineering extend beyond improved efficiency in cost and time inputs. The benefits of collaboration are evidenced in the universally positive feedback on the CIM program’s value and effectiveness. The Robert H. Smith School of Business brings world-class business faculty and excellence in graduate level teaching experience. The A. James Clark School of Engineering’s Maryland Technology Enterprise Institute (Mtech) brings extensive practitioner experience from working with thousands of technology entrepreneurs, small business owners, and graduate and professional students since 1983. In 2008 alone, Mtech engaged with 394 companies and over 1,000 active and aspiring entrepreneurs.

Through this unique partnership, the co-development and management of the courses brings a practitioner-oriented, yet theory-based, experience to the students of the CIM program. The result is that students take away tangible strategies and techniques from a Friday class that they can immediately put to work in their office on Monday.

Implication 3: Customers Should be Assessed on a Lifetime Value Measure Rather than a One-time Transaction

As mentioned in the section above, the financial returns from the program itself are positive but not significant at this early stage. However, both schools have realized other very direct dividends from the programs.

The Smith School has enrolled at least one participant from CIM into their Executive MBA program with several other CIM participants interested in and exploring other full degree options. The Clark School has made contact with several entrepreneurs who are now participating in incubator activities, giving the school additional opportunity to fulfill its mission in the start-up community.

Further, through contact made in the program, we have had the opportunity to assist another institution in developing a similar program targeted at a different segment.

One attendee in our initial program is a dean at a smaller community college on the outskirts of our region. She has been inspired to apply for and received grants to run a similarly themed program but associated with a BRAC (Base Realignment and Closure) initiative in her region. She has agreed to allow us to market our masters degree programs at her events, increasing our awareness in a larger area.

The ripple effects or second order implications of the program continue to expand the influence of the program and increase innovation in the Washington DC metro region and beyond.

Implication 4: Marketing Efficiency is Critical to University Program Viability

As mentioned in the section on marketing, we must continue to enhance the efficiency and effectiveness of our marketing efforts. Our marketing spending has been similar each year, but the tactics have varied as have the results. Our perception after the first year was that the email / online marketing was effective and that the printed brochure was not. Therefore, in the second year, we reinitiated our use of the email lists (at no cost) and used our entire cash expenditure for banner ads on web sites, newsletters we believe target our audience, and radio (which has been effective for our degree programs). However, enrollment has declined slightly in year 2. While there are many other factors that drive enrollment, with the economy not an insignificant possibility, we continue to examine our marketing tactics for increased effectiveness.

Given the number of entrepreneurial ventures in the DC metro region and the number of technology-oriented firms in this area, we believe the size of the targeted segment is significant. Given the feedback we have received from participants (and our adaptation to that feedback), we

believe that the program delivers on the value it promises to create. We believe, based on our competitive analysis and partly on feedback and lack of comments to the contrary, that the program is competitively priced. Thus, we are exploring additional explanations for enrollment numbers that we view as lower than we anticipated. Possibilities include:

- Lack of awareness of the program due to our limited marketing budget and newness of the program.
- Low unaided recall of University of Maryland when one considers executive education opportunities, possibly due to a small open enrollment portfolio.
- Insufficient brand equity of University of Maryland as an executive education provider.
- Inability to break through clutter in online marketing, email marketing and via printed brochures and a need to consider more innovative marketing tactics.
- Exhaustion of possible interested parties in both school's email lists.

As we look ahead to year 3, we will investigate the success of our year 2 efforts and continue to explore new tactics that may allow us to address the challenges outlined above in a cost effective manner.

Implication 5: The Possible Brand Equity Implications for both Schools and the University Should be Considered in Determining the Returns from the Program

A previous dean of one of the two participating schools said, partly tongue in cheek, that in his ideal world, we would spend the \$25,000 sending out brochures, but not have to actually spend the money to run the program. His point was that the brochure itself is an effective brand building tool independent of the actual event. We were fortunate enough to not only have the positive effect of mailing the brochure in year 1, but also seating a class that provided financial remuneration and delivering a set of courses that created 30+ satisfied customers. We believe that the impact this has on the brand of both schools and the University could not be gained with any level of brand-based spending. Thus, we believe that as long as the participants leave with a sense that value was created for them and that the CIM program was a worthwhile investment of their time, we have gained much more than the fees they have paid to join us.

References

1. BusinessWeek. (2006). 2005 Exec Ed Rankings: Real-world training gets the highest ratings. Available at http://www.businessweek.com/bschools/05/exec_ed_rank.htm
2. Doh, J.P., & Stumpf, S.A. (2007). Executive education: A view from the top. *Academy of Management Learning and Education*, 6(3): 388-400.
3. Yorks, L., Beechler, S., & Ciporen, R. (2007). Enhancing the impact of an open-enrollment executive program through assessment. *Academy of Management Learning and Education*, 6(3): 310-320.