

Developments in Business Simulation & Experiential Exercises, Volume 10, 1983

BUSINESS CONSULTING:

A PRACTICUM FOR UNDERGRADUATES

Gene Lebreuz, University of Houston-Victoria

ABSTRACT

The purpose of this paper is to report the processes and conclusions of an experimental undergraduate consulting course. The course was initiated as an experiential experiment intending to capstone undergraduate business administration education and link campus and career, and campus and community. The course received very flattering evaluations from both community business clients and student consultants, thus encouraging additional development at the undergraduate level.

INTRODUCTION

Opportunities for "hands on" policy making (and management decision making) are rare today in undergraduate business degree programs. Yet relevancy is frequently sought after by students, and employers expect newly hired undergraduate business majors to appreciate the entire business organization, including policy problems. However, few undergraduate business majors ever get to "start at the top." Although, due to personal economic needs, many students in today's business programs do have work experience--part-time, full-time, and/or summer job experiences. Thus, the concept of an "internship" experience is less valuable to today's business students than it may have been in past years. Clearly a need exists for some "link" between "campus and career" and the link must be beyond "simple laboring".

While many business degree curricula have a "capstone" course for expectant graduates to provide the "link" and/or "summary" between campus and career, these courses are frequently case situations, abstract problems, or computer simulation experiences. These capstone courses attempt to tie several years of academic individual discipline coursework together, but these courses do not permit "real world" participation.

In an attempt to integrate classroom learning, employment experience during college for personal economic need, and the real business world of multifaceted problems; the author initiated a new approach to the "culminating course" during the summer of 1982 at the University of Houston-Victoria.

In cooperation with local television, radio, newspaper media, and the Chamber of Commerce, a new "capstone" course was offered to a very few students who were close to graduation - "Management Consulting Practicum". The objective of the course was to permit students, with mentoring and structure provided by the professor, to "consult" for selected local businesses and thus participate first hand in major problems, policy, and~ decision making roles of owners and managers. Students were to learn, "in the real world", about the difficulties of solving problems with multifaceted constraints.

THE LITERATURE

A search of the recent literature by the author revealed few reports of undergraduates participating in true actual consulting situations for current business problems. Kilman [3] described the results of forty (40) MBA students at The University of Pittsburgh who participated in a "student consulting project" (SCP), a student organization, to provide consulting for black neighborhoods. Kilman concluded that these students reported statistically significantly higher assessments on a twenty (20) item evaluation instrument of a MBA "Behavioral Science for Business" course compared to scores of students not part of the SCP.

In 1975, Solomon [5] reported on three years of consulting experiences with 75 firms through the district office of the SBA using students in a Small Business Institute. Reportedly, the advantages of this activity were that students tended to have "...a stronger feeling of personal commitment to a client than a paid consultant..." students were "...well informed about current studies, laws, regulations, and innovations in management practices.. .and were determined to succeed."

Welch, Gordon and Halper [6] reported The University of Dallas processes used for successful results of a "Living Laboratory, obligating students to understand business uncertainty... analyze and assess operational situations...and propose pragmatic solutions which are measurable and capable of being implemented..." Through business consulting projects at The University of Dallas, Horwitz [2] reported in 1979 the outstanding success of MBA students consulting at The University of Dallas program in Industry Week, and he linked its success to the fact that the MBA students work only with top executives at the participating corporations.

Lacey and Licht [4] have suggested a college's major responsibility is to provide students with "principles of scientific management. . . and apply these to practical situations" but due to resource constraints "the practicum" is frequently sacrificed. However, the value of the practicum is obvious. Another very successful MBA consulting practicum was described by Gianque [1] at Brigham Young University in the August, 1980 issue of Interfaces. However, this program was again, at the graduate level.

Based on the research suggesting that students have the ability to acquire valuable learning experiences from a consulting experience, the author initiated a "Management Consulting Practicum" as an experimental course at the University of Houston-Victoria (UHV) in summer, 1982. UHV is a small commuter population university campus and thus has several unique characteristics and resource constraints: small classes, older student body with work experiences, small faculty, no dorms, and a very small budgets

Developments in Business Simulation & Experiential Exercises, Volume 10, 1983

THE PROCESS

The purpose of the "Management Consulting Practicum" course was to initiate and evaluate a "practicum" situation for undergraduate business majors in a small university campus (500 FTE) in a small town (50,000 population) for computer students having previous part-time and full-time labor force experiences (not usually in management or administration), to aid in student's improved overall business education. The expectation of this experimental class, with the above constraints, was that the course might become a "capstone" course for academically outstanding students in the undergraduate business degree program. The UHV present business degree curriculum is very close to AACSB guidelines.

Preparation for the course began six months prior to its starting date with a public relations luncheon event held by the author in conjunction with the local Chamber of Commerce "Business Committee". The public relations activities included a luncheon speech of explanation to The Chamber of Commerce members indicating that the new course would provide students with a valuable experience and provide local businesses with a valuable and free service. The program was presented as an opportunity to integrate university and community (town/gown) needs and goals. The expectation was for activities of the course to result in both the town and the university benefiting from the experience. The luncheon was covered by local TV, radio and newspapers which resulted in good university P.R. and contacts for future clients.

During the luncheon, announcing the new course, the audience was told how to contact the professor for more information, what type of consulting projects were desired, and that there was no charge for the services. The audience was most supportive of the new course; however, a concern did develop regarding the problem of keeping information given to students, in strict confidence, confidential. This concern seemed to be alleviated by reference to a course requirement that students sign a "Statement of Confidentiality". The project also received generous financial and moral support from the Chancellor of our campus with funds being made available to cover local travel, meals and incidental expenses of students and professor.

As a result of excellent media coverage, a number of requests were received from local firms for student consulting services. Other requests for services came directly from previous associations of the professor with businesses in town. And, some requests for consulting resulted from direct solicitation of client business by the author.

The criteria for acceptance of a consulting request were that the consulting project would: 1) have a high probability of being a good learning experience for students, 2) could be successfully completed within a summer session, and 3) be able to be completed satisfactory to both the professor's and client's expectations.

A number of criteria were used when encouraging selected students to register for the course: 1) they were near the last few credits of their degree, 2) had an appropriate personality for community contact, 3) were academically strong, 4) had time to work a varied schedule of classroom and consulting meetings, and 5) had demonstrated integrity. This last consideration, integrity, became very important due to the

reluctance of many firms to allow students to have access to confidential files and financial data. After careful consideration, a very small number of students were encouraged to enroll in the course.

The objectives of this experimental and experiential course were to show students that actual businesses have many problems needing answers, but that the proposed answers may influence other activities of the firm. That is, students need to see, not isolated situations, but rather integrated and interrelated micro situations. Also, students were to be given an opportunity to apply knowledge gained in several disciplines and to deal with communicating problems and solutions to other interested individuals. A related objective of this course was to provide the local business community with a free service, thereby responding to the responsibility of a university to its host environment.

It was anticipated that the degree to which the above objectives and goals were achieved would be measured by the students writing an evaluation letter to the professor about the course and hoping unsolicited letters of evaluation would be received from the businesses used in the consulting project.

THE COURSE

As noted on the following syllabus, the course began with a quick review of small business management principles through lecture, readings, questions, short projects and cases. The Steinhoff text, Small Business Management Fundamentals, third edition, 1982, served as the "review guide" and a reference source. The topics in the book were covered in approximately ten (10) class hours. To encourage "serious review" of business fundamentals, an exam was scheduled and used as a part of the students' course grade.

The next step of the practicum, after class review of principles, cases, and projects, actually began during the second five (5) hours of class meetings. The clients selected to participate in the practicum were invited to luncheon and dinner meetings to meet their student consultants and began to describe the nature of their needed consulting assistance. Several meetings between clients and professor had occurred prior to students' meetings to assure the client of confidentiality (see required personal confidentiality agreement) and to develop an expected procedure for future meetings between the clients and the students. The meetings prior to student assignment to a client were used to identify and specify the nature of the assignment, suggest procedures, and indicate the content outline of the final report to be submitted to the client.

Each student worked approximately 150 hours on the consulting projects. The students frequently needed to meet with clients after business hours. Students had to conduct surveys, analyze financial data, prepare marketing plans, and prepare a very well documented final written report to the client. All work reported to a client or which was used in public (such as survey Instruments) was reviewed by the professor for: need content, correctness, and form. Many of the documents required substantial editing. However, the final report was well prepared, and when presented to the client with an appropriate cover letter, was very well received by all clients.

Evaluating the activities of this experimental, experiential, class provided enthusiasm for continuing to develop the course as a "capstone" course for business

Developments in Business Simulation & Experiential Exercises, Volume 10, 1983

majors. Given the objectives of the course outlined earlier in this discussion, student evaluations helped to confirm the value of the course as an excellent opportunity for "hands on policy making". Student comments from evaluation letters included the following statements:

...a very practical setting in which to use the knowledge I gained from other courses,
...I drew heavily upon knowledge I gained from other courses.
...the course managed to test each student's ability in all the major business disciplines.
...we were able to see how our accounting studies will be used in real life situations.
...to see how those long hours in Quantitative Analysis classes were not such a waste of time after all.
...demonstrated the importance of a strong foundation in English.
...learned how to deal with others and note their reactions.
...was the most interesting class I have taken in college.
...realized our participation was having a direct impact upon others.

Some of the comments received from the client businesses confirmed the value of the course to the community. The client firms sent letters of appreciation to the Chancellor and to the President of the University. Included in the letters were the following comments:

...we have had sufficient time to initiate some of the proposed suggestions and have found them to be very effective.

- a great service was rendered which gathered unbiased information that was beneficial in present and future planning.
- the monetary saving was significant and appreciated.

In summary, the evaluations of the course prepared by the clients and students clearly indicated that the goals of the course were met.

CONCLUSIONS

Undergraduate consulting practicum courses directed by business professors may be very successful experiences and significantly aid in "capstone" learning. However, several caveats are crucial:

1. Students enrolled in the course must be selected with care. They must have integrity, be bright, personable, write well, and work well in small groups.
2. Clients need to be selected with care; they must be assured of confidentiality and be willing to provide students with information which is needed to solve the problems.
3. The professor must be prepared to spend extensive amounts of unexpected time "monitoring" student consulting groups and individual students--keeping them ~ target", and soothing over hurt feelings from group criticism of ideas.
4. Since no fees are assessed to clients, some funds are needed to cover the out of pocket expenses of the students and the professor.
5. Students need to provide the professor with an open ended course evaluation to reinforce their own learning, and with the assumption these evaluations will be positive, they should be used as information for future students, clients, and university support.

The following syllabus outlines the process and content of

the course.

SYLLABUS UNIVERSITY OF HOUSTON-VICTORIA BUSINESS ADMINISTRATION DIVISION

COURSE: MANAGEMENT 4300 MANAGEMENT CONSULTING PRACTICUM

PREREQUISITES: PERMISSION OF THE PROFESSOR

SEMESTER: SUMMER, 1982

DAY/TIME: MONDAY, TUESDAY, WEDNESDAY, THURSDAY
9:55-12:10

PROFESSOR: DR. LEBRENZ

OFFICE-3402 N. BEN WILSON, VICTORIA, TX

PHONE: 512-576-3151

RESIDENCE-501 SHERWOOD DRIVE, VICTORIA, TX

PHONE: 512-578-4805

Course Description:

The introductory portion of this course will have students analyze the basic objectives of business managers including accounting, economics, financial, marketing and personnel functions. Cases will be used to identify problems, specify alternatives, and prescribe solutions in simulative fashion. Student consulting teams will be assigned to business firms. The assigned team will visit with the firm's managers and be presented with an actual current business problem facing the firm's management. The consulting team will spend time at the firm reviewing the firm's operation, in light of its problem(s), prepare alternative proposals, discuss these with the firm, and finally present a recommendation to solve the problem.

Required Materials:

Steinhoff, Small Business Management Fundamentals, 3rd. edition, McGraw Hill Book Company, 1982.

Course Grade:

Exam	20%
Average of all graded homework	10%
Diary	30%
Client reports	40%

NOTE: CLASS ATTENDANCE IS MANDATORY

BIBLIOGRAPHY

1. Bermont, Hubert Ingram, How To Become A Successful Consultant In Your Own Field (Bermont Books, 1978).
2. Fuchs, Jerome H., Making The Most of Management Consulting Services (Amacom, 1975).
3. Hunt, Alfred, The Management Consultant (Ronald Press Co., 1977).
4. Klein, Howard J., Other People's Business: A Primer On Management Consultants (Mason/Charter, 1977).
5. Levoy, Robert P., The Successful Professional Practice (Prentice-Hall, 1978).
6. Lippitt, Gordon L., The Consulting Process in Action (University Associates, 1977).

Developments in Business Simulation & Experiential Exercises, Volume 10, 1983

CLASS #	DATE	ACTIVITY
1	Monday 6/7/82	A) Introduction to course objectives, procedures requirements, and evaluation. B) Signing of personal confidentiality agreement. C) The consulting process. D) Sample client problems/cases.
<u>Assignment for next class:</u> Read Steinhoff Chps. 1,2,3,4,5, and Appendix One. <u>Write up answers</u> to Questions Chp. 1:7, 8,9,12 and Project Chp. 2:1 <u>Prepare to discuss:</u> Q Chp 2: 2,9; Q Chp 3: 3, 9,10,11,12,15; Q Chp 4: 6,11 Project Chp 4:1 Case #1 - Customer Relations Case #2 - Independent Grocer		
2	Tuesday 6/8/82	Discuss Assignment Discuss Handout Case
<u>Assignment for next class:</u> Write up Handout Case, Read Chps. 6,8,9,10,11 and 12. <u>Prepare to discuss</u> during next class: Chp 6: Q 1,3,5,6, and 8; Chp 6: Project 2 Chp 8: Q 6,9,10; Chp 9: Q 4,5,7,8; Chp 10: Q 3,4,5,6,8,14; Chp 11: Q 3,5,6,9; Chp 12: Q 2,3,4,6,11,12; Chp 12: P 2		
3	Wednesday 6/9/82	Discuss Chps 6-12
<u>Assignment for next class:</u> Read Chps 13,14,15,16,17,18 <u>Turn in Case #5 Operating Expense</u> <u>Discuss:</u> Chp 13: Q 1,2,5,9,10,11,13; Chp 14: Q 3,5,8,; Chp 15: Q 2,4; Chp 16: Q 2,3; Chp 17: Q 2,4,7,13,15; Chp 18: Q 9		
4	Thursday 6/10/82	Discuss assigned questions Review cases
<u>Assignment for next class:</u> Read Chps 19,20,21,27,28 and 30 <u>Prepare to discuss:</u> Chp 19: Q 2,5,12,14; Chp 20: Q 3,4,5,9; Chp 21: Q 2,4,5,10; Chp 27: Q 2,3; Chp 28: Q 2		
5	Monday 6/14/82	Discuss Assigned Reading Review case process
6	Tuesday 6/15/82	a) EXAM - Steinhoff b) Begin Client Assignments

7-19 Wednesday 6/16/82 through Thursday 7/8/82

I. Schedule

- A. Set up appointments and visit (off-campus) client firm to review problems and other data needed.
- B. Regroup on campus to analyze problem(s) and data and determine alternatives.
- C. Revisit client firm to confirm understanding of problem, review data analysis and discuss progress of problem's resolution.

- D. Regroup on campus to analyze client firm's problem and prepare a suggested solution/recommendation.
- E. Revisit client firm, present recommendation, and review its implementation with client.
- F. Prepare a written report summarizing Activities A-E and note expected method of evaluating proposed solution with copy to client and professor.

II. Caveats

- A. All students will sign a letter of confidentiality.
- B. Appropriate dress is required for off campus public visits.
- C. Students will keep diary of all activities.
- D. Grades will be determined for each student based upon class participation in Part I, evaluation of contribution to group (I. B-F), and diary evaluation. (II. C)
- E. No fees/salaries will be paid to student consultants -- this is a learning and community service course.

PERSONAL CONFIDENTIALITY AGREEMENT

I, _____ understand that enrollment in MGT 4300-Management Consulting Practicum with Dr. Lebrez during Summer, 1982 requires me to potentially be exposed to confidential private records and other private data from client sources. As a condition of enrollment in the MGT 4300 course I agree to the following:

1. Without client permission, I will never discuss any specific client's information except during meetings with other members of the course and only during the course June 7, 1982 through July 8, 1982.
2. I will never reveal to anyone who is not enrolled in the class the name of clients or any client information obtained during this course.
3. All information from and/or concerning clients will be treated with absolute security to prevent unauthorized persons from learning about that information.
4. I understand that violation of any of the rules of this course may result in automatic withdrawal from the course by Dr. Lebrez and potential personal civil liability from clients.

I, _____ agree to and accept all of the above requirements and consequences.

(legal signature) (date)

(print name here)

REFERENCES

- [1] Giquque, William C., "Taking The Classroom into Reality: A Field Consulting Experience for MBA's", Interfaces, Vol. 10, 1980, pp 1-10.
- [2] Horovitz, Bruce, "Advice a CEO Likes to Get", Industry Week, Vol. 203, 1979, pp 79-82.
- [3] Kilman, Ralph H., "Designing and Developing a 'Real' Organization in the Classroom", Academy of Management Journal, Vol. 18, 1975, pp 143-148.
- [4] Lacey, James D. and Norman C. Licht, "Culminating Experience: A Tool in Management Training", Training and Development Journal, Vol. 34, 1980, pp 88-90.
- [5] Soloman, George T., "Is the SM Helping?", Journal of Small Business Management, Vol. 13, 1975, pp 10-11

Developments in Business Simulation & Experiential Exercises, Volume 10, 1983

- [6] Welch, Joe, David Gordon, and Dave Halper, "A Methodology for Business Consulting in the Graduate Classroom", Collegiate News and Views, Vol. 31, 1977, pp 11-13.