

The Campus Consultant

More Firms Turn to Business Schools for Timely Solutions

By [DIANA MIDDLETON](#)

When Philips Global wanted to transform its brand from technology-focused to a more customer-centered identity, the effort started internally. But even after writing a new brand message and rolling out a campaign about its value to customers, the effort was stalling inside the company, says Geert van Kuyck, the chief marketing officer of Philips.

"You can talk about a change, [but] it is quite challenging for an existing culture and management team to adapt to it in a fundamental fashion," Mr. van Kuyck says.

To get executive buy-in, the Amsterdam-based firm didn't go to a brand strategy firm or a consulting company—typically the norm for such a mission. Instead, the company went to the University of Chicago's Booth School of Business.

A small but growing number of companies say they are eschewing consulting and advertising firms and turning to executive-education programs for timely real-life solutions to their problems. Companies say they get the same quality of service, broad intellectual insights and deeper executive involvement—with a price tag much lower than that of a consulting firm.

For Philips, it was critical for the executive team to understand the linkage between branding and business results on an academic level, says Mr. van Kuyck. "Senior executives have seen it all—they've done the consulting thing," he says. "Marketing and branding has a reputation for being mumbo jumbo, and we needed a level of credibility and intellectual honesty that would allow this type of program to succeed. It's hard to do that with just another consultant."

For three days, the school's professors took 200 Philips executives from around the globe on tours of corporate outposts and chains in the Chicago area, including [Starbucks](#) shops and Four Seasons hotels, to illustrate how companies work to enhance their brand. The executives then engaged in role-playing exercises to illustrate what they observed and suss out how the lessons applied to Philips.

"What separates us from pure consulting companies is that we don't assign clients to an employee and just send them in," says Michael Malefakis, director of executive education at Chicago.

The school takes on clients only if the faculty members are interested in the project or if it is relevant to their research and if they are willing to work with the company on follow-up. Simple training programs are rejected in favor of programs that faculty members co-create with the client's senior executives.

What's more, while a consulting firm may charge \$500,000—and in some cases more—for a branding strategy, business schools' fees range from \$20,000 to \$40,000 per day, plus travel, with most programs lasting a few days. Some marquee schools command a slightly higher price.

The intellectual capital a university offers is also a draw for corporations. The Wharton School at the University of Pennsylvania, well-known for its faculty research, often attracts pharmaceutical firms looking to manage multiple brands across the globe, says Judy McHugh, executive director of executive education at Wharton.

"These corporations are coming to a business school rather than a consulting firm because... we have experts across all fields, from strategy to marketing," she says.

At Babson College, a school known for its focus on entrepreneurship, custom consulting-like programs comprise 80% of the school's executive education portfolio. Innovation-focused programs are the flavor du jour for client companies, says Elaine Eisenman, dean of Babson's executive education.

Last year, Taco Inc., a 475-employee Rhode Island-based manufacturer of heating and cooling products, wanted to stimulate product innovation. The company considered hiring a consultant but decided instead on a customized program at Babson. The two-day program took Taco's 13-member executive operating committee to Babson's campus in Wellesley, Mass., and combined lectures with case studies and group projects, says Kyle Adamonis, senior vice president of Taco's human resources and legal departments.

"Innovation is a bit of a buzzword, but what it really boils down to is strategic thinking and comparing ourselves to our competitors," Ms. Adamonis says.

One group was tasked with devising new ways to use the company's existing motor technology. Another evaluated new consumer groups for the company to penetrate.

"We tend to do heating and cooling for water-powered systems, but we started thinking, 'What about air conditioning?'" says Ms. Adamonis. She says that brainstorm component was a big reason the company chose Babson as its provider. "Someone can come in and give you suggestions, but this got us out of the building and ready to think about the future," she adds.

Despite these successes, business-school administrators say they aren't heading for an all-out war for clients with consulting firms. Instead, they say they offer a different set of possibilities for customers who want a more hands-on, intellectual consulting experience.

"For companies with a finite amount of money and a business problem to solve, we can offer them direct involvement and a certain degree of control," says John Lankford, director of executive education for Carnegie Mellon University's Tepper School of Business.

Still, Joseph Benson, a principal and brand strategist at Brand Blueprint, a Watertown, Mass., branding firm, says that firms like his often pick up where schools leave off.

"At business schools, companies can learn about history and inherent power of brand strategy," Ms. Benson says. "But we take it to the next level."

That includes more detailed work, like developing color palettes and new logos or analyzing font families for visual messages, Mr. Benson says.

Of course, in some ways, consulting and school projects compete on the same level: Schools are being asked to prove their mettle with tangible return on investment, just as consulting firms must.

"The business schools' process is actually not dissimilar to ours," says Mark Lubkeman, a senior partner with The Boston Consulting Group. "The major difference is that some companies may want to bring the academic flavor into their company culture," Mr. Lubkeman says, adding that consulting firms also offer outsider objectivity, return-on-investment measures, and a high level of collaboration with the c-suite.

John F. Cady, director for executive education at the Kelley School of Business at Indiana University, says 20% of its clients elect an evaluation after a program. The follow-ups can last anywhere from a year to 18 months.

"We'll measure if a program boosts retention among high potentials, or if it helps attract new talent or boost productivity," Mr. Cady says.

Mr. van Kuyck says the return on investment for Philips was obvious.

"We're not just about making the best machine, he says. "We're about making it easier for nurses to do their jobs."

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