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## It's Good Advice, and the Price Is Right

By [ANNE FIELD](#)

As a general rule, you can't get something for nothing. But there are exceptions, as the people at Ironclad Performance Wear discovered three years ago. Since starting up in 1998, the company in El Segundo, Calif., had made a splash selling work gloves that incorporate technology and materials usually used for, say, mountain climbing. But, the company also knew that to fuel growth, it would need to expand into highly specialized new markets. How best to determine the next step?

The answer was to tap the insights of an unconventional group of consultants. Instead of approaching the usual high-ticket McKinsey types, the company's vice president for sales and marketing, Kent Pachl, decided to try another source: a course for M.B.A.'s taught at the Graziadio School of Business and Management at nearby [Pepperdine University](#). The course offered management consulting services to selected companies, free of charge.

After getting approval from the faculty, Mr. Pachl spent an hour explaining his problem to the class, which was divided into five teams. After 15 weeks, each group presented a proposal on what markets should be the company's focus and how to go about pursuing them.

After hearing their presentations, Mr. Pachl decided to further study two of the suggested industries — oil services and the military — and eventually, to go after them. Now, according to Mr. Pachl, about 10 percent of the company's \$7 million in revenue is from sales to those areas, and he expects that number to rise to 25 percent over the next two years. The experience was such a success, in fact, that, last spring, Mr. Pachl worked on another project with a Pepperdine class, this time analyzing the most effective ways to distribute a new line of apparel. "The program's cost savings have meant we can spend more on launching the product, and less on paying consultants," he said.

Ironclad is not the only small business to take advantage of such services. While no exact numbers exist, well over 100 of the 900 graduate business schools in the country include for-credit courses in which students provide consulting services to companies, according to John Fernandes, chief executive of AACSB International - Association to Advance Collegiate Schools

## of Business, in Tampa, Fla.

Not all the programs are free. But even the ones that come with a fee — the Kogod School of Business at American University, for example, charges companies \$5,000 — can be a godsend for time- and cash-short small businesses looking for a helping hand. M.B.A. students work on anything from creating a new business plan to tackling succession issues, providing resources that many businesses “simply wouldn’t have access to otherwise,” said Doreen Shanahan, Pepperdine’s Education to Business program director.

Why are so many M.B.A. schools doing this? Quite simply, the programs are a response to the wishes of employers who are looking to hire M.B.A.’s with more hands-on experience.

“Companies need graduates to hit the ground running, to be better able to apply business theory immediately,” Mr. Fernandes said.

At the same time, there’s no cookie-cutter model for these programs. At Pepperdine, for example, as Mr. Pachl discovered, there’s a competition, in which students all tackle a problem faced by the same company, dividing up into teams to devise a proposal. It is also a required course. On the other hand, American University has an elective, in which faculty members choose companies to work with, then advertise each project to students and select teams from applicants.

Occasionally, projects also develop from a professor’s particular areas of interest. Four years ago, David Gay, a professor of economics at the Sam M. Walton College of Business Administration at the [University of Arkansas](#), who studies the economics of the wine industry, decided the wineries in the area would make a good consulting project. So, he approached the Arkansas Wine Producers’ Council, a group of five small family-owned wineries, about using his class to study how the industry could attract more tourism.

The companies agreed, and Professor Gay then worked with his students to divide the assignment into small pieces: marketing, legal issues, technology and the like. At the end of the semester, the class made a final presentation to the consortium, with suggestions ranging from starting a Web site to using so-called neck holders on bottles, with information about each wine.

In most cases, faculty or program administrators start off by working with companies to fine-tune the focus of the project. That is especially important for small businesses, according to the schools. “They’re so stretched on multiple levels, they often come to us with extremely broad requests,” said Robert Krapfel, associate professor of marketing at the Robert H. Smith School of Business at the [University of Maryland](#). “My job is to home in and narrow the scope.”

Consider Travis Schneider, founder of a three-year-old company, StarBrand Media, in Pacific Palisades, Calif., which provides an online shopping source for fashions and other products featured in television shows and movies. Last spring, he worked with Pepperdine's program to devise a marketing strategy, focusing on how to make the brand more interesting to consumer-products companies. But, when he first approached the school, "He just told us, he wanted to grow revenues," Ms. Shanahan said. Through a series of meetings, the two came up with a more narrow focus.

Not every small business that wants to participate in these programs is appropriate, however. Take the University of Arkansas. Situated down the road from the headquarters of [Wal-Mart](#), it is surrounded by offices of major corporations, which provide the majority of the applicant pool. More important, participating businesses have to be facing a challenge appropriate for high-level analysis. In most cases, companies must also be past the start-up stage, with a product they have already brought to market.

Of course, there are downsides. A big one has to do with timing. "If a business needs advice tomorrow and it's springtime, they may be out of luck if the class isn't meeting until the fall," said James Nolen, senior lecturer in the finance department at the McCombs School of Business of the University of Texas at Austin. There's also the time commitment. Businesses have to be prepared to meet with students throughout the semester.

Another potential problem is the students' level of sophistication. Even those with a few years of work under their belt probably lack the experience and industry knowledge of a more conventional consultant.

Still, there are ways around some of these issues. To streamline the process, for example, a team usually picks one student to be the leader, responsible for funneling questions to a point person at the company.

Daniel Abraham took another tack. Mr. Abraham is the chief executive of Fortius One, a one-year-old firm based in Washington that provides analysis for business decisions involving geography. He recently worked with a team of students at the University of Maryland to study which of six specific vertical markets the company should enter. To make sure the students were as focused as possible, he kicked off the project by developing separate mission statements laying out the needs that each market had to address.

"If I didn't do that, I think it might have ended up being a waste of time," he said. Ultimately, according to Mr. Abraham, the students came up with many useful insights that helped the company decide which areas to focus on first.

Ultimately, many small businesses say the pros simply outweigh the cons. “We got some fresh ideas from a group of 20-somethings at a tremendous cost savings,” Mr. Pachl said. “I’ve already told the school, next time they’re looking for a new project to work on, we’ll do it again.”

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