

BOOT CAMP FOR

By Amanda Troy Segal

They've invaded the hotel lobby for two days now: young men in blue blazers, ruffling index cards and clearing throats; young women in gray flannel, arranging placards and practicing gestures; eighteen-year-olds of both sexes, sitting stiffly on soft couches, huddling around professors, nervously eyeing the executives that pass by. They whisper, "It's too late to worry now," "I'm sick of Interna-

tional Harvester," "I'm sick of wearing a tie," before disappearing into conference rooms marked A, B, and C. They reappear an hour later, hugging each other, looking dazed, or sounding indignant. "They knew we didn't have those figures," "I've got to call my Dad," "I wanted an A so badly," "Where's the bar?"

Welcome to the Skidmore Student-Executive Presentations 1983. The 200 students of BU107, the college's introductory business course, are here in Saratoga Springs, New York, to propose solutions to a Harvard Business School case—this year, the case of International Harvester. The students each have been assigned the role of adviser to Archie McCardell in 1977,

when he was IH's prospective new president. In teams of four, they present their solutions to the company's various crises before guest executives, who play IH's board of directors. The "board" evaluates the recommendations as they would those of professional management consultants. But this is no mere exercise in "Let's Pretend": The grade every team receives will constitute 25 percent of each member's course mark.

University education has changed since the days when an executive-to-be grappled with the Big Picture in her ivied, ivory tower, vaguely wondering how a class in Molière was going to qualify her for a career in retail. Today management-minded

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Company PR at its best: Merrill Lynch managers arrive by helicopter (top), and solemn executives judge a presentation (below). Was it all worth it? A tense group receives the grade their work has netted: B+ (right).



BUSINESS

In which Skidmore students are drilled, grilled, & goaded to fight the good corporate fight.

students are more likely to be assigned an analysis of General Electric's expansion potential. What an enterprising woman once had to learn on her own is now part of official curricula; business courses like Foundations of Marketing and Capital Resource Allocation are offered at even the most humanities-oriented of institutions. Yet BU107 is special—harder and more nuts-and-bolts. Nowhere else will undergraduates receive such a powerful dose of corporate culture as they mingle with—and are judged by—top executives from General Foods, Travelers Insurance, Merrill Lynch, and other major companies.

For a traditional liberal arts college

such as Skidmore to harbor a tough business course like this harks back to the school's original heritage. The college began life in 1903 as the Young Women's Industrial Club of Saratoga Springs. "Industrial" meant the culinary and millinery arts, along with a little of that newfangled typing and shorthand. From this beginning, Skidmore (as it was rechristened in 1911) "followed the sociological phenomenon of women in business," says student-executive presentations coordinator Colleen Burke. With the spur of coeducation in 1971, the department's focus became less secretarial and more managerial; the last steno course disappeared in 1975. Business is now the largest department at Skidmore, one that "has touched the whole college," says junior Martha Seidner. "There's always some group at the Spa [the student union] studying cases." The department instituted the case-study method of training as part of an overall revamping two years ago. BU107, the crown jewel of the restructured department, is attended by business- and arts-oriented students alike.

The fall 1983 case transported participants back to what were dark days for International Harvester, a time when the company was viewed as a dinosaur teetering on the edge of extinction. Since the 1950s, competitors like Deere, Caterpillar, GE, and Ford had been eating into IH's share of the agriculture, construction, and trucking equipment markets. IH responded with a desperate catch-up philosophy, cutting back on quality control and research-and-development outlays. By the late seventies, severe capital constraints and excessive labor costs had crippled the company's ability to compete for markets. Its investment rating had dropped sharply. And although McCardell's predecessor had accomplished some effective reorganization, upper management still seemed to possess too much of the short-term perspective when it came to strategic planning.

Earnest, corporate, and very, very young: Tracey Watson speaks her piece.

The students, most of whom are freshmen, received this case and their group assignments in September. In October the teams began meeting to map out their presentations and to do research—reading the company's annual reports, studying the industry, following International Harvester in the newspapers and magazines, and talking to investment counselors and IH dealers. By November preparations were full speed ahead, with groups rehearsing three hours a day, seven days a week. The presentations animated many a Thanksgiving dinner table, as parents freely recommended remedies for the troubled company. One freshman, who "about had a heart attack" upon reading the case, consulted his father, a stock analyst, and then watched him ruminate all weekend. Finally, the father announced he had the answer. The son grabbed a pen, flipped open a notebook, and sat poised to write. "You have two options," the analyst declared. "One: Bring in the Mafia,



blow up the plants, and collect the insurance. Two: Pull a John DeLorean. But don't get caught, son."

Quite simply, the presentations dominate a student's semester. Although the executives must study, too (many were unfamiliar with the particulars of the IH saga), they have the unmistakable edge of their years in the field. When a student walks into the simulated boardroom to give her pitch, she has had 36 hours of business classes—less than a full work week.

At 8:30 A.M. on the first day of this year's presentations, some 34 executives gather in one of the Gideon Putnam Hotel's conference rooms for coffee and orientation. They watch two video tapes—the first, of a jaunty Archie McCardell, speaking at Harvard Business School in 1980, when he'd been at IH for three years; the second, of a chastened Archie McCardell, in 1982, when he'd just been ousted. Then they hear a lecture regarding their duty vis-à-vis the students. "What we're asking you to look at," explains coordinator Burke, "is not the effort, not what went into it, not how hard they tried, but the presentation's impact on you. Did it work or didn't it work?" She goes on to explain grading guidelines: "If their ideas make you reach for your wallet, it's an A; if you think about reaching but hesitate—B; if you don't even think about it—C; and if they wasted your valuable office time—D or F."

The executives will be shuffled and reshuffled throughout the two days into teams of three or four; no two student groups ever face the exact same bunch. "For those of you who haven't done this before, your first

group of the day will be the hardest," cautions Burke. She picked International Harvester for the case this year, she says, because "it's a good operational-behavior case that also has plenty of figures." And she picked the hotel (instead of the campus) for the site because "it feels more adult."

Meanwhile, across the hall, one of the first student groups—scheduled for 9:00 A.M.—rehearses in an empty room. The two young men and two young women recite facts of "capital starvation" (dwindling funds) and "benign office culture" (nice work atmosphere), their outlines written on ruled paper that's been ripped out of notebooks. They break off frequently—whenever a stranger enters or to argue among themselves, their flat, read-aloud voices growing higher. They look earnest, corporate, and very, very young. Finally, they snap the folders shut. "All right," sighs one. "Let's go get 'em."

At 9:30 A.M. (things are running a little late) the four sit facing two men and one woman across a table full of water glasses and legal pads. Initially stiff with self-consciousness, the students slowly warm up, trying not to react to the examiners' furious note-taking. In the question period that follows, they seem slightly flustered by the attacks on their recommendations. When one student suggests a stock split, thinking the increased trading will augment revenues, a securities analyst snaps, "Do you know what that'll do to the market value?" An executive in the trucking industry

explains at length why converting to diesel engines, another of the group's proposals, isn't that cost-efficient: "They only pay off after 100,000 miles. That may work with cross-country trucks—but it won't help your tractors and school buses much." For twenty minutes, the executives continue to probe, propose, and lecture a bit.

At 10:15 the team is ushered into the hall to wait while their performance is graded. A quick postmortem ensues: "I said everything backwards." "He kept asking about the rate of depreciation! Who knew about depreciation?" They are recalled, and at 10:30 they reemerge, smiling, but a little crestfallen over the grade of B. "Everyone said we'd get an A." "I think being first hurt us."

In another conference room, a different group—this one composed of four young women—begins its report. "We could have advocated a more radical course," says the team spokeswoman: "Discontinue the loss leader Scout van, sell off the volatile construction division. But we believe IH is a stable enough company to handle a more gradual approach." The group smoothly coordinates the visuals and the orals: One student changes placards as another talks. They recommend simplifying the executive chain of command and issuing stock to employees in compensation for a 2 percent wage cut. Warns one of the judges, a personnel manager: "It'll be tough, putting that pay cut to the unions." "Yeah, but we can do it,"



Jennifer Berkun flips through her notes (above). At right, examiners deliberate over a grade: C+ or B-?

