



DAN SEARS '74

Stop Being Academic and Start Getting Real

'A project like this certainly gives you a great sense of what the consulting world is about, the discipline and rigor needed to solve problems.'
Michael Flaherty

Lumber company president John Beard first responded with a shrug last spring when UNC's Kenan-Flagler Business School offered to lend him a team of MBA students to do a free research project.

"I had been involved with a practicum before, back in 1996 and 1998, which was just OK," says the head of 74-year-old Greensboro-based E. N. Beard Hardwood Lumber Inc., a \$17 million company. "They gave me two or three students who made some recommendations. It was all kind of loosely organized. So I was skeptical."

But the more Beard learned, the sweeter it sounded, being the pilot client for the school's new Leadership Practicum: Students would help Beard find a new export market for his company's kiln-dried hardwoods. That was crucial to the company's long-term survival, because his main customer, the state's furniture-making industry, is shrinking.

Beard learned the N.C. Department of

Commerce was on board, ready to give the students access to its foreign trade representatives. And a retired managing partner from global management consulting firm Booz Allen Hamilton would guide the students — Carolina adjunct B-school Professor Edward Cornet. A firm such as Booz Allen would have charged hundreds of thousands of dollars for its services, if it even would have considered working with a company as small as Beard Hardwood.

"This was F-R-E-E," Beard says, smiling.

But in fact, the students' work *has* been worth hundreds of thousands of dollars. They developed a plan for exporting Beard's poplar and white oak lumber to Mexican furniture builders. The company did as they suggested, and the move generated more than \$200,000 in new business last year, plus a projected half-million dollars more this year.

"We have been able to preserve jobs — and we're really looking to the export market as where our growth will be," Beard

Kristin Bryant, who expects to complete her MBA this year, leads a team that is helping a North Carolina mattress producer market a new premium line to Europe. Here, Bryant makes a presentation at a meeting in Mebane.

said. "I pay my fair share of taxes, and I think this is a good example of our state government — not just the Department of Commerce and the Department of Agriculture — but the University helping out an existing business."

This semester, the practicum's gotten much bigger. A dozen teams of students are helping North Carolina companies, with many of the veterans of the Beard Hardwood project acting as team leaders.

Kristin Bryant, who's expecting to complete her MBA this year, is helping a North Carolina mattress producer market a new premium line to Europe. (The client companies' names and the details of the in-progress projects are being kept confidential.)

"I've had such a great experience," Bryant said. "It will be one of the most valuable things I've done at Kenan-Flagler. That's why I came back this year to be a leader."

She's already accepted a job offer from Maryland's STI Consulting. "During my interviews I was able to talk about the experience I gained through the project with strategy, leadership and financial analysis."

Student Michael Flaherty is working with a team of students to help a flower distributor facing competition from cheap, imported flowers, while its independent store customers lose business to 1-800-FLOWERS and online florists.

"A project like this certainly gives you a great sense of what the consulting world is about, the discipline and rigor needed to solve problems," Flaherty said. "Very rarely at this stage in our careers do people have the chance to work with someone like Ed Cornet, who held such a high position in one of the top management consulting firms. You're getting a lot of attention, building a lot of relationships."

A team of MBA students is helping a medical device startup with strong UNC ties launch its first product, led by a student who got a job offer from the consulting and finance advisory firm Deloitte while working on the Beard project. And other teams have clients in the grocery, yarn, pharmaceutical, nanotechnology, wireless phone and auto parts industries.

The business school has been pushing to make students more entrepreneurial, to encourage them to pull together resources toward a goal and to work in collaboration. And that's how the practicum came into being.

In fall 2004, Bryant and other members of the student Leadership Club began talking about how they could gain management and leadership experience along with their MBAs. They approached K-F Associate Dean Valarie Zeithaml. The school was talking with the state's commerce department about a partnership, and Cornet and faculty colleagues in Kenan-Flagler's MBA program had been saying the school should differentiate itself by sending its MBAs into business with more real-project experience.

"It was a perfect storm," Cornet says. "A convergence from three fronts."

Cornet said he's been impressed with the quality of the students' analysis; even he wasn't certain at first that the companies would benefit as much from the students' efforts as the students would. But picking smaller companies has ensured their work is valued.

"In the right companies, these projects are conducted side by side with company leaders, who usually don't have this kind of training or discipline," Cornet said. He's also been careful to make sure the scope of each project is narrow enough for the students to make real progress. For instance, instead of analyzing four possible export markets for Beard, he led the team to focus only on whether Mexico was feasible.

"It's 25 percent of the students' course load over the semester, so it equals a monthlong typical consulting project spread over five months," he said. Students do most of the work on campus, with a few visits to client companies.

"We jumped on this," said Peter Cunningham, director of the international trade division at the commerce department, whose Mexican trade representatives helped identify target customers for Beard Hardwood. "It's very powerful. This is a resource that's of great interest to North Carolina companies."

— Bryan Gilmer



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