

TRIANGLE BUSINESS JOURNAL

March 10, 2006

UNC MBAs helping steer young companies

By Michael Wagner

CHAPEL HILL — Boosting sales by \$250,000 in a year's time, in a market that he'd never even thought about, wasn't a bad return for John Beard. That's especially true when it's considered that all it cost him was a little gas money to drive from Greensboro to Chapel Hill a couple of times.

The brain trust behind Beard Hardwoods' latest exporting strategy to furniture makers in neighboring Mexico was a handful of MBA students - eager for some hands-on experience - at the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill.



Beard

In a pilot effort last year, a team of MBA students took about four months to construct a market survey and plan of action for Beard and his refined lumber company in Greensboro. Now he's on track to boost revenue by more than \$1 million next year.

"Going from zero to \$250,000 in sales in a year's time - well, it far exceeded what we expected out of the program," says Beard. "We were really pleasantly surprised."

Now, backed by a \$250,000 grant from the Golden LEAF Foundation, the idea is to take the MBA outreach program statewide. It was developed by professor Ed Cornet, a former managing partner at Booz Allen Hamilton.

Already, the "Leadership Practicum"

(Cornet admits they need a catchier moniker) is working with 12 companies identified through the state Department of Commerce. Next year, he hopes to increase the number to 24.

The Golden LEAF grant is to help pay for the faculty to supervise programs for 20 companies over two years. "There's heavy involvement of faculty to coach the students," Cornet says. "We teach them how to do the consulting work, how to break down the problem, work with a client, facilitate meetings."

The idea is not to take consulting business away from private-sector firms, he emphasizes. The goal is to help smaller businesses - a mid-range company has about \$20 million in sales, Cornet says - that otherwise wouldn't have the means to look beyond U.S. shores to expand their markets.

"This is one of those types of projects where we can add value to business activities and to local economies," says Valeria Lee, president of the Golden LEAF Foundation. "When there is that type of opportunity, we're pleased to be a part of it."

The companies are first identified through the DOC. Peter Cunningham, director of the International Trade Division, vets projects before passing them on to UNC, looking first and foremost for those that are realistic for students to tackle.

Cunningham says the idea for the program came from Kenan-Flagler Dean Steve Jones. He wanted to target seven industry sectors that have been struggling in the state: textiles, automotive, plastics, chemicals, biotechnology, information technology and

'WE WERE
REALLY PLEASANTLY
SURPRISED.'

JOHN BEARD
BEARD HARDWOODS

telecommunications. "We view this MBA project almost as a service that we're offering," Cunningham says. "We're trying to do in-depth market research and analysis to help them expand overseas."

Duke University, which runs a similar program through its Fuqua School of Business, charges about \$10,000 per project. "This is kind of an in-kind contribution from the state," Cunningham says of the UNC program.

It's difficult to say how much in annual sales the project could generate statewide. But most agree that it could be significant and plants the seeds to expand over time. "We like to measure this in terms of jobs created, jobs saved from being lost, extra tax revenues that are generated," Cunningham says.

Cornet says non-disclosure agreements with the companies prevents him from naming clients. But he says the roster is diverse - a yarn manufacturer, biotechnology and nanotechnology firms, a pharmaceutical company, and, in an unusual type of project, a Durham-based housing and community development organization.

Reprinted with permission from the *Triangle Business Journal*. ©2005, all rights reserved. Reprinted by Scoop ReprintSource 1-800-767-3263



UNC
KENAN-FLAGLER
BUSINESS SCHOOL

For information contact: Lynne Gerber, Program Administrator • 919-962-2684 • lynne_gerber@unc.edu