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Going All In

By Jon Reidel

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The University of Vermont revamps its MBA program to focus on a single topic: sustainability. How and why did it make the decision?

When Sanjay Sharma began his new job as dean of the School of Business Administration at the University of Vermont in Burlington, he knew his first order of business would likely define his deanship. He needed to scrap a traditional 38-year-old MBA program and replace it with an entirely new model that addressed 21st-century business challenges.

The school's previous MBA program had been designed in the early 1970s for mid-level managers at area companies such as IBM, General Dynamics, and GE Healthcare—but by 2011, when Sharma arrived, those participants were a dying breed. IBM had gone from a peak of 8,500 employees in 2001 to about 4,000; GE Healthcare purged 10 percent of its workforce in 2012. With such a limited pool of potential students, says Sharma, “it was not financially viable to run a 45-credit program.”

The school initially concentrated on improving the old program, which was marketed to local residents and UVM employees who wanted to earn their MBAs in the evenings. But without the additional students from major local companies, the program couldn't attract significant numbers. “The future looked bleak,” says Sharma.

To determine how to revamp the MBA, Sharma convened an ad hoc committee that analyzed other programs, conducted an internal review, and interviewed business leaders to discover what they wanted from graduates. Eventually Sharma and his team decided that they should develop a specialized program focused on the world's greatest sustainability challenges, as well as related issues such as the environment, ethics, poverty, and inequality.

Sharma had a deep interest in the topic: His scholarship explores environmental strategy and corporate sustainability, and he authored the book *Competing for a Sustainable World*. But he knew it was risky to launch a program with such a defined specialty. “As a faculty member, I loved the idea of focusing on sustainability, but as a dean I was wondering if we would attract enough students,” says Sharma. “Philosophically, I believed in it, but I just didn't know if it would work.”

Nonetheless, in the fall of 2014, Sharma and his team launched the one-year Sustainable Entrepreneurship MBA program, or SEMBA, by turning the broad outlines of an idea into a carefully crafted new program.

STAR POWER

Sharma's first step was to recruit Stuart Hart, a leading authority on the ways poverty and the environment affect business strategy. Hart's 1995 article “A Natural Resource-Based View of the Firm” is the most highly-cited academic work in the field of sustainable enterprise, while “Beyond Greening: Strategies for a Sustainable World” won the McKinsey Award for Best Article in the *Harvard Business Review* in 1997.

“He's the equivalent of Michael Jordan in basketball,” says Sharma. “He's a superstar in his field and puts us at the forefront of business sustainability.” Sharma reasoned that Hart's presence would give the program instant credibility and attract other top-flight scholars.

“If you open up a saddlebag, it might have some cool stuff inside, but if you take the saddlebag off the horse, you still have the same horse. You haven't fundamentally altered the animal. We're trying to alter the animal.”
— Stuart Hart

Hart also had extensive experience in starting similar programs: At the University of Michigan, he developed the Corporate Environmental Management Program, a joint effort between the Ross School of Business and the School of Natural Resources; at the University of North Carolina, he created the Center for Sustainable Enterprise; and at Cornell University, he developed the Center for Sustainable Global Enterprise.

For UVM, Hart had something different in mind from those previous initiatives, which he refers to as “saddlebag” programs. “If you open up a saddlebag, it might have some cool stuff inside, but if you take the saddlebag off the horse, you still have the same horse,” he explains. “You haven’t fundamentally altered the animal. We’re trying to alter the animal.”

DEEP FACULTY EXPERTISE

To strengthen the program even further, Sharma recruited additional top faculty members, funding some of their appointments through a large donation from alumnus Steven Grossman. Grossman’s gift covered the creation of three endowed chairs: one in sustainable business, which went to Hart; one in finance, which went to Charles Schnitzlein; and one in entrepreneurship, which was filled by Erik Monsen.

Sharma also was able to pull in existing faculty. While some felt they didn’t have relevant expertise and chose to stick with teaching in the undergraduate program, close to half came on board for SEMBA. Associate professor David Jones, whose scholarship focuses on how workers respond to an organization’s socially and environmentally responsible business practices, was named co-director of the program along with Hart. Longtime faculty member William Cats-Baril, an associate professor for information and decision sciences, became the inaugural SEMBA director.

Other professors joined SEMBA from the university’s Rubenstein School of Environment and Natural Resources, Gund Institute for Ecological Economics, Department of Community Development and Applied Economics, and Vermont Law School. The multidisciplinary nature of SEMBA’s faculty enriched the program, says Sharma, and helped it gain acceptance across campus.

SUSTAINABLE CORE

With the faculty in place, the next challenge was to design the program itself. Co-director Jones conducted extensive research on MBA programs across the U.S. and concentrated on developing a distinctive position for SEMBA. The initial curriculum was mapped out by committees that reported to faculty during each segment of the design phase. That initial design later was refined by Hart and Cats-Baril and approved by faculty.

They created a program that was unconventional, consisting of four eight-week modules composed of shorter, intense courses worth varying credits. It emphasized the triple bottom line of people, planet, and profits. Topics included world challenges, business strategy for a sustainable world, sustainable operations, leadership for transformation, and finance for innovators. To keep sustainability at the forefront of every course, Hart led workshops about how to integrate it into various disciplines.

Not unexpectedly, that worked better in some courses than others. Faculty met at the end of each module to discuss tactics. At the end of the first year, they went on a retreat to explore the techniques they had used and identify where gaps still existed. Says Hart, “It has been a series of process interventions that have helped build up a core team of business professors, as well as an outside team of faculty from other disciplines.”

REAL-WORLD INSIGHTS

A hallmark of the program is its three-month practicum, in which students go around the world to work with companies like Keurig Green Mountain (formerly Green Mountain Roasters), Burton, Novelis, PepsiCo, Ben & Jerry's, Novo Nordisk, Casella Waste Systems, AllEarth Renewables, Cabot Creamery, FreshTracks Capital LP, Seventh Generation, and Vermont Energy Investment Corporation.

During the practicum, two- and three-person teams create a venture plan by starting a sustainable business, expanding an existing one, or working within a corporation that's addressing sustainability issues somewhere in the world. For instance, in the 2014-2015 school year, some students worked with PepsiCo in Guatemala to develop a new business focus around affordable nutrition. Others partnered with a private equity firm in New York to create an investment platform focused on sustainable businesses; still others helped Novo Nordisk in Africa create solutions around inclusive health. At the end of the practicum, students delivered a detailed action plan for their sponsoring organization, pitching it to a panel of executives, entrepreneurs, and financiers.

During its first year, the program also incorporated original case studies based on real-life examples provided by SEMBA's industry partners. For example, Novelis, the largest rolled aluminum company in the world, made the decision to stop using bauxite and start making aluminum out of already existing aluminum. This "total corporate transformation," as Hart calls it, resulted in a 95 percent reduction in energy use and greenhouse gas emissions.

To teach the Novelis case in their classes, SEMBA faculty looked at it from multiple angles. "Faculty from different disciplines talked about the same case, which had a knitting effect that helped them all understand it," says Hart.

"Leadership is the only true competitive advantage that a company or an organization has. Everything else can be duplicated by your competitors. These are the skills we teach in this program." — Joe Fusco, Casella Waste Systems

SEMBA also was designed so that leaders from its industry partners could teach courses, serve on the board of advisors, and mentor students. In addition, the school brought in more than ten executives in residence—both executives and entrepreneurs—to offer students practical insights into leading a sustainably focused business.

"There's a framework and set of beliefs around how you lead a value-creating enterprise sustainably and entrepreneurially in a way that unlocks human potential," says Casella Waste Systems' vice president Joe Fusco, who teaches a leadership course. "The definition of leadership today is liberating people around you to solve problems at a masterful level. Today's and tomorrow's problems call for a leadership approach that is willing to abandon top-down, command-and-control problem solving. The old approach asked you to manage one capital—financial capital. The new approach says you have to manage a lot of different capitals—people, finite resources from the Earth, financial capital, social capital, and asset capital. Leadership is the only true competitive advantage that a company or an organization has. Everything else can be duplicated by your competitors. These are the skills we teach in this program."

JOB READY

With real-world experience and deep knowledge of sustainability issues, SEMBA graduates are poised to fill a niche, says Hart. “Companies need people who can set up profitable businesses in sustainable domains that address sustainability issues such as clean energy, clean water, climate change, education, and healthcare,” he says.

In fact, Hart predicts that about half of the SEMBA graduates will end up in companies where they’ve completed practicums—while the remainder will launch startups. What he doesn’t expect to see is UVM’s students taking traditional jobs in marketing, investment banking, or corporate finance. Instead, they’ll be entrepreneurs and change makers. “They’ll launch new ventures that are inherently clean or that are serving the poor, or they’ll work at corporations like PepsiCo that are undergoing transformation,” he says. “Those are our sweet spots.”

Fusco believes corporations need problem solvers who know how to create value in a world with constrained resources—not “people who are great at manipulating spreadsheets.” He adds, “We have to reinvent the way businesses are imagined, led, and organized.”

ENTREPRENEURIAL BEGINNING

As the first cohort of SEMBA students graduated in May, Sharma and his colleagues reflected on the fact that they’re attempting to create the very thing they’re teaching their students how to build: an entrepreneurial business that is sustainable over time. Only one year in, the program still must prove that it can survive over the long haul.

“If you’re an entrepreneur, you don’t know if your enterprise is going to work, but that’s the nature of entrepreneurship,” says Hart. “You project yourself into the unknown, but that’s the only way that anything new and innovative ever happens. It’s far easier to do an incremental tweak of something that’s already there. It takes guts to start from scratch and go all in, and we’re all in.”

As with any startup, the first few years will be critical as the program learns what’s successful, refines its product, and builds its reputation. But Sharma is convinced that SEMBA is the right program for a business school to be offering in the 21st century. Businesses will be dealing with sustainability challenges, he says—“and they want graduates who know how to solve them.”

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SIDEBARS:

A SECOND PERSPECTIVE: The Customized MBA

When employers and prospective business students are asking for something different, it’s important to listen, says Marci Elliott, executive director of MBA programs at the University of Manitoba’s Asper School of Business in Winnipeg, Canada. Two years ago, when students asked for an MBA program that would cost less, could be finished more quickly, and could be customized to their personal interests, the Asper School decided to redesign its MBA program to suit.

In 2014, the Asper School introduced its new 60-hour MBA, in which the credits for the core curriculum have been reduced from 48 to 30 and those for electives have been increased from 12 to 30. Students now can take preparatory online boot camps in subjects like Excel and basic quantitative skills so they can be ready to complete the course content. Finally, they can qualify for up to 30 credit hours of course exemptions based on professional designations or on prior business courses in recognized programs. Students can take as little as 12 months or as long as six years to earn their degrees.

One of the biggest changes in the program is the addition of what the school calls “cross-pollinating courses.” Students can combine these courses to earn a concentration in marketing, finance, supply chain, or leadership and organizations. In addition, they can choose to pursue one of three specialized themes: international and emerging markets, sustainability, and entrepreneurship and innovation.

“When we asked employers and prospective students what kind of learning would be most important to them, they identified these three themes in particular,” says Elliott. “We’ve designed our courses and curriculum so that, if students take a functional concentration in, say, finance, they’ll cross all three of our themes, and if they take a thematic concentration, they’ll cross all functions.” Students will be paired with executive mentors in their fields of choice. All but those in the 12-month track participate in an international study trip and projects for local businesses.

So far, she says, the new format has paid off—its fall enrollment of 52 students will be its largest in years. Elliott hopes the school’s January 2016 intake will match the 20 students who enrolled during the spring intake. The design of the new Asper MBA, she adds, offers students the specialized training they asked for in a format that’s efficient and manageable for the school. “We don’t have a lot of money, so we don’t have the luxury of having multiple different programs,” Elliott says. “We had to be resourceful and offer everything all at once in a single MBA.”

FIRST CLASS

How do you attract students to a completely redesigned and deeply specialized program—especially if you have no marketing budget and minimal resources to promote it? At the University of Vermont, Sanjay Sharma and his staff relied on a new website, a grassroots email campaign, and their combined contacts.

Ultimately, the 50 applicants to their inaugural cohort included 20 from Vermont, 20 from other states, and 10 international students from as far away as Peru and Colombia. Among them were a doctor, an attorney, environmentalists, and managers of NGOs and nonprofits. The school eventually admitted 20 students who each had an average of 10 years of work experience.

These numbers weren’t too far off from those at the tail end of the previous program, which had averaged 15 enrolled students per year during its last five years. But those 15 students had been drawn from a combination of part-timers, full-timers, and UVM employees who didn’t pay tuition.

The inaugural SEMBA class could have been twice as big, Sharma notes, if administrators weren’t looking for applicants with three years of managerial experience. “But we wanted to bring in a high-quality first-year class,” he says. He’s also expecting the program to grow: His goal is to enroll 50 students by the third or fourth year.

Students who signed up for the program in its first year were drawn by the notion of learning the MBA toolkit through a sustainability lens. SEMBA student Brodie O'Brien had worked at nonprofits with people passionate about the environment, but he wanted a deeper understanding of business. "I didn't understand the drivers of change in the business world," he says. "I wanted to become a more effective advocate."

O'Brien believes that more companies view sustainability as integral to their business models. "These issues aren't just on the margins anymore—they're mainstream. If that trend continues, the demand for a program like SEMBA is going to increase."

LIVING THE SLOGAN

Sustainability isn't just a topic taught at the University of Vermont's School of Administration. It's also a reflection of many aspects of campus life. Here's just one example: the attitude about beverages.

In 2012, the school ended the sale of bottled water on campus and mandated that one-third of the drinks in vending machines be healthy options. That year marked the end of a decade-long contract that allowed Coca-Cola of Northern New England to provide 100 percent of the beverages in vending machines and 80 percent of bottled beverages in residence halls and campus dining facilities. The university switched to a system that allowed the dining hall operators, bookstore, and other campus entities to choose their own mix of beverages to better suit environmental and social values.

By the time the sale of bottled water ended in January 2013, the school had retrofitted drinking fountains across campus, converting them to bottle filling stations so students could fill their own reusable bottles.

Even before it switched to healthy drinking options and banned bottled water, UVM launched the "One Less Cup" campaign to encourage students and staff to reduce waste by bringing their own beverage containers to the dining hall. As far back as 2007, whenever people brought their own refillable mugs or cups, regardless of size, they were charged for only a small drink. The "One Less Bottle" campaign also encouraged everyone on campus to rely on reusable containers instead of buying bottled water. As the campaign's slogan said, "More refills, less landfills."

See more details at www.uvm.edu/ecoreps/projects-and-activities/past-projects/one-less-bottle.

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