

Educators' Consortium Nuggets

Yardsticks for Marketing Education

**The Report from the fifth meeting of the
ISBM Business Marketing Educators Consortium**

*June 14, 2000
Pittsburgh, Pennsylvania*

**Notes compiled by
Bob Donath
Bob Donath & Co.**

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Director—Learning

Corporate Strategic Marketing

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“Skills Inventory Research”

A study of the competencies desirable in business-to-business marketers.

Allen Stines

Penn State Ph.D. candidate, Workforce Education & Development

Introduction by Ralph Oliva, ISBM Executive Director

- Meeting objectives:
 - Identify the best practices in business marketing education; set stage for benchmarking
 - Gather insight from the community on what's working, "discoveries in process," etc.
 - Assist one another in designing/critiquing/developing programs
 - Hear from resources pushing the envelope
 - Help in setting ISBM education agenda
 - Identify and explore ways to deal with key issues.
- Since the last Educators Consortium meeting:
 - Measuring education ROI (Intercepted Decision Quality) experiment is on hold, postponed by the company scheduled to participate.
 - Research design includes "quick pulse" questionnaire via email/Web/fax. See Feb. 19, 2000 meeting minutes at www.smeal.psu.edu/isbm/about/index.html#publications
 - Objective is to track the consequences of decisions improved by using ISBM tools and techniques.
 - Marketing skills inventory project of Allen Stines is continuing, with assistance of faculty advisor, William Rothwell of Penn State.
 - Investigate development of a "Marketing Dictionary," starting with the ISBM value and pricing framework, and including input from all consortium members.
 - Investigate formation of a best practices/case history database.
 - New initiative: Creating a B2B Web hub, aggregating resources for the B2B community, in cooperation with other organizations such as Marketing Science Institute, American Marketing Assn., Business Marketing Assn., *B2B* newspaper, etc.
- Member firm request; Xerox Corp. interest in HR benchmarking.
 - Initial concern: compensation benchmarking; keeping critical IT talent in bricks-and-mortar firms
 - Talent deserting for eBusiness ventures.
 - Standard compensation not as strong a lure. Talent wants stock options.
 - Xerox a principal sponsor of Penn State's new eBusiness Research Center
 - Meeting participant comments:
 - HR departments need to be more competitive in recruiting and retaining talent.
 - The problem with IT people is much different than in retaining marketing people.
 - Though joining dot-coms for the stock options is a lure, don't underestimate the value and attractiveness of big-company training for building careers.
 - The issue extends beyond compensation to generational, geographic, and industry specifics.

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Action items from meeting

- Build a database of ISBM member HR departments; use for distribution of Xerox questionnaire. (Members to report names to ISBM staff.)
- Secure rights and post Oliva “Business Web” columns on ISBM Web site, and make them available to member intranets. (Bob Donath)
- Compile/distribute bibliography of materials addressing training vs. learning distinctions. (John Alden to Bob Donath)
- Publicize availability of ISBM/INSEAD training for members’ European operations. (Ralph Oliva).
- Send IDQT questionnaires to meeting attendees for review, comment, and a chance to participate in the test (Ralph Oliva).
- Collect and publish—for contributors only at first—a compilation of member firms’ marketing competency lists (Bob Donath). Subsequent distribution to be determined by consortium members.

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Members' comments and expressed concerns

- Funding/delivering internal training
 - Sprint's experience: *Corey Hansen, Marketing Education Manager, Sprint University of Excellence.*
 - Ten-year-old "University of Excellence" has a name with a target to strive for.
 - 1,600 courses offered; a cost center and not a profit center.
 - Idea is to provide easily accessible employee training
 - Business units get an allocation of training resources. Automatic charges to business unit budgets do meet some resistance
 - Marketing education added to the UE program seven months ago.
 - Some UE people have said, mistakenly in my opinion, that they "have no competition."
 - Marketing education for generalists has been a feature at Sprint for six years.
 - 1,000 to 1,500 employees could benefit
 - After asking business units, a grass roots task force, to pick the most useful courses, we cut offerings to 12 from 35 courses (not including courses for sales).
 - Sprint's recent merger negotiations preoccupied management. there's been a difference between what management thinks people get from training and what people actually get.
 - My goal: have Sprint lead the marketing education in the industry.
 - Education on Sprint's intranet. "The Marketing Channel"
 - A storefront lists courses, reading recommendations, article searches.
 - Employees encouraged to submit 800-1200-word expert articles for intranet posting.
 - We seek specialized, focused material for the site, linking people to experts they can contact. We want to create a community.
 - We permit anonymous log-ins so people can ask the "dumb question.
 - ISBM can extend our network of experts that we bring in house virtually. I feel good about the B2B support of ISBM.
 - *Ralph Oliva comments:* We could make parts of the ISBM Web site available for your training intranets. We could also post the eBusiness columns I write for *Marketing Management* magazine.
 - *Elaine Harris, Director-Learning, Corporate Strategic Marketing, Honeywell:* Corporate University Xchange Inc. (<http://www.corpu.com/>) provides services to corporate training operations.
 - *Ernie Maier, ISBM Director:* At 3M Co. where I headed abrasives marketing, we had a large catalog of courses, training resources (about half internal and half external), CDs for autonomous learning. The key issue was training people for different career paths: e.g., salespeople moving into marketing and salespeople staying in sales.
 - *Neville Taylor, Consultant, ExxonMobil Chemical:* We are studying:
 - Marketing competencies. We're very interested in Allen Stines' study.

- How to roll out a global marketing training program, deliver similar training worldwide. Interested in ISBM contacts with INSEAD in Europe, and contacts in Asia.
- Rolling out a “Marketing Technical Value Creation” course.
- Key issues:
 - How to support marketing training for a relatively small number of people globally?
 - Getting senior people into the classroom to provide content
 - They enjoy recognition as an expert.
 - Senior executive involvement encourages program participation.
 - *Ralph Oliva comment:* It’s helpful to get senior involvement, even if it’s just co come in and frame issues for the class.
- Creating marketing education communities of practice
 - *Ken Gerlach, Business Intelligence Program Manager, Agilent Technologies*
 - Key issue: Pulling people from finance, eBusiness, etc. into an educational communities of practice for marketing people.
 - In our fast innovation climate, there’s little time for training. We have all the technology training, but professionals need advanced training to help them develop their knowledge. It’s not cookbook training.
 - We use collaborative, collegial, coaching approach to imbue a marketing attitude. We’ve used our Web site and training software, but we need face-to-face training to teach experience and share anecdotes.
 - To involve senior people in training, we have to create the ground for a sharing, so they get something out of the experience too.
 - People come together naturally and form cross-functional teams with specialized knowledge to solve problems. For example, the venture capital group at Agilent Labs set up a community of practice on technology transfer. Such groups continue as long as they are useful, then disband. It’s a bottom-up process
 - We need to encourage people to take risks, for the sake of rapid learning.
 - We might extend our community of practice outside the company, to suppliers and to the technical community.
 - We’re taking the rapid prototyping approach to our venture, learning as we go, trying different solutions.
 - *Consensus comment:* The Web is good for some training, but it’s one way communication and does not create a training community.
 - *Ralph Oliva comments:* Tom Davenport of Andersen Consulting’s Institute for Strategic Change, a featured speaker at last year’s annual member’s meeting, discussed knowledge development and communities of practice at length.
 - (See the meeting presentation summary at <http://www.smeal.psu.edu/isbm/about/index.html#publications>).
 - We can provide brokerage for setting up communities, making our experts and other members with specialized knowledge available through links.
 - Getting people to solve problems with teams and shared expertise does depend on company culture. At Nike, for instance, the swap stories too imbue the Nike way of thinking around the organization.

- *Elaine Harris comments:* Consumer companies will use an animal image for sharing a cultural perspective and brand creation.
- Customer training
 - *John Alden, independent consultant:* The intellectual heritage for communities of practice starts in child learning. Children learn to play in groups.
 - My key question for the group: What works? Instructors? Electronic media? Something in between?
 - Also, how to deliver training globally. Big delivery problem. Big content problem.
 - Customer training is another issue. I never met a marketing person associated with customer education. Is that part of your marketing strategies? Isn't customer learning part of CRM?
 - *John O'Hagen, Director, Organization Development, Alcan Aluminum Corp. comments:* Some companies have formal training, often technical in nature, from manufacturing as part of the sale, not from marketing. You're asking about marketing training for customers?
 - *Neville Taylor comments:* Be careful about putting a label on information you pass to customers. They are professionals, they don't want per se "training."
 - *Ralph Oliva comments:* Training customers is part of the value selling equation, to help them use the product better. For example, the PPG Pro Stars program (presented at the 2000 Members Meeting) helped glass installers learn how to market their businesses better.
 - *Elaine Harris comments:* Few product developers have conversations with customers. And marketers don't interfere with customers. Salespeople don't engage in training customers.
 - *John Alden responds:* I'll rephrase my question: Could you describe what a customer learning domain looks like?
 - Could you answer if your CEO asks?
 - What should a marketing professional do about training customers?
 - *Ken Gerlach comments:* The strategic question is how to help customers improve as you partner with them, discuss future needs and exchange ideas. There are potential security problems: How much information to give to customers, and how much might be transferred to other divisions of the customer company.
 - *Elaine Harris comments:* We use our "Six-Sigma-Plus" quality assurance program to educate selected customers.
 - Templates for using Six-Sigma in commercial products.
 - Customers have sat in on our six-sigma courses.
 - Anything that creates a more intimate relationship with customers creates substantial competitive advantage.
 - *Ralph Oliva comments:* At Texas Instruments (my former company), we experimented with bringing customers in for training.
 - The courses had a quite different tone compared to classes of just internal people.
 - Customer training is part of the value delivered with the product, particularly as Web-based transaction selling takes hold.

- But I do not see much in formal initiatives for customer learning.
- It would be good for each of us to review the customer learning environment in our companies.
- “Learning” vs. “training” vs. “education”: Meeting participants debate the distinctions.
 - A memorable operating definition: You want your daughter to get sex education in school, but not sex training!
 - Does the distinction matter? Does it change what we educators do?
 - Relevant observations during the discussion:
 - Training:
 - Implies delivering information.
 - Instruction in specific skills.
 - When you sell solutions, you have to be prepared to provide training.
 - Learning:
 - Refers to engagement; a two-way dynamic *and* a change in knowledge and behavior.
 - Learning builds understanding of a process.
 - Learning is what occurs from the recipient’s viewpoint. People say “I learned a lot.” They rarely say: “I got good training.”
 - Education:
 - *Allen Stines comments*: The learning/training debate is not new. In nuclear plants, they used to train workers to know when to push a button. Now they realize workers must know how the reactors work and why the button should be pushed.
 - *Ralph Oliva comments*: Is there value for us in developing a taxonomy for learning/training/education? Language can be a problem because it shapes our expectations.
 - *Elaine Harris comments*: I see more value in addressing the question of customer training that adds value to our offerings.
- Core knowledge modules
 - *John O’Hagan, Director, Organization Development, Alcan Aluminum Corp.*
 - We’ve brought in ISBM resources, including Irv Gross’s value and pricing course, to train executives in North America.
 - Each business unit handles its own training. Challenge to offer same training in all countries, in all business units.
 - We’ve had success in Europe, and will expand offerings to Latin American operations.
 - We teach a course on concepts.
 - Consultants facilitate workshops for specific solutions.
 - A year ago I proposed a corporate university for manufacturing, marketing, and leadership. I got an okay.
 - Key information need: learning more about developing personal competencies. I would like to identify a few knowledge modules that can be an essential condition of staying with the company.
 - *Virginia Tucker, Director, Executive Education, Penn State*:

- Sensitivity to company environment is important.
- One of our strengths is tailoring executive training to the organization (60% of our business is in corporate programs. The remainder is open enrollment courses for individuals.) We operate behind the scenes of a corporation's program.
- Marketing training internationally
 - *John O'Hagen comments:* We brought an Austrian professor to our German operations to teach value and pricing. His approach was much different than Irv Gross's, but it was still very effective. And it solved the language problem.
 - *Ralph Oliva comments:* Professors at INSEAD willing to teach our courses in Europe use common templates, but tailor programs to provide common concepts in local contexts. The issue for us is reaching critical mass: having enough people in a country/culture to justify presenting a course.
 - *John Alden comments:* That's the toughest international training problem: Translating core content into local experiences so the lesson will get across.
 - *Elaine Harris comments:* We sometimes look for multi-lingual capability when hiring training suppliers.

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Featured member presentation

Sales and Marketing Learning

Elaine Harris

Director—Learning

Corporate Strategic Marketing

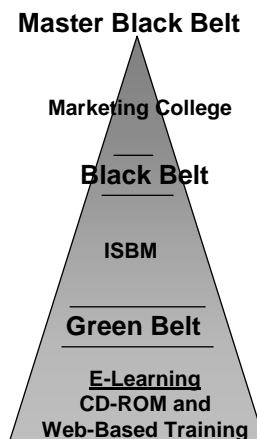
Honeywell

The Honeywell learning culture

- We encourage/require 40 hours of learning, but ...
 - The commitment depends on budgets. Training is an internal discretionary charge to business units.
 - Marketing is a relatively new function.
 - Most people do not distinguish between sales and marketing
 - Marketing VPs have less than three years' service.
 - Most have a B2C background.
 - Corporate strategic marketing function just one year old.
 - Honeywell never had a corporate marketing function
 - Allied/Signal had one, but disbanded it.
 - There is no “Center of Excellence” for sales, and no corporate sales leader, although we are now building a network of sales leaders.
 - The AlliedSignal/Honeywell merger is still in process.
 - Honeywell had a lifetime employment culture.
 - Allied/Signal had a culture of high turnover.

Marketing curriculum and certification

- Training achievement levels based on proof of use of the tools. (Triangle shows relative reach of programs, not a specific training sequence.) Overall, we expect to train more than 3,500 employees this year.



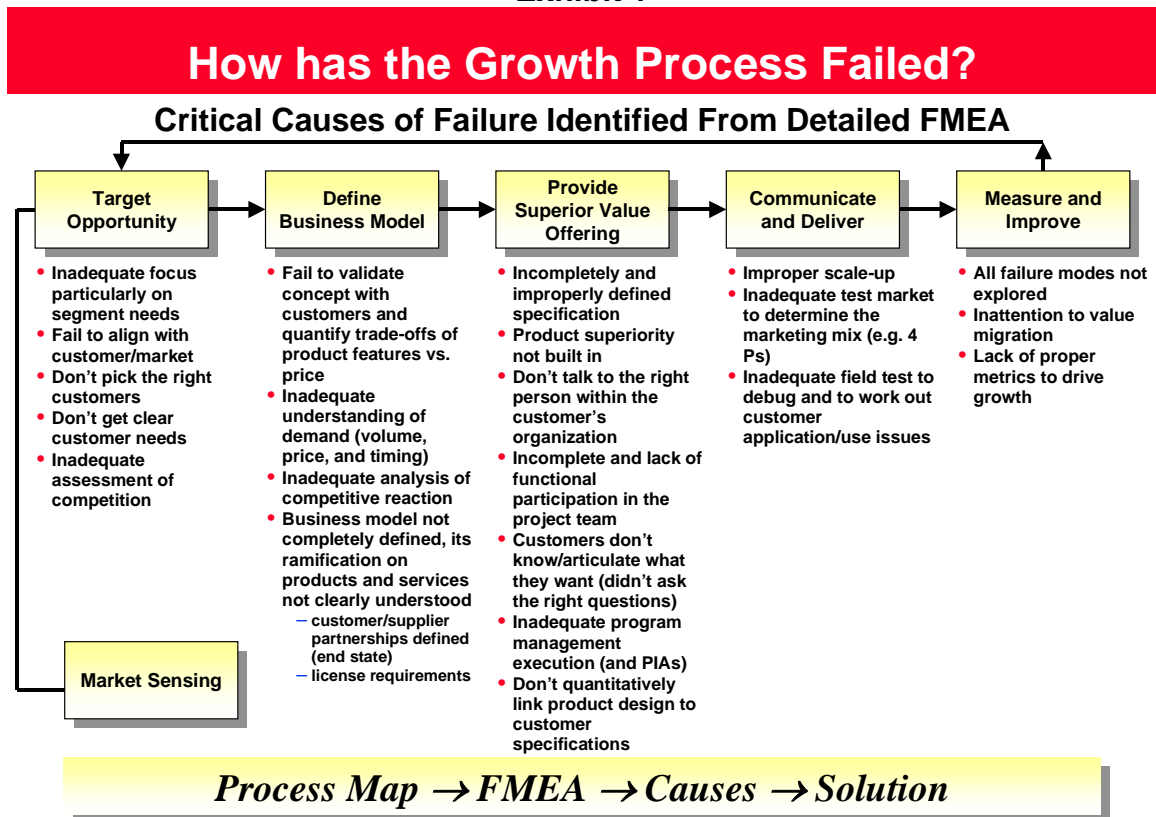
- “Green belt for growth” and “market/customer black belt” tracks require training in Six-Sigma quality program.
 - Green belt track linked to the commercialization process

- Black belt program (four weeks in class plus real project management) has a customer/market research track.
- We plan to increase participation in 2000, from 1999 levels:
 - Double black belt participation to 90 people this year, from 46 in 1999.
 - Increase green belt program from 78 to 2,000.
 - “Master black belt” requires skills in consulting and teaching.
 - There is no formal certification program.
- CD-ROM and Web-based training reaches the most employees with marketing fundamentals delivered just in time.
 - Ten marketing topics in CD series by Intellexis: broad exposure at low cost.
 1. History, definition, and concept of marketing
 2. Segmentation, positioning, and the marketing mix.
 3. Marketing planning
 4. Buyer behavior
 5. Marketing research
 6. Product decisions
 7. Pricing decisions
 8. Service decisions
 9. Distribution decisions
 10. Integrated marketing communications
 - Lessons include commentary from corporate and academic marketing leaders.
 - Cross-functional reach
 - Prerequisites for higher-level training.
 - 100 course sets (at \$200/disk) now in use for evaluation.
 - Multimedia format, produced in U.K.
 - Several multinational companies use the program.
 - We find value even in the B2C lessons taught in the series.
- ISBM courses presented at the company for specialized topic learning.
 - Specific “deep dives”; e.g., pricing. Value management is a priority subject.
 - Individual or action-learning training: looking for practical, put-to-work insights.
 - Driven by business needs
 - Expert faculty from top schools.
 - Plan to increase participation this year to 200, from 53 in 1999.
- Marketing College
 - Five-day course tailored for the company, conducted at Kellogg Graduate School of Management. Five sessions to be held in 2000.
 - Marketing and eBusiness thrust.
 - Cross-functional participation. About 20-30% of the class comes from outside marketing, to learn a marketing and teaming approach.
 - Individual or action-learning training.
 - We plan to increase participation from 68 people in 1999 to 250 in 2000.
- E-learning pilot test in 1999 included 100 people. Plan to put 700-1,000 through program this year.

Six sigma

- Non-operational six-sigma applications are still relatively new at Honeywell.
 - Six Sigma Plus is Honeywell's overall strategy to provide maximum customer value by accelerating improvements in all of our processes, products, and services.
 - Sigma is a metric to measure how effectively we eliminate defects and variation. Six sigma processes have 3.4 defects per million opportunities.
 - Sales and marketing process improvements can be made using Six Sigma tools.
- Identifying critical causes of failure: failure mode analysis factors listed in Exhibit 1.

Exhibit 1

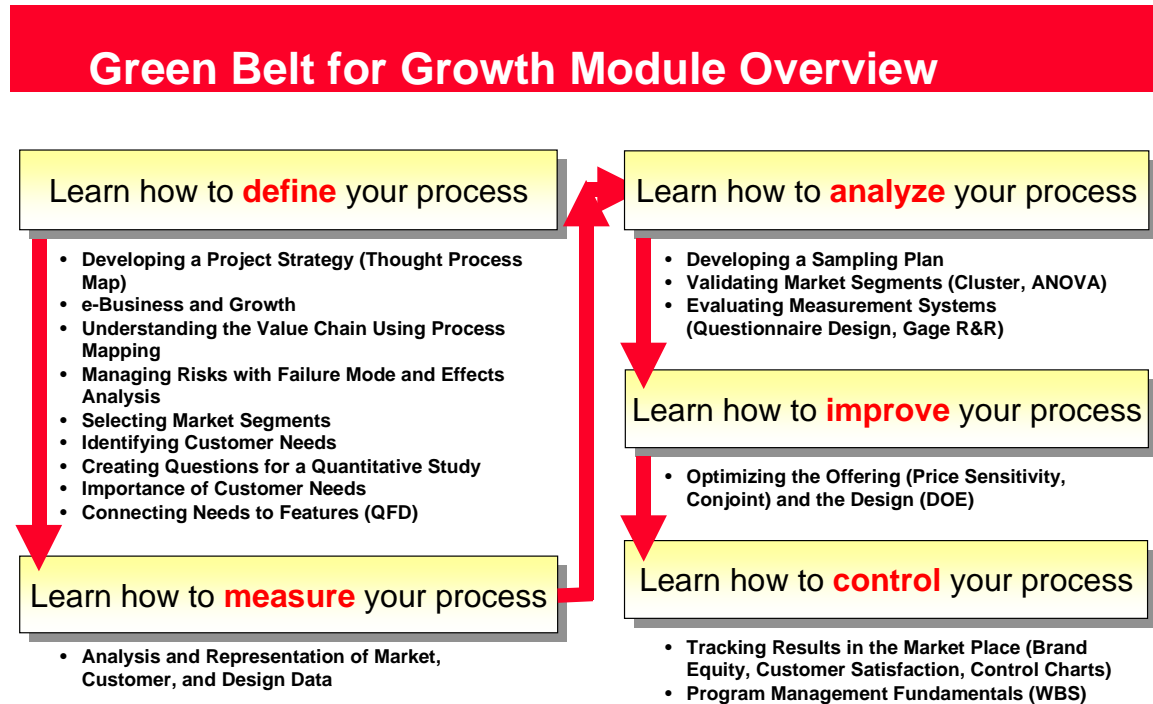


June 2000

Source: Elaine J. Harris

- Green Belt for Growth module (Exhibit 2) has upgraded marketing thinking significantly
 - We found we had to spend more time than expected helping people understand the differences between features, benefits, and needs.

Exhibit 2



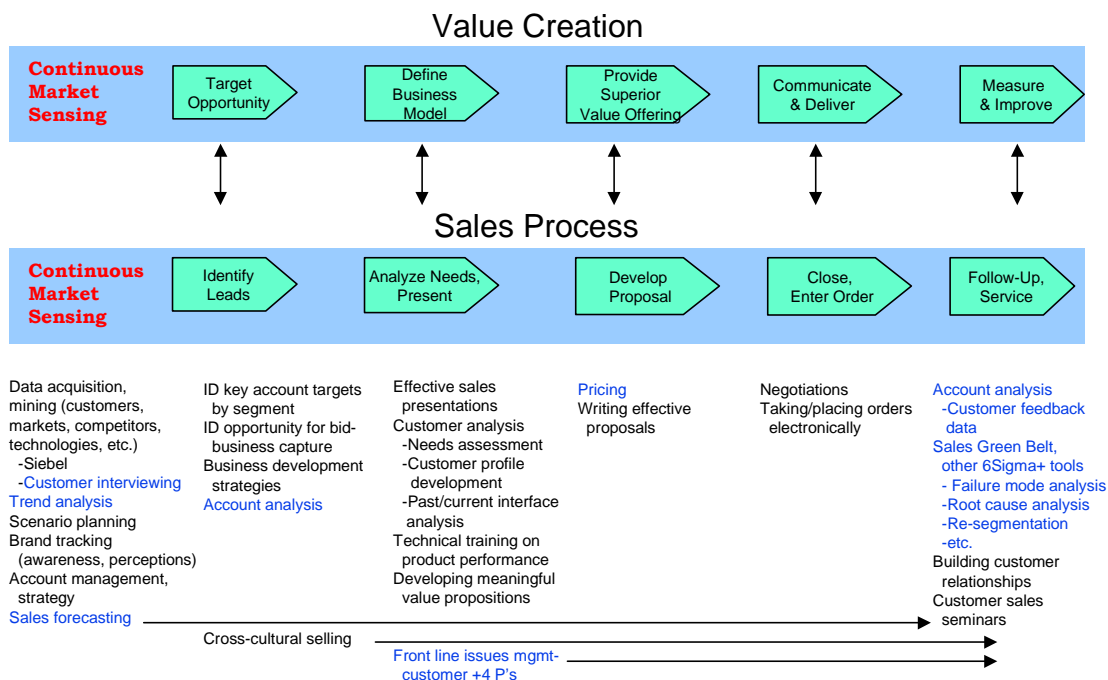
Source: Elaine J. Harris

- Six-week separation between session 1 and session 2 courses (3.5 days each).
 - Session 1:
 - SPACER and Six Sigma Overview
 - Developing a Project Strategy (Thought Process Map)
 - e-Business and Growth
 - Understanding the Value Chain Using Process Mapping
 - Managing Risks With Failure Mode and Effects Analysis
 - Selecting Market Segments
 - Identifying Customer Needs
 - Creating Questions for a Quantitative Study
 - Importance of Customer Needs
 - Connecting Needs to Features (QFD)
 - Program Management Fundamentals (Work Breakdown Structure)
 - Analysis and Representation of Market, Customer, and Design Data
 - Session 2:
 - SPACER
 - Project Reviews

- Developing a Sampling Plan
- Validating Market Segments (Cluster, ANOVA)
- Evaluating Measurement Systems (Questionnaire Design, Gage R&R)
- Optimizing the Offering (Price Sensitivity, Conjoint) and the Design (DOE)
- Tracking Results in the Market Place (Brand Equity, Customer Satisfaction, Control Charts)
- Wrap-Up
- Integrating Six Sigma into marketing with a process learning approach (Exhibit 3).

Exhibit 3

The Sales Process: Needs Identification



Source: Elaine J. Harris

- Core requirements for training for sales.
 - Strategic Selling: Less about products, more about value and solutions
 - Six Sigma: Data analysis to improve the process.
 - Cross-Cultural Selling: Meeting customer needs globally
 - Account Management: Sales person is transitioning to business manager, account coordinator
 - Emphasis on cross-SBU process alignment
 - Program puts more emphasis on key account management bringing sales and marketing closer.

- Feedback
 - So far we do not have feedback from courses other than the ISBM value and pricing course.
 - We do see people preparing PowerPoints for their staffs, summarizing key learnings and what the staffs need to know.
 - It's very rewarding to see people learning to address marketing in a sophisticated way.
 - We've issued questionnaires for feedback, though questionnaires are not yet designed to capture all program change diagnostics.

Audience discussion

- *Corey Hansen comments:* We ask people to complete an e-mail questionnaire after taking University of Excellence courses. 85% respond. People provide lots of comment.
- *Ralph Oliva comments:* The Intercepted Decision Quality Test (IDQT) is designed for such quick feedback. Give people three to four pulses every three months after they complete a course.

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Research project update

Skills Inventory Research

A study of the competencies desirable in business-to-business marketers.

Allen Stines

Penn State Ph.D. candidate, Workforce Education & Development

Background

- Study designed to generate a flexible, compact set of professional competencies that define the ideal business-to-business marketer in 2005. “A list that’s useful to practitioners and not just gathering dust on the shelf.”
 - Delphi-style panel of seasoned marketing professionals, educators, and stakeholders (CEOs, marketing VPs, purchasers, etc.)
 - See January 19, 2000 Educators Consortium meeting minutes available at <http://www.smeal.psu.edu/isbm/about/index.html#publications> (misdated on the site as 2/19/2000).
- Project will first examine entry level competencies.
- More emphasis than originally planned on future skills orientation, to better capture two big trends: globalization and eBusiness.
 - Eight-month time frame to study.
 - A “leadership module” in original plan has been dropped.
 - Study stages:
 1. Competencies irrespective of management level or company environment.
 2. What different competencies mean to respondent panelists’ companies.
 3. Competencies relevant to different levels in the organization.

Group discussion

- *Ralph Oliva comments:* Perhaps futurists and scenario builders can add an extra dimension to the Delphi panel.
- *Corey Hansen comments:* At Sprint we identified five overall marketing competencies and about four subcompetencies under each.
- *Neville Taylor comments:* Software for self-assessed competencies operates at two levels: competencies and personal psychometrics.
- *Ken Gerlach comments:* Self-assessment is a low-tech solution, and the detailed questionnaire required is off-putting. It’s not all that accurate when you don’t want to ask too many questions.
- *John Alden comments:* Another approach: customize the competency list to specific businesses.
 - Start with the business goal and decompose the skill requirements.
 - Work back from the skills exhibited by successful performers.
- *Ralph Oliva responds:* Isn’t that backcasting, rather than looking to the future?

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