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**INITIATIVE FOR A COMPETITIVE INNER CITY:
THE NATIONAL BUSINESS SCHOOL NETWORK**

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THE NEED

Many graduate business schools are located in economically distressed urban areas or inner cities¹ that have a pressing need for economic and business development. The economic health of these communities is not only of general importance to the metropolitan area, but often directly affects the atmosphere and appearance of the immediate areas surrounding a school's campus. Despite these circumstances, few schools have taken a prominent or even significant role in inner-city economic development.

There are two reasons for urban graduate business schools to become involved in their surrounding communities and both make a great deal of sense. First, they have a responsibility to their community, and second, by engaging with their community in economic development activities they can provide their students with rich and rewarding academic and business experiences. Taking on a central role in their surrounding neighborhoods can be translated into impactful and positive outcomes such as a richer curriculum for its students and faculty as well as a healthier business climate.

THE OPPORTUNITY

Urban graduate business schools are powerful assets that can address the vexing problem of the inner city, and can play a leadership role in catalyzing and supporting economic and business development in central cities.

Business schools are an integral part of a city's business network. Their competitive advantage is the knowledge of how to succeed in a market-based system. They possess vital skills and

¹ The inner city is defined as distressed urban (zip codes) areas that have significantly lower income, higher poverty rates and unemployment rates than the Metropolitan Statistical Area average. "Urban core" and "disadvantaged group/neighborhood" is used interchangeably with the term "inner city."

resources for economic revitalization, as well as deep relationships with the private sector that play a prominent role in any successful business and job development strategy. Such a leadership role by business schools would not only benefit their neighbors and their neighborhoods, but could also create important new relationships with the local government and the corporate community.

A business school's interest in community service efforts can be channeled to advance local economic and business development in a variety of ways. Specifically, business schools can:

- Lead benchmark studies of their local economy (i.e. analyze the business base of the inner city and formulate strategies for growth)
- Conduct student field study courses and other student programs
- Write cases on inner-city companies to incorporate into existing entrepreneurship courses and other curriculum
- Offer training and outreach to inner-city executives and businesses (i.e., training in operations, marketing and finance and scholarships to executive education programs)
- Support faculty and student research on inner cities and inner-city companies
- Forge partnerships with local corporations, community foundations, government, and non-profit organizations to address inner-city economic development issues

OBSTACLES

There are obstacles that impede business schools from impacting the economic fabric of their surrounding communities. First and foremost, most schools lack an awareness of the fundamental needs and opportunities associated with inner-city economic revitalization. Deans lack faculty champions, funding and resources for inner-city program development. Faculty also lack awareness and relationships with their community and do not have the luxury of time to spend on supplementary projects due to tenure concerns. Despite a real desire and commitment to address the revitalization of economically distressed areas, many schools do not offer inner-city focused courses.

NATIONAL BUSINESS SCHOOL NETWORK (NBSN)

The Initiative for a Competitive Inner City (ICIC) formed the National Business School Network (NBSN) as a network of America's urban business schools which links schools to share learnings and best practices about inner-city businesses and associated business school programs (Dean, 1997). NBSN believes business school students, faculty, and alumni *can* be important resources in assisting and starting companies that contribute to healthy inner-city economies.

The program's origins are tied to Professor Porter's early research on inner-city economic development (Porter, 1995). Professor Porter worked with his MBA students through Harvard Business School's field study program to conduct research on inner-economic development. Students conducted benchmark studies of several inner cities, as well as consulted to Boston-based inner-city companies.

NBSN understands the needs, opportunities and obstacles that business schools face regarding inner-city economic and business development, and has developed products and services to address these voids.

The pillars of NBSN's charter are to:

- i) Engage America's urban business schools in directly contributing to the vitality of their surrounding communities
- ii) Stimulate relationships between business schools and inner-city companies
- iii) Expose the nation's future business leaders to business opportunities in inner-city areas
- iv) Widen the research agenda to include inner-city companies and business issues.

ICIC believes that inner-city consulting programs are an important way to educate business school students not only on the problems of the inner city, but on the business opportunities as well. To date, the primary vehicle employed in pursuance of these goals has been the field study program. Through the field study program business school teams work on research projects or consult to inner-city businesses. Student teams look to catalyze the growth of inner-city businesses by assisting these companies in realizing the competitive advantage of their inner-city locations and understanding their core business.

NBSN focuses its efforts in the four cities where ICIC has Inner City Advisors' affiliates: Boston, Baltimore, Oakland, and Kansas City. The Inner City Advisors is ICIC's core operating program that transforms ICIC's ideas into on-the-ground results. As a result of the NBSN and Advisors' efforts, the field study program has grown considerably. To date, NBSN has managed 100 engagements (see page 9 for "Sample Client Engagements") with 358 students. The following schools are involved with NBSN:

<u>City</u>	<u>Business School</u>
Boston:	Frank Sawyer School of Management, Suffolk University Franklin W. Olin Graduate School of Business, Babson College Harvard Business School, Harvard University John F. Kennedy School of Government, Harvard University Sloan School of Management, Massachusetts Institute of Technology
Oakland:	Graduate School of Business, Golden Gate University Graduate School of Business, San Francisco State University McLaren School of Business, University of San Francisco School of Business and Economics, California State Hayward University
Baltimore:	Division of Management, Johns Hopkins University Merrick School of Business, University of Baltimore Maryland School of Business, University of Maryland College Park Sellinger School of Business, Loyola College
Kansas City:	Baker University Henry W. Bloch School of Business and Public Administration, University of Missouri, Kansas City School of Business, University of Kansas

Inner City Advisors act as liaisons between MBA faculty/students and the respective client. Advisors assist with project management, providing technical assistance, guidance and background information on an engagement. They may call on alumni or industry professionals to serve as corporate mentors to the field study teams. Additionally, Advisors meet on a regular basis to share best practices, pitfalls, and other information related to their projects and incorporate these lessons learned into the management process.

NBSN has developed a manual that is used to manage the field study process. Additionally, at the end of each engagement, Advisors conduct an evaluation of the project by administering a formal survey to interview the client, students and faculty advisors. The results of these surveys are then translated into a formal evaluation report that is shared with the entire ICIC organization. The best practices and lessons learned are then incorporated into the manual for future use.

MBA students also contribute to ICIC research by participating in research-based field studies. This work engages students in ICIC action-oriented research efforts that investigate critical business, competitive, and policy issues.

These projects come in two forms:

- Benchmark studies of inner-city economies to guide economic strategies, or
- Cluster growth studies in industries that offer opportunities in major inner cities, including retail, commercial services, entertainment and tourism, logistics and warehousing, healthcare, housing and construction.

Another project of NBSN has been its Business School Inner-City Leadership Conference. In 1995 the conference drew 75 participants representing 34 schools. The 1998 Conference brought over 135 faculty, students and entrepreneurs together with representatives from the government, foundations and multinationals to share best practices about working with inner-city businesses, success stories and lessons learned. Over 50 urban schools attended, including 8 of the top 10 (*US News and World Report*) business schools and 5 Historically Black Colleges and Universities.

Future Plans

While the primary goal of NBSN is to expand our reach, a competing and equally important goal is to enhance the level of service to clients, students, and faculty. NBSN's expansion efforts should not however diminish the quality of client work and research that field study teams are completing on behalf of our clients.

To successfully implement an expansion strategy, NBSN chose to limit the number of schools it can effectively work with. In total, we are targeting over 150 schools in over 70 cities. These cities have substantial inner-city populations and were selected based on criteria for economic distress measured by median household income, unemployment rates and poverty. While NBSN works primarily with MBA programs, in some cases we will also work with undergraduate schools. Additionally, we have targeted several Historically Black Colleges and Universities located in our expansion cities. In many cases, these schools have a history of working with community based organizations in their neighborhoods.

Our goal is to influence the 150 target urban business schools to: enhance or establish field study programs, conduct research, improve/establish curricula, and engage alumni/alumnae in inner-city business development.

Initially, NBSN plans to expand its programs and services through: direct consulting engagements in several targeted cities, the influence of business school curriculum, and various programs, i.e. the Business School Inner-City Leadership Conference, the Urban Business School Deans' Meeting, the Inner City Field Study Competition and the ICIC Urban Challenge Grant Program. Additionally, we will strengthen and improve our lines of communications through ICIC's newsletter and our Web Site (www.nbsn.icic.org).

SAMPLE CLIENT ENGAGEMENTS

Company/ Ownership/Location	Company Description	Business School Engagement
<p>America's Food Basket – Supermarket specializing in ethnic foods Hispanic/minority owned Dorchester, MA</p>	<p>America's Food Basket (AFB) is a five-year old, Cuban-American-owned, 12,000 square foot supermarket located in Upham's Corner in the Dorchester neighborhood of Boston.</p> <p>The supermarket's competitive advantage is its range of unique ethnic products carefully tailored to the needs of its nearby shoppers, as well as its low prices and pleasant shopping environment. Almost all of AFB's employees are native Spanish speakers hired from the local neighborhood.</p>	<p>Two Harvard Business School field study teams have worked with AFB to survey customers, analyze the composition of the local market, and develop a strategic marketing plan to capitalize on market niches and AFB's competitive advantages.</p> <p>AFB, with the help of the teams, implemented several changes and has grown from sales of roughly \$4 million/year and 40 employees in 1994 to present sales of \$9.5 million and 95 employees.</p>
<p>Howell Construction Co. Inc. – Commercial General Contracting Woman Owned Kansas City, Missouri</p>	<p>Howell Construction Co., Inc. is a commercial contracting company specializing in new facilities and remodeling of existing office, retail and industrial properties. The company was founded in 1989, and has 10 full-time employees.</p> <p>Originally located in the outlying suburban area adjoining Overland Park, Kansas, it became apparent after a few years in business that the larger percentage of the clientele was located in the inner city of Kansas City, Missouri. In 1992, Howell Construction moved its carpentry shop/warehouse into the inner city of Kansas City, Missouri to provide workmen with facilities closer to their actual working location.</p>	<p>An executive MBA field study team from the University of Missouri, Kansas City Bloch School of Business worked with the company to provide a complete five year financial analysis, new software for accounting, research and assistance in selecting another CPA firm more suited to the needs of the company.</p> <p>Additionally, the team evaluated property the company was currently leasing for possible purchase and potential new markets for expansion. Howell Construction is currently working with a large client, a direct result of the team's efforts.</p>

In an effort to attain our goals, we have implemented the following programs:

1. Business School Curriculum Development

NBSN will work directly with schools in their curriculum development, particularly the writing and adoption of case studies that will showcase the inner city as a productive and lucrative environment for appropriately targeted businesses. Currently, there are 275,000 (Miller, 1997) students enrolled in MBA programs in the United States. Harvard Business School Publishing estimates that these students read over 4,000,000 cases each year.

In order to have a wide influence, NBSN will seed core curriculum courses with content rich cases whose subject companies are situated in the inner city. Rather than write these cases internally, NBSN plans to match prolific and top-selling professors with companies that will illuminate that professor's particular interests.

2. Urban Business School Deans' Meeting

NBSN will organize a national meeting of America's urban business school deans to discuss inner-city economic business development programs, curricula, research and methods to engage alumni. Led by Harvard Business School Dean Kim Clark, and other prominent business school deans, we will also use this opportunity to promote the ICIC Urban Challenge Grant Program. This meeting will market the importance of the inner-city agenda for business schools, inspire deans to take action at their institutions and within local communities, and share information and best practices.

3. ICIC Urban Challenge Grant Program

Due to limited resources, urban business schools are often prevented from engaging in activities that promote inner-city business development. To ameliorate this situation, we will develop, fund and implement an ICIC Urban Challenge Grant program. This program will offer grants to urban business schools to establish/improve field study programs, develop/improve curricula, conduct research, and support inner-city entrepreneurs. Schools will have to demonstrate commitment to the program by securing matching grants from corporate partners, community foundations and/or other sources. The Deans' Meeting will serve as a forum to announce the ICIC Urban Challenge Grant.

4. Business School Inner-City Leadership Conference

NBSN will continue to sponsor an annual Business School Inner-City Leadership Conference. This Conference is NBSN's major program to recognize the inner-city focused achievements of business school faculty, students and our corporate supporters. Innovative research, new field study programs, community economic development programs, and inner-city entrepreneurs will be highlighted. This event will be held April 22-24, 1999 and our goal is to double last year's attendance. We have expanded the Conference by one day to provide more time for working group/breakout sessions.

The Conference will be held in conjunction with the *Inc. Magazine/ICIC Inner City 100* list announcement at the Initiative's Inner-City Entrepreneurship Dinner. The *Inner City 100* is the first national listing of some of the fastest growing inner-city businesses in America. Additionally, we will showcase the First Annual NBSN Inner-City Field Study Competition.

5. Inner-City Field Study Competition.

NBSN is developing an Inner-City Field Study Competition that will occur at the 1999 Business School Inner-City Leadership Conference. Schools will be invited to submit abstracts on inner-city consulting, economic development, and field study projects. A panel of distinguished judges will select four teams to make student presentations at the Conference. Prizes will be awarded to the winning teams.

6. Direct Client Engagements

NBSN will provide direct consulting advice to 36 schools in six cities over the course of two years. Our first assignment was with the District of Columbia's Department of Housing and Community Development. The engagement consisted of analyzing the involvement of five urban business schools (American, Georgetown, George Washington, Howard and Southeastern Universities) in their respective communities and assessing efforts of cooperation among these subject universities. The culmination of the work was a meeting of the schools and various key stakeholders to review the findings and design action steps.

7. NBSN Communication

We will continue to widely disseminate learnings and best practices through our NBSN web site (www.nbsn.icic.org), ICIC newsletter, case studies, articles, media interviews, speeches, and strategic alliances with relevant organizations such as SBIDA.

HOW DO NBSN AND SMALL BUSINESS INSTITUTE MODELS COMPARE?

NBSN and the Small Business Institute™ (SBI) programs are, to a great extent, complimentary (please see next article, "The Small Business Institute™ Program: High Impact Entrepreneurship Education" by Charles H. Matthews for details on the SBI Program). Both programs are dedicated to service-learning and to delivering value to small business clients. There are, however, some interesting similarities and differences between the two programs with respect to client base, funding sources, and targeted student participants.

Client Base

Both programs, as noted, target an important constituency, namely the small business community. Small businesses are often sub-categorized into: a) life-style businesses; and b) economic growth companies. Life-style businesses include family or individual enterprises focused on providing employment for the owners. Such companies provide the backbone of many neighborhoods and communities. Economic growth companies, by contrast, offer the potential of significant job growth and wealth creation.

While SBI programs serve a broad small, entrepreneurial, and family business base (both life-style and economic growth companies), ICIC focuses on assisting companies that have significant economic growth potential in the inner city. ICIC's purpose is to increase the number of jobs available to inner-city residents, improve the economic climate of urban cores, and provide wealth creation opportunities preferably for urban core residents or, at least, the owners of companies located in the urban core.

Funding

From its inception in 1972 until 1996, SBI programs benefited from financial assistance provided by the U.S. Small Business Administration (SBA). For twenty-four years, participating schools were able to facilitate and encourage university participation in the SBI program. The per case stipend paid by the SBA was very modest (increasing from \$200 to \$500 over the 24 years), but more importantly, the stipend served to provide leverage to secure college resources, funding and encourage continuity of effort. During this time, services were provided to the small businesses at no charge. In 1995-96, with the loss of federal support, participating schools continued to offer the SBI program through a combination of college, community, foundation, and in some cases, client funding or fees.

Funding for ICIC's field study program varies by school. Some regions have generous benefactor organizations. In instances where there is little or no financial support, the client pays for all student expenses.

Targeted Student Populations

The SBI student audience is comprised of both senior undergraduate and graduate business students. In general, SBI programs are limited to four-year and graduate degree granting institutions. In practice, projects tend to heavily involve senior-level business students involved in small business/ entrepreneurship and business policy courses as their capstone course.

In contrast, NBSN's field study program primarily targets participation by MBA students. Moreover, because the quality of work produced by the executive MBA students at the University of Missouri, Kansas City's Bloch School of Business and Loyola College of Maryland's Sellinger School of Business has been outstanding, NBSN seeks wider participation among the growing number of executive MBA programs throughout the nation (Siegel, 1998). A significant impetus for business school involvement could come from the major accrediting agency for business schools, the American Association of Collegiate Schools of Business (AACSB). AACSB has begun to call for schools of business administration to demonstrate contribution to the economic development of their respective regions (AACSB, 1998).

Synergies Between NBSN and SBI Programs

Organizational differences between the SBI and NBSN offer significant opportunities for partnership. NBSN is comprised of a national headquarters located in Boston with expanding presence in Oakland, Baltimore, and Kansas City. SBA programs in contrast boast participation from over 250 schools across the country and internationally. As the professional organization that links the directors of the many SBI programs, the annual Small Business Institute Directors' Association (SBIDA) Conference brings directors and other faculty together with corporate and institutional partners. Both the Annual NBSN Business School Inner-City Leadership Conference and the SBIDA Annual Conference have created programs to recognize outstanding student field work accomplishments (SBIDA's Case of the Year Competition and NBSN's Inner-City Field Study Competition).

SBI and NBSN can benefit from sharing best practices in field based learning, especially in the difficult arena of quality assurance from students who are pulled in multiple directions. Further, NBSN could utilize the reach of SBIDA to spread success stories and lessons learned about the inner city directly to college and university students, and establish a point of presence via SBIDA's on-campus organizations.

Collaborating to realize the benefits available seems a viable and worthwhile venture. First, NBSN could share with SBIDA our Field Study Operations Manual, currently being revised by outside consultants. Secondly, both organizations can refer clients to one another and share mailing lists. Finally, the two organizations could link their web sites, the most effective and efficient means of information dissemination.

CONCLUSION

NBSN believes that opportunities for urban graduate business schools to advance local economic business development are significant, and these schools should view themselves as critical and vital components to their surrounding community's economic fabric. NBSN has dedicated itself to developing programs that will expose faculty, students, graduates and therefore future business leaders to the investment opportunities and successful entrepreneurial ventures in inner cities.

Our goals to directly impact urban business schools by supporting the expansion of field study programs, curriculum, research, advisory services and holding academic conferences are ambitious, yet attainable. We must leverage our efforts and enter into strategic partnerships with organizations such as SBIDA that are critical in the pursuit of these goals. Such a contentious mission however is only attainable with the support of the urban graduate university business school structure.

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