CORPORATE CLIENTS VALUE THE INSIGHTS THEY OBTAIN FROM JOHNSON IMMERSION LEARNING TEAMS.

BY MERRILL DOUGLAS

A FRESH SET OF EYES

TO GAIN MUSCLE, YOU NEED TO GET MOVING.

As Johnson students work to build management strength, they get a significant portion of their exercise through Immersion Learning.

Johnson’s Immersion Learning program lets a student in the Two-year MBA program devote the entire second semester to a single business discipline. Each immersion mixes rigorous study with hands-on application.
The Sustainable Global Enterprise (SGE) and Strategic Marketing immersions provide an additional workout component. In both of these programs, each student takes on a consulting engagement, teaming with classmates to explore a real business issue on behalf of a client.

Why consulting? In the SGE immersion, it’s important to understand the full breadth and depth of issues that shape the ever-evolving field of sustainability, says Mark Milstein, clinical professor of management, director of Johnson’s Center for Sustainable Global Enterprise, and faculty leader for the SGE immersion.

“The only way to do that is to get students working on projects with organizations that are struggling with those problems,” Milstein says. The students confront business challenges that lack clear answers, deciding which tools to apply and how to apply them.

A consulting engagement also enables students to practice for their upcoming summer internships, increasing the odds that an intern will do a good job and receive an offer of full-time employment, says Manoj Thomas, S.C. Johnson professor of marketing and faculty leader for the Strategic Marketing immersion. Students gain skills they can’t learn in the classroom, giving them a competitive edge against interns from other top business schools.

For example, says Thomas, how do you translate an employer’s stated business objective into an effective project? “How do you scope it out into a series of activities that can be accomplished in two months, develop milestones, and then knock on doors in the organization to recruit other people’s support?” An immersion project helps hone those skills.

“It forced me to think strategically in a way that no other MBA experience had forced me to do,” says Pratima Arapakota, MBA ’13, a market intelligence analyst with Autodesk in San Francisco, who did an SGE immersion project with the Korean beauty products firm AmorePacific.

“My project helped me understand how to work with a varied group of stakeholders who might have competing priorities,” says Teyten Brown, MBA ’14, an associate brand manager at Johnson & Johnson, who was a member of the SGE immersion consulting team for Novo Nordisk in spring 2013. Her engagement also sharpened her leadership and collaboration skills and taught her to make presentations that lead to action, she says.

Students aren’t the only winners: clients gain real benefits from immersion projects, too. For some sponsors, an engagement with a Johnson team is a way to gain valuable business insights for one-tenth what it would cost to hire professional consultants, says Thomas. For others, it’s a chance to forge bonds with Johnson students before recruiting starts.

Some companies that work with immersion teams act directly on the students’ recommendations. For many sponsors, however, the impact of an immersion project is more subtle.

A student team doesn’t have the time or resources to produce broad recommendations, such as whether to launch a new product, Thomas says. Instead, a team conducts research to shed fresh light on a business issue. “Rather than having us recommend strategic positions, our engagement offers new and critical insights that help managers take strategic positions.”

The students dig deep, and their objective analyses sometimes lead them to redefine issues or spot new opportunities.

“We’re not there just to nod ‘Yes’ and do what the sponsor says,” Milstein observes, “but to think critically and analytically, bringing all of our program’s vast experience to bear on the issue.”

BLOOMING FLOWER

One case in point is the SGE immersion team that worked with beauty products company AmorePacific in spring 2012. The Korea-based firm, headed by Suh Kyung-Bae, MBA ’87, CEO of the multibillion-dollar global company, had asked for help in establishing its Mamonde line of makeup and skin-care products in China.

Sustainability is a central tenet for AmorePacific. Knowing that Chinese consumers value social responsibility, company officials wanted to make sure that Chinese women linked the Mamonde brand in their minds with sustainability.

AmorePacific turned to an SGE team because the students offered expertise in both the business and social realms — a combination hard to find among internal resources or traditional consultants, says Jeong Hwa Oh, senior manager of AmorePacific’s sustainability management team in Seoul. “It was also important to find people who could develop solutions that were both creative and logical, and who could take a global perspective,” she says.

Three members of the four-student team, plus a teaching assistant, traveled to China to explore the thinking of local AmorePacific customers. Working with MBA students from Tsinghua University, they visited the cities of Wuhan and Xi’an to talk with retail employees who sell AmorePacific products, and with their customers. The
Tsinghua students also ran some focus groups on behalf of their colleagues from Cornell.

Back in Ithaca, reviewing the results of their primary research, the students uncovered something surprising. “We had to shift our understanding of sustainability,” says Arapakota. More than environmental stewardship or the use of natural ingredients, the big concern for the Chinese customers was how to empower women.

So the team proposed an initiative to address widespread unemployment among women in China by training women to become beauty experts, who, of course, would use Mamonde products in their businesses.

“We saw a market opportunity for day spas, where the beauticians would be independent entrepreneurs,” says Ufei Chan, MBA ’13, a member of the AmorePacific team who went on to do a fellowship with Citigroup’s Corporate Sustainability unit and now serves on the board of the nonprofit organization Alegria: Hope Through Art.

AmorePacific named the students’ idea Blooming Flower, linking it to the notion of personal growth. “It’s a brilliant concept that meets the needs of both sustainability and brand image,” says Oh. The company embraced the spirit of Blooming Flower as it made plans for new marketing initiatives in China.

Oh credits the immersion team for highlighting the close connection between social concerns and profitability. “The recommendation showed that sustainability issues are not far from business issues and can actually solve some of them.”

WHAT MAKES CARD USERS TICK
Since Nate Rothstein, MBA ’11, did a marketing immersion project in 2010, he knows very well what a Johnson team can achieve. That’s why Rothstein, senior manager, partner and product management at American Express in New York, decided to tap the class of 2015 for help with a project of his own.

He asked four Johnson marketing immersion students to find out why some consumers who buy reloadable, prepaid cards become heavy users, and others don’t.

American Express’s prepaid card, Serve, has been well-received in the market, Rothstein says. “The next step is to drive more use of this product.”

Focusing not just on Serve, but on all cards of this type, the team set out to learn what distinguishes heavy from occasional users. After some secondary research, they started talking to consumers. “We held a focus group with users of prepaid cards to understand what makes them tick when it comes to what they choose for payment methods and why,” says team member Alexander Allister, MBA ’15. They also interviewed some heavy users one-on-one.

Based on that work, the team developed a survey and engaged a market research provider to administer it to users — mainly heavy ones — of prepaid cards. Responses showed that the heaviest users fall into two groups with distinct motivations.

“One group was what we called Cash Lovers,” says Zachary Roberts, MBA ’15, another member of the team. Such people rarely borrow money, they tend not to make budgets, and when they’re not using cards for purchases, they pay in cash.

“We called the other group Card-carrying Budgeters,” Roberts says. Those consumers like using plastic. “They might have a credit card, a debit card, and a prepaid card.” They use the prepaid cards for budgeting, perhaps loading enough money to buy a week’s groceries and then adding more when the fridge is bare.

American Express had already conducted similar research focused on its Serve product. The immersion team’s work was in line with some of those findings, Rothstein said.

The students also brought a fresh point of view to the research. As outsiders to the payment industry, they were better able to put themselves into customers’ minds when devising questions for their survey, Rothstein says. “It’s really good to get a different perspective, especially when you’re still in the early days of a new market.”
EXTREME MAKEOVER

A leader in the market for equipment that controls hydroelectric turbines, American Governor has grown by about 25 percent a year for the past ten years, says president Scott Ginesin ’90 (Engineering).

But as the company blossomed from a startup into a major player, its public image failed to keep pace. Although an outdated website wasn’t hurting sales, American Governor had to make a better first impression to attract top talent onto its team, Ginesin says. “We needed people to look at our company and say, ‘I want to work there.’”

In 2012, Ginesin invited an SGE immersion team to give the company a brand makeover. “The project was open to anything to do with our image,” he says.

After studying American Governor’s industry and market, the students spent a day brainstorming with Ginesin on the Cornell campus. Then they visited its headquarters in Ivyland, Pa., to interview employees.

“We were trying to understand what they perceived to be the brand of the company and what they wanted to improve,” says team member Uday Tumuluri, MBA ’13, now a senior consultant at Deloitte Consulting in Boston.

“We also got a lot of insight from Mark Milstein about how to structure the problem and get to its root,” Tumuluri says. “We needed to keep asking ourselves, ‘What is the problem we’re trying to solve? Is it just branding, or something larger?’”

Based on its findings, the team developed new designs for the company’s logo, business cards, on-premise signage, and website. Ginesin says he has adopted most of those suggestions and will eventually install the new signage.

The team also suggested some changes to make American Governor a more appealing workplace. Some of those ideas focused on performance management. “We also spoke a lot about rewards and recognition programs they could bring into the organization,” Tumuluri says.

Many of those recommendations confirmed ideas that American Governor had identified on its own and that it has since put into action, Ginesin says.

Ginesin first learned about the immersion program from Milstein at a green energy event. Since then, he and his classmate and co-founder, Daniel Berrien ’90 (Engineering), have engaged five Johnson immersion teams, hired one team member, and taken one as a summer intern.

Ginesin periodically rereads reports from past teams. “I get new insights into things as time passes,” he says. “The recommendations from some of the teams were ahead of their time and could only be implemented much later down the line.”

NEW MODEL FOR DIABETES MANAGEMENT

In 2012, the global health-care company Novo Nordisk started to develop a model for delivering diabetes care in rural India. Focusing on a village called Sampatchak in the state of Bihar, Novo Nordisk gave training in diabetes management to doctors, pharmacists, and local female health-care workers known as Accredited Social Health Activists (ASHAs).

The ultimate goal was to sell insulin to India’s rural poor, a vast and underserved “bottom of the pyramid” (BoP) market. “These people do not have any access to health care,” says Dr. Bharathi Bhatt, senior medical advisor, market access and public affairs at Novo Nordisk in Bangalore. They are largely illiterate and know very little about diabetes, she adds.

Novo Nordisk engaged an SGE immersion team to evaluate whether the company could turn the pilot into a sustainable, scalable, and profitable business venture.

In the spring of 2013, the four-student team, along with business analyst Anirvan Dutt Chaudhuri from Novo Nordisk, began by interviewing Novo Nordisk employees via phone and email. Then two team members, Michael Ditter and Mallory Martino, both MBA ’14, went to Bihar for an intensive week of interviews with doctors, pharmacists, ASHAs, and patients.
A FRESH SET of Eyes

The students also used business and financial tools, such as break-even analysis and cost estimation, to analyze the prospects for this social and health initiative, says Ditter, now a consultant with Accenture in New York City.

The team determined that Novo Nordisk should indeed scale up, says Hira Hafeez-Ur-Rehman, CIPA ’13, now a reporting and information specialist with USAID in Pakistan. (Hafeez-Ur-Rehman was one of eight students from other Cornell schools who took part in the SGE immersion program in 2013.)

“We proposed an alternative business model with five-year financial projections and recommendations to scale the BoP model in other villages in Bihar,” she says. The plan included details such as how many patients Novo Nordisk would need to serve and how many ASHAs and pharmacists it should involve.

The students also suggested looking for synergies with other Novo Nordisk initiatives already in progress in India. For example, the ASHAs should join the teams of health-care workers who administer blood glucose tests and provide education about diabetes in company-sponsored mobile health centers, says Ditter.

“The Novo Nordisk brand is really strong in that area,” he explains. Patients who see rural care providers cooperating with a trusted health-care company are more apt to accept care from ASHAs at home.

Novo Nordisk has since moved to expand the pilot project. “We signed a memorandum of understanding with the state government of Bihar for using 300 ASHA workers in the next phase and taking it to ten districts,” says Bhatt.

The recommendation to integrate the activities of different Novo Nordisk entities in India was extremely valuable, says Bhatt. So was the experience in BoP that the team brought to the project. “Base of the Pyramid was a new concept to us,” she says. “Since Cornell University had expertise in that domain, association with them was certainly of value.”

A CONSULTING ENGAGEMENT ENABLES STUDENTS TO PRACTICE FOR THEIR UPCOMING SUMMER INTERNSHIPS, INCREASING THE ODDS THAT AN INTERN WILL DO A GOOD JOB AND RECEIVE AN OFFER OF FULL-TIME EMPLOYMENT.”

— Manoj Thomas, S.C. Johnson professor of marketing and faculty leader for the Strategic Marketing immersion

The students also suggested looking for synergies with other Novo Nordisk initiatives already in progress in India. For example, the ASHAs should join the teams of health-care workers who administer blood glucose tests and provide education about diabetes in company-sponsored mobile health centers, says Ditter.

“The Novo Nordisk brand is really strong in that area,” he explains. Patients who see rural care providers cooperating with a trusted health-care company are more apt to accept care from ASHAs at home.

Novo Nordisk has since moved to expand the pilot project. “We signed a memorandum of understanding with the state government of Bihar for using 300 ASHA workers in the next phase and taking it to ten districts,” says Bhatt.

The recommendation to integrate the activities of different Novo Nordisk entities in India was extremely valuable, says Bhatt. So was the experience in BoP that the team brought to the project. “Base of the Pyramid was a new concept to us,” she says. “Since Cornell University had expertise in that domain, association with them was certainly of value.”

IT’S REALLY GOOD TO GET A DIFFERENT PERSPECTIVE, ESPECIALLY WHEN YOU’RE STILL IN THE EARLY DAYS OF A NEW MARKET.”

— Nate Rothstein, MBA ’11, senior manager at American Express, on why he tapped class of 2015 students for a marketing immersion project

Novo Nordisk SGE immersion team members Michael Ditter and Mallory Martino, both MBA ’14, with members of the Bihar Voluntary Health Association in Patna, India.

Mallory Martino, MBA ’14, and Stalin Chakrabarty, Novo Nordisk local project manager, interview Accredited Social Health Activitsts, or ASHAs, in Bihar, India.
TRAVEL INNOVATION

Terry Dale was so impressed with the work of two marketing immersion teams in spring 2014, he invited some of their members to make a presentation to his board of directors in August.

Dale is president and CEO of the United States Tour Operators Association (USTOA), a New York-based membership organization that represents packaged tour operators. USTOA recently established an Innovation Lab to help members better understand their customers.

Dale considered seeking help with the Innovation Lab from Harvard Business School faculty and professional consultants. In the end, though, he decided to engage two Johnson teams. “It seemed like an absolutely great fit,” he says. “To tap these bright, intellectual minds on a host of different fronts felt right, fresh, and forward-leaning.”

He asked one team to create a consumer confidence index, a tool to gauge the near-future demand for packaged tours.

The students created a survey to gather data and a methodology for calculating the index. “We also went beyond the project a bit, developing sample dashboards that USTOA can use to slice and dice the data,” says team member Jeremy Budge, MBA ’15. A company that offers luxury tours, for example, could use the tool to study the motivations of high-income travelers.

USTOA now plans to conduct the index survey twice a year, Dale says.

The second team set out to study the travel preferences of millennials. But while interviewing people across a broad spectrum of ages, members discovered something completely unexpected: travel behavior has little to do with age.

“We found that there were certain characteristics across different age groups that made people more apt to use travel agencies or tour operators,” says Derek Mayer, MBA ’15. For example, there’s Experimental Evan: He’ll go anywhere, improvising all the way. Vigilant Vanessa, on the other hand, shuns exotic destinations; she values safety and peace of mind above everything else.

A survey of consumers aged 24 to 80 confirmed that travelers fall into four distinct personality types. “We saw a similar percentage of each type in each age bucket,” Mayer says. Tour operators should start segmenting their markets by travel behavior, not by age, the team suggested.

“TO TAP THESE BRIGHT, INTELLECTUAL MINDS ON A HOST OF DIFFERENT FRONTS FELT RIGHT, FRESH, AND FORWARD-LEANING.”

— Terry Dale, president and CEO of the United States Tour Operators Association

“It was reassuring that we don’t have to reinvent the wheel for future customers,” Dale says. But USTOA members — who today market mainly to baby boomers — should start paying attention to young travelers now.

The engagement with both teams far exceeded Dale’s expectations, he says, and he looks forward to sponsoring more immersion projects. “I’ve already signed up for next year.”

Along with USTOA, several other companies that participated in spring 2015 — including Johnson & Johnson and General Electric — have signed up to sponsor Strategic Marketing immersion projects again in 2015, says Thomas.

Milstein says he looks forward to engaging with more Johnson alumni about immersion projects. “As our alumni network grows, the strength of the SGE immersion program will continue to benefit from the involvement of our alumni who help identify sponsored project opportunities and actively support current Johnson students.”

Merrill Douglas writes about a wide range of business and government-related topics for trade magazines, university publications, nonprofits, and corporate clients from her home on a country road in upstate New York.