Stakeholder Perspectives on the Potential for Student Consultancy-Based Projects (SCoP) between a Business School and SMEs

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ABSTRACT

Dissatisfaction with management graduate skills has led to calls for improved curriculum design and relevance in business schools. The Student Consultancy-Based Project (SCoP) is designed to provide the following: student consulting services to local SMEs within a short time frame free from the constraints of academic course requirements; quality assurance via academic supervision; and responsiveness to project-specific needs of the SME.

Research examined two stakeholder groups' perspectives on SCoP - SMEs and academics. SMEs supported the concept as an opportunity to tap into an affordable source of assistance offering a fresh perspective on issues. Concerns over lack of industry-knowledge, accountability, cost, and confidentiality were seen as being manageable. Academics were also positive but had reservations about sustainability and resourcing.

Keywords: Experiential/student learning, Management competencies, Business education.

Much has been written about the need for business graduates to gain practical skills and relevant experience before entering the world of work. The graduate attributes valued by employers have been variously described as including the ability to solve problems, independent thought, ethical practice, communication, creativity, and integrity (Atkins 1999; CIHE 2008; DETYA 2000; IOD 2007). Discipline specific knowledge is no longer considered sufficient for graduate employability (Hager, Holland & Beckett 2002; Treleaven & Voola 2008), nor can universities maintain an exclusivity with regard to learning and knowledge. This is not a new problem. Jackson (2009) states that more than twenty years of debate can be evidenced on the deficiencies in undergraduate skills and the tension in business school curricula favouring cognitive versus behavioural skills. However, raising old problems in new contexts can be worthwhile; 'University courses that remain rigidly based on disciplinary and bounded theoretical knowledge are probably most at risk in this environment' (Garrick, Chan & Lai 2004: 335) – that is, times of rapid change, complex workplaces, and competitive global markets.

Employer dissatisfaction with management graduate skills and attributes in Australia has led to a response by business schools to evaluate and re-design curricula in an effort to enhance the skills valued by employers (Jackson 2009). Employers, academics and indeed students themselves are calling for management programmes to have a strong applied element as the bridge between theory and practice (Jackson 2009; Maiden & Kerr 2006; Mathews 2003; Mello 2006; Pfeffer & Fong 2002; Oblinger & Verville 1998). Internships, capstone courses, Work Integrated Learning (WIL) through sandwich courses and work placements, industry consultancy projects, course accreditation and professional involvement in course design are variously utilised in business school curricula worldwide to bridge this gap and to increase industry involvement in undergraduate management education (e.g., Coll & Zegwaard 2006; Healey 2008; Kim, Markham & Cangelosi 2002; Ronayne 2003). Some approaches encourage experiential learning through: group projects that seek to simulate an actual business environment; in-class activities using cases both real and hypothetical; individual project-based capstone courses for an actual business; and reflection through regular online journals (Cooper & Farris 2003; Jones 2009; McPhee & McInnes 2003;). However, some of these approaches lack the vital elements of problem-solving, ownership of the solution generation process, team building and communication that students need and employers demand. Moreover, some work placement experiences can turn into mundane routine tasks at the lower levels of an organisation (Crebert, Bates, Bell, Patrick & Cragnolini 2004).

The calls for improved relevance of management graduate skills and for business schools to better engage with industry (Bridgeman 2007; Mathews 2003) have focussed on providing industry with 'job-ready' graduates. Concrete initiatives on how to offer benefits to industry in the short term, however, have received less attention. The education literature tends to treat the area in a largely theoretical manner providing little in the way of down-to-earth actions. As an alternative, we present an approach that is an intensive, 2-3 week project consultancy where groups of senior undergraduate students work full time for a real-world client. Our concept is free from the constraints of academic course requirements; provides quality assurance via academic supervision; and is responsive to project-specific needs of the SME.

BRIDGING THE THEORY–PRACTICE GAP

A large degree of variation exists in the implementation of the real-world learning options in tertiary institutions from those that simulate a real world situation but are largely classroom-based, those that combine classroom based study with work placements which still provide degree credit, to those that incorporate problem centred learning with external clients in a capstone project. Coll and Zegwaard (2006) discuss a WIL programme which has compulsory, sandwich work placements within a degree course. Some business degrees include a compulsory capstone paper that entails an individual research project on a management issue for a sponsoring organisation or company. However, the experience of some internship opportunities has shown that this experience alone is not sufficient for the acquisition of the workplace skills and graduate attributes employers are demanding. Schneider, Piotrowski & Kass recommend an alternative approach which involves 'teams of students in small consulting projects for real clients (paid or unpaid)' (2007: 94). Neumann and Banghart have coined the term 'consulternships' and Heriot, Cook, Matthews, and Simpson (2007) label it field-based student consulting projects; both 'incorporate many aspects of a typical consulting relationship between a firm and external experts' (Neumann & Banghart, 2001: 7). A firm identifies a problem, a team of students is selected, a contractual arrangement is entered into, financial support is provided by the firm, a written proposal is agreed, and clear deliverables result for the client organisation. The students evaluate a real-world business problem, decide on a solution, learn how to deal with business owners and engage in active learning (Heriot et al 2007).

The concept of student consultancy-based projects (SCoP) within management degrees is relatively unexplored in New Zealand although similar approaches have achieved considerable success at some of the world's top business schools, particularly in the United States and Canada. To partner senior business management students with local small businesses is to create a mutually beneficial relationship. Student consultants offer time, effort, and problem-solving expertise, all of which can be lacking in a small business. In return, students are rewarded not only with monetary payment but also with a rich learning experience in which they gain valuable skills, and develop personally and professionally.

The SCoP concept has particular relevance for New Zealand. There are an estimated 457,000 small and medium-sized enterprises (SMEs), accounting for 97% of all businesses, in New Zealand (MED 2009)[1]. By partnering with senior management students through a consultancy-based approach, SMEs would receive quality, affordable services while also providing students with a unique learning experience. Furthermore, the recent Australasian Surveys of Student Engagement (AUSSE) suggest that progress is needed in our universities in the blending of academic learning with workplace experience for our students (AUSSE 2007; AUSSE 2009). New Zealand and Australian universities are rated lower than benchmark institutions on enriching education experiences and far fewer of our students take part in internships, placements or field work (28% compared with 53% in American universities). 'Almost a third of students, 32.8 percent, reported never blending academic learning with workplace experience.' (AUSSE 2009: 35)

This paper reports research on the perspectives of two key stakeholders – SME's and academics - to the establishment of a Student Consultancy-Based Project (SCoP) partnership between a leading New Zealand business school and local SMEs.

STUDENT-BASED CONSULTANCY – PAST EXPERIENCE

Nearly 40 years ago Kierulff reported on his experiences with two small business consulting programmes at the University of Southern California, concluding that there was 'convincing evidence that students, properly supervised, are capable of providing valuable management assistance to small businessmen [sic]' (1974: 1). The literature points to major benefits that can accrue to students from such programmes, providing them with the opportunity to develop their problem-solving, project management, communication, and technical skills in preparing for the "real business world" (Cooper & Farris 2003; Grossman 2002; Lamond 1995; Neumann & Banghart 2001; Rainsford 1992; Schneider et al 2007). Benefits for personal development and interpersonal competencies through such consultancy projects are also reported (Lamond 1995; Schneider et al 2007). Less well documented

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[1] For the purposes of this report SMEs are defined as enterprises with 19 or fewer employees.

are the responses of business and institutional stakeholders to this partnership. The literature review below examines these perspectives of the business enterprise and the institution.

The Experience of the Business Enterprise

Business owners or managers often start with misgivings about engaging with student consultancy projects, questioning whether such projects can provide sufficient benefit to warrant the input of time and money. The initial misgiving is that the students will lack adequate experience or expertise. In some cases client expectations are not realistic, being either too ambitious or too limiting therefore requiring careful and appropriate planning by the faculty (Allard & Straussman 2003). However, by the end of projects, clients tend to report positive results with no cases of the project outcomes being below client expectations (Haynes & Setton 1998; Lamond 1995; Sonfield 1981).

The prevailing view is that student consulting projects provide small enterprises with an opportunity to address relevant problems at limited cost with less expenditure of time and effort than if similar tasks were attempted themselves (Fowlie 2004; Griffith 1997; Grossman 2002; Kierulff 1974; Olijnyk 2001; Sonfield 1981). The assistance itself is invariably resource-rich bringing a different perspective to the problem. Haynes and Setton (1998) noted that businesses welcomed the 'customised solutions' developed by [MBA] students and acknowledged the access students have to innovative and current management thinking through the links back to faculty. Some businesses report that the usefulness of student consultants is however dependent on the project and the stage in the development cycle (Haynes & Setton 1998).

Application of different techniques and models, creative responses to issues and usable outcomes are therefore the major reported benefits by business clients.

The Experience of the Institution

Griffith (1997) maintains that the approach provides valuable marketing opportunities for business schools while Lamond sees projects as 'representing a valuable addition to the educational armoury of

an institution' (1995: 71). Schneider et al (2007) maintain that when students engage in such services to the community they also enhance the visibility and credibility of the institution and build goodwill. Alumni themselves are a valuable source of projects, cementing relationships with former students and the institution. For academics the interaction with local businesses enterprises brings the opportunity to enhance professional relationships and networks resulting in local examples that can be used in their teaching (Grossman 2002; Schneider et al 2007). Faculty members can reap benefits in terms of improved teaching through the insights gained from helping to deliver a practical real-world application of discipline based knowledge.

Supervising student consultancies presents challenges for faculty. Olijnyk (2001) and Schneider et al (2007) identify these as ensuring that business clients provide enough time and information to make it a meaningful experience and ensuring that students are able to meet the expectations of their clients. Other challenges include the selection of students and projects and the increased work load in terms of supervision time and effort.

Rainsford (1992) maintains that sourcing projects is a relatively easy task but that the management of the student consultant-client relationship is critical to the success of any project (Kierulff 1974; Neumann & Banghart 2001; Rainsford 1992; Schneider et al 2007; Sonfield 1981). The relationship is more likely to succeed when mutual expectations are carefully managed with regard to the necessary and significant investment of time, effort, and information by all parties.

The approach is well-developed overseas and implemented in many tertiary institutions, with positive benefits accruing to the stakeholders. Small business clients are able to tackle problems that might otherwise go unaddressed, students gain valuable practical pre-employment experience while the academic institutions have the opportunity to build valuable partnerships with the local community. The disadvantages are mainly concerned with the expenditure of time, effort, and resources.

SCoP: THE CONCEPT

The concept underlying this research is based on senior undergraduate students from a business school being invited to apply to join the programme. They would then work in project teams for SME clients with each project taking two to three weeks to complete. The process would start with an application from an SME for assistance. The project would be scoped and if approved by the Director of the programme, a small team of students would submit a proposal to the SME. Subsequent discussion within the programme would result in a decision to proceed or not leading to a contractual agreement. The team would then collect and analyse data with the findings being presented to the SME in a report. Projects would require the students in a team to develop a proposal, plan the project, collect and analyse primary and secondary data and generate a formal report and presentation. Potential projects would be drawn from all the functional areas of management. Each team would be matched with the client's needs in terms of the skills required to address the problem with a team leader who reports to the Director of the programme. Students would be paid for their services but would not receive academic credit.

THE STUDY

Interviews were conducted with local SMEs and senior faculty within the School.[2] Exploratory interviews with local SME managers and owners were conducted at the monthly meeting of a business association with a subsequent survey of 27 local SME owners and managers in different industries. An information sheet was prepared and given to each respondent that detailed the concept as above. The interviews focussed on issues of recruitment, selection and payment of students, the type and nature of the project and the processes of supervision and communication.

The Views of SME owners and managers

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[2] Interviews were also conducted with senior undergraduate students but these are not reported in this paper. The focus of this paper is on the perspectives of SMEs and academics.

The SME owners' and managers' perspectives on the SCoP approach are summarised in Table 1. SMEs were keen to see the idea implemented. Managers saw the approach as helping to overcome many of the constraints of SME businesses – time, cost, expertise, and creative ideas. Projects could be completed that businesses would not otherwise have the manpower, expertise or budget to complete. Creating job ready graduates and employment networking were also recognised as benefits.

Desirable characteristics of the students focussed on attitude - confident, achievers, enthusiastic, and integrity – ability to work independently and communication skills. The size of the teams should be kept small with no more than three students working for one business, *"Teams that are too large will overwhelm small businesses."*

Managing realistic client expectations and building the relationship with the University were seen as central to the success of the approach. Other concerns related to student ability, accountability, time commitment, and cost. The student-based consultancy would also have to avoid unfair competition with local professional consultants. These concerns were seen as being operational and 'manageable' rather than fundamental weaknesses.

Clear project objectives, realistic expectations, student skills matched to the project, adequate support in project management, and confidentiality were the main requirements of SME managers and owners. Practical support would however depend on the costs being reasonable, the outcomes being assured and appropriate confidentiality of sensitive business information.

The Views of Academics

The concept was seen as being academically relevant and enhancing student's careers opportunities by senior academics and management within the School.

A major concern of the academic stakeholders was accountability, the need to protect the University's reputation, supervision and funding. The reputation of the School and the responsibility and expectations of supervision were areas that would need careful management and control. Similar to

overseas experience, there was a concern that worthwhile projects may be insufficient to sustain the level of student demand.

Any overlap with existing work- based student research investigations would need to be carefully monitored particularly in terms of competing for projects so that the goodwill of local businesses is not exhausted. There are many similarities between the SCoP and an existing student investigation course however the points of difference are that student consultants would be specially selected for the role, adding benefit in terms of quality assurance, SCoP is not tied to the academic credit programme and that the student teams complete the work within a much shorter time frame.

Another issue related to the payment for the students' consulting work as this suggests commercialisation and associated concerns of liability. The consulting projects may require more teamwork and level of skills than the students actually possess. The potential for substandard project quality would need to be addressed, possibly via a rigorous selection process for the student consultants. A project management model would therefore be critical and it was suggested that team training either from faculty or from external consultants could improve the likely success of a project. Project team recruitment and qualification and team supervision processes were a common theme from the academic stakeholders.

Finally such an initiative needed to be sustainable. The idea of having a champion for the SCoP concept within the School was seen as one way of providing the necessary mentoring function and academic oversight.

CONCLUSION

Despite the rhetoric on the benefits of blending academic learning with workplace experience, NZ universities provide limited evidence of this. Our research presents the pragmatic benefits and challenges as seen by SME and academic stakeholders to the concept of a student consultancy-based project.

The approach was welcomed by local SMEs as a valuable opportunity to tap into an affordable source of assistance. Small businesses face financial and time constraints in relation to accessing consultation or other forms of assistance to help move their business forward. For the academic partner, the challenges were: to obtain adequate funding to ensure a sustainable venture, to ensure academic supervision and rigour; and to maintain the reputation and relationship of the School with local businesses.

Partnerships between university and businesses in terms of synthesising discipline based knowledge and experiential real world training/learning can be expected to grow in importance given the contemporary business environment. The team-based, SCoP approach has the potential to provide employers and the tertiary institution with a win-win-win scenario – the students' experience of real world, problem-solving projects better equips them for employment; a cooperative relationship is established between academia and SMEs; and local businesses gain manpower and expertise to undertake valuable projects.

A slightly modified pilot SCoP has been subsequently undertaken. Six senior undergraduate students completed a consultancy-based project with a local enterprise. Participation in the project was voluntary with no associated financial rewards or formal academic credit. At the completion of the project, the students participated in a focus group to reflect on both the project and their learning (detailed findings are to be presented in a separate paper). The students felt that there were multiple dimensions of opportunity afforded by the project including the opportunity for the students to significantly differentiate themselves from their peers, the real-life business experience, and the chance to develop practical skills. Concerns were raised about managing the client relationship; lack of detailed understanding of the industry and the client's organisational culture. Maintaining effective communication with the client over the life of the project was another limiting factor. The inclusion of reflection on personal, academic and professional lessons learned is an area we intend to evaluate for the SCoP as it can offer students a better realisation of the learning that has occurred.

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Table 1: SME Owner /Manager Perspectives on SCoP

Theme	Sub-Theme	Illustrative Quotes
Mitigates constraints of SME businesses	Time	*"Any sort of investigation is gold – time saving and valuable"* *"Valuable projects that the business doesn't have time for"* *"Would allow micro-businesses to buy time back."* *"Students will be performing time-consuming projects, students do the legwork"* *"Rapid solutions for businesses- low cost but quality services, shorter time period much better"*
	Cost	*"Much cheaper than professional consultancy fees"* *"Cheaper than professionals but probably wouldn't be able to hire professionals anyway"* *"It would save businesses on having to employ someone extra"* *"Business mentors are expensive"*
	Creative Ideas	*"Could use a fresh perspective, fresh pair of eyes" "unbiased"* *"Sometimes managers ... are part of the problem ... they can't see the wood for the trees"* *"Been needing advice for quite some time"* *"Would come up with ideas"* *"There will be no problem finding work for the students"*
	Multi-disciplinary expertise	*"Have no formal business qualifications ...but passionate about running a successful business"* *"Owners don't always have the skills or abilities to do these sorts of projects"* *"This idea has wider scope [than individual investigations]"* *"SME manager expected to be all things to all people"* *"Range of majors in the degree – put together to suit a client"* *"Don't have the [time or] skills to sort out the issues that growth brings often feels like fire-fighting"*
Creates 'job-ready' graduates	Helps SMEs in recruitment	*"Would help recruitment".* *"Gives me an opportunity to network with students ... typical New Zealand word-of-mouth method..."*
	Closes the skills gap	*"...integrates [academic] practical work experience"* *"hands-on experience in the workforce"* *"Advantage to have that practical experience.. an integral part of the lead-up to a career"* *"Access to business/commercial reality"* *"Introduces them to the real picture"*
Offers current Management thinking	University as a source of innovation	*"It would be coming from the right place"* *"Students have access to current management thinking"* *"Helps businesses decide what they're doing right or wrong"*