

March 2016

THE AMA JOURNAL READER

KEY INSIGHTS FOR MARKETERS AND ACADEMICS



March 1, 2016

Salesperson Effectiveness – by Zachary R. Hall, Texas Christian University

Approximately one in every ten US employee works in sales, interacting either with a business or a consumer customer. With business customers, these employees are the face of the company, the key creator of its brand(s). With consumer customers, they add value to advertising, sales promotion and word of mouth in developing their company's brands' reputation. Given the high importance of brand image to companies, salespeople are extremely valuable. With both customer types, salespeople not only enable sales but also develop relationships, manage complaints, negotiate prices, and augment services.

Perceptions of Customers: Accuracy Matters

Customer orientation, empathy, and similarity with their customers improved accuracy. Further, managers can aid their salespeople's accuracy through customer-oriented training.

Recent research suggests an idea many managers might not have considered or previously discounted: salespeople's first impression judgments are critical to selling success. Selling experience, empathy, and similarity with customers improves intuitive, first impression accuracy, whereas customer orientation and listening skills improves later accuracy, based on verbal interaction.

[Research also shows] why some salespeople inaccurately judge their customers' perception of the relationship quality: self-efficacious salespeople are upwardly biased, while customer-oriented salespeople are downwardly biased. Managers can correct these inaccuracies using a behavior-based control system.

Interacting with Customers: Appropriate Selling Behaviors

Accurate first impressions enable salespeople to formulate appropriate sales tactics, which leads to an increase of selling effectiveness and efficiency. This leads to trust and an expectation for positive outcomes. This is contrary to popular "Top-Down" selling or other anchoring approaches, which show customers the most expensive, feature-rich product in the hope of creating a higher-priced anchor.

On another important topic, loyal customers expect a reward for their loyalty, which they typically seek through discounts. Increased price discounts again foster customer loyalty, setting off a spiral of rising loyalty and discount levels. To avoid falling into the trap of deeply discounting prices for loyal customers, salespeople [can] reward loyal customers with special, personalized treatments.

Implications for Marketers

Customers are different from one another and demand to be treated individually. To do this successfully, salespeople must be able to accurately perceive needs and other characteristics that differentiate their customers. These perceptions enable salespeople to formulate and enact appropriate, customized behaviors with their customers.

Star-Telegram

March 2, 2016

Former Chesapeake Energy CEO Aubrey McClendon dies in car crash – by Max B. Baker

A day after being indicted by the federal government on bid-rigging charges, former Chesapeake Energy CEO Aubrey McClendon died in a fiery crash in Oklahoma City.

McClendon, the charismatic wildcatter who pioneered the fracking boom in the Barnett Shale and then across the country, was killed when his sport utility vehicle slammed into a concrete embankment Wednesday morning and burst into flames, Oklahoma City police reported.

Late Tuesday, McClendon was indicted by a federal grand jury in Oklahoma and accused of conspiring to rig bids to buy oil and natural gas leases in northwest Oklahoma. It accused him of orchestrating a conspiracy between two companies not to bid against each other. In a statement, he vigorously defended himself, calling the charges “wrong and unprecedented.”

McClendon, who craved the limelight, epitomized the recent rise and fall of the energy business. Besides running Chesapeake, he also was part-owner of the NBA’s Oklahoma City Thunder, which plays in the Chesapeake Energy Arena.

As chairman and CEO of Chesapeake, the lanky, silver-haired executive built the small company into an energy giant based largely on his devotion to modern hydraulic fracturing — or fracking — developed in the Barnett Shale.

While others companies initially had second thoughts about the process, McClendon embraced it along with horizontal drilling in an urban setting. His hard-charging personality turned Chesapeake into a company valued at \$35.6 billion in 2008.

“I think the Barnett Shale would have developed because there were a number of companies interested in developing it, but through Chesapeake he drove it to be developed faster than it probably would have,” said Ed Ireland, a professor at TCU and executive director of the Barnett Shale Energy Education Council, an industry-sponsored group.

Star-Telegram

March 16, 2016

See how DFW Graduate Programs Fared in 2017 U.S. News & World Report Rankings – by Diane Smith

U.S. News ranks graduate programs in business, education, engineering, law, nursing and medicine. This year’s rankings — based on expert opinions and statistical indicators, including admission test scores — were released Wednesday.

Here are some highlights:

- **Business:** TCU's Neeley School of Business, with 88 full-time students and a yearly full-time tuition cost of \$42,450, ranks 63rd overall.
- **Education:** The University of Texas at Arlington and the University of North Texas in Denton tied with a ranking of 120th overall for their education programs. TCU's program ranks 126th.
- **Medical:** The University of North Texas Health Science Center ranks 50th for its primary care medical program at the Texas College of Osteopathic Medicine in Fort Worth.



March 24, 2016

The Changing Face of EMBA's – by Kerry Curry

It had been about 10 years since Travis Mathews was a full-time college student. But here he was in his 30s, face down in a textbook, surrounded by other 30-somethings all doing the same thing.

His Executive MBA study group was an eclectic coterie: a human resources executive, a manager of a global manufacturing company, a commercial real estate broker, a restaurant designer and owner, and Mathews, a former real estate agent who was now COO of Dallas residential brokerage Allie Beth Allman & Associates. Mathews and his study-group members graduated in the spring of 2015 from Southern Methodist University's executive MBA program.

Mathews and his group aren't alone, by any means. Five Dallas-Fort Worth universities offer an executive MBA program—a rigorous and expensive advanced degree designed for working professionals. Area schools offering EMBA's are Southern Methodist University, Baylor University-Dallas, the University of Texas at Dallas, the University of Texas at Arlington, and **Texas Christian University**.

Executive MBAs have been around since 1943, when they were introduced at the University of Chicago Booth School of Business. The concept of arranging course work around full-time workers' schedules was touted as a way for time-stressed professionals to accelerate their movement up the career ladder and prepare them for the C-suite.

EMBA's proliferated in the 1990s and 2000s, and now there are hundreds of programs. The Executive MBA Council, which formed in 1981, has 230 business schools worldwide as members that gather periodically to share best practices and industry data.

“The EMBA industry is becoming more mature and more global,” says Michael Desiderio, executive director of the council.

At the time of enrollment, EMBA students, on average, are 37 years old, have 14 years of work experience, and are working full time—often in middle- or upper-management positions.

How It Works

Because of the unique needs of professional students, EMBA programs typically hold classes on Fridays and Saturdays, two weekends per month, over a 15- to 24-month period, while students continue working full time. The programs cost roughly the same as a traditional MBA. In Dallas-Fort Worth, that means between \$74,500 and \$120,000.

The class schedule and compressed time commitment appeals to working professionals.

Putting the Brakes on Tuition

Today, 41 percent of global EMBA students pay their own way, according to the EMBA council. That's in stark contrast to the early days, when universities started EMBA programs based on the premise that employers would fully sponsor their employees.

A variety of factors have affected these reimbursements. For one, employers don't have the training/education budgets they've had in the past. For another, employers want employees "to have skin in the game," the EMBA council's Desiderio says. Employees move around more than they have in the past, so a company might reimburse for expensive tuition only to see the employee jump ship once he or she graduates.

Dr. Suzanne Carter, executive director of the Neeley EMBA program and professor of professional practice strategy at TCU, says about 55 percent of TCU's EMBA students were fully sponsored by their companies when TCU's program was initiated in 2000. Today, it's more like 31 percent. Nationally, full employer sponsorship has not exceeded 32 percent since peaking with the class that enrolled in Fall 2013.

International Studies and Electives

All DFW programs include a global studies element during the second year that usually involves a one- or two-week trip abroad to one or more countries.

This year, the TCU class will go to Casablanca, Morocco, as well as to Barcelona, Spain, and Athens, Greece.

"The cultural aspects of being in a country that is very different from the U.S. will be invaluable," TCU's Carter says.

The Big Payoff

So, is it worth it? The average total compensation of someone entering an EMBA program is \$160,000, says Tom Perkowski, assistant dean of the SMU EMBA program. Students will want to consider costs and return on investment, he says. Colleges have some difficulty determining the ROI, as it's affected by numerous factors including tuition reimbursements and tracking students' whereabouts after they graduate.

Making a Commitment

Executives who are considering pursuing an EMBA should be warned they aren't for the faint of heart, says Desiderio of the EMBA council. "These are high-quality rigorous programs that shouldn't be undertaken lightly," he says. "This is not a rubber-stamp degree. People are going to have to work hard; it's a master's in business."



March 24, 2016

Welcome to Texas: Four Day Weekend Improv

If you love great love comedy, you don't need to go to SNL in New York or Second City in Chicago. All you have to do is head to Sundance Square in Fort Worth.

Four Day Weekend is the longest-running improv show in the southwest, and over the last two decades has become a must-see event in North Texas.

After 19 years, the improv comedians at Four Day Weekend know how to put on a great show. They perform to sold-out audiences twice every Friday and Saturday night. But things didn't come easily in the beginning. Two of the group's co-founders, Dave Wilk and Frank Ford, remember the struggle of having to bring in an audience each weekend... after the headliner, Forever Plaid, left the stage at 11 p.m.

"We would seat them," recalls Ford, adding, "we were the ushers...we were the ticket sales." "And then at intermission," chimes in Wilk, "we'd go back and sell them beer out of a cooler!"

The pair got their big break when a writer for the Fort Worth Star-Telegram saw their show and did a full-page write up. "People now, thanks to Todd Camp and the Fort Worth Star-Telegram, realized, 'Oh, this is here? And it's the thing to do?' And so we just became the thing to do," says Ford.

Since that time, their careers have skyrocketed. They perform not just at their theater in Sundance Square, but they hold team-building seminars for corporate clients such as American and Southwest Airlines, and the Hyatt Corporation. They've even given the keynote address to the Congressional Democratic Caucus.

They attribute a lot of their success to something that's inherent in improvisation — the "Yes, and..." philosophy. That is, saying yes and then building upon it — never even considering the alternative.

"It's the 'Yes, and...' philosophy, so anything is possible. The sky's the limit," says Ford. "It's because we never put any restrictions on ourselves. We just say Yes, and... to everything."

Now, almost 20 years later, they're entertaining a whole new generation of fans. Admirers include the grown children of some of their earliest audience members. Ford says, "They've watched us grow up. And we've grown up with the city of Fort Worth."

"Yeah," adds Wilk. "We got in right at the right time, and Fort Worth has just embraced us. It's amazing."

Yes, and...their future is only looking up from here. **The comedians at Four Day Weekend were recently named Entrepreneur-in-Residence at Texas Christian University's Neeley School of Business. They'll be teaching business students how to succeed using their "Yes, and" philosophy.**

Four Day Weekend plans to also release their first book, Happy Accidents, early next year.