

# CREATING AN ENTREPRENEURIAL FLAVOR IN THE MARKETING CURRICULUM

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## ABSTRACT

This paper reviews a short course in business creativity and innovation that challenges students to go beyond the ordinary thought process by developing the skills and ability to generate new and original business-related ideas. In this course, we have endeavored to increase students' ability to transform ideas into plans of action for success. A key part of this challenge is to get students to understand the symbiotic relationship between breaking the rules to find creative solutions and taking a disciplined approach in the process.

## INTRODUCTION

"The businessperson's secret for creating value in the market place is applying creativity and innovation to solve problems and to make use of opportunities that people face every day" (Dodds 1998). In the marketing curriculum, a lack of attention to the role of creativity and innovation is a key missing part. Titus (2000) described this void when he cited marketing educators who have investigated the introduction of creativity in the classroom: Dodds (1998); Gilbert, Prenshaw, and Ivy (1992); Jacobs (1984); Ramocki (1994, 1996). The idea of "good ole Yankee" ingenuity appears to be assumed in our curriculum. However, unless we actively awaken this creative spirit in our students, then we are doomed to "in the box" thinking. "If one accepts the premise that creativity can be taught, ... then it follows that educational emphasis should be given to increasing students' knowledge of the Creative Problem Solving Process (CPS)." (Titus 2000).

The key to developing effective marketing graduates is to instill the competency to be effective problem solvers. However, all too often, students, as individuals or in groups, are unwittingly encouraged to develop uninspiring alternatives to marketing problems. With solutions so dependent on sub-optimal alternatives, it's becomes apparent we might not be preparing our students to be competent problem solvers.

Most, if not all people are creative to various extents. Creativity, just like intelligence and height, is normally distributed over the population.

Different people have different levels of creativity, much like anything else, that is a skill. Farnham and Davis (1994) assert that what most creative people have in common are certain habits of mind and an obsessive dedication to their work". However, everybody can be creative if they want to be. Similar to a muscle, creativity responds to exercise. The more you use it the stronger it gets. As Polly LaBarre (2002) postulated, every bit of evidence demonstrates that it is impossible to generate a few good ideas without generating a lot of bad ideas.

We are writing about an imaginative process that uses exercises that transform the traditional business school problem-solving to a more effective creative problem-solving model. To implement this model, we have developed a seven-week, two-credit hour course in business creativity and innovation to challenge students to go beyond the "usual" by developing the skills and ability to generate new and original business-related ideas. The course objectives focus on product/service concept development and business problem solving where creative and innovative skill will be useful.

The three key objectives are:

- To develop skills in generating new and original ideas
- To increase ability to move ideas into action and success
- To increase knowledge and skills in creative problem solving as applied to business settings

We have endeavored to increase the students' ability to transform ideas into plans of action for success. By the conclusion of the course, students who have applied themselves should have developed the knowledge, skills, and discipline to facilitate problem-solving in the business world. Guidry and Kickul (1996) observed that although most experiential learning involves solving a particular problem, the purpose of the learning is that it is process driven, not solution driven.

## THE CHALLENGES

One of the greatest challenges during the course is getting students to understand the symbiotic relationship between breaking the rules to find creative solutions and taking a disciplined

approach in the process. In describing this challenge, LaBarre (2002) cited Stanford University professor, Robert Sutton, and his remarks regarding this apparent dichotomy. In her article, she quoted Sutton, "...people say they want innovation, yet they can't depart from their deeply ingrained beliefs about how to...make decisions, and structure work". Titus (2000) also addressed this issue. "A common misconception regarding the CPS is that it is a freewheeling, unstructured, almost mystical process." Inhibitions and fear of making mistakes seem to be the two biggest obstacles students need help in overcoming. In addition to teaching this course, we also teach other courses in marketing and advertising. Solutions to challenges and innovative products and services discussed in the course must be practical and have potential appeal to some target market or markets. The students become involved in evaluating the innovative products and services presented by their peers at the conclusion of the course.

### **MEETING THE CHALLENGE**

In order to help students overcome what seems to be the dichotomy of a disciplined approach to free flowing uninhibited creativity, the initial classes are comprised of many types of in-class group assignments. In the beginning, the class is divided into small groups of four to six members, and these groups are given an explanation (sometimes written, sometimes verbal) of a problem or situation. They are given a time limit and then sent out to develop a solution that they will present to the class upon their return. Guidry and Kuckul (1996) pointed out that while the solutions derived from experiential exercises are interesting to discuss and compare, the central focus is to examine the ways in which participants develop ongoing relationships and connections with one another. Sometimes, the same particulars are given to all groups. This introduces the specter of competition to develop the best, most creative and/or outlandish solution. At other times, the groups are presented with entirely different challenges. Examples of these assignments are:

- develop a college curriculum for the 21st century,
- describe the perfect boss,
- describe the perfect work environment for a business,
- design a new outdoor family game that sells for about \$40,
- develop a plan for a college that makes money and does not require state or federal funding for tuition.

In addition to these exercises, the class is presented with case studies developed by the instructors. The groups are instructed to develop and present creative, innovative solutions. One case scenario is a running shoe manufacturer (Appendix A), saddled with contracts for raw materials for shoes, that is facing a declining demand for its product.

A successful solution to overcoming the inhibition roadblock to innovation is playing a version of the popular game of Pictionary™. Three-person teams are handed a card with the name of a well-known person and then asked to use the chalkboard to provide clues so the rest of the class may guess the name. The rules prohibit any speaking on the part of the team or the use of words or numbers on the board. In some cases, the instructor takes a card and participates. Any remaining vestiges of inhibitions on the part of students disappear after this.

At other times, the class is shown commercials or advertisements and then asked to develop better ones. This is often an assignment for the entire class. Before the solutions are developed, however, the students must describe what they imagine to be the target market and the objective of the advertising effort. One of the common pitfalls that instructors have to avoid is the inclination on the part of the class to critique the advertisement. The students are asked to think of themselves as an advertising agency that wants to win the account and must develop a better effort.

Individual's contribution to short-term team assignments made during class time comprises 40% of each student's grade. The instructor determines this portion of the grade based on two criteria: quality and quantity of contribution to team meetings and participation in team presentations to the rest of the class. In order to evaluate an individual's participation and contribution, the instructor sits in on the meetings, occasionally offering advice, but most often observing the contributions made by each student. Students' participation in the ensuing presentation to the class is also observed and recorded. Of course, student responses to challenges presented to the entire class are observed as well.

### **THE OUTCOME**

#### **The Innovation Teams**

The culmination of the course is to design innovative products or services that teams present

to the class. Students are invited to form their own teams rather than to have the instructor assign teams. For those students who do not put themselves on teams (usually about 1/3 of the class) the instructor forms teams based on the resumes students are required to prepare and hand in the first week.

### **Incubating Ideas**

The first step is for each student to develop his or her own innovative product or service and present (sell) it to other members of his/her team. The teams are given an entire class (two hours) to present to one another and then to decide upon what they will present as their team's innovation. Just before the conclusion of this class, the teams are required to briefly describe to the rest of the class their innovative product or service. Teams are advised that they may revise and tweak their ideas before the next class, but they are committed to the basic concept. Teams are encouraged to meet with the instructor before the next class if they feel they must develop an entirely different concept. There is usually only one team per semester that follows this process. If there seems to be greater chance of success for the "new" idea, permission is granted by the instructor.

### **Evaluating Innovation**

During the next class, the teams are invited to describe only briefly any revisions to their products or services. Teams are advised to keep their descriptions short because they will be presenting and selling their ideas to the class as a whole at the conclusion of the course. After the final presentation, teams are required to fill out and turn in their investment sheets that reveal how much was invested in each of the other team's innovations. The information contained in the investment sheets is seen only by the instructor.

Teams are given 20 minutes to make the final presentations to the class. It is explained to them that they are to sell their innovative idea to a group of investors. Therefore, they must convince the audience (class) that their product or service is a worthwhile investment. Each team has a certain amount of money to invest and it is the presenters' goal to obtain as much of that money as possible. The presentation should include a full description of the innovation, a brief description of how the innovation will be produced or provided, why it was selected, the target audience (including size and spending power), sales potential, profit

potential, and how the product or service will be marketed. The teams are free to add whatever additional information or topics they wish. Emphasis should be placed on the marketability of the product or service.

Grades for the final presentations (40% of final grade) are determined as follows. Each team has the same amount of seed money to be invested in the other teams. If the sum of all the investment dollars (including the instructor's funds) were divided equally among the all teams each team would earn a B-. For example: There are nine teams and each team has \$24 million to invest. If all teams invest \$3 million in each of the other eight teams, and the instructor does also, each team will receive a total of \$27 million in seed money. This number when divided by nine (instructor plus eight teams) is \$3million. Grades are assigned as follows: \$1million = D-, \$2million = C-, \$3million = B-, \$4million = A-. Members of a team all receive the same grade. Teams must invest at least \$500,000 in each of the other teams. Teams do not have to invest all of their funds (they always have) but they do not get to keep or use any funds they don't invest. The completed investment forms are handed in to the instructor. Teams are permitted to allocate their investment funds any way they choose.

The instructor has unlimited investment funds. This allows him to invest additional funds in a team he feels was unfairly judged by the other teams.

### **Innovation and Reward**

Individuals share in the team grades, and they have the opportunity to earn extra funds (grades) as consultants to other teams. Each team is given an additional \$700,000 in consultant funds. This money does not have to be invested, nor can it be kept. If a team does not care to hire consultants, the \$700,000 goes unspent, but will not count toward the team's presentation grade. A student may serve as a consultant to only two teams and consultation services are to be provided during non-class time. This is to avoid students spending too much time on projects other than their own. The student resumes handed in at the beginning of the class are made available to all teams. Teams negotiate a consultation fee/arrangement with each individual they hire. Individuals are free to sell their services to other teams based on the brief descriptions of the innovations announced in class. The team and the consultant are required to fill in and sign a contract prepared by the

instructor. The completed contract is then turned in to the instructor. As a result of this arrangement, individuals are able to increase their own grades to an extent. For instance; Beverly's team received total investment funds of \$27million, which divided by nine comes to \$3 million, or a grade of B- for each member of the team. However, Beverly served as a consultant for another team, thereby earning an additional \$400,000. This raises her grade to \$3.4 million or a B.

### **The Instructor's Key Roles in the Innovation Process**

Toward the end of the semester, class time is provided so that teams may hold their meetings. The instructor is available during this time to serve as a free consultant. This allows the instructor to: check on the progress being made, observe quality of individuals' contributions (this is part of the 40% classroom participation grade), advise teams on strategies and presentation planning, and to ensure some degree of quality control. All teams are required to meet with the instructor at least twice prior to the final presentation. Teams are directed to prepare and turn in a short paper highlighting the most salient points covered during the presentation. The papers should cover the major points made during the presentation in a brief executive summary. They are read only by the instructor and account for 20% of the final grade.

### **CONCLUSIONS**

The course challenges students to find solutions and answers to the types of situations they are likely to face when they enter the business world. While they are required to be innovative, they must also arrive at practical solutions that meet marketability criteria. Students are not rewarded for nor encouraged to develop pie-in-the-sky ideas that have no practical application. Having to sell their ideas to their investor-classmates as the final project is the logical culmination of the weeks spent developing a variety of innovative solutions to a variety of different businesslike scenarios. Because they are placed on teams throughout the course, students continually find themselves forced to seek consensus and to contribute to group efforts. Teamwork is one of the cornerstones of this course.

Perhaps the greatest challenge they face is overcoming the limiting inhibitions to innovation

caused by the fear of appearing foolish. Much of the early part of the course is directed toward encouraging students to consider even the most outlandish solutions. Being able to identify the real or underlying problem or objective is another key to success in business creativity and innovation.

Reaction on the part of students has been predominantly positive. At first, some are frustrated by what they perceive to be a lack of structure in what they doing during class (no tests and no papers is a significant departure from most courses). But, when these students realize that their contributions are being observed and evaluated, they derive satisfaction from participating in the various exercises. It takes a while for most students to feel comfortable with the "investments" on the part of other students contributing to 40% of their grade (the final project). However, they become more comfortable with this concept once they realize that they have to sell their innovation and that the instructor has unlimited funds to invest.

## **APPENDIX A**

### **Mercury Incorporated**

*Not so fleet of foot any more*

It is the early 80s. You are a member of the board of directors of Mercury, Inc., manufacturers and marketers of the best running shoes sold in America. You were involved with Mercury at its inception in 1971. You invested considerable funds in the company initially and anguished through the early years when times were rough. But it all worked out (or so you thought until recently). The timing was right; the running boom in this country took off in the 70s. Frank Shorter won the Olympic marathon in 1972 and came in second in 1976. Another American, Boston Billy Rodgers, won the Boston and New York marathons four times each. Jim Fixx wrote the best selling The Complete Book of Running that made him and Random House millions in the 70s. It seemed like everyone was getting into running, jogging, and other methods of fitness in this country.

Mercury succeeded with the simple premise of manufacturing good quality running shoes in Mexico and Latin American and South American countries where labor was cheap. The company marketed these inexpensively manufactured, but premium quality, shoes at high prices to joggers and running fanatics in the US. Great operation: cheap labor, low cost quality product, shoes sold

at top prices in US, running craze at its peak, and product promoted aggressively and extensively. Mercury could barely keep up with demand, and everyone involved with the company made big bucks. Your Ivy League alma mater even asked you to be the chairman of the gift giving committee for your class.

That was the 70s; this is the 80s! The company founder, Nosmo King, has always been a high roller business gambler and dealmaker. Within the last year, the board and Nosmo have been at odds. Sales and profits have leveled off for several reasons:

- The running boom is over and not as many people are as obsessed with running and jogging as they were in the 70s.
- Running is hard work and its appeal diminished somewhat
- Runners and joggers often incur overuse injuries (orthopedic surgeons make plenty of money, but their patients aren't buying any more athletic shoes).
- There are other easier and easier-on-the-body methods of getting fit that don't require running shoes.
- There is lots of competition from other shoe companies

You and your competitors are finding that demand is leveling off. Mercury is losing money in a low growth market.

Somehow, Nosmo failed to realize that the trend was changing. In addition to losing market share, Mercury's sales growth has been no more than 2% for the last three years. Profits are down, Mercury has not paid a stock dividend in the last three quarters, and the value of its stock continues to take a nosedive. Wall Street analysts are steering investors away from Mercury. The board members had been fat and happy earning great dividends and watching the value of their stock rise. However, the party ended last week. The board voted Nosmo out as CEO and bought up all of his shares of stock. Then, to your surprise, you were elected as the interim CEO by the board.

During your first days on the job, you discovered the following: Nosmo had secretly signed contracts with sub contractors south of the border to manufacture millions of shoes over the next 18 months. And as if that weren't enough, he signed contracts with suppliers of raw materials (thread, rubber, glue, Nylon, and leather) that committed Mercury to buy large quantities of these materials over the next 18 months. The company attorney assures you that these are ironclad contracts. She

doesn't have to tell you that these contracts will put Mercury out of business if the company does not find some way to employ the subcontractors and utilize the materials Nosmo committed it to. There just isn't enough demand for running shoes in this country to justify the number of shoes Mercury is obligated to manufacture. You cannot afford to let the company go bankrupt. All of your money is still invested in Mercury. You will go broke and be out on the street if the company goes belly up. All four of your kids are attending Ivy League universities to the tune of \$22,000 a year for each one. When you were in school, it was only \$1,200 a year and you waited tables to make ends meet (this is not something you have trained your sons and daughters to do). The subcontractors and suppliers know they have Mercury over a barrel because there is no way out of your contracts. You have got to come up with a plan, and fast. You have been stalling the board for several days now and they have scheduled you to meet with them in one hour. You are a marketing expert, not a financial wizard, or legal eagle – what is your plan?

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