

Customer-Driven MBAs Win-Win For Students, Employers

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[Mark Reed](#) doesn't have to worry about graduating without a job waiting for him.

Unlike thousands of highly qualified MBA students across the country who will face a lagging job market with hefty student loans in tow, Reed secured a position the day he started classes at the University of Memphis.

The Fogelman College of Business and Economics at the University of Memphis launched its two-year Customer-Driven MBA program in 2009, and now the first year of students are getting ready for graduation in Spring 2011.

The program tailors curricula to the specific needs of sponsor corporations who pay for students' tuition and assistantships and, most importantly, guarantee them employment upon successful completion of the program.

Reed, who is originally from England and already holds a Ph.D. in microbiology from the University of Leeds, is one of four students in his year sponsored by Smith & Nephew. He moved to Memphis to work at St. Jude Children's Research Hospital in 2007.

"One of my mentors had suggested that there was a lot of ground to be made in making scientists and principal investigators more knowledgeable in business," Reed said. "There was going to be an increasing need for scientists to be able to budget and look for opportunities in research space. That always kind of resonated with me."

Now Reed spends 10 hours a week during the academic year and 40 hours a week in the summer working in Smith & Nephew's research division, with two days a week studying courses specifically designed to meet Smith & Nephew's needs.

"That wasn't something I had seen before (in a business school)," Reed said. "I've seen some programs that have (research) modules that you can take as an elective, but they're not specifically built into a core curriculum."

The customer-driven program was the brainchild of Rajiv Grover, dean of the school, who was told by city leadership when he took his current post in 2007 that Memphis had a problem with attracting and retaining top talent.

"The whole idea of a customer-driven program was how do we get world-class standing in the city?" said Grover. "This program says: MBA-worthy students, why don't you come to the University of Memphis? We will not only pay for your education, but we will also commit to giving you a job on successful completion of the program. It was a huge win-win-win situation."

Sponsoring corporations pay approximately \$60,000 for tuition and assistantships covering two years for each of the students they commit to hiring. Each student receives \$18,000 in stipends per year.

Corporations and students alike take a risk if things do not work out. If the student decides against completing the program, he or she must pay back the corporation's investment.

If the corporation decides against hiring a student because of low academic achievement or poor performance, it may lose its investment, but the loss is generally less than it would have paid in recruiting and training a candidate on its own.

"If you calculate the number of hours the students work for the company, that's good enough to return the \$60,000 the company is spending," Grover said. "(With successful students) the companies get custom-trained employees whom they already know, and the student gets a free MBA and a job."

Currently FedEx has committed to 10 students each year, Smith & Nephew has four, [Medtronic Inc.](#) has two, and [Wright Medical Technology Inc.](#) and [AutoZone Inc.](#) have one each.

Though the idea is novel, Mark Gillenson, director of the CDMBA program and professor of management information systems, said that the students' work week is not all that different from other students'.

"The University of Memphis is an urban university and many students work and juggle all kinds of responsibilities, but it is different in the nature of the tie-in to the companies," said Gillenson.

Specifically, students sponsored by the same company may follow different academic tracks within the program or work in different divisions of the company. Three tracks are currently offered: services marketing, medical devices and entrepreneurship.

"The first year of the program, the students take standard MBA core courses," said Gillenson. "In the second year, they continue to take some MBA core courses, but they also take a series of four concentration courses."

Application requirements also vary from company to company, and both the university and the company must approve of prospective students.

Jospeh DeVivo, Smith & Nephew's Orthopaedics president, said the program helps put Memphis on the map for highly sought-after job candidates.

"It's a challenge at times to attract talent to Memphis," said DeVivo. "It's simply competition. The level of students this program attracts has options. They have choices. They can enter early-entry programs with companies across the country. This is just a creative way to give them the added incentive of job security if they choose Memphis."

For his part, Reed said Memphis is a keeper.

"I'm a huge convert to Memphis as a city," Reed said. "When I told people I was moving here, the impression that I was given wasn't bright, but I certainly feel like Memphis is a safer city than where I was in England. I've got every intention of staying here as long as I can."