

Utilizing Rankings Strategically for Decision-Making Purposes

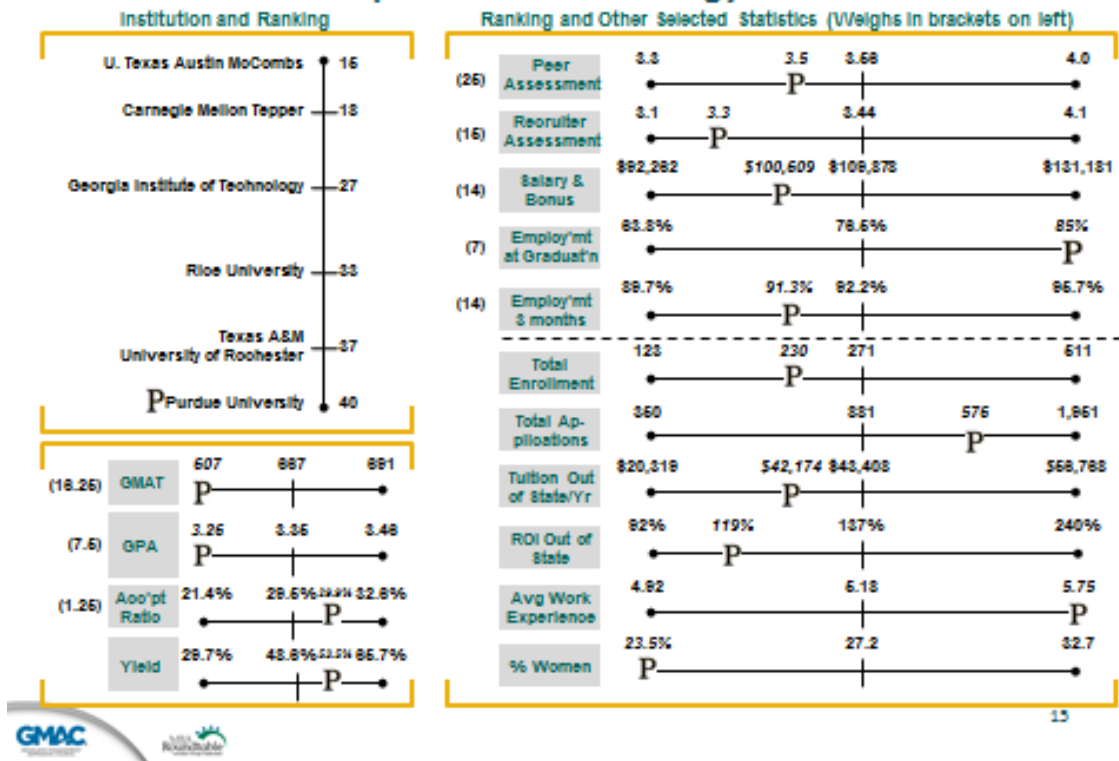
Whether you love or hate them, find them on-point or imperfect, or are just closing your eyes and pretending they don't exist, business school rankings are an omnipresent reality in the b-school universe. In fact, in our big data world, that is exactly what the rankings offer – data points. Even without looking at the final number/rank, you can use rankings to make more effective resource allocations decisions. In my work at ESADE as well as subsequent consulting projects with myriad business schools, I've found that rankings can actually represent an excellent, cost-effective source of benchmarking intelligence. At the 2015 Leadership Conference, I had the opportunity to facilitate a panel to show the process.

The session "Implementing a Strategic Management Framework for Institutional Success" featured panelists Charles "Tad" Brinkerhoff from the Krannert School of Management at Purdue University, Santanu Chatterjee from the Terry College of Business at the University of Georgia, and Toby McChesney from Georgia State University. We were able to demonstrate how each school could apply rankings data to better align their strategic initiatives, goals and operating decisions through a 3-step process.

Step 1: After reviewing the multiple rankings, select your competitive benchmark group; while you don't have to be ranked to conduct this exercise, your benchmark group does. Your benchmark group may be based on location, type of school, schools where candidates are sending GMAT scores to in addition to yours, schools where your top employers recruit, etc.

Example of Comparative Format Using External Benchmark Data

US News & World Report 2015: "Technology-Oriented" Schools

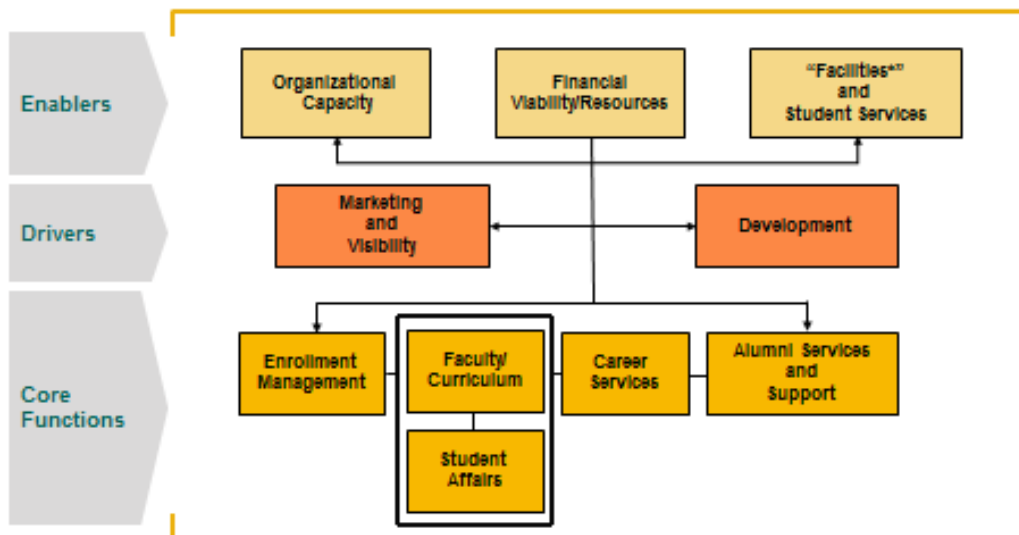


At the Leadership session, Purdue benchmarked itself against six “technology-oriented” schools, and Terry benchmarked itself against seven other regional public universities. Both schools utilized the **2015 US News & World Report Ranking of Full Time MBA Programs** as a basis for their information. Georgia State, on the other hand, benchmarked itself against the Top 29 in the **2015 US News & World Report Part Time Programs** at the session. You can use all or some of the criteria listed in the ranking you have chosen and you don’t have to limit yourself to just one publication - take some criteria from the Financial Times, some from US News, and yet more from The Economist. For each criteria or area surveyed, i.e. total number of applications or recruiter assessment, you need to plot the minimum, maximum and average for your benchmark group and then plot your own information on the same scale.

Step 2: The first step helped you identify in which categories you are falling behind or are possibly below the minimum. This step urges you to ask why. Is there a plausible explanation for why you fall where you do? More importantly: is this an area in which you want to grow or develop? For example, perhaps you are particularly low on your total number of applications. What are some possible reasons you are down – is it your location? Your facilities? Your placement statistics? Is this an area in which you would like to see growth?

Step 3: Once you have determined your growth area targets, overlay these with the Setzer Group Boston Strategic Management Framework in which you identify three key areas:

Utilizing Benchmark Intelligence for Strategic Management
SGB Strategic Management Framework for Universities and GME Institutions



Effective alignment of Enablers, Drivers and Core Functions with outside benchmark metrics and data support an institution’s strategy implementation, value proposition and delivery.



*Physical or online/electronic.

- **Enablers:** What a school needs to be in business, i.e., staff, faculty, students, facilities (which can definitely be a huge variable in today’s virtual environments);

- **Drivers:** The resource engine(s) of the school. (Note: To derive your own school's resource engine, consider the primary revenue source, i.e., if it is enrollment fees, the resource engines might be marketing and recruiting, but if it is in outside funding sources, the resource engine might be development.)
- **Core Functions:** The administrative units of the school, i.e., admissions, program, career services, and alumni services.

You need to map each element of the rankings to the parts of the framework that it impacts. But a key part of this process is not just in identifying the impacted departments or functions, but in communicating to the entire management team their role in helping grow this area. An example: Your recruiter assessment score is low relative to your benchmark group. Obviously, you can look to your career management core group and ask them to “fix this.” But is it their problem alone? Of course not – maybe your marketing and communications team can help you with messaging to recruiters, perhaps your facilities aren't very accommodating and you need additional interview space on campus. If the entire management team knows that you are going to be evaluating your progress over the next year relative to how you are assessed by recruiters, you now have a tangible goal to help drive actions and activities, and align goals across functions.

As discussed at the Leadership Conference session, that is one of the true benefits of this process. You can compare performance year over year, progress over time, and comparison to your competitive set – all with the information you gathered from the rankings. Use the SGB framework of enablers, drivers and core functions. The key thing to keep in mind is that the actual rank that you hold relative to your competition is not as important under this framework. Rather, you can use the information from your school and others to take advantage of areas of strength and redirect resources to support or enhance areas of relative weakness. Plotting information points, as opposed to taking your “rank” as a stand-alone data point, can help your team with goal setting, alignment of goals and efforts, and even provide a usable and tangible data point from which to measure success. Ultimately, following this process and utilizing the SGB framework will help enhance the value proposition of your school to all stakeholders. What a great way to start loving the rankings!