

DEVELOPING A DEPARTMENT PROFIT CENTER WHILE ENHANCING THE STUDENT LEARNING EXPERIENCE: BUILDING A PROFESSIONAL SALES CENTER

*Mick Jackowski, Department of Marketing, Metropolitan State University of Denver, Campus Box 79, P.O. Box 173362, Denver, CO 80217-3362, 303-615-1212, mjackows@msudenver.edu
Scott Sherwood, Department of Marketing, Metropolitan State University of Denver, Campus Box 79, P.O. Box 173362, Denver, CO 80217-3362, 303-615-1212, sherwoos@msudenver.edu
April Schofield, Department of Marketing, Metropolitan State University of Denver, Campus Box 79, P.O. Box 173362, Denver, CO 80217-3362, 303-615-1212, aschofi3@msudenver.edu*

ABSTRACT

As an innovative means of creating greater impact on student learning while becoming more self-sustaining, a university marketing department created a Center for Professional Selling. Corporate partners paid the Center for the ability to recruit students taking sales courses. In addition to providing the potential for students to land high-paying entry level positions, partners also shared their own experience and expertise with students during scheduled class visits and other events. Students participated in experiential learning activities that increased their marketability and led directly to employment for many.

INTRODUCTION

Government funding of higher education is \$10 billion less than it was prior to the recession in 2008 [6] and some predict it will never return to those previous levels [4]. To combat this, public universities have been increasing tuition at rates surpassing the growth of median income levels, a strategy that cannot be sustained without institutions pricing themselves out of the market [6]. In this era of declining subsidies, academic departments could realize smaller operating budgets while costs continue to increase, which could negatively impact student learning. For example, one study found that decreases in government funding of higher education increases the cost of improving student degree completion rates [7]. With this problematic environment now a harsh reality, institutions of higher learning must find more alternative funding sources--donations, grants, public-private partnerships, sponsorships, etc.—in an effort to maintain their standards of quality.

Likewise, academic departments should not solely rely on traditional means of funding from the institution, lest it become bound to the successes and failures of administrative units outside of their control. However, traditional department funding, whereupon a department is allocated resources based on decisions made in the offices of the Dean, Provost and President, is the only means of revenue considered in the vast majority of academic units in the United States. Instead, academic departments should embrace an entrepreneurial mindset and develop their own sources of revenue. By doing so, departments can not only maintain or increase their own service

quality standards, but also develop more autonomy within the university and illustrate a non-profit version of corporate entrepreneurship to the rest of the campus community. Additionally, a Gallup poll reported that employees' level of engagement in the workplace doubled if they also engaged in experiential learning activities while they were in college [2]. Accordingly, it makes sense that academic departments expose their students to more experiential opportunities. And toward the end of a department becoming both more effective and efficient, the strategy of developing new revenue streams should also provide these experiential opportunities. Specific to teaching sales, students who received a formal sales education through experiential learning activities at a university were both more motivated [5] and more successful in the first year of their careers than employees who received that training after being hired [1]. Because of this, it is vitally important to integrate more active learning scenarios into a sales curriculum, instead of relying on a traditional lecture format. This paper provides a case study of an academic marketing department at an urban university developing a sales center to not only better prepare its students for careers in that field, but to also generate new funding streams. These sources of revenue created new student scholarships, funded student travel to sales competitions and subsidized the department's annual student awards banquet.

BEGINNINGS

Before the creation of the Center, the Marketing Department offered two sales courses: Personal Selling and Sales Management. Due to increased demand from students, the department added a second section of Personal Selling. To better assess whether these courses were providing students with the most up-to-date knowledge of the discipline, the course coordinator investigated several organizations, including the Sales Education Foundation and the University Sales Center Alliance (USCA). Almost 30 colleges across the country belonged to the USCA and were eager to share best practices in sales curriculum. Armed with this information, the department added a course in Advanced Selling, revised its Sales Management course, and created a sales role play laboratory. One of the key tools in the laboratory was an online program that allowed student presentations to be recorded and graded with comments in a secure environment. The program focused also on training students for careers in business-to-business sales because it is these companies that hire a majority of recent graduates for their salesforces. The decision to transform the sales program into a full-fledged Center for Professional Selling was multi-faceted. First, it better differentiated the sales program from the mix of traditional courses found in the marketing curriculum, as well as the typical offerings in the School of Business. Second, it reinforced the importance of sales training to students, and third, it crystallized the brand to the corporate community as a singular source of well-trained entry-level salespeople. After establishing the Center for Professional Selling, program administrators applied for Associate membership in USCA having met the initial requirements--three faculty members teaching sales courses, a sales laboratory, three core sales courses (a two-course sequence in sales, plus sales management), an independent advisory board, and support from the Dean's office. The

Center now offers both a sales certificate and minor and added freshman/sophomore level courses in introductory sales and customer service.

PARTNER FUNDING

Researching other programs provided the knowledge that in addition to offering traditional sales courses, the opportunity existed to form revenue-generating partnerships with large companies with offices in the community. These relationships are mutually beneficial in that a) companies pay for the right to recruit students trained specifically in skill areas needed to be successful in sales, b) students gain industry knowledge through partner presentations in the classroom, as well as networking events, c) students have a direct pipeline to potential employment in high-paying positions, d) the department generates a source of alternative funding that can be rolled back into activities that support student learning, and e) partners provide realistic learning and feedback opportunities for students by acting as role play buyers and mock interviewers. Sales programs around the country utilize different revenue strategies when developing corporate partnerships, from an annual partner sponsor level of \$25-50,000 to some institutions giving the sales recruiting right for free. This latter strategy devalues the privilege extended to partners and defeats the goal of creating departmental revenue streams. The more expensive extreme sometimes requires that a specific sales method is taught and grants more oversight to the partner because of the size of the investment. This program decided to offer a \$5,000 sponsorship-level due to its lack of a proven sales-training track record with area employers. In return for this fee, partners received the right to visit sales classes to talk about pre-determined topics and promote opportunities within their own company. Additionally, the sales program organized an evening meet-and-greet event every semester at the university hotel. This opportunity allowed students to experience an authentic networking event and build rapport with partners with whom they would be interested in obtaining an internship or full-time sales position. Using this rather straightforward relationship outline, representatives of the sales program met with recruiting executives in several companies that had partnered with other universities and quickly developed a core group of financial supporters. In addition to cash partners, the Center also has in-kind sponsors, or those that provide services or product in place of money. Two examples of this are the video recording company that is used in student role plays, as well as a company that visits classes every semester to teach dress for success strategies. Each semester the Center offers a networking event for all sales students and partner companies. Students participate in mock interviews, career assessments (SEF), and job shadowing. Sales students also sell to real customers for real money for one of our partners, who in turn give a portion of those proceeds back to the Center. In addition to the benefits mentioned already, the faculty of the Center are proponents of experiential learning because results indicate that students who take a more active role in their learning environment are more likely to retain the knowledge they obtain [3]. With this in mind, students not only engage in sales role plays as course assignments, but every semester, the Center invites select high performers to compete in sales competitions around the country. The portion of the expenses not subsidized by the inviting institution are covered by the Center from partnership funds. Students are permitted to keep any cash prizes they earn at the competitions. Corporate sponsorships also created a plethora of scholarships for high achieving students in the sales program. Finally, the Center allocated some of the funds to the Marketing Department, which used these moneys to stage the annual marketing department student awards function.

TYPICAL SEMESTER

In addition to regular course preparation, arrangements must be made to schedule partners for classroom visits. Although this may appear to be a relatively straightforward task, coordinating calendars with busy executives is time-consuming and faculty must be pliable with their course schedules. It is common to rearrange visits myriad times during the semester to accommodate partners who must change their presentation dates. In class, partners present about 30 minutes of material that students need to learn and the rest of the class is dedicated to students learning more about the sales process at that company and the types of employment opportunities available. This experience provides an opportunity for students to ask questions specific to that company and begin forging relationships with potential employers in a more intimate setting. Partners encourage students to follow up with them after the class visit, which often leads to employment opportunities before they graduate. At the very least, these students are now known by recruiters, which is an important and necessary first step to move past the typical review of cover letters and resumes. All students, whether or not they pursue job opportunities with partner companies, graduate with a network of business professionals in a variety of industries. Almost every course utilizes role plays to make the students more comfortable in selling situations and partners provide the selling scenarios for these exercises. The faculty give the best of these students an opportunity to compete in either an internal sales competition or travel to national events, or both. Freshmen and Sophomores in Introduction to Sales who perform well in their role play final are invited to travel to a national competition solely for underclassmen. Additionally, partners serve as buyers for students in Personal Selling and Advanced Selling courses. Students in two sections of Personal Selling use role plays to compete in an internal sales competition and students in Advanced Selling can earn the right to compete in some of the largest sales role play competitions in the country. Additionally, students in Sales Management sometimes attend a national sales management case study competition. These opportunities provide valuable bullets on the resume of students, but more importantly, most sales competitions provide recruiter fairs where students interview for positions when they are not competing. Many students have landed their first sales position while attending these events. As another means of experiential learning that also strengthens ties to the corporate community is the students' ability to use their knowledge learned and sell a product. Our Center developed relationships with two professional sports teams that provide students with one game a semester to sell. The teams reduce the cost of the ticket and allow the Center to build in a mark-up that turns into a donation to the Center. The teams also provide additional perks, such as the opportunity to skate on the ice or shoot baskets after the game for ticket buyers, plus a VIP experience or a shadowing experience for top-selling students. The proceeds generated from this experience help fund more scholarships. Students also create LinkedIn profiles, resumes and the Introduction to Sales class partakes in mock interviews with the Career Services Department.

CONCLUSION

This paper provided details on how a marketing department developed a center in a specialized facet of its discipline. While this opportunity may seem reasonable to do within a marketing department, the authors propose that any department has the potential to find their own symbiotic relationships between their students and organizations that recruit them. Employers already invest in and attend career fairs on virtually every campus in the United States, but they participate knowing that they will encounter a wide swath of students with differing levels of knowledge, skills, and overall ability. Most of the students they meet are not good candidates for their entry-level positions. It makes sense that these recruiters would prefer more targeted opportunities to meet a smaller, yet more qualified, number of students. The good news for academic departments is that companies have both the willingness and financial resources to make this possibility a reality.

In this scenario, the tables turn and the students become the desired ones and companies often compete to win the favor of the most talented individuals. In the case of this sales center, top students often receive multiple offers and get to pick the employment opportunity that best suits them. After-hire reports from our partners indicate that students recruited from the center are better-prepared than their counterparts from other institutions, that lacks sales programs, which makes these partnerships easy to continue over the course of many years.

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