THE INTEGRATIVE BUSINESS EXPERIENCE (IBE):
AN INTEGRATED, HANDS-ON FOUNDATION
FOR UNDERGRADUATE BUSINESS EDUCATION

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ABSTRACT

The Integrative Business Experience (IBE) is a practical and effective program for achieving three very challenging educational objectives: 1) integrating content across multiple core business courses, 2) linking theory and practice early in students’ degree program and, 3) providing large numbers of students with what employers view as real and meaningful work experience. IBE students concurrently enroll in three required junior core courses and a practicum in which 20-30 member student companies get an actual bank loan (of up to $5,000), create and operate a start-up a business and use the profit to finance a hands-on community service project—all in a single semester. Since the first pilot in 2003, 1,105 IBE students have created and operated 50 businesses that have received $113,543 in loans, generated revenue of $440,516 and contributed their profit ($242,973) and time (17,005 hours) to community service organizations.

Key words: Curriculum Integration, Team-Based Learning, Experiential Learning, Applied Learning, Teamwork Skills

INTRODUCTION

The focus of the innovation described below is to ensure that our undergraduate business students develop the ability to: 1) view business organizations from an inter-disciplinary perspective, 2) work and communicate effectively as a member of a decision-making team and, 3) are able to solve unstructured problems. Traditionally, business schools have attempted to build these skills by having students get “real-world” exposure by studying existing business organizations through analyzing cases, listening to presentations by business leaders and/or engaging in field consulting projects. The Integrative Business Experience (IBE) takes exactly the opposite approach. Instead of having students focus on what is inevitably a limited exposure to someone else’s organization, we have them create and operate two organizations of their own. One is a start-up business (based on an actual bank loan of up to $5,000). The other is focused on using the profit from their business to carry out a hands-on community service project.

Since our first pilot offering of IBE, 1,105 students have participated in the program and have created and operated 50 remarkably successful companies. In all, these companies have:

1. Obtained $113,543 in bank loans
2. Generated a total revenue of $440,516
3. Provided local community service organizations with:
• $242,973 in financial support (from the profits of their start-up businesses)
• 17,005 hours of community service time on projects organized by IBE companies

There are a number of very unique features of the IBE approach. From a practical standpoint, the most important is that, even though a primary objective of the program is content integration, it does not involve either team teaching or a high degree of content-delivery coordination. Instead, we require students to concurrently enroll in four courses, three of which are junior-level, required core courses (i.e., Information Systems, Management and Marketing) that are independently taught by three individual faculty members. Instead of being based on a detailed delivery plan, the integration occurs because of what happens in the fourth course. In this course (which faculty are assigned to but, do not attend), students hold company meetings in which they actually use concepts and tools from the three core courses to create and implement a business plan for two significant enterprises. One is a start-up company based on an actual bank loan of up to $5,000. The other involves organizing and carrying out a hands-on community service project.

Requiring students to actually take on these meaningful challenges greatly reduces the effort required to give them an integrated exposure to concepts from multiple disciplines. The primary driver that provides direction for both the faculty and the student companies is a list of dates and deliverables that are shown in the IBE Master Schedule. Knowing what students are doing in their companies eliminates much of the need for faculty work together to jointly “script” the content integration. Instead, the three faculty members independently, but very effectively, sequence the material from their own course to deliver “just-in-time” support for students as they develop and implement their business plans. That way, the content integration occurs where it really needs to—in students heads—and it happens almost automatically as students use the ideas to do their work.

A second feature is that the core courses are taught using Team-Based Learning (TBL—e.g. see Michaelsen, et al, 2004, 2007) as a means of:

1. Creating an active learning environment even though the three core courses are often taught in large classes (i.e., up to 140 students)
2. Shifting the focus in these courses from content coverage to content application.

Finally, the most unique feature of IBE is that, instead of working with hypothetical situations, students are immersed in a truly real experience. Thus, their work does not end with a set of recommendations for someone else—they make many significant choices and, most importantly, actually experience the consequences of their choices. As a result, two important things occur. One is that IBE is powerful and enjoyable for students because their learning is linked to a truly meaningful experience. The other is the impact of the program on students’ search for internships and jobs. From the potential employers’ view, IBE students have real work experience and because their experience was real, the lessons they have learned are real as well. In addition, IBE is also an extremely enjoyable experience for faculty. In part, that is because the nature of the program changes students’ relationship with both the material and the faculty.
Students are less focused on grades and more focused on truly understanding the material because they see it as a potential help in doing what they need to do to be successful in their business and service ventures. Similarly, they tend to view faculty members as a source of real help instead of someone whose primary role is to give them a grade at the end of the term.

LITERATURE REVIEW

Over two decades ago, in a comprehensive national study, Porter and McKibbin (1988) concluded that undergraduate business school programs were doing a good job of developing students’ technical skills, but were not adequately preparing them for their future jobs. Unfortunately, based on more recent assessments (e.g. Bennis & O’Toole, 2005; David, David & David, 2011, Pfeffer & Fong, 2002, 2004). Business graduates are still unprepared in three important areas. With few exceptions, they: 1) have a difficult time viewing business organizations from an inter-disciplinary perspective, 2) are limited in their ability to work and communicate effectively with others and, 3) are unable to solve unstructured problems.

In large measure, these deficiencies probably result from a combination of three factors. One is that most undergraduate students have only worked in low level, part-time jobs that contribute little to their understanding of the workings of business organizations. Further, although typical student jobs involve working with others, they seldom provide any significant responsibility for organizing work activities, dealing with ethics and/or human-resource issues or solving unstructured problems. A second problem is that prevailing business education practice emphasizes theoretical knowledge in discipline-based courses while largely ignoring practical applications that cut across business disciplines (e.g. Bennis & O’Toole, 2005; Pfeffer & Fong, 2002, 2004. Finally, although the vast majority of business courses involve group work, many of the group assignments are actually counter-productive because there is a minimum of team work because students choose to divide up the overall task and individually complete sub-parts of the deliverable upon which they will be graded (e.g., see Michaelsen & McCord, 2000, Glenn, 2011).

IMPLEMENTATION—IBE VS. TRADITIONAL UNDERGRADUATE PROGRAMS

Figure 1 presents a comparison of IBE with what is clearly the most common structure of undergraduate business programs. There are several features of the structure that contribute to both the effectiveness and the transferability of IBE. One is that it is very simple because it utilizes existing core courses and the integration occurs because the teachers individually sequence the topic coverage in their course to support students’ efforts to build (and later) the plans for their business and service ventures. As a result, IBE does not require team teaching, close cross-course coordination, or custom course materials.

Another important aspect of IBE is that it occurs early in students’ undergraduate business program. As a result, (and in large part due to the use of Team-Based Learning in the core courses), IBE has a powerful impact on the rest of students’ undergraduate experience for two important reasons. One is that IBE creates a strong social support system to help students navigate their way through the challenges they face in their later course work. The other is that
IBE develops students’ teamwork skills so that they are both more efficient and more effective in completing the many group assignments they will be given in their subsequent courses. In addition, the fact that IBE links theory and practice early in the program gives students a concrete conceptual foundation to support their learning in later courses.

**IBE Program Organization**

During the first semester of their junior year, IBE students are required to concurrently enroll in three junior-level core business courses (Marketing, Management, and Information Systems) and a practicum course in which IBE students are required to create and manage two significant enterprises: an actual start-up company (based on a bank loan of up to $5,000) and a hands-on community service project. Because the content coverage and many of the assignments in the core courses are specifically sequenced to support students in organizing and managing their business and service ventures, students are able to make the conceptual connections across disciplines as a natural consequence of using concepts and tools from all three core courses to guide their decisions in the business and service organizations. In addition, students have the opportunity to: 1) develop interpersonal and group-interaction skills in a work-like setting, and 2) develop critical thinking skills through their experience in trying to apply key business concepts and analytical tools to solve a wide range of unstructured, but very real business problems (see Michaelsen & McCord, 2006).
IBE Program Elements

1) Students must simultaneously enroll in and be responsible for mastering the concepts of three required junior-level core business courses—Management, Marketing, and Information Systems (plus a three-hour Entrepreneurship and Community Service Practicum).

2) Students learn in classes in which the instruction is delivered using Team-Based Learning. Thus, instead of listening to lectures, most of their in-class time is spent working in a 5 to 7-member learning team that remains stable across the core courses for the entire semester.

3) Students work as an "employee" of a 20 to 35-member company that becomes a “laboratory” in which they apply concepts from the core business disciplines as they engage in two ventures—a start-up business and a service project on behalf of a non-profit community organization.

4) Students spend the first 7 weeks developing a business plan for a start-up company whose profits are used to finance a hands-on community service project. The plan is then presented to a loan review committee (First Community Bank officers and local
entrepreneurs) to obtain the capital (real money up to $5,000) needed to implement their plan.

5) Students implement their business plan (i.e., they have 6-7 weeks to do enough business to pay off their loan and expenses and generate enough profit to finance their service work).

6) Students create a program portfolio that contains reflections on their experience and includes a set of “artifacts” that will enable them to communicate what they have learned to potential employers.

Another important feature of IBE is that there are no faculty members present during the time that students meet for the practicum course. As a result:

• It is clear that students are making their own decisions and are then accountable for both the positive and negative outcomes.

• The fact that students are enrolled in (and paying tuition for) a course provides the financial means to offset the additional faculty work involved in overseeing the IBE program and supporting students’ as they create and implement their business plans.

IBE PROGRAM EFFECTIVENESS

Although much of the evidence of the impact of IBE is indirect, a wide variety of outcomes point to its effectiveness. For example, one evidence of the effectiveness of IBE at building team skills is that, at several schools where it has been implemented, faculty members in upper-level courses have discovered that they can no longer allow self-formed teams. That is because non-IBE students simply are unable to compete with teams of IBE students who, given the opportunity to do so, will inevitably choose to work together and will do it very well. Further, because IBE requires students to make real choices and experience real consequences, it is clear that the program provides real benefits for everyone involved: students, faculty, administrators and the larger community.

IBE Benefits for students

Enrollments in IBE and at the universities where it is offered consistently increase over time in spite of three factors that would tend to have the opposite effect. One factor is that IBE involves a great deal of time and effort. Another factor is that, because of bad experiences with group assignments in their earlier courses, a fairly sizeable group of students are quite concerned about enrolling in IBE because they are aware that there will be a lot of group work. Finally, because of the sheer number of required courses, the majority of accounting and finance majors (who are increasingly enrolling in IBE) can’t fit the practicum into their program without paying for an extra course.

The best evidence for the effectiveness of IBE in achieving the three objectives outlined above (developing an inter-disciplinary understanding, working effectively as a member of a decision-making team and solving unstructured problems) comes from the self-reflections that students do
as part of the requirements in the practicum course. Based on their comments, IBE facilitates their growth in five areas:

1) Students gain insights that increase their cross-discipline understanding. (“IBE has opened a gateway into a different learning style for me and it has also helped in the learning aspects of my other courses that I am taking and will take.” “...IBE helped me learn the entire process of starting and running a successful business and at the age of twenty-one, this gives me endless possibilities for my future.”)

2) Students develop important interpersonal and leadership skills. (“When I asked company members to do things, my job became easier and other members felt more included. I learned that this should have been one of the first things I did...I just needed to realize this sooner.” “Before IBE, I greatly underestimated the importance of interpersonal skills in the business as well as the importance of communication and negotiation skills. I feel that I have expanded my own skills during the IBE experience and will continue to do so in the future.”)

3) The learning in IBE “sticks”. (“I can study for a test and make an ‘A’. This does not mean that I learned the material, though; I will most likely forget it within the week. However, if I can physically do an action [as in IBE], it is easier to remember.”)

4) Students’ self-understanding increases. (“...I learned about myself or what I found out needs more work. I feel my biggest problem was with interacting with others ...”).

5) Students become a learning community. (“I have earned a greater respect for those who have tried, but sometimes have failed and also those peers that have now become my friends.”)

The experience of students in their subsequent courses provides an additional source of evidence of the impact of IBE. One study currently under review documents students’ improved teamwork skills. (Opatrny, Michaelsen & McCord, in press). Their two significant findings were that: 1) IBE students received higher peer evaluations from teammates in a subsequent course and, 2) teams with one or more IBE students had higher performance scores on their group projects and exams. Other, indirect evidence that IBE increases students ability to work in an interdisciplinary environment comes from informal feedback from the faculty members who teach the Policy/Strategy capstone course. They report that the IBE students seem to ask more and better questions that are cross-disciplinary in nature.

In addition to increasing their learning, skills and level of self-awareness, IBE also increases students’ internship and employment opportunities. Within two years of the first pilot offering of IBE, at our school and at each of the other schools we have helped implement the program, employers have started specifically listing IBE as one of the criteria for qualifying applicants for interviews for selecting interns and employees.
IBE Benefits for Faculty

Although the time and effort required to implement IBE is little different from stand-alone classes, the benefits for faculty are huge. The most obvious is that IBE is the most rewarding teaching any of us have ever done. In part, that is because we are able to see students accomplish so much and learn and grow in so many ways. In addition, because students’ choices have real consequences, they approach our courses with a very different attitude. The material isn’t just theory to be learned for a test and the teachers aren’t just someone you have to please to get a good grade. Instead, the material and the teachers are potential resources for accomplishing what students need to do to make their business successful and/or successfully carry out their service project.

One additional benefit is that IBE provides teachers with a great deal of scheduling flexibility because of the common three-hour time block that can be adjusted for pedagogical and personal needs. As a result, before each semester we routinely arrange our teaching so that we will be free to attend conferences and important personal events. Further, we can adjust the schedule on an as needed basis without creating problems for our students. For example, a few semesters ago, one of the three IBE faculty members, who was in the process of adopting a child, had to make two trips to Russia with a one-week notice during a period in which school was in session. When the calls came, by simply swapping class times to accommodate her travel plans (and announcing the changes so that students—who were in class anyway—could bring a different set of materials to fit the adjusted schedule), she didn’t have to miss a single class. However, this additional effort is pretty much, if not entirely, offset by being given “credit” for taking responsibility for the work related to the practicum course—which they rarely if ever attend.

IBE Benefits for Business School and University Administrators

Both business school and university administrators benefit from IBE in a variety of ways. Although IBE is very cost effective (i.e., the core courses can still be taught in large sections), the majority of students develop a strong and lasting commitment to the business college and the larger university. Further, the fact that students are doing something real provides a compelling “story” that resonates with a wide variety of important constituencies. IBE becomes a powerful recruiting tool because prospective students (and their parents) see IBE as a way to gain a competitive advantage for their initial job search for two reasons: 1) recruiters readily accept the work that students do in their IBE company as real work experience and, 2) IBE enables most students to make a positive and lasting impression in the interview process because they have something real to talk about.

Another important benefit is that IBE has ended up being the centerpiece of fundraising and community outreach efforts at every school in which it has been implemented. As a result, business deans and university presidents routinely request updates on the IBE companies and use the information to talk about the adventures and accomplishments of IBE students in a wide variety of public and private settings. Further, the fact that IBE students have contributed over $240,000 and over 17,000 hours of hands-on work community service organizations in a town
with a total population of under 16,000 residents, has had a substantial positive impact on the relationship between the university and the city,

IBE PROGRAM TRANSFERABILITY

The best evidence of the transferability of IBE is the fact that it is already happening. To date, programs patterned after IBE are already functioning at seven other US schools (including two new start-ups during the past academic year) and one school each in Indonesia and New Zealand. In addition, a number of other schools are in the process of gearing up to start IBE.

Five factors are key to the transferability of the IBE approach for integrating the undergraduate business core. IBE is:

1. **Powerful.** Because IBE is truly “learning by doing,” it is life changing for most students.

2. **Simple.** IBE utilizes existing discipline-based courses. As a result, faculty can use existing course materials and avoid the overwhelming effort required to develop a coherent conceptual framework and a workable grading system for a multi-disciplinary, mega-course.

3. **Flexible.** IBE has been implemented using a wide variety of core courses (most have included marketing and management but, at least 10 different courses have been used as the third course) and even in a 2-class per semester/2 semester format for evening students at a remote campus. At most of the schools with an existing IBE-type program, the starting point has been three individual faculty members from different disciplines stepping forward and saying, “I’d like to try it.”

4. **Faculty-friendly.** IBE does not require either of the two most time-consuming aspects of most attempts at curricular integration (team teaching and/or close cross-disciplinary content coordination). When faculty sequence their own content in relation to students’ needs for building and/or executing their business plan (which is not a difficult task), content integration occurs where it really needs to occur—in students’ heads.

5. **Cost-effective.** As long as faculty understand how to do effective in-class group work, the core courses can be taught very effectively in large classes. So far the largest core courses have been 140 students that broke out into 4 companies for the practicum course. In fact, the only extra cost is a modest stipend (i.e., our cost is $500/company) for hiring a past IBE student to be a company advisor for each of the IBE companies.
REFERENCES


ADDITIONAL WEB RESOURCES

The University of Central Missouri IBE web site http://www.ucmo.edu/ibe

The Team-Based Learning Collaborative web site http://www.teambasedlearning.org