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LESSONS LEARNED WHEN DRESSING UP LIKE A FIRM: PERSONAL STRATEGIC MANAGEMENT

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This paper explores the pedagogical benefits of teaching students to dress up like a firm and develops an experiential exercise to be used in teaching small business management and personal strategic management courses. Much can be gained from teaching students to view themselves as small businesses and applying the lessons of organizational research to enhance their personal strategic management skills. Globalization has changed the competitive landscape, increasing the need for all to become more competitive. Students must be able to internalize key strategic and financial lessons to gain and sustain a competitive advantage. To be successful, students need to be able to view the world through the eyes of a firm.

INTRODUCTION

As the American workforce wrestles with the effects of a recession and globalization, and American icons, such as General Motors, falter on the brink of bankruptcy, the topic of national competitiveness reverberates from coast to coast. Firms are restructuring or downsizing in an effort to become leaner and meaner—more competitive—while workers and job applicants pursue strategies to increase their competitiveness (marketability). Students seek double majors, foreign language proficiency, and high GPAs in an effort to establish a competitive advantage. This parallel search for competitiveness is essential as Porter (1990) asserts that they are inextricably linked. Per Porter (1990), national competitiveness is the aggregate of the competitiveness of a nation's industries and constituent firms, and the firm's competitiveness is tied to the quality of its factors of production, such as skilled labor. (Michael Porter is the Harvard Business School competitiveness guru whose work is recognized in academic circles, corporations, and governments around the world, 2008.)

In this new era of global competition, Porter (1990) contends that the basis of competition has shifted to knowledge creation and assimilation. This "shift" has intensified the role of educators whose purpose is to impart knowledge. Student expectations of teachers are also increasing as they seek environments where they can both obtain and apply knowledge with the goal of succeeding in this dynamic business environment (Fretwell and Hannay, 2006). Many educators are meeting the challenge by adding experiential components to their courses to enhance their effectiveness (e.g., Azriel, Erthal, and Starr, 2005; Fretwell and Hannay, 2006), such as the card game Spades to further students' understanding of strategic principles (Dodd-Walker, 2008). Given the contemporary battle cry, experiential components that emphasize competitiveness would seem both timely and appropriate. In this transitional period, it is imperative that students understand and apply the central elements of competitiveness or strategic management. Per Crystal and Barkley (1994), career development experts, "winning" job interviews require job applicants to determine employers' needs and figure out what the applicant can do for the company; job applicants should study the potential employers' operations and write proposals discussing how to improve their operations. They warn job applicants to remember that a job is a business transaction and a matching of needs (Crystal and Barkley, 1994). Thus, to be effective, students need to be able to view the world through the eyes of a firm.

In 1991, Barry Staw wrote an article titled, "Dressing Up Like an Organization." In this article, he asserts that individual and organizational behavior are the same thing, not just parallel, when there is an individual decision maker; that is, organizational actions may be individual behavior masked by an impersonal entity. Staw (1991), therefore, advocates the use of individual psychology to explain organizational behavior. He posits that many sociologists are implicitly using psychological concepts in their macro models and that dressing up as an organization could be extremely beneficial to organizational research. He makes a clarion call to "Dress up like an organization and capitalize on the perspective it brings. (Staw, 1991: p. 812)" This paper builds upon that premise but reverses the directional flow of the information. Rather than focusing on how organizational research can benefit from knowledge of individual behavior, this paper emphasizes how individual behavior can benefit from knowledge of organizational research; that is, this paper seeks to present the pedagogical benefits of dressing up like a firm (DULAF). Specifically, students learn seven important lessons when they view the world through the eyes of a firm.

The development of the paper will proceed as follows. First, a discussion of small business management in the globalization era will be presented. Second, the role of experiential learning in small business management will be addressed, and the experiential component will be presented. Third, strategic and financial lessons from dressing up like a firm will be discussed. Finally, the paper concludes with a summary of its primary argument—dressing up like a firm is an invaluable pedagogical tool that enhances students' comprehension and application of theories of competitiveness. Additionally, teaching aids are provided in

appendices to both encourage and facilitate the use of the experiential exercise in teaching small business management and personal strategic management courses.

SMALL BUSINESS MANAGEMENT AND THE NEW ERA

In the United States, firms are classified as small businesses (SBs) if they have less than five hundred employees; SBs employ more than half of the private nonfarm work force, produce approximately half of all American sales, and are responsible for more than half of the innovations (U. S. SBA: The Facts, 1999). According to the Small Business Administration (SBA), small business has once again become the dominant economic force in the United States (U.S. SBA, 2000); thus, small business success is a crucial issue. There is a myth that most—nine out of ten—new businesses close during the first year of operation (Headd, 2003; Phillips and Kirchhoff, 1989), but Phillips and Kirchhoff (1989) found that approximately one out of two new firms were open after four years, and this was independently confirmed by Headd in 2003 using a different data source. Per Phillips and Kirchhoff (1989), one out of four new businesses fail within the first two years; similarly, Headd (2003) found that one out of three closed within two years. Although these numbers differ dramatically from the "myth," a heightened focus on new firm survival is warranted as the growth of new small businesses is expected to increase.

The ultimate small business is an establishment with a single employee—the owner. This type of business is likely to increase during this current era of globalization as organizations increasingly use "outsourcing" and "subcontracting" to streamline in an effort to reduce their labor costs and become more competitive. Per Street and Street (2007), offshore outsourcing and its domestic equivalent—subcontracting—are expected to escalate as global competition increases and organizations strive to increase both their efficiency and effectiveness. This atmosphere enhances the importance of students comprehending and applying the DULAF lessons, which highlight key strategic and financial principles, because "Research indicates that organizations using strategic-management concepts are more profitable and successful than those that do not. (David, 2011: p. 17)"

SMALL BUSINESS MANAGEMENT AND EXPERIENTIAL LEARNING

The methods of teaching any subject should be primarily dialectical according to Adler (cited in Brubacher, 1951). Interactive teaching and experiential learning are simply two sides of the same coin: interactive teachers foster a collaborative environment that facilitates student participation. The base of experiential learning components is growing as innovative instructors and practitioners heed Adler's directive. Interactive teaching methods include student-led discussions and oral presentations, guest speakers, television game shows (Azriel et al., 2005), films and videos (Comer, 2001), card games (Dodd-Walker, 2008), team building exercises, role-playing, performance appraisals (Fretwell and Hannay, 2006), board games (Kiyosaki, 1998), and case studies (e.g., David, 2011; Hitt, Ireland, and Hoskisson, 2009). The objective of interactive teaching is to connect with students and enhance their understanding through experiential learning; interactive teachers realize that learning is facilitated when students connect. Concurring, Thorndike declares, "Learning is connecting. (cited in Brubacher, 1951: p. 103)"

The experiential exercise presented in this section was developed between Fall 2006 and Fall 2008, and it adheres to Michaelsen and Razook's (2000) guidelines for effective learning groups. They contend that group work can increase students' learning through give-and-take discussions in which students learn from one another, and assignments at each stage should be characterized by the three s's—same problem, specific choice, and simultaneous reporting (Michaelsen and Razook, 2000). The initial version was tested on Managerial Finance II students to review the major principles of Managerial Finance I and spark their interest in the subject. (Observation suggests that many students struggle with the subject because they do not perceive its relevance.) The experiential exercise consisted of twenty-four pages of questions, assumptions, balance sheets, income statements, and tax schedules designed to emphasize important strategic and financial lessons as teams worked together to determine the financial status of a recent college graduate after ten years. The final version was reduced to a one-page spreadsheet and tested on Small Business Management students to underscore the reason that so many small businesses fail—lack of understanding of key strategic and financial principles!

Two versions of the final experiential exercise were presented to Small Business Management students a week apart. During the first "test" week, teams were asked to use DULAF Experiential Exercise A (see Appendix A), which omits an important expenditure category, to determine the financial status of a recent business graduate with a BBA in ten years based on the team's projected starting salary, graduate's marital status, number of children, and living expenses. Ten years represents an appropriate period for the initial or "birth" phase of an organization and is consistent with organization life-cycle research. According to Miller and Friesen's (1984) life-cycle classification criterion, the birth phase is defined as the period in which a new firm attempts to become a viable entity, and it consists of firms that are less than ten years old. McGee and Dowling (1994) and Weiss (1981), however, assert that new firms are no more than eight years old, while some studies estimate a twelve-year time lag before new ventures achieve the same profitability level of mature businesses and an eight-year break even point (Biggadike, 1979; Weiss, 1981).

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According to organization survival research, only four out of ten organizations are open after six years (Headd, 2003; Phillips and Kirchhoff, 1989).

Using DULAF Experiential Exercise A, the teams deliberated probable scenarios and estimated amounts for each expenditure category, projecting net worth after ten years. Each team submitted its estimates to the instructor, and the amounts were entered into the spreadsheet or Small Business Management (SBM) Calculator from the instructor's podium for the multimedia "visual" effect. Variances ranged from 1 % to 70% of net worth projections; that is, "actual" net worth calculations were positive but equaled only 1 to 70% of net worth projections. After discussing the "reasonableness" of each category of expenses before the class, a model scenario was determined for a single, recent college graduate with a BBA (see Appendix B); based on the model, the graduate had a net worth of approximately $27,000 in ten years, which consisted of home equity and savings for simplification purposes.

The second week, the instructor distributed DULAF Experiential Exercise B (see Appendix C) and revealed that a major expenditure category had been omitted the first round—the cost of appliances, electronics, and furniture! (Additional prompts, such as personal grooming, were added to enhance the accurateness of the students' calculations.) The students could not believe that they had neglected to estimate costs for such an important category. The purpose of the instructor was to demonstrate the importance of "management" to firm success as well as simulate an "experience" that allowed the students to understand why so many start-ups fail during the introduction or birth phase of an organization's life cycle. After discussing all the estimates again, the model scenario was revised for a recent college graduate with a BBA (see Appendix D); based on the revised model, the graduate had a "negative" net worth of approximately $73,000 in ten years, which suggests a staggering amount of debt! This sheds some light on the rising number of bankruptcy filings; according to the Administrative Office of the U.S. Courts, total non-business (personal) filings were over one million for the 2008 fiscal year, which ended September 30, representing a 30% increase over fiscal 2007 (Rooney, 2008).

The final phase of the DULAF Experiential Exercise was to demonstrate the effects of changes on firm net worth while reviewing key strategic and financial lessons; that is, the DULAF Experiential Exercise consists of both the SBM Calculator and the DULAF lessons. Finally, the students were instructed to view themselves as firms and to apply the concepts learned in class to improve both their competitive positioning and personal firm performance. The DULAF lessons discussed will be presented in the next section.

SMALL BUSINESS MANAGEMENT AND THE DULAF LESSONS

The purpose of strategic management is to explain why some firms outperform others (Dess and Lumpkin, 2003). Application of this knowledge enables firms to gain and sustain a competitive advantage. This competitive advantage, according to Stimpert and Duhaime (1997), results from a series of connected decisions involving both internal and external factors. Hitt, Ireland, Hoskisson (2009) concur, noting that research findings indicate that approximately 20% of a firm's profitability is explained by external factors, such as the firm's industry, while 36% of a firm's profitability is explained by internal factors, such as the firm's actions and characteristics. Gaining a competitive advantage, therefore, necessitates an understanding of the factors that affect firm performance.

In 1988, a committee of the Academy of Management studied the nature of the strategic management field to determine its boundaries and primary research streams (Summer, Bettis, Duhaime, Grant, Hambrick, Snow, Zeithaml, 1990). This committee developed a broad framework to encompass most of the strategy literature (Summer et al., 1990). The mapping of the field's representative reading list within the framework resulted in eight primary research streams or areas that affect firm performance: (1) leadership (general management), (2) decision-making, (3) organizational culture, (4) entrepreneurship (innovation), (5) level strategies, (6) not-for-profit (profit orientation), (7) values , and (8) environment (Summer et al., 1990). The concurrent work of Ohmae (1989) suggested an additional research stream—strategic alliances—as the new global competitive landscape necessitates the formation of alliances to effectively manage the integration as well as the costs of the diverse technologies of contemporary products. The first five DULAF lessons presented in this section reflect these nine areas that affect firm performance; the remaining DULAF lessons reflect key financial principles.

Lesson 1: Management makes a difference!

Smircich & Stubbart (1985) contend that managerial analysis is much more critical than environmental analysis because organizational actors enact (create) their organization as well as its environment. Child (1972) agrees and asserts that organizational decision makers determine the firm's environmental boundaries when they make strategic decisions regarding organizational location, clientele, types of employees, etc. Although Porter's (1980) work delineates the five forces that determine the attractiveness of an industry or competitive environment, these forces can be addressed by the firm's strategies to gain or sustain a competitive advantage. According to Hitt et al. (2009), the firm can strategically position itself within an industry to influence the forces in its favor or at least buffer

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itself from the power of these forces to enhance its ability to earn above-average returns. This strategic positioning is the result of the alignment between the external and internal environments (Summer et al., 1990), and it is the task of organizational leaders; thus, the impact of the environment can be considered within the general management functions.

According to Hellriegel, Jackson, and Slocum (2002), there are four general management functions—planning, leading, organizing, and controlling. Planning requires setting organizational goals and proposing ways to reach them; the purpose of planning is to establish the firm's overall direction, identify and commit the firm's resources necessary to achieve its goals, and determine the tasks that must be completed to reach those goals (Hellriegel et al., 2002). Organizing is the process of arranging the firm's resources to meet its goals; the firm's performance (success) depends on management's ability to effectively and efficiently utilize organizational resources (Hellriegel et al., 2002). Leading is the process of directing the behavior of others to achieve the firm's goals, and it is a crucial element of both planning and organizing (Certo, 1980; Hellriegel et al., 2002). Gary Yukl (1998) broadly defines leadership as the process wherein an individual influences the interpretation of events, choice of objectives and associated strategies, organization of work activities, motivation of people to accomplish the firm's objectives, maintenance of cooperative relationships inside and outside of the organization, and the development of organizational resources. Controlling is the process by which a firm consciously monitors its performance and takes corrective action to meet its objectives (Hellriegel et al., 2002). David (2011) adds the additional general management function of staffing or the managing of the firm's human resources.

Each of the general management functions requires the firm's strategic officers to make decisions. As stated previously, Stimpert and Duhaime (1997) assert that competitive advantage results from a series of connected decisions involving external and internal factors. Strategy itself is defined, broadly speaking, as the collective decision rules and guidelines that firms must have for orderly and profitable growth (Ansoff, 1965, 1988); thus, the quality of these decisions affects firm performance. Herbert Simon (1957) warns that decision makers are inclined to satisfice and select suboptimal solutions because of incomplete knowledge and imperfect valuation of consequences as well as a limited search. Research indicates that the quality of the top management team's decisions increases, however, with team heterogeneity and functional expertise (Hitt et al., 2009). For the individual decision maker or typical small business owner, this means that the quality of his/her decisions is expected to increase with both his/her "breadth" and "depth" of knowledge. According to Hitt et al. (2009), "better strategic decisions produce higher firm performance. (p. 345)"

Lesson 2: A firm seeks alliances to improve its positioning!

Christine Oliver (1990) integrated thirty years of interorganizational relationship (IOR) literature and determined that there are six antecedents of IOR formation—asymmetry, efficiency, legitimacy, necessity, reciprocity, and stability—that are generalizable determinants across organizations, settings, and linkages. These antecedents explain why organizations enter into relationships with each other; the antecedents may act independently or concurrently to cause voluntary or involuntary IOR formations (Oliver, 1990). Asymmetry refers to a voluntary formation that is motivated by the desire to control or exercise power over another organization or its resources; efficiency refers to a voluntary formation that is prompted by the desire to improve an organization's efficiency; legitimacy refers to a voluntary formation prompted by the desire to gain or improve the organization's image or reputation; necessity refers to the only involuntary formation, and it is motivated by the organization's desire to meet regulatory or legal requirements; reciprocity refers to a voluntary formation that is motivated by the organization's collaboration, cooperation, and coordination objectives rather than control, domination, and power initiatives; stability refers to a voluntary formation that is prompted by the desire to reduce environmental uncertainty (Oliver, 1990). Thus, organizations form IORs or strategic alliances to gain control over resources, improve organizational efficiency, attain legitimacy, meet regulatory requirements, access outside expertise, or reduce environmental uncertainty.

Oliver's (1990) six antecedents of IOR formation are generalizable across organizations, settings, and linkages; therefore, they should also govern strategic alliances between individuals, including marriage. A partnership is a strategic alliance. According to Longenecker, Moore, Petty, and Palich (2006), more than 50% of all partnerships fail. They add, "the 'divorce' rate of business partnerships is higher than that of marriages. (Longenecker et al., 2006: p. 169)" Problems stem from the disadvantages of partnerships, such as interpersonal conflicts, lack of a definitive leader, dilution of equity, partial surrender of control, and dissatisfaction with partner; these disadvantages are given and must be offset by the advantages of partnerships if the alliance is to survive and thrive; partnership advantages include companionship, shared workload, shared financial burden, shared emotional burden, and additional KSA (Longenecker, 2006). Per Longenecker et al. (2006), partnership survival or success is contingent upon identifying a "promising" partner with complementary skills and making sure goals, values, and work habits are compatible. Barkema and Vermulen (1997) concur; they studied the effect of cultural differences on partnership success and found a negative relationship between cultural distance and both International Joint Venture (IJV) incidence

and survival. This has globalization implications as the IJV is an important mechanism of internationalization. As stated previously, the new global competitive landscape necessitates the formation of strategic alliances to effectively manage the integration and costs of the sophisticated technologies of contemporary products (Ohmae, 1989).

Lesson 3: Culture affects how the firm manages its business!

Dess and Lumpkin (2003) define organization culture as a system of shared values (what is important) and beliefs (how things work) that shape an organization's structures, systems, and people to establish behavioral norms (the way we do things around here); thus, culture affects how the firm manages its business. Per Vyakarnam, Bailey, Myers & Burnett (1997), an ethical stance can lead to a competitive advantage. Thus, leaders should nurture an organizational culture that is committed to ethical behavior as well as excellence (Dess and Lumpkin, 2003). Faucheux (1977) posits a link between strategic leaders' values and organizational strategy when he acknowledges that strategy formulation is a cultural process. According to Hambrick and Mason (1984), the values of powerful organizational actors affect strategic outcomes, and there is a positive association between these values and firm profitability. Others agree, asserting that ethics and values influence managerial behavior and success (England and Lee, 1974), and decision-maker goals affect the decisions they make (Cyert and March, 1963).

Lesson 4: A firm must produce a valuable product!

According to Hill (2002), the fundamental purpose of any business is to make a profit, which is possible only if the firm produces a product that is valued by consumers. Porter (1980) presented three business-level strategies—cost leadership, differentiation, and focus—to address the five forces that determine industry profitability to strategically position firms within their industries. Cost leaders sell undifferentiated products industry wide; differentiators sell unique products industry wide; focusers sell differentiated or undifferentiated products within a niche. When selecting a business-level strategy, the firm's strategic leaders determine who will be served, what customer needs will be satisfied, and how those needs will be satisfied (Hitt et al., 2009). Thus, the firm must develop its product with the end user in mind. The same is true for the individual when dressing up like a firm, s/he must develop the firm's product, which consists of her/his KSA (knowledge, skills, and abilities), with the end user in mind; that is, s/he must select an industry, her/his specialty within the industry, and whether to offer a differentiated or undifferentiated KSA. Surprisingly, however, the average undergraduate student approaches graduation without knowing what s/he wants to do or crafting a KSA that leads to a competitive advantage.

The business-level strategy can be considered the firm's first-line, competitive, or introductory strategy. After a firm has successfully implemented its business-level strategy, Chandler (1962) contends that it will expand its operations and pursue growth through product diversification (corporate-level strategy) as well as geographic diversification (international-level strategy). The same is true for the individual dressing up like a firm, especially given this globalization era; long-term viability requires "breadth" of knowledge or KSA (product diversification) as well as a geocentric orientation (geographic diversification). According to Perlmutter (cited in Kobrin, 1994), geocentric refers to a world orientation while ethnocentric refers to a home-team orientation.

Lesson 5: Small business owners are not necessarily entrepreneurs!

Not all new, small businesses represent entrepreneurship because they do not all create a new satisfaction or a new consumer demand; that is, entrepreneurs transform values by creating something new or different (Drucker, 1985). Additionally, Drucker (1985) states that innovation is the entrepreneur's tool or mechanism for exploiting change as a business opportunity. In 1982, Peters and Waterman found entrepreneurial activity to be a distinguishing feature of high-performing firms, linking entrepreneurship to a firm's competitive advantage. Porter (1990) also links innovation or entrepreneurship to competitiveness, asserting competitiveness is achieved through acts of innovation. This is important because Porter (1990) also contends that national competitiveness is based on the competitiveness of the nation's firms. Thus, there is an association between entrepreneurship and national competitiveness. Others agree, stating entrepreneurship is one of the greatest sources of productivity in Western and non-Western cultures (Solomon, 1999) and entrepreneurial activity is a primary engine of economic growth (Lumpkin and Dess, 1996). Given the importance of entrepreneurship, it is important to understand how entrepreneurs differ from small business owners.

Strategic management theory (Industrial Organization model) suggests that organizational decision makers are rational—exhibit profit-maximizing behaviors (see Hitt et al., 2009); that is, organizational decision makers will do what is in the best interest of the firm. Per Carland, Hoy, Boulton, and Carland (1984), profit orientation is a distinguishing feature between entrepreneurs and small business owners. An entrepreneur is defined as an individual who establishes and manages a business principally for profit and growth; the entrepreneur is characterized by innovative behavior and employs strategic management practices in his/her business (Carland et al., 1984). In contrast, a small business owner is an individual who establishes and manages a business principally to further personal goals; the business is an extension of his/her

personality and is intricately tied to family needs and desires (Carland et al., 1984). The decision maker's profit orientation will affect the firm's profitability or performance as decision-maker goals affect the decisions that s/he makes (Cyert and March, 1963) and the values of powerful organizational actors affect strategic outcomes (Hambrick and Mason, 1984).

Lesson 6: A firm's growth is bounded by its profitability!

According to Hill (2002), the fundamental purpose of any business firm is to make a profit, which is possible only if the price that consumers are willing to pay for the firm's product is greater than the cost of producing the product. Firms, therefore, engage in value creation when conducting business (Hill, 2002). Profits reward an owner for his investment, and they constitute a primary source of capital for financing future growth, especially for small businesses (Longenecker et al., 2006). As lenders also consider the firm's profits when determining the firm's borrowing capacity, the firm's growth is bounded by its profitability; therefore, it is critical for the firm's owners to understand the factors that drive profits. A review of a basic income statement indicates there are four primary profit drivers—revenue (sales), cost of goods sold and operating expenses, interest, and taxes (Longenecker et al., 2006). To increase its profits, a firm must either increase its income or decrease its expenditures.

Profitability is also an objective for the individual dressing up like a firm. That is, individuals should operate with a target profit margin (i.e., savings goal). Debt and expenses should be controlled and sufficient liquidity maintained. In addition, periodic financial statements should be prepared and reviewed to monitor progress towards specified goals and corrective action taken if necessary.

Lesson 7: The goal of the firm is wealth maximization!

Per Brigham and Houston (2007), "management's primary goal is stockholder wealth maximization, which translates into maximizing the price of the firm's common stock. (p. 6)" To achieve their objective, managers must understand the factors that determine wealth or stock valuation. According to Brigham and Houston (2007), "the value of any asset is simply the present value of the cash flows it provides to its owners over time. (p. 6)" To be effective, therefore, managers must be able to accurately value the firm's assets. Improper valuations will result in "wealth transfers" for the firm; that is, poor valuations will cause the firm's owners to lose wealth. The value of a firm is equal to the present value of the firm's expected free cash flows over time while the value of a firm's stock price is equal to the present value of expected dividends over time; both are functions of firm profitability (Brigham and Houston, 2007).

This is an important lesson for the individual dressing up like a firm because it underscores the importance of firm profitability as well as the impact of "asset valuation" on shareholder wealth. As stated previously, a firm's growth is bounded by its profitability; profitability can only be increased by increasing income while controlling expenditures or decreasing expenditures while controlling income. Wealth transfers through improper valuations are reflected in reduced profitability. Students often fail to ascertain the "value" of their KSA prior to graduation and entering the job market; this usually results in an undervaluation of their prized asset and a "wealth transfer" from the employee to the employer worth thousands of dollars a year. For example, a $10,000 undervaluation of a graduate's KSA (i.e., starting salary of $30,000 rather than $40,000 per year) maintained over a projected 40-year career will result in an approximate $1.5 million wealth transfer (assuming a 6% investment rate) during the employee's lifetime!

CONCLUSION

Michael Porter contends this is a time of crisis, and a fundamental concern is the competitive position of the U.S. in the global economy (Porter, 2008). According to The Global Competitiveness Report 2010-2011, the competitive position of the United States continues to decline due to a number of escalating weaknesses (Schwab, 2010). In a BusinessWeek article, Porter addressed America's strategic failures, calling the public education system the most disconcerting failure (Porter, 2008); the United States currently ranks 9 out of 139 reporting countries with respect to higher education and training (Schwab, 2010). Per Porter, "Unless we significantly improve the performance of our public schools, there is no scenario in which many Americans will escape continued pressure on their standard of living. (Porter, 2008: p. 4)" His statements direct the reader's attention to the corner stone of a nation's competitiveness—its human capital.

Porter also acknowledged that the U.S. has prospered because of its unique set of competitive strengths, including an unparalleled environment for entrepreneurship and starting new businesses (Porter, 2008). SBA Administrator Karen Mills echoed this sentiment as she applauded the SBA's efforts to strengthen its program efficiency and increase the funding available to small businesses to drive economic growth in a news release (SBA, 2010). President Obama also acknowledged the importance of small business when he signed into law the Small Business Jobs Act of 2010 to provide critical resources to help small businesses continue to drive economic recovery and create jobs (SBA, 2010).

Given the importance of small business and the need to improve performance at all levels to maintain America's competitiveness, instructional methods that emphasize competitiveness would seem both timely and appropriate.

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The DULAF experiential exercise is a beneficial pedagogical tool for both small business management and personal strategic management courses. The strategic and financial lessons emphasized are crucial for students to understand, especially in the new globalization era. Per Hoskisson, Hitt, Wan, and Yiu (1999), strategic management will become increasingly important in the education of business executives in the 21st century because of its dynamic competitive landscape due to increasing globalization and rapid technological changes. Additionally, the understanding and application of key financial principles would also appear timely and relevant during this period of global economic recovery. For many years, students have been encouraged to read John T. Molloy's (1988, 1996) books Dress for Success prior to graduation to teach them the appropriate attire for successful careers. Today, students should also be encouraged to dress up like a firm to prepare them for successful small business management or personal strategic management; that is, students should be encouraged to dress up like a firm to learn the key strategic and financial principles needed to successfully manage their personal lives.

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