ASK Earl

Advice from the Experts at the **Hankamer School of Business**

If you could ask your old Baylor Business professors business and work-related questions today, what would you ask? A nod to the namesake of the Hankamer School of Business, Earl Hankamer, the "Ask Earl" advice column provides an opportunity for Baylor Business professors to share their knowledge and expertise with Baylor Business Review *readers.*

Q "What is the best way for employees to find out about best practices at their position?"

—John | *Houston, Texas*

A **The short answer is read, read, read.** As for the best way to do that, a few things come to mind:

1. Read two to three articles from business sources in your industry each week. Set this as a goal, as it's doable. For example, if I were a manager in the auto industry, I would want to read about the industry disruption occurring with the driverless car, along with the high tech aspects of high-speed ground transportation. Why? It will enable you to participate in conversations at work in new ways.

2. Pick three industries that are not part of what you do, and read two to three articles each week. Some of your best ideas will come from unrelated industries. If, for example, you are in the retail industry, read articles about healthcare, transportation and financial services. Pick industries that are interesting to you. Alternatively, read an article a week in a different discipline. If I were in finance, I would plan to read an article in the marketing area. If I were in accounting, I'd seek an article about predictive analytics. The point here is to step out of familiar territory.

3. Last, but not least, read two to three articles per week about your position—in different industries. Search the web for your position and corresponding discussions in recent business publications or podcasts. (I suggest looking at business school podcasts.) Find articles that discuss the influence of technology on your position, as your position may change or not exist in the future.

Gary Carini
Vice Provost for Graduate Professional Education and Professor of Management

Q "Being in the supply chain field and already having an MBA, what certificate will bring the most value to your skills? Six sigma, pmp, SAP?"

—Diego | *Austin, Texas*

A **It's all about opportunity cost.** Your time is valuable, so you want to spend it on what will add the most value, whether that is derived from promotion and salary increases, potential for future earnings, job security or more personal reasons. Here are just a few value-added areas to consider:

Promotion and retention
Does the certificate enhance your chances of being promoted above or sooner than your peers, or does it make you more valuable for your employer to keep in the case of downsizing?

Employability
Does the certificate give you an edge over your peers if you decide to re-enter the job market?

Specific vs. general skill enhancement
Does the certificate give you a more specific, technical skill set (SAP), or are the skills more general in nature (Six sigma, lean)? Do you need the skills for a specific job or set of tasks, or are you trying to improve your overall training portfolio? Will you use the skills immediately or in the future?

In the end, you should find the certificate that fits your needs and desires in these and other areas. The thoughts above were inspired by a *Supply Chain Management Review* article titled "The Real Value of Supply Chain Certification." You can find it at scmr.com.

Josh Strakos
Clinical Assistant Professor of Management

Q I continually have problems figuring the quality of commercial real estate deals. I have taken some financial analysis classes. However, I need more practice exercises with answers, so I can judge my skills. Any ideas?

—Bill | *College Station, Texas*

A Unfortunately, what you ask for is beyond the scope of this column, but most real estate investment textbooks should give you practice problems to work along with solutions. In my experience, what many investors fail to realize is the importance of a thorough market analysis in judging the quality of a commercial real estate deal. Specifically, a rigorous examination of the factors affecting supply of and demand for the type of property you're interested in acquiring. It is not sufficient to focus solely on the numbers. You must develop the ability to critically analyze the relevant market forces that affect those numbers. Failure to do so has led many investors to make the wrong decision even though the numbers looked good. Additionally, when you put together a reconstructed operating statement or a DCF (discounted cash flow) model, step back and ask yourself, 'Am I being realistic in my projections?' For example, some investors I've worked with tend to overestimate future revenues and underestimate future expenses. Both can lead to the wrong investment decision and/or prove disastrous to your real estate deal. I hope this commentary gives you some food for thought, Bill.

Charles Delaney
Associate Professor of Finance, Insurance & Real Estate

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