HOW TO MARKET O.R. SUCCESSFULLY

GENE WOOLSEY
Division of Economics and Business
The Colorado School of Mines
Golden, Colorado 80401
and Walden University
155 5th Avenue South
Minneapolis, Minnesota 55401
United States of America

WHY DID I WRITE THIS PAPER?

It was with considerable amusement that I noticed a recent flyer from ORSSA for a one day workshop on "Marketing Operations Research". The brochure contained some amusing but painful truths such as "Most O.R. Practitioners experience difficulty in marketing O.R." For those of you who did not attend the course, but would like some advice for free, here it is. As this is a precis of what I have been saying (and doing) for over twenty years, I also provide (with my usual humility) a bibliography of my (personally tested) suggestions for successfully marketing O.R.

HOW TO DO IT

Let's assume for the moment that you have some clients, but you want more. Whenever you do something for a client that either reduces cost or increases profits - ask politely for verification of the savings. I now have a file of verified work that my students have done for the state of Colorado with certified savings in excess of one hundred million dollars. I will be happy to send copies to anyone who might ask, so you can get an idea of the format. Whenever I approach a potential client, I present him or her with copies of these letters. I also point out that the person who signed them is ready, willing, and able to provide a reference for the work, and I supply names, addresses and phone numbers to expedite the process.
From time to time, members of the Colorado State Legislature (who determine the school’s budget) will appear and ask (demand) to know what use the research being done at my school is to the taxpayers of the state of Colorado. At this point, the administration trots out my letters (whose total is somewhat greater than the annual budget for the school), and the legislators go back to their kennel until the next time.

The message should be clear. If you have a file of these kinds of letters, it should be easy to show that the O.R. group generates one of the highest Discounted-Cash-Flow-Rates-Of-Return found in the enterprise. If the O.R. group has not generated an outrageous DCFROR, they should all be fired at once. We will now define the two steps to success.

First you take care to find out exactly what your group costs the enterprise (including overhead) and Second, demonstrate that the savings generated by your group in the fiscal year are some multiple of your cost. On that basis when you are confronted with downsizing, re-engineering, or outsourcing, you will find the company accountants (usually an enemy of O.R. groups) will volunteer and will be valiantly and relentlessly on your side.

PROOF
Once upon a time there was a nameless American Airline. Within this airline there was an O.R. group that was led by a far-seeing manager that did exactly what is suggested above, In a very short time the president of the Airline noted that the O.R. group’s rate of return was noticeably greater than that of any other division of the airline. To spare the airline further embarrassment the O.R. group was quickly spun off with the O.R. group head becoming president of the new subsidiary. It is now the largest O.R. group in the world, having soaked up the outsourced work of the airlines, cruise lines, railroads and others who did not do what is suggested above.

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