



Beyond an MBA:

Why Leaders in Industrial Distribution Should Consider a Specialized Degree

by Kourtney Gruner

Recently, Tesla and SpaceX founder Elon Musk called out the “MBA-ization of America” in the Wall Street Journal - corporate CEOs so tangled in board meetings and numbers that they lose sight of the products and services that give the company value. He urged leaders to get out of their offices and onto the factory floors.

Although MBA programs have their place in the distribution industry, specialized master’s programs that focus specifically on industrial distribution can offer students more focused training. Concepts like supply chain management, logistics and distributor profitability in industrial channels are highly technical and benefit greatly from targeted training. A specialized degree can prepare professionals for leadership positions in sales, account and project management, operations, inventory management and engineering within electrical, construction, automation, industrial and other distribution segments. In contrast, an MBA is a more generalist graduate degree meant to teach management skills and business principles not necessarily targeted toward any specific industry.

Earning a Specialized Degree

The complex distributor supply chain requires many technically specialized customer service and sales teams as well as sophisticated billing/crediting systems and major shipping infrastructure. Professionals who hold or seek expertise in the distribution industry will benefit more from a specialized graduate degree than a generalized MBA.

Why is that? Most MBA programs are designed to open lanes for business professionals to begin a journey toward leadership within almost any industry. They teach business principles, thinking strategically, and finance from a high-level perspective. While such skills are certainly needed in distribution businesses, this world requires specific, tangible, and quantifiable outcomes that build on specialties.

In contrast, with specialized programs, student cohorts are likelier to join industry professionals who bring with them knowledge from the various functional roles within a distribution company from the warehouse floor, field sales, management and procurement departments instead of just

MBA vs. Specialized Degree

	MBA	Specialized Degree
Teaches business principles	X	X
Teaches management skills	X	X
Stepping stone to future career goals	X	X
Immediately solves on-the-job problems		X
Deepens existing professional specialties		X
Teaches specialized distribution competencies		X
Budget-friendly ROI		X



C-level management executives. Because students are exposed to other parts of the business from supply chain to profitability and logistics, they learn how the business operates from different perspectives. This allows them to approach decisions with a big picture view while understanding the effects of decisions from every perspective.

Deepening Industry Growth Post-MBA

Often, distribution leaders who already have their MBA return to school to earn a specialized degree years later. While their MBA education may have helped them understand how businesses are run and how CEOs make decisions, specific understanding of various functional areas along with their influence on decision-making is a missing and necessary capability to grow in their current positions within their company.

Specialized programs are designed for professionals who have already invested in career growth in a particular industry channel and may even be experts within their departments. These professionals are looking for an education that can immediately solve company problems and help them gain access to leadership opportunities and more responsibilities within their company. This additional educational experience often comprises quantifiable ROI outcomes through a year-long capstone project that identifies and solves a company-specific problem, often leading to advancement in students' positions and improvement of company practices.

An MBA, on the other hand, exposes students to a generic array of business channels, functions and career tracks. It can benefit those looking to break into a new industry or those wanting to learn high-level business strategies and principles but offers little in terms of sharpening functional expertise.

The Better Return on Investment

The MBA degree carries a certain measure of prestige, no doubt. Its familiarity may partially explain tuition that can cost up to twice as much as targeted industry programs. Yet, when it comes to ROI, students usually graduate from specialized programs with applicable skills within their specialty that yield tangible payoffs in both personal career goals and company success.

Usually specialized programs, while just as rigorous as an MBA, offer lower tuition costs by leveraging students' existing expertise to deepen their technical sales or operation roles to immediately invest in their companies and themselves. For professionals looking to stay in their established industry channels, a specialized degree pays off for students in many stages of life including those a few years removed from undergraduate programs to veterans in the field.

Companies that send employees through specialized programs to professionally develop their leaders appreciate earning a better return on their investment than sending them to an MBA program because the project-based components such as capstone projects immediately add value to the company. And when employees begin leading company initiatives and researching best practices, they feel ownership over their work, which improves organizational retention rates.

Before jumping into an MBA program, consider the outcome you're seeking. In descriptive terms think of it this way – you can invest in a mile of information an inch deep or an inch worth of information a mile deep. Are you looking to break into a variety of potential industries by becoming a business management generalist? If so – stick with the MBA. However, if you're a professional in the distribution industry specializing in your field, a specialized degree likely offers far more benefits as compared to an MBA.

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Texas A&M's Master of Industrial Distribution (MID) is a 4-semester, part-time, mobile learning graduate program designed for working professionals. By incorporating both academic professors and industry leaders who co-teach each course, students not only learn theories, but applicable supply chain management, logistics, and profitability of distributors and manufacturers in industrial channels.

Contact Mark Lorenzo at mark.lorenzo@tamu.edu for more information about the MID program.

