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Management: Business Students Do an About-Face

By JONATHAN D. GLATER

Ask business school students what "B2B" and "B2C" stand for these days, and you will probably not hear the same answer you would have a year ago. Then, the dot-com craze was in full throttle, and it seemed everybody wanted to join a "business to business" or "business to consumer" Internet start-up.

No longer. Those shorthand designations now have a new meaning, said Sonny Dozier, a second-year business school student at Columbia University: "Back to banking, back to consulting."

"Interest has definitely swung back in that direction," Mr. Dozier said.

It was nice while it lasted, but in the minds of many business school students, the Internet party is over. The reasons are not hard to discern: dot-coms are crashing left and right, and the options riches they once promised have mostly evaporated. Moreover, the economy is slowing, making traditional companies seem more like safe harbors than plodding old-economy relics.

Mr. Dozier, for example, says he is considering job offers from telecommunications companies and consulting firms. "I really want to go somewhere that is not going to be stuck in the mud for an extended period of time," he said.

"Clearly, in the kind of market environment that we're in right now," he added, "start-ups are having a lot harder time doing everything."

The about-face in students' career ambitions, which career consultants say is evident not only at Columbia but at business schools across the country, has put recruiters for banks and consulting firms back at center stage after playing understudy to the dot-com stars for the last two years. And they are enjoying the change in their fortunes.

"You don't have people coming to the interview saying, 'Tell me why I should go to Booz-Allen,' " said Reginald Van Lee, managing partner of the New York office of Booz-Allen & Hamilton, a large consulting firm.

Instead, he said, students are showing greater eagerness and knowledge about consulting firms and are accepting job offers more quickly than they did a year ago.
ago. **McKinsey** & Company has noticed a similar trend, according to a
corporate spokesman.

Recruiters for banks also say that recruiting this year is a much lower-
stress endeavor than it was last year.

"We have probably seen a doubling of interest," said Caitlin McLaughlin,
director of global M.B.A. recruiting at Salomon Smith Barney, a unit of
**Citigroup**. For example, while 60 University of Chicago students came to visit
the Salomon Smith Barney office in New York as part of a research and
recruitment trip in December 1999, 120 came last December, Ms. McLaughlin
said.

"It's interesting how quickly it's turned around," said Robert F. Bonner, director
of M.B.A. career management at the Wharton School of the University of
Pennsylvania. The suddenness of the change makes students' previous
infatuation with dot-coms seem almost like an aberration, he said.

"Last year at Wharton was truly the upside-down year," Mr. Bonner said.

Of course, no one knew dot-coms would fall so far so fast, least of all banks and
consulting firms. As a result, some of them overhired last year, creating a
double bind for the latest crop of graduating students: a shortage of
opportunities in both employment worlds.

Indeed, a few consulting firms have already reduced the number of candidates
they are willing to interview at elite business schools, though career-planning
officers were unwilling to name names.

And one midsize firm, **Mercer Management Consulting**, canceled interviews
entirely and said it would not be hiring any summer interns this year. Like other
consulting firms, Mercer views summer interns, usually students between their
first and second years in business school, as a talent pool for future hires.

But for now, Mercer has no need to add to its staff. That is because wherever it
has turned recently — to last year's crop of summer interns, to M.B.A. students
last fall and to executives in other industries — more candidates accepted job
offers than were expected to.

"We felt it was prudent to pull back from the summer program this year," said
Cathy Baker, director of recruiting at Mercer. "We have, basically, a very large
class of new full-time hires."

Such a conservative approach to recruiting is not without risk. If Mercer does
not have any summer interns in 2001, the firm will not have the usual class
ready to start full-time work in the fall of 2002 — so guessing wrong now
about the direction of the economy can have consequences almost two years in
the future.

"That's the challenge of the recruiting cycle for all professional services firms,"
including consultants and law firms, Ms. Baker said.

Making more hires would also be a risky course for a consulting firm because if business continued to slow, the firm would be forced to choose between letting profits fall or laying people off and thereby jeopardizing future recruiting efforts.

The slowing economy has had a more direct impact on the recruiting strategy at the Viant Corporation, one of the younger consulting firms that grew rapidly by providing both Web design and strategic advice to companies building online businesses, but which has recently announced revenue declines and layoffs. Viant has reduced the number of schools where it recruits and the number of offers of employment it makes, said Amy E. Ward, enterprise recruiting manager at the company.

"Last year we went to a lot of schools to recruit talent," Ms. Ward said. "We were going after quantity as well as quality." This year, she said, the firm is looking to make fewer offers.

Viant's strategy has been to focus on a smaller number of universities, where it is possible to recruit both M.B.A. students and graduates with advanced degrees in science and technology. For example, Viant continues to recruit heavily at the Massachusetts Institute of Technology, Ms. Ward said.

For all the economic changes of late, from slowing growth to slumping stock markets, the attitudes of people have evolved even more quickly, career counselors at business schools say.

The allure of dot-coms was exaggerated last year, according to Glenn Sykes, director of M.B.A. career services at the University of Chicago Graduate School of Business. In last year's graduating class at Chicago of more than 500 business school students, only 14 went to dot-coms, he said.

"It was talk," Mr. Sykes said. "It was reading things in the press."

Even so, the hype surrounding those who did go to dot-coms made their classmates think that if they got an offer for a high-paying job in a traditional field, they could take it or leave it.

Now, the students are much less overconfident, while banks and consulting firms are acting more self-assured. At Chicago, students must bid on interview slots, he said, and they are displaying a much stronger interest than last year in the big consulting firms and investment banks.

"Students certainly are not talking to us about pursuing dot-com job searches," he said. As a result, he said, the traditional "firms are feeling powerful again."

Regina Resnick, director of M.B.A. career services at Columbia, agreed. "The psychology has changed," she said. "The recruiters are definitely feeling more confident in terms of their ability to fill any position they have."
An informal poll of students at Columbia showed a widespread preference for the old-fashioned career route. "The interests here tend toward banking and financial services," said Ntiedo Etuk, 25, a first-year student. In the next few weeks, Mr. Etuk will have to decide where he will work this summer, an important decision because summer internships, most students hope, lead to offers of permanent employment after graduation.

Mr. Etuk said he had not ruled out dot-coms, but he was dubious. "It hasn't been proven to me that pure Internet plays necessarily work," he said.

Heather Hopkins, 29, a second-year student at Columbia, was equally skeptical. Ms. Hopkins said she was weighing job offers from seven large companies, including several consulting firms. "I wanted something that I knew was going to be around for a while," she said.

The bottom line for many students is job security. "My risk profile has become significantly more conservative," said Michael Preis, 27, a second-year student at Columbia. At an Internet company, he continued, "there's no guarantee that you'll have a job a month from now," and without a job, paying off student loans becomes difficult.

Mr. Bonner of Wharton thinks students may be overreacting. "There are a lot of great, viable, small, growth companies out there," he said, but in students' minds, "this year, almost no start-up is a good one."

"We've hit two years of extremes," Mr. Bonner said.

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