BUILDING A TOP 25 BUSINESS SCHOOL

Case Statement for the Top 25 Task Force

Draft 1

September 22, 2003
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Vision Statement

“Open the doors to all—let the children of the rich and poor take their seats together and know no distinction save that of industry, good conduct, and intellect.”

Townsend Harris
Founder, The Free Academy (17 Lexington Avenue) — 1849

Our Bold Ambition

Baruch College is part of a tradition that dates back to 1847 and the founding of the Free Academy, the first free public institution of higher education in the nation. Established in 1919 as City College’s School of Business and Civic Administration, the school was renamed in 1953 in honor of Bernard M. Baruch. In 1968, it became an independent senior college in the City University system. The School of Business, one of Baruch’s three schools, was renamed in 1998 in honor of alumnus Lawrence Zicklin.

The Zicklin School of Business at Baruch College has now set an ambitious goal, to become one of the Top 25 business schools in America by the year 2010. As the largest accredited school of business in the nation, as the only public school of business in the financial and commercial capital of the world, and as the most culturally and ethnically diverse college in the United States, Baruch is uniquely situated to achieve this level of excellence, and to sustain its historic commitment to providing opportunity to highly qualified students of all backgrounds who have the ability and drive to succeed.

We believe that our students, our alumni, our city and our nation deserve a world-class public business school in New York City.

This goal is perfectly fitted to our history: Bernard Baruch himself was a testament to the power of the City University of New York to nurture the very best talents and minds of each generation, no matter their backgrounds or economic status.

Yet, if we succeed, we will have created a new and truly distinctive model for American business schools. We will be nationally recognized for excellence. We will be focused not only on transforming the lives of our diverse and motivated students but also on the outside world, responsive to the unique needs of New York City, of the changing professional landscape of the nation, and on the forces of an ever more complex global economy.

The goal is worthy, and it is justified. We pursue it knowing that the public resources once available to grow and improve the school are now severely limited. We turn to those whose own lives have been immeasurably improved and to all those committed to the future of the city to help in this vital process, one that will assure a quality education to deserving students for decades to come.
**What Does Top 25 Mean?**

Various media organizations conduct rankings, most prominently *U.S. News & World Report*, *Business Week*, the *Wall Street Journal*, and the *Financial Times*. The most influential rankings of business schools are those that rank full-time MBA programs. These programs are viewed by leading business schools as their key strategic levers and the cornerstone of their reputations.

Top 25, then, refers specifically to the Zicklin School’s aim to achieve a top 25 ranking for its Full-Time Honors MBA Program.

**Why Is Top 25 Our Goal?**

Because most of these rankings look only at full-time MBA programs, the Top 25 goal appears to focus attention and resources on a relatively small program within the Zicklin School (the Full Time Honors MBA program enrolls 130 students; the College conferred 3,000 business degrees last year). Therefore, it is reasonable to ask whether the goal is appropriate given the range of needs and resources required to support and improve all these other programs.

Dean John Elliott, shortly after joining Baruch as Zicklin’s dean in the summer of 2002, addressed this question directly in an essay for *Baruch Magazine*. No one has articulated the reasons and the benefits as well as he did then, so we offer an excerpt here:

> As our focus turns to what will be required to achieve a significantly higher ranking in the general category of “Top Business Schools,” some have asked whether this is the same thing as planning to improve as a school. Will our effort to meet the criteria for improved rankings actually address the needs of our full student body?

> First, our planning and our objectives do not have a narrow focus on a relatively small part of the institution. Rather, they form an articulated goal that supports *an overall quest for excellence and a continuous improvement in the whole organization*.

> As Baruch and the Zicklin School move forward, the rankings will capture the improvements we make to the school as a whole and communicate it to current and future students as well as to alumni, faculty, potential new faculty, potential donors, and staff. Future undergraduates will correctly associate improving graduate programs with improving undergraduate programs.

> At the same time, we choose to seek out external validation and verification for the education we provide, so that *we are held accountable by a third party, affirming our goals and accomplishments*. 
Improving by those standards will stir a circular process of improvements for all of Baruch College. Here’s how that “quality circle” works: In a two-year hiring program, we’re adding approximately 35 new faculty members at the Zicklin School (teaching undergraduates and graduates, both part-time and full-time students). **Great faculty members attract great students.** When you have great faculty and great students, recruiters hire your graduates, and soon alumni want to support the success. And when you have recruiters and alumni supporting your success, you attract great faculty, who attract great students. On and on it goes, enabling a great future… which is the heart of our goal.

**Where Are We Now?**

In the *U.S. News* 2003 ranking, Zicklin’s Full-Time Honors MBA Program ranks 70th.

Looking at the composition of the data on which these rankings are based, and comparing Zicklin to Purdue and Georgetown, currently tied for 24th place, will illustrate our current position. As one can see, Zicklin is very strong in some areas (acceptance rate, average incoming GPA and GMAT scores) and needs significant improvement in others (job placement and starting salaries, reputation among other educators, reputation with recruiters). Keeping these and other data (see Addenda) before us along the way assures that we will remain focused on real improvements and on communicating these improvements to the outside world.

<table>
<thead>
<tr>
<th>U.S. News Ranking Criteria</th>
<th>Purdue</th>
<th>Georgetown</th>
<th>Baruch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>24 (tied)</td>
<td>24 (tied)</td>
<td>70 (tied)</td>
</tr>
<tr>
<td>Overall score (out of 100)</td>
<td>64</td>
<td>64</td>
<td>40</td>
</tr>
<tr>
<td><strong>Academic Assessment – 25%</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Peer (deans) assessment (5.0 highest)</td>
<td>3.7</td>
<td>3.4</td>
<td>2.9</td>
</tr>
<tr>
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<td></td>
</tr>
<tr>
<td>Recruiter assessment (5.0 highest)</td>
<td>3.8</td>
<td>3.8</td>
<td>3.3</td>
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<tr>
<td>Average starting salary + bonus</td>
<td>$90,243</td>
<td>$92,159</td>
<td>$61,842</td>
</tr>
<tr>
<td>Percent graduates employed at graduation</td>
<td>66.4%</td>
<td>53.9%</td>
<td>42.9%</td>
</tr>
<tr>
<td>Percent employed 3 months after graduation</td>
<td>73.1%</td>
<td>77.2%</td>
<td>62.9%</td>
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<tr>
<td><strong>Student Selectivity –25%</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Average undergrad GPA</td>
<td>3.23</td>
<td>3.35</td>
<td>3.30</td>
</tr>
<tr>
<td>Average GMAT score</td>
<td>651</td>
<td>663</td>
<td>644</td>
</tr>
<tr>
<td>Acceptance rate</td>
<td>26.7%</td>
<td>22.8%</td>
<td>18.8%</td>
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</table>
Recent Accomplishments

As a result of the College’s strategic vision and achievements over the last eight years, it has reached a turning point in its effort to achieve national prominence.

Recent accomplishments portray this trajectory:

- Nationally, Zicklin’s part-time MBA ranks 17th, its undergraduate business programs rank 62nd, and its full-time MBA program 70th, according to *U.S. News & World Report* (2003). Among public schools, Zicklin ties for 8th in part-time MBA ranking, 40th in undergraduate business, and ties for 34th in full-time rankings;

- Average GMAT scores among new enrolled graduate students have increased 25 points in past five years;

- Average SAT scores among incoming freshmen at Baruch have increased 54 points in the past 5 years;

- For the fourth consecutive year, Baruch has been ranked as the most diverse college in the United States by *U.S. News & World Report* (2003);

- Zicklin faculty research productivity in leading disciplinary journals place it
  - 8th in advertising
  - 20th in operations management
  - 29th in accountancy
  - 32nd in international business
  - 38th in finance

- Zicklin has hired 35 full-time faculty members over past two years;

- Baruch opened its new Vertical Campus, a $404 million, 17-floor, 800,000-square-foot structure, in Fall 2001. The American Institute of Architects honored the building in 2003 with the highest award it offers to an individual building;

- The William and Anita Newman Library won the 2003 Excellence in Academic Libraries award for best college library from the Association of College and Research Libraries (ACRL) — the first such award for an urban public institution in the college category;

- Baruch’s Student Tutoring Center has been selected to receive the National College Learning Center Association’s Frank L. Christ Award for outstanding learning center among four-year colleges;

- Baruch College has surpassed $100 million in private fund-raising during the last six years, including securing individual gifts of $18 million and $10 million, and more than 15 gifts at the $1 million-plus level.
**Charge of the Top 25 Task Force**

For Baruch College’s Zicklin School to become a top-tier business school, additional resources must be found and fundamental changes must occur.

To help guide our efforts, a prominent committee of graduates and friends has agreed to serve on the Top 25 Task Force. This group will meet three times per year for three years to ensure that we stay on course to achieve our bold ambition.

While our vision is clear, and parts of the implementation strategy are in place or are emerging, it is equally clear that continued progress toward this goal requires an unprecedented level of focus, energy, and leadership within both the Zicklin School and the Baruch College community.

We seek input from the Top 25 Task Force on how to make this happen.
STRATEGIC ISSUES

1. PURSUIT OF EDUCATIONAL QUALITY

   Make teaching a priority.

   Make curriculum issues a bigger part of our day-to-day conversation.

   Rebalance and reduce student enrollment over time.

   Inspire and reward enhanced performance and commitment among Zicklin faculty.

   Continue to support the activities of Zicklin’s academic centers.

2. COMMITMENT TO EXTERNAL OUTREACH AND CAREER MANAGEMENT

   Adopt a more competitive stance in the marketplace.

   Serve our business constituents by turning out graduates with an education that balances rigor and relevance.

   Raise the importance and support of our graduate career management function.

   Enhance graduate student recruitment efforts and marketing communications.

   Continue expanded development and marketing of international executive degree programs.

3. ENGAGEMENT OF ALUMNI AND FRIENDS

4. WHAT WILL THE TOP 25 PROGRAM COST?
1. PURSUIT OF EDUCATIONAL QUALITY

**ACTION PLAN:**

**MAKE TEACHING A PRIORITY.**

To become a Top 25 school requires teaching excellence. Annual surveys of graduating MBA students conducted by the Graduate Management Admissions Council, the organization that fields the GMAT entrance exam, consistently show that teaching quality is the first or second most influential determinant of MBA student satisfaction (the other being job outcomes upon graduation). In a highly competitive, high cost, high expectation MBA student market, “customer” satisfaction must be our objective.

The best applicants, richly networked with peers and with access to information on the nature of all leading business schools, chose those in significant measure on the basis of others’ opinions. Almost half of BusinessWeek’s full-time MBA rankings are based on surveys of graduating students’ opinions. While U.S. News does not rely on this kind of data, the impact of student satisfaction on a school’s ability to recruit the best applicants who, in turn, are most highly sought after by corporations and obtain the best outcomes at graduation (all of which are influential metrics in U.S. News’s ranking), is beyond question.

**Student Assessments of Teaching at Zicklin**

In spring 2003, we participated in studies of full-time MBA, part-time MBA, and undergraduate students by Educational Benchmarking Inc., that permit comparison of Zicklin student attitudes on this dimension with those from other schools.

The results among our peer* schools that participated in the studies are as follows:

Full-Time MBA:
- Faculty and instruction for required courses: 5th out of 5 schools
- Quality of instruction for elective courses: 4th out of 5 schools

*South Carolina, Rutgers, Texas at Dallas, Florida International

Part-Time MBA:
- Faculty and instruction for required courses: 6th out of 6 schools
- Faculty and instruction for elective courses: 6th out of 6 schools

*Arizona State, Texas at Dallas, Memphis, Florida International, Houston

Undergraduates:
- Required courses: Quality of faculty and instruction: 2nd out of 7 schools
- Major courses: Quality of faculty and instruction: 3rd out of 7 schools

*Georgia State, Rutgers, Central Florida, Florida International, San Diego State, Illinois at Chicago

The results indicate that our undergraduate students are reasonably satisfied in relation to their peers, but the satisfaction levels of our graduate students need improvement.
Interestingly, in comparison with graduate students at aspirant schools, our students are somewhat more satisfied.

**Recommendations**

Overall, members of the Teaching Task Force agree that teaching is undervalued within the Zicklin School and that, to change this, the school needs to communicate clearly that teaching is a valued part of our mission.

The Task Force also recommended:

- Appointing an advisory committee to deal with teaching matters;
- Conducting a survey of current teaching practices and comparing results with student evaluations to assess the relationship between specific teaching practices and students’ course evaluations;
- Developing criterion measures and a list of best practices based on findings;
- Increasing expectations for student performance through additional use of teaching techniques included in the National Survey of Student Engagement;
- Recognizing and rewarding good teachers; and
- Increasing faculty development efforts to improve teacher training.

**MAKE CURRICULUM ISSUES A BIGGER PART OF OUR DAY-TO-DAY CONVERSATION.**

Teaching and curriculum go hand in hand. Raising the value of and expectations for teaching will stimulate the level of faculty engagement with curriculum matters.

In recent years, Zicklin faculty have made significant upgrades and changes in both graduate and undergraduate curricula. Some of these changes include:

- Improving the core curriculum in the Honors MBA Program and then adopting these changes across the entire MBA.
- Tightening requirements for undergraduates wishing to study in Zicklin via implementation of a common pre-business core to ensure students possess the necessary knowledge when they begin their studies in the junior year.
- Upgrading management and coordination of the pre-business courses in large lecture format, including introduction of additional recitation sections for all students and use of videotaping and web posting of lectures for out-of-class study.
• Completely redesigning the Executive MBA curriculum on the basis of six thematic trimesters focusing on different stages of business development and the key decisions executives are required to make at each stage.

• Reducing the number of courses required to complete majors in the MBA by 50 percent and giving students additional flexibility to select courses that match their needs, creating, in the process, a larger free market in course options that will stimulate curricular experimentation.

• Creating or expanding course offerings in entrepreneurship, real estate, and finance.

• Creating the Accelerated Part-Time MBA Program.

• Creating international executive MS programs in Finance and Marketing in Israel and Asia.

• Creating a modularized, pre-term program for MBA and MS students with short courses in spreadsheets, mathematics, statistics, and accounting.

• Creating an Advanced Business English Program for international students.

• Creating graduate and undergraduate internship programs that students take for academic credit.

• Creating a capstone course in consulting in the Accelerated Part-Time MBA Program.

• Greater collaboration and communication among faculty on curriculum matters.

REBALANCE AND REDUCE STUDENT ENROLLMENT OVER TIME.

The Zicklin School is the largest accredited business school in the United States. Examining the resources available to support such a large student body, either in terms of operating revenue per degree student or faculty member, the conclusion to be drawn is that our resources are stretched too thin. The table on page 11 demonstrates this.

Among our peer schools—larger public schools of business that offer similar degree programs—we are second from the bottom in terms of resources per degree student, and sixth from the bottom with respect to resources per faculty member. In view of these numbers, our rankings performance is admirable. (It should be noted that these data do not reflect a significant increase in Zicklin School funding beginning in 2002 from additional MBA tuition.) The key point, evident by examining the data for our aspirant schools, is that we must acknowledge the relationship between resources and rankings performance.

What these numbers mean in practice is that Zicklin students don’t receive as much attention and support as those from highly ranked schools. They have less access to faculty and to staff to advise them and aid them in career and professional development, and to respond to the wide array of financial aid and administrative challenges they face during
their studies. Together, these factors influence the quality of the educational experience both inside and outside the classroom.

**Recommendations**

Increasing the proportion of MBA students and decreasing the proportion of undergraduate students will have positive impacts on our discretionary revenue. The Zicklin School retains over $2,000 annually for each full-time in-state MBA student and over $4,000 annually for each full-time out-of-state MBA student.

Until recently, Zicklin held a monopolist role within CUNY as the only provider of the BBA degree. This is no longer the case and, as a result, there is no longer a mission-based reason for Zicklin to be as big as it is. Further, to the extent that we are able to become smaller and more selective in our undergraduate programs, we will not only improve our ability to better meet student needs with available resources, we will also increase the academic profile of our undergraduate program.

However, any decreases in enrollment that are accompanied by decreases in the proportions of underrepresented minority students would be problematic. It would undermine our diversity, a characteristic that defines who we are as a school and that, in comparison to other institutions, is perhaps our greatest strength. Therefore, accompanying efforts to reduce undergraduate enrollment must be an aggressive program of outreach to attract qualified candidates from underrepresented minority groups.
Peer and Aspirant School Degree Production and Revenue (2001 data)
INSPIRE AND REWARD ENHANCED PERFORMANCE AND COMMITMENT AMONG ALL ZICKLIN FACULTY.

Though a subset of our faculty will teach in the Honors MBA program, energizing the performance of all faculty must be our top strategic priority. Faculty determine the quality of the education our students receive. As we provide a better education, our students will benefit, and their experiences and the outcomes they realize will feed a positive cycle that, over time, is the key lever to attract increasingly competitive applicants and produce more committed alumni. The collective performance of our faculty will determine our ability to retain our current stars and attract new ones.

New Faculty

With additional revenue from higher MBA tuition rates to support competitive compensation packages, and continuing private fund-raising support, the Zicklin School recruited a larger number of world-class faculty in the last two academic years than, arguably, any other business school in the world. Twenty-two new tenure-track faculty (including Dean John Elliott) joined Zicklin in 2002 and an additional 13 were hired in 2003. They have academic credentials from such institutions as Harvard, Cambridge, Penn, MIT, Stanford, Duke, Chicago, Cornell, Brown, North Carolina, NYU, Texas, Purdue, Maryland, Carnegie Mellon, and Minnesota.

These largely junior faculty, trained in the world’s finest business schools, will have a transformative effect over the next few years on the quality of a Zicklin education in their roles as scholars, teachers, and colleagues. We must encourage and support their success for this to happen.

Faculty Attitudes

Data from an Educational Benchmarking Inc. study we conducted in spring 2003 confirm that Zicklin faculty attitudes are not on a par with those of faculty in peer institutions.

A root cause is unequal treatment of new and continuing faculty. This can be demonstrated by comparing the compensation among the newly recruited junior faculty and our full professors who have achieved their final academic promotions and have served the school for years.

Average Base Compensation of Zicklin Faculty Hired in Fall 2002/2003 (n=34) $132,441
Average Base Compensation of All Zicklin Full Professors (n=65) $101,951

In spring 2002, the Retention Support Committee created by Dean Sidney Lirtzman, co-chaired by Management Professor Alvin Puryear and Associate Dean Rob Ducoffe, and consisting of the department chairs and senior Zicklin faculty, issued a report with a series of recommendations designed to address compensation inequities. The approach to performance-based support that it advocated was based on successful models from public business schools at the universities of Maryland and Pittsburgh. Implementation of this
initiative was prevented by union leadership via State court proceedings. In contract negotiations and subsequent implementation, we received authorization to pay new faculty more but have no satisfactory means for providing continuing faculty with the same levels of compensation and, more generally, for offering performance-based compensation to all faculty.

**Recommendations**

**Cultivate more high quality research.** The characteristic that distinguishes the university from other educational settings is the scholarship of the faculty. The research that faculty do, the intellectual capital they build and share with students and others, is the basis for the label “higher education.” The top business schools are committed to excellence in research and have built and reinforce cultures that value the primacy of scholarship. The leading business school accrediting body, AACSB International, evaluates virtually all business school activity from a mission-based perspective, yet original scholarship is a necessary condition for accreditation in all institutions. Strategically, the 25 percent portion of U.S. News’s overall ranking that derives from deans’ assessments is based significantly on the research reputations of the faculty in different schools.

Zicklin faculty have a solid record of contributions. In every intellectual discipline, we have faculty members who are known and respected internationally for their scholarship. We benefit as well from our size with our large faculty collectively making notable and noticeable impacts.

The summer 2003 report of the Research Task Force created by Dean John Elliott and chaired by Professor of Economics and Finance Ted Joyce contains the following summary recommendations that the dean has accepted as a framework for our efforts going forward.

- Develop a standard measurement approach for assessing faculty research productivity.
- Use this standardized assessment of research to develop fully transparent measures of faculty scholarship as the basis for awarding summer research grants.
- Within prevailing workload rules, seek to manage teaching loads effectively to support the efforts of productive researchers and tighten up on the current practice of rewarding “research release time” from teaching for those individuals who are not research active.
- Strengthen communication, internally and externally, about Zicklin faculty research.

Beyond these operational recommendations, the Research Task Force emphasized that enhancing scholarship at Zicklin will require funding to support summer grants, additional research assistance from graduate students, and research accounts for faculty studies and conference travel. The Task Force echoed the positive influence that a broader approach to performance-based compensation would have in this area.
By acting upon these recommendations and securing the funding to maximize the number of faculty affected, we can expect significant and measurable gains in research productivity. Further, with the large cohort of junior faculty hired in the past two years, embarked on what is typically a productive portion of their young careers, there is ample reason for excitement about the possibilities in research at Zicklin going forward.

Invigorate the Ph.D. Program. A stronger Ph.D. program will promote the research agenda of the faculty, central to recruiting and retaining active researchers. It will also advance the academic reputation of the school. In spring 2003, Dean Elliott appointed the Research Task Force chaired by Accounting Professor Joseph Weintrop, the new Executive Director of the Doctoral Program in Business, to evaluate and make recommendations in this area.

The Task Force’s key findings and recommendations were as follows:

• Commitment to the program is strong among faculty actively involved with it but the number involved needs to grow. Improving incentives for faculty involvement as instructors, coordinators, and advisors is necessary. Cultivating involvement of our many new junior faculty is a substantial opportunity.

• Placement of doctoral students has been largely at second-tier institutions. Hire additional senior faculty committed to research training and the placement of doctoral students.

• With no tuition remission available for our doctoral students, we do not offer sufficiently attractive financial packages to attract good candidates. We need to substantially increase stipends paid to students and other forms of support, including conference travel and housing. Program funding, dependent on the Baruch College Endowment and Graduate Center scholarships, has been reduced, and this must be reversed.

• Benchmark curricula in all areas against leading programs and seek evaluation and input from external advisors. Expand access to courses at NYU and Columbia.

• Formalize and enhance mentoring, student evaluation, and research assistantship programs.

• Program communication is outdated and offers limited information to current and prospective students. Improving overall program communication via the Web site is recommended.
CONTINUE TO SUPPORT THE ACTIVITIES OF ZICKLIN’S ACADEMIC CENTERS.

Zicklin’s academic mission is bolstered considerably by five very successful and vibrant academic centers. Continued support for these centers is vital to the education we provide:

- The Weissman Center for International Business
- The Field Center for Entrepreneurship and Small Business
- The Subotnick Financial Services Center
- The Center for Financial Integrity
- The William Newman Programs in Real Estate

These centers serve as busy channels through which faculty, students, and businesspeople interact. They extend the Zicklin School’s reach into the New York City business community and, in doing so, inform our teaching and research with perspectives that enhance its relevance and value. In bolstering the academic activities with which they are associated, they also offer Zicklin strong reputational benefits in these fields.

The Weissman Center for International Business

The Weissman Center enables the Zicklin School to respond effectively to the global economy. Guided by an advisory council of distinguished executives, the Center enriches the preparation of Baruch students, the most diverse in the United States, by building bridges between the worlds of academia and business. The Weissman Center carries out its mission through a variety of activities, including internship programs, study abroad and exchange programs, support for faculty research and development, visiting speaker programs, the International Business Alumni Association, projects with the international business community in New York (including networking events and publication of New York City’s International Business Directory with the Office of the Mayor), executive training programs, and student scholarships and travel grants.

The Field Center for Entrepreneurship and Small Business

The Field Center for Entrepreneurship and Small Business provides educational programs, a networking environment, and consulting help for start-up and established businesses in New York City. Free workshops and one-on-one consulting are offered for start-up and established businesses by Zicklin faculty on topics like business plan development, starting new ventures, e-commerce, management, franchising, home-based businesses, financing, sales techniques, record keeping, and low-cost advertising. It houses the Midtown Manhattan Small Business Development Center that applies the resources of the Zicklin School, the private sector, and government to solve problems and foster entrepreneurship. The activities and programs of the Field Center are integrated with our business degree programs and serve graduate and undergraduate students who major or select electives in entrepreneurship. It also supports the College’s Entrepreneurship Competition and gives faculty access to research opportunities that take advantage of client data.
The Subotnick Financial Services Center

The Subotnick Financial Services Center and Wasserman Trading Floor is a state-of-the-art trading room simulating the complete trading floor environment. The Center provides cutting-edge, hands-on training to Baruch students preparing for careers in financial services. It has become a model for building such facilities at colleges and universities across the country. The Subotnick Center is used by faculty members to develop and deliver course materials to undergraduate, master’s, and Ph.D. students, and to conduct research using its real-time financial information, analytical software, and databases. It is also used by corporations to train employees, hold professional conferences and workshops, and demonstrate products.

The Center for Financial Integrity

Recent events have shaken investors’ beliefs that securities regulation ensures accurate, transparent, and consistent financial information. The Center for Financial Integrity aims to foster integrity in financial reporting by encouraging empirical research and writing on ethical issues among faculty and students in professional and academic publications; by sponsoring seminars and conferences on current ethical issues; through training to advance ethical behavior and to develop a cadre of experts who can help firms prevent and resolve ethical dilemmas internally; and via development of case studies for classroom use based on real-life examples of ethical issues in financial markets.

The William Newman Programs in Real Estate

The William Newman Programs in Real Estate offer a multidimensional real estate education. The unit encompasses unique undergraduate and graduate degree programs in real estate and finance and professional skill-focused certificate program training in real estate. Anchoring these courses of study is the Steven L. Newman Real Estate Institute, the College’s foundation for education and research in real estate and metropolitan development.
2. COMMITMENT TO EXTERNAL OUTREACH AND CAREER MANAGEMENT

In spring 2002, the Zicklin School Mission Review Committee revisited and revised the school's mission statement and, in the process, conducted a survey among faculty, staff, graduate, and undergraduate students, as well as a small number of Baruch College Fund Board members and the school's Business Advisory Council at the time.

Greater emphasis on *external relations* was placed among the top five priorities by each group:

<table>
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<tr>
<th>Group</th>
<th>Priority</th>
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<tr>
<td>Staff</td>
<td>1st most important priority</td>
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<td>Graduate students</td>
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<td>Undergraduate students</td>
<td>5th most important priority</td>
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These results suggest that, collectively, the Zicklin School should continue to build a stronger and more valued *brand* in the marketplace through a strong commitment to serving our external constituents and building external relationships.

Devoting additional funding to external relations efforts will build awareness and positive attitudes. This is occurring and needs to continue. Also critical to this effort is the need to appoint a senior individual in the Zicklin dean's office with responsibility for external relations strategy and activities. Nevertheless, the greatest gains will not come from a tactical shift in the way we deploy our external relations resources, but rather from a more fundamental shift in our commitment to our external constituents.

**ACTION PLAN:**

**ADOPT A MORE COMPETITIVE STANCE IN THE MARKETPLACE.**

As part of a huge public, urban university system serving New York City, we have never had to compete hard across the range of our activity to continue to attract sufficient numbers of students. Throughout the history of CUNY, Baruch has also enjoyed a virtual monopolist's position within business education. As a result, we were never forced to develop an institutional culture that places sufficiently high value on serving our various constituents. If we are to achieve our Top 25 goal, we need to transform our culture from low to high competitiveness, and from low to high service in orientation. Three developments will help us in this area:

- Baruch College no longer offers the only undergraduate business degree-granting program in CUNY and this creates the possibility of permitting us to operate more freely and raise our admissions standards;

- Zicklin won CUNY permission to charge differential tuition rates for MBA education and, as a result, can obtain significant additional operating revenue from growth in this market;
• With the revenue base to pay faculty more, Zicklin forced additional compensation flexibility within the union contract and is in a better position to make additional gains in the area of merit-based compensation.

**SERVE OUR BUSINESS CONSTITUENTS BY TURNING OUT GRADUATES WITH AN EDUCATION THAT BALANCES RIGOR AND RELEVANCE.**

To increase the desirability of our graduates, we must pay greater attention in our teaching, research, and curriculum design to the needs of our business constituents.

Effective external relations requires giving our key constituents what they want. While adequate funds for outreach and good communications strategy are critical, far more is required. To turn our students into future committed alumni, they need a great education and attractive career options when they graduate. Our business constituents look to us to provide them with graduates that they want to hire. The more responsive we are to their needs in the ways we educate our students, the better our students will do, the better our relationships will be with corporations, and the more we will advance in our external relations efforts.

In 1996, *A Report of the Faculty Leadership Task Force*, issued by the AACSB, the major accrediting body of business schools, indicated that a good business education should offer a “tradeoff between relevance and rigor.” It noted further that “relevance without rigor is meaningless.” Hundreds of academic journals in business clearly evidence our devotion to rigor, but what about relevance?

Jeffrey Pfeffer, a professor of management at Stanford University, has explained that business schools are more separate from the professions they serve than schools of law, medicine, engineering, architecture, education, and social work. In these fields, faculty are more likely to move in or out of the profession and practice it regularly. These closer academic-industry linkages inform both curricula and research in these disciplines and ensure that students’ training is relevant to preparing them for practice.

**RAISE THE IMPORTANCE AND SUPPORT OF OUR GRADUATE CAREER MANAGEMENT FUNCTION.**

*The Role of Career Services in MBA Programs*

MBA career services offices hold a place of prominence in today’s top-performing business schools, playing a key role in the overall vision and strategy for the MBA program and school.

Given the nature of responsibility afforded to career services offices, a sizeable staff is required to produce quality work and achieve desired results. Schools with offices that receive high marks in student satisfaction have invested heavily in staffing those offices.
The approximate student-to-staff ratios at the top 10 business schools, as ranked by U.S. News, are as follows:

Stanford University: 86-to-1
Harvard University: 136-to-1
Northwestern University (Kellogg): 220-to-1
University of Pennsylvania (Wharton): 82-to-1
MIT (Sloan): No data found
Columbia University: 77-to-1
University of California Berkeley (Haas): 83-to-1
Duke University (Fuqua): 95-to-1
University of Chicago: 73-to-1
University of Michigan: 237-to-1

Average: 121-to-1

Baruch College (Zicklin) 500-to-1*

*When two new staff members join Zicklin’s career services office this fall, the ratio will be 307-to-1.

An analysis of nearly 20,000 responses to the Full-Time MBA Graduating Student Benchmarking Study accumulated since 1996 by the AACSB and Educational Benchmarking, Inc. (EBI) showed that satisfaction with career services ranks second among the factors influencing overall student satisfaction with an MBA program (quality of faculty and instruction of core courses ranks first).

Today, career services staff begin interacting with students in the admissions process and provide service starting at orientation and continuing throughout the MBA program to graduation and beyond. They work proactively with the business community and other departments within their institutions to ensure that MBA candidates have the skills and training expected by recruiters of MBA graduates.

Recommendations

Our graduate career management function has two major objectives that we must continue to support with increased focus and effort:

1. Educate, train, and advise students in the career management skills and attitudes expected from employers of top MBA students and graduates.

2. Structure and prioritize outreach efforts with corporations for the purpose of strengthening the connection between Zicklin graduate students and potential employers.
ENHANCE GRADUATE STUDENT RECRUITMENT EFFORTS AND MARKETING COMMUNICATIONS.

Recruitment

Our success in increasing career outcomes for our Honors MBA students is tied to the success we have in attracting the best applicants. In addition to the quality of the educational experience offered to students in the best business schools and the impact this has on the skills of their graduates, employment recruiters know the best business schools offer them access to highly qualified, carefully screened job candidates.

In recent years, significant gains have been made in the quality of both the graduate and undergraduate students we recruit as indicated by increased test scores at both levels. To accomplish our aims, our efforts at the graduate level need to be further bolstered. Support for this is underway this semester with the addition of two new staff members, one of whom will focus on the Honors MBA Program.

Marketing Communications

As we move forward, our communications will continue to create awareness about our institutional achievements and progress via advertising, targeted mailings, and communications with AACSB deans, the business community, and opinion leaders, including journalists who cover business school matters. Baruch’s advertising agency, Della Femina Rothschild Jeary and Partners, with direction from the Baruch’s Office of Communications and Marketing and with input from a committee of senior alumni executives in the marketing field, has helped us to develop an advertising campaign that is provocatively and effectively highlighting facts about Baruch and the Zicklin School to support our external relations efforts. Additional communications are planned, but we are not yet able to devote sufficient resources to this area. We need more hands on deck to push out the communications required.

Since the dominant channel through which graduate applicants search for information on schools is the Internet, much-needed additional focus and resources must also be devoted to Zicklin’s Web site. Plans are currently underway to hire a professional with responsibility for our Web site this semester.

CONTINUE EXPANDED DEVELOPMENT AND MARKETING OF INTERNATIONAL EXECUTIVE DEGREE PROGRAMS.

There is huge unmet demand for executive training outside the United States. In the last two years, with the leadership of Economics and Finance Professor Avner Wolf, Zicklin has launched a range of executive degree programs in finance and marketing with academic partners overseas in Asia and Israel. We must seek expansion of this activity within limits
defined by the finite number of Zicklin faculty, their ongoing commitments on campus, and the need to ensure that the Baruch degrees we confer meet the quality standards necessary. There is, however, much money to be made in this area.

In response to this opportunity, Zicklin plans to launch a non-degree executive education institute that offers training, connects Zicklin faculty to the business community, and generates revenue to support our needs.

Offering non-degree courses and certificate programs permits Zicklin to sell its educational services to a broader market, expand its revenue base, and enhance the prestige of the school’s degree programs. Faculty who contribute by developing and/or teaching such courses have an opportunity to earn significant income. Faculty research, retention, and recruitment are also clear beneficiaries.

**Recommendations**

In spring 2003, Dean Elliott appointed the Executive Education Task Force, chaired by Professor of Law Seth Lipner, to investigate the feasibility of entering this market and to develop recommendations.

The Task Force recommends creation of an *Institute for Executive Education* as a vehicle for Zicklin and its faculty to offer *non-degree* courses to executives and professionals. The following summarizes its findings and recommendations:

- The Institute would face competition from both universities and private providers of executive educational services and should first look to the major business sectors in New York City, including but not limited to securities/banking/financial services; the arts; advertising; health care management; accountancy firms, law firms (offering non-law courses); and city and state government.

- Rely on our alumni base as a market for courses, giving former students an opportunity to update their education and fielding popular professors to provide a good draw.

- Target businesses around the College and leverage the Institute by entering into joint ventures with entities inside and outside Zicklin.

- Create high-quality courses attractive to definable segments of the business community by ensuring the best of our faculty are involved by providing appropriate financial incentives. The optimum recommended structure is entrepreneurial in nature, where faculty share in the success of the courses or programs they develop, initiate course proposals, and compete for Institute approval based upon quality, marketability, projected profitability and ability to generate repeat business.

- Create a diverse and independent Board to govern the Institute. The Board would determine, based on quality and viability, which courses to offer; set pricing for courses; negotiate and determine compensation levels for faculty; hire and fire employees of the Institute; and oversee the administration of the Institute. The Board
would elect a Chair, and the Chair should serve as CEO of the Institute. The CEO should receive incentive-based compensation, and the Board members should receive a meaningful honorarium.

- The Institute should have at least three full-time employees: one to oversee and handle marketing; a second to oversee and handle course administration, and to assist the board and the CEO in the performance of their functions; and a clerical person. Initially, administrative functions could be handled by the Division of Continuing and Professional Studies at Baruch, which is configured to serve this kind of market.
3. ENGAGEMENT OF ALUMNI AND FRIENDS

A defining feature of the best universities, and an even more critical element of the success of the leading business schools, is the size, success, and level of commitment of their networks of alumni and friends. Their involvement, financial resources, and support of graduates’ career aims are key to enhancing the value of a business school education and are especially important at the MBA level. We need all of these to become a Top 25 school.

To transform our relationships with alumni requires that we transform our relationships with our students, from their initial interactions with us during the admissions process; through their experiences as individuals enrolled in our degree programs; to the nature and extent of outreach to them after graduation.

We believe, in other words, that we will get back what we give. The focus of our change efforts, as they are described in this case statement, reflect this emphasis.

The unprecedented level of support that Baruch and Zicklin have benefited from in recent years is evidence of the changes that we are committed to as an institution. We are now in a very different place than we were several years ago because the aims and actions of academic leadership resonated with alumni who were in positions to help. There is no reason to expect that this equation has changed.

We are, however, past the initial point in the life cycle of this initiative. We understand that to enjoy the continued support that we require at the levels needed, the fundamental transformations we discuss in this document are necessary.

We are committed to them.

We thank the members of the Top 25 Task Force for their advice and counsel as we move forward.
4. WHAT WILL TOP 25 COST?

The estimates below that we believe are necessary to fund our Top 25 initiative by 2010 would represent almost double the 2003 fiscal year budget of $25,000,000 of the Zicklin School of Business. In today's terms, the additional resources would bring us to a level comparable to Arizona State, a very large public university and business school with an MBA ranked 31st and an undergraduate program ranked 25th. While their funding does not reflect the recent $50 million dollar gift they obtained, ours does not reflect the huge advantage we have as the only public school of business in New York City.

Costs:

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<tr>
<td>Faculty</td>
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<td>Administration</td>
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<td>Marketing/Publications</td>
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<td>Housing (faculty/student)</td>
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<td>Research, Teaching, PhD</td>
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<td>Support for Centers</td>
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<td>Inflation effects over five years</td>
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**TOTAL** $20,000,000

Sources of Funds:

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<td>Excess MBA Tuition</td>
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<td>Executive Education</td>
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<td>450 Additional MBA, MS and Executive Students</td>
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<td>Tuition Increase/CUNY Senior Budget Model</td>
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<td>New International Programs</td>
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**TOTAL** $20,000,000