

**New Program Proposal**  
**Master of International Business**  
**USC-Columbia**

USC-Columbia requests approval to offer a new program leading to the Master of International Business degree, to be implemented in Fall 2009.

The USC Board of Trustees approved the proposal on June 27, 2008. The Program Planning Summary was submitted to the Commission in May 2008, and reviewed and voted upon favorably by the Advisory Committee on Academic Programs on July 17, 2008. The full proposal was received by the Commission in August 2008.

According to the proposal, the purpose of the program is to “develop the interdisciplinary mindset of candidates, focusing on the political, economic, and sociocultural dimensions of global business.” In order to meet this goal, the proposed program will include coursework in the Moore School of Business, the College of Arts and Sciences, and the School of Law. The proposal states that the proposed program will raise the visibility of the University as a leader in international business programs and further its research mission.

The proposal states that the program is designed in recognition of the fact that many of the factors affecting international business are related to forces outside of the business arena, specifically political and cultural influences. Also, according to the proposal, South Carolina's significant and increasing participation in the international business marketplace requires that programs be developed to prepare graduates with the necessary skills to compete successfully in this arena. To demonstrate demand for the program, the proposal cites a survey of current international business students which showed that 34 students (92% of those surveyed) stated that they would choose to enter the program. The proposal also cites the number of undergraduate *international* business programs in the nation (450) as providing a large pool for recruiting top students. In addition to international business students, the program will actively recruit students with undergraduate majors in general business, international studies, and political science. Students with these backgrounds will be required to complete preparatory coursework before entering the proposed program.

According to the proposal, the University currently has an International Master of Business Administration (IMBA) program and a Professional Master of Business Administration (PMBA) with an International Concentration. The proposed program is significantly different from either the IMBA or the PMBA-IC because it is tailored to recent graduates rather than experienced business persons or working professionals. The proposed program also focuses on an interdisciplinary approach to the degree rather than

a primarily business-oriented approach. The proposal states that there are four programs in the country with a similar focus: Tufts University, Harvard University, the University of Pennsylvania, and Columbia University. All of these four are longer and somewhat different in scope and intent from the proposed program. Two of these programs have been implemented less than a year, which suggests the innovative character and emerging realization of need for a program of this type.

Students applying for this program will be required to meet general Graduate School requirements and will typically have foreign language ability and business coursework in order to be admitted. Target applicants in the first five years of the proposed program will be students completing international business degrees at USC, with some students coming from other institutions.

The proposed program will consist of a minimum of 30 credit hours of course work. Of these, 15 credit hours are in core courses (IBUS734-International Business Negotiations; IBUS705-Sustaining the Global Enterprise; IBUS706-Nation States, Regional Networks and Global Markets; IBUS707-Comparative Institutional Systems; and POL710-Introduction to International Relations); six credit hours are in international business electives; six credit hours are in international studies electives; and three hours are in a foreign policy specialization elective. Three new courses will be added to USC's course catalog to support the program.

The program will be evaluated internally for quality using an assessment plan developed by the international business and political science departments. This assessment will be part of a process that includes placement, input from recruiters, and data long-term career follow-up of graduates.

Based on interest expressed by USC-Columbia students, the potential pool of large numbers of students from undergraduate international business programs nationally, and the few competing graduate programs, USC is confident that it will have more than sufficient demand to meet its goal to enroll 20 students (25 FTE) in the first year of the program and increase enrollment to 50 students (62.5 FTE) in the fourth and subsequent years. If the enrollment projections are met, the program will meet the Commission's program productivity standards for enrollment and degrees awarded.

The proposal states that in the first five years of the proposed program one new full-time faculty member will be hired for the proposed program, with the possibility of a second full-time faculty being hired when the program reaches capacity. The proposal further states that an additional staff person will be hired to support the program.

The Moore School of Business is accredited by the Association to Advance Collegiate Schools of Business (AACSB). The proposed program will operate under that accreditation and be subject to future accreditation processes of AACSB.

The existing physical plant and classroom facilities are adequate to provide space for the proposed program and faculty.

According to the proposal, existing library holdings and on-line materials in international business are adequate to support the proposed program. Existing library holdings are supplemented through the state's PASCAL library access. There are no funds allotted to upgrade library resources for the proposed program in the first five years of the program.

New costs for the proposed program include \$125,000 in the first year, increasing to \$300,000 in the second and third years, and increasing again to \$510,000 in years four and five. Categories of new costs in the first five years of the proposed program include faculty (\$1,245,000), clerical/support personnel (\$53,000), and marketing expenses (\$200,000). The proposal predicts \$1,745,000 total new costs for the first five years of the program, and indicates that the program will be self-supporting through revenue generated by tuition and fees of \$20,000 per full-time student with a higher cost to out-of-state students. This tuition level was set to be comparable to that of similar programs at peer institutions.

Shown below are the estimated Mission Resource Requirement (MRR) costs to the state and new costs not funded by the MRR associated with the implementation of the proposed program for its first five years. Also shown are the estimated revenues projected under the MRR and the Resource Allocation Plan as well as student tuition.

**Estimated Program Costs and Revenue**

	Estimated Program Costs		Estimated Program Revenue				(G) Total Revenue - Total Costs (F-(A+B))
	(A) MRR Cost	(B) Other Costs*	(C) Actual State Funding	(D) Tuition	(E) Additional Revenue	(F) Total Revenue (C+D+E)	
Year 1	\$271,125	\$0	N/A	\$270,970	\$129,030	\$400,000	\$128,875
Year 2	\$406,688	\$0	\$160,510	\$407,000	\$193,000	\$760,510	\$353,823
Year 3	\$542,250	\$0	\$240,412	\$544,014	\$255,986	\$1,040,412	\$498,162
Year 4	\$677,813	\$0	\$321,021	\$677,970	\$322,030	\$1,321,021	\$643,208
Year 5	\$677,813	\$0	\$400,922	\$677,970	\$322,030	\$1,400,922	\$723,110

\*Includes costs of an extraordinary nature not otherwise included in the MRR cost calculation (e.g., costs for a new building required to support a program).

“Additional Revenue” in the above table represents the difference between tuition revenue as calculated in the MRR and the actual tuition proposed. These data demonstrate that if USC-Columbia can meet the projected student enrollments and contain costs as shown in the proposal, the proposed program will be able to cover new costs with revenues it generates beginning in the first year of its implementation.

In summary, USC-Columbia is proposing a program leading to the Master of International Business degree. This program is a response to the state's heavy involvement in international business and increasing demand for interdisciplinary international business programs. It will allow the University to be more competitive in applying for grants focusing on international business and the global economy. The program is designed to be completely self-supporting through tuition charges.

**Recommendation**

The Committee on Academic Affairs and Licensing commend favorably to the Commission approval of the program leading to the Master of International Business degree at USC-Columbia, to be implemented in Fall 2009, provided that no “unique cost” or other special state funding be required or requested.