

PROGRAM PLANNING SUMMARY

Accelerated Master of Business Administration (AMBA)

Moore School of Business

University of South Carolina – Columbia Campus

Harris Pastides, President

Date

Commission on Higher Education Program Planning Summary

Name of Institution: University of South Carolina – Columbia Campus
Designation: New Program Proposal
Name of Degree: Masters
Name of Program: Accelerated Masters of Business Administration (AMBA)
Number of credit hours in program: 43
If undergraduate, designation as four- or five-year program:
Program qualifies for supplemental Palmetto Fellows Scholarship/LIFE Scholarship awards: No
CIP Code: 52.0101
Proposed date of implementation: Summer 2013

Justification of need for the proposed program:

The University of South Carolina's flagship MBA program is the International Masters in Business Administration, or IMBA. The IMBA has two primary tracks: a Language Track where students spend the second semester of their first year learning one of seven different languages at an overseas partner institution, and a Global Track where students spend the second semester of their first year learning about practical aspects of doing business in overseas locations as well as taking a supervised two week overseas business survey trip. Both Language Track and Global Track students engage in summer internships and return to USC for their second or third year when they take traditional MBA elective courses in areas such as Marketing, Finance, Operations Management, Strategy, and International Business.

The Moore School is significantly revising the IMBA program in a manner that will more heavily emphasize the unique global experience offered by the Language Track while phasing out the Global Track. In place of the IMBA Global Track, the Moore School will offer the Accelerated MBA. Relative to other MBA style alternatives, the Accelerated MBA will fit much better with the revised IMBA program structure and will also create a differentiated product within the MBA portfolio of programs offered by the Moore School. Moreover, the Moore School feels that an accelerated one year MBA will be more attractive than the current Global Track to the types of students who were traditionally attracted to the IMBA program.

The Accelerated MBA will be attractive to two distinct subsets of prospective students. The first subset is South-East and Mid-Atlantic region residents who are interested in the functional skills offered by a high quality MBA, but not necessarily in the overseas immersion offered in the Language Track of the IMBA. While this regional group is a significant part of the current Global Track in the IMBA program, the Accelerated MBA will likely be even more attractive as it will be more directly targeted to building functional expertise. The other applicant subset that the Accelerated MBA will likely attract is international students who already know more than one language. The IMBA Global Track has significant representation from this group. Survey data from the Graduate Management Admissions

Council indicates that international students are more likely to look at accelerated programs when evaluating MBA alternatives than are domestic students.¹

To further the development of South Carolina, the state must educate its existing populace well, while also attracting high-quality individuals from out of state. The Accelerated MBA program at the University of South Carolina will contribute to both of these objectives.

Anticipated program demand and productivity:

Projected New Enrollment						
Year	Summer		Fall		Spring	
	Headcount	Credit Hours	Headcount	Credit Hours	Headcount	Credit Hours
2013-2014	30	430	30	430	30	430
2014-2015	40	573	40	573	40	573
2015-2016	50	717	50	717	50	717
2016-2017	60	860	60	860	60	860
2017-2018	60	860	60	860	60	860

Assessment of extent to which the proposed program duplicates existing programs in the state:

Accelerated MBA programs have become increasingly common over the last ten years. According to a 2009 article in the Wall Street Journal, “about 90 accredited schools world-wide offer the accelerated MBA.” They are the norm in Europe with leading examples such as Instituto de Empresa in Madrid Spain, International Institute for Management Development (IMD) in Lausanne Switzerland, and INSEAD in Fountainbleu France. In comparison, accelerated MBA programs are less common in the United States. According to data collected by the Association for Advancement of Colleges and Schools of Business (AACSB) in 2007, aggregate enrollment in accelerated MBA programs in the U.S. was approximately 15% of aggregate enrollment in traditional two year domestic MBA programs.²

The only formal accelerated MBA program in South Carolina is at the College of Charleston which accepted its first class in fall 2010. The College of Charleston MBA is a fairly lock-step, 36 hour program that offers a concentration in either marketing or finance and requires no work experience. Clemson University also offers a one year 36 credit hour option as part of its MBA program. In Clemson’s case, however, only students with an undergraduate business degree and at least two years of relevant work

¹The 2008 GMAC Application Trends Survey reports that 46% of applicants to full-time two year MBA programs in the U.S. are international. In comparison, 57% of applicants to full-time accelerated MBA programs are international.

² According to both the 2009 and 2010 GMAC Application Trends Surveys, the percentage of programs reporting an increase in application volume was greater for full-time accelerated MBA programs than for full-time two year MBA programs. This may reflect concern by applicants about accruing two years worth of education related debt during a particularly grueling recession.

experience are eligible for the accelerated option. In contrast, the Moore School proposed AMBA is 43 credit hours, requires work experience, provides many concentrations and includes a capstone experience.

Relationship of the proposed program to existing programs at the proposing institution:

The Accelerated MBA program at the University of South Carolina will be unique in that it will utilize the already accelerated sequence of IMBA core courses that begin in the summer and finish in December. Because of the demographics of typical IMBA students, the existing sequence of core courses presumes minimal pre-exposure to a business curriculum. Thus, the Moore School’s Accelerated MBA will be open to qualified students regardless of undergraduate major. Like with most accelerated MBA programs, the Moore School’s ideal student will already have several years of relevant work experience. Elective courses and a strategic capstone course will be taken in three seven-week terms starting in January and running through the end of June. Returning second year IMBA students will be utilizing the same elective courses during the first two seven-week terms. The final seven-week term will serve the accelerated MBA students.

Relationship of the proposed program to other institutions via inter-institutional cooperation:

It is not anticipated that the AMBA will have inter-institutional aspects in the start-up phase. Cooperation with other institutions would be welcomed.

Total new and existing costs associated with implementing the proposed program (general estimates):

Start up costs of the Accelerated MBA program will be low because all core courses are currently part of the Moore School’s extant course offerings. Moreover, the courses will be shared with the existing IMBA program. The same holds for elective courses. However, Accelerated MBA program students will need to complete a minimum of six credit hours during the Summer I term. The courses offered during this time frame will be existing courses, but the actual sections will be incremental. We anticipate that between 4 and 6 elective course sections will need to be offered during Summer I in order to provide adequate variety across the various business disciplines. Offsetting the cost of the incremental sections is the fact that many of the courses will be scheduled in the evenings and shared with the Professional MBA program (PMBA).

Table for New and Existing Costs to the Institution and Sources of Financing

Costs						
	AY 2013- 2014	AY 2014- 2015	AY 2015- 2016	AY 2016- 2017	AY 2017- 2018	Totals
Program Administration	90,000	90,000	90,000	100,000	100,000	370,000

Faculty Salaries (regular and adjunct, including Program Administrator)	750,000	750,000	750,000	850,000	850,000	3,950,000
Graduate Assistants	0	0	0	0	0	0
Clerical/ Support Personnel	20,000	20,000	20,000	25,000	25,000	110,000
Supplies and Materials	0	0	0	0	0	0
Library Resources	0	0	0	0	0	0
Equipment	0	0	0	0	0	0
Facilities	0	0	0	0	0	0
Other: Marketing Expenses	100,000	75,000	75,000	75,000	75,000	400,000
Other: Technology Interface	0	0	0	0	0	0
Total Costs	960,000	935,000	935,000	1,050,000	1,050,000	4,830,000

Sources of Financing by Year						
	AY 2013- 2014	AY 2014- 2015	AY 2015- 2016	AY 2016- 2017	AY 2017- 2018	Totals
Estimated FTE Revenue Generated from State	0	0	0	0	0	0
Tuition and Fees Funding	1,050,000	1,400,000	1,750,000	2,100,000	2,100,000	8,400,000
Other State Funding	0	0	0	0	0	0
Reallocation of Existing Funds	0	0	0	0	0	0
Federal Funding	0	0	0	0	0	0
Other Funding	0	0	0	0	0	0
Total Funding	1,050,000	1,400,000	1,750,000	2,100,000	2,100,000	8,400,000
Net Cash Flows	90,000	465,000	815,000	1,050,000	1,050,000	3,570,000