

# **MBA PROGRAM PLANNING SUMMARY**

MASTER OF BUSINESS ADMINISTRATION  
SCHOOL OF BUSINESS AND ECONOMICS  
COLLEGE OF CHARLESTON

## **Introduction**

The School of Business and Economics at the College of Charleston is developing a proposal for a Master of Business Administration (MBA) degree. The program will be a full-time, fast-track curriculum offered during the day. Students will be admitted and will advance through the program as a cohort. This format will promote extensive team building and strong relationships among classmates. The initial offering of the program will be in Charleston, South Carolina and will begin Fall 2010; students in the first cohort will conclude the program at the end of the Summer 2011. Additional cohort-based offerings of the program will be scheduled as often as necessary to meet student demand. Initially each cohort is anticipated to include 30-40 students. The maximum number of students admitted to a cohort in Charleston is 100. Only one cohort of students will be offered each year.

## **Justification, Need, Date of Implementation and Curriculum**

It is noted in the newly drafted School of Business and Economics mission statement, “The School of Business and Economics will create and facilitate educational experiences for a dynamic student body through high quality undergraduate, graduate and professional programs.” While the School offers extensive undergraduate education (five majors, seven minors and seven concentrations), it presently offers only one graduate program—and that is in a specialized discipline (Master of Accountancy). The program being developed at the College of Charleston will fill an obvious gap in local graduate business programming and will be based on an examination of course offerings at leading business schools and criteria mandated by our accrediting body—AACSB International.

The Low Country market is currently being served by traditional MBA programs through the Citadel (part-time evening program) and Charleston Southern University (private institution, non-accredited by AACSB International). Data provided by these institutions indicate that the Citadel conferred 80 MBAs and Charleston Southern University graduated 99 students in 2008. Distance education programs are also offered by the University of South Carolina and other online providers.

## **Program Demand (Need)**

In the U.S. in recent years, tremendous attention has been focused on the changing MBA market and the need for innovative content with a concentrated perspective. According to GMAC (Graduate Management Admission Council), one-year full-time MBA programs (accelerated programs in US definition) report the strongest application volume and 69% of such programs indicated an increase in applications in 2008. As a result, the College of Charleston MBA will be partially lock-step, with some flexibility to take specialized electives, and able to complete in a relatively short time duration. It is necessary that our program offers the basic content and context of other AACSB

accredited institutions, while not duplicating any program in its competitive region. Thus, our plan is to offer an intensive fast-track program on a full-time basis. The same MBA program will ultimately be offered in markets abroad where demand is known to exist. Between 2006 and 2008, the number of GMAT exams taken in the US increased by 13 percent. Geographically, each area of the world, in fact, reported significant increases. The GMAC reports that in 2008, of the test-takers worldwide, 49% were from the U.S., 18% from Central and South Asia, and 16% from East and Southeast Asia. The number of tests of South Carolina examinee scores sent within state increased from 1,671 to 1,927 (increase of 256). Sadly, the number of South Carolina examinee scores sent out of state increased more (3,447 to 3,807 - increase of 360) in the same period of time. Regarding College of Charleston examinees, the number of our students taking the GMAT increased from 125 in 2006 to 179 in 2009 (to date according to GMAC).

To determine local demand for the proposed program, a survey was conducted of current College of Charleston seniors in April 2009. A total of 261 students in our School of Business and Economics undergraduate senior capstone courses were included in the survey, resulting in 216 responses. When students were queried about their interest in pursuing an MBA degree immediately following graduation, more than half (126) indicated they were indeed interested. On a follow up question: "If the College of Charleston were to offer an MBA program, how likely would you be to enroll in this program," once again more than half of respondents (118) stated that they would plan to enroll. These results clearly indicate strong demand for an MBA program by our current students.

More recently, to further gauge interest of our own students in our proposed program, we surveyed students majoring in our SBE programs. In August 2009:

"The School of Business and Economics at CofC is presently evaluating the degree of student interest in enrolling in its proposed full-time MBA program that will be offered during the day. Please sign below if you have an interest in enrolling in our proposed MBA program following completion of your undergraduate degree.

We received 646 signatures from our business students.

Results from an August 2009 classroom survey we conducted with a total of 836 respondents, 53% are interested in pursuing our proposed MBA immediately following graduation. Sixty-eight percent of the business majors (n = 542 surveyed) are interested, 18% of the Science/Math majors surveyed (n = 175 surveyed), 42% communication majors (n = 100 surveyed), 33% Arts Management (n = 6 surveyed), and 17% Languages (n = 6 surveyed). When further asked if they would enroll in the proposed program, 31% overall of those surveyed said they would (41% of Business students, 24% Communications, 17% Languages, 8% Science/Math).

We next turned to our recent alumni where we did an online survey. Eighty-eight of our business alumni responded to the question, "If a fifth-year MBA program had been available to you as a student in the SBE, would you have been likely to enroll/not enroll/don't know." Seventy-nine, (90%) of the respondents, stated they would have

enrolled and 71.3% stated they are likely to pursue an MBA degree in the future. Fifty one of these respondents took time to make comments requesting that we offer an MBA program.

The aforementioned new graduate program is vital to the continued development of the College of Charleston's School of Business and Economics. The desire to begin this new program was not a haphazard decision. There is compelling evidence in the region for the need of a fast-track full-time MBA program. Reliable data indicates a 13.4% growth rate in "Professional and Business Services" in the Charleston Metro area during the first five years of this century. A closer look at this growth of "knowledge based jobs" indicates that there has been an 82% increase in employment in architectural and engineering workers, a 68.1% increase in IT and mathematical workers, and a 109% increase in life, physical, and social sciences workers. During this same five-year period, export sales firms in South Carolina increased by 106.5% (compared to a paltry 18.1% in the U.S.). The population of the Charleston Metro area grew by 6.3%, increasing from 430,346 in 2000 to 583,434 in 2004 and is projected to reach 613,470 by 2010.

#### Proposed Date of Implementation

The target date for implementation of this high-demand program will be the Fall semester of 2010, dependent on the approval of the program at the College level and by the Commission on Higher Education. (The boot camp for non-business majors would begin in mid-summer 2010.)

The actual discussion and planning leading to this program have evolved over the past several years. After a prior submission of a Program Planning Summary almost three years ago, the College of Charleston began conversations with the Citadel at the levels of business school deans, provosts and presidents. In 2008, and as late as early September 2009, additional discussions between the two institutions and the CHE's Gail Morrison, Director of Academic Affairs and Licensing, occurred among their presidents, provosts and business deans. At a result of these productive discussions, the Citadel indicated support of a non-competing, full-time, daytime MBA program. As noted earlier, this is the type of program put forth in this Program Planning Summary.

The Curriculum

The curriculum will be designed based on business processes, going beyond the provision of fundamentals (which must be included for our AACSB International accreditation requirements). The program envisioned will require approximately 34 credit hours, as demonstrated in the table below. It requires nine elective credit hours, which may be satisfied among a list of graduate business courses (in disciplines including finance, accounting, marketing, management, economics, as well as an approved internship by the director of the MBA program). One non-business graduate course may also be applied toward satisfying elective course requirements, but approval must be on an “approved list” (to be generated later for final approval) or special permission granted by the director of the MBA program and the related department chair (within the School of Business and Economics).

Non-business major graduates will be required to complete a summer “boot camp” of short business prerequisite courses before beginning the MBA program in the fall semester. Specific courses may be waived by non-business majors depending on their business experiences and educational background. Target enrollment for the entering class will be 30-40 students as a cohort at the College of Charleston campus.

By assuming a minimum of 34 credit hours per student will be taken to complete the degree requirements, 1,020 to 1,360 student credit hours will be produced by the initial cohort (assuming 30 and 40 students, respectively).

<b>PROPOSED FAST-TRACK (Full-time) MBA*</b>	
<b>First Semester Courses (Fall 2010)</b>	<b>Second Semester Courses (Spring 2011)</b>
Leadership, Ethics & The Business Environment (1) Economics of Business Decisions (3) Organizational Management (3) Service Operations (3) Management Accounting (3)	Financial Management (3) Marketing Management (3) Elective (3) Elective (3)
<b>Summer Term Courses (Summer 2011)</b>	<b>*Note: Elective courses will be available via class room instruction or independent study in each major discipline</b>
Elective (3) Study Abroad (3) Global Business Strategy (3)	

### **College of Charleston- The Citadel Advisory Council**

Beginning the first year of the College of Charleston's MBA program, the business schools at the College of Charleston and the Citadel will form a joint advisory council charged with establishing collaborative programs that benefit both institutions.

Development of executive programs, sharing of faculty, and certificate programs are a few possibilities of such collaborative efforts.

### **Program Structure and Admission Requirements**

#### Cohort Structure

The program will be cohort-based. That is, students are expected to start and complete the program as a group. The advantage of this structure is that students can learn as a group, become familiar with each other, and advance through the curriculum together. The maximum number of students admitted into a cohort is 100. Only one cohort of students based in the Charleston program can take place annually.

#### Student Status

All students in the program must maintain full-time status. That is, every student must take the minimum number of credit hours required in the cohort program (12-13 per semester in addition to summer requirements). Any student whose course load falls below full-time status will not be permitted to continue the program after that semester. He/she may continue the program only as a full-time student.

#### Grade Point Average

Students applying for admission into the Charleston program must possess an undergraduate overall grade point average of 3.0 to be admitted into the program.

#### Graduate Management Admission Test Score

Students applying for admission into the Charleston program must have a minimum GMAT score of 510 to be admitted into the program.

### **Proposed Budget and Existing MBA Programs**

The proposed MBA program is planned to be self-supporting. During the fall and spring semesters, the program will require the equivalent of 13 and 12 credit hours, respectively. This will, in turn, require two additional faculty members. Assuming an average salary of \$120,000 (\$156,000 with benefits) per faculty member, the faculty budget additional requirement will be approximately \$312,000. Two graduate assistants at a cost of \$24,800 are also requested. Coverage for the summer session (9 credit hours) will require approximately \$9,000 per course for a total of \$27,000 for the summer module teaching. Additional budget items will include staff totaling \$135,000 including salary and benefits for staffing career development and placement as well as advising. A stipend for an Associate Dean for Graduate and Professional Programs is also included. Overhead for promotions and materials is estimated at approximately \$50,000.

Current estimated costs for the program’s first year will be approximately \$598,800 (see expenses table below). Breakeven for the College of Charleston program assuming 30 students will be \$19,960 per student. This figure does not include program enhancement costs such as a technology fee and costs on top of tuition borne by students for their experiential study abroad. International travel expenses will vary depending on the destination and length of study. (A more detailed budget will accompany the full proposal.)

<b>Classifications of Expenses</b>	<b>Explanation</b>	<b>Amount</b>
2 faculty positions	(\$120,000 x 2) + 30% fringes	312,000
2 graduate assistants	(\$12,400 x 2)	24,800
“Boot camp” instructors	5 short preparatory modules	25,000
3 summer faculty stipends	3 summer classes	27,000
Staff salaries	1 Recruiter, 2 Advisors, Associate Dean stipend	135,000
Overhead	Promotion, materials, etc.	50,000
Miscellaneous	Unanticipated expenses	25,000
<b>Total Cost for first cohort</b>		<b>\$598,800</b>

In comparison to our proposed program, Clemson University charges a tuition rate of \$3,869 per semester. Students who already have an undergraduate business degree can typically complete the program in less than two years. The University of South Carolina does not offer a comparable full-time program. They offer more specialized programs, including a two-year International MBA program (in-state cost of \$35,000), well as a Professional MBA and an Executive International MBA. In the Low Country, the Citadel’s traditional part-time evening MBA program costs \$15,600.

**Extension to New Sites**

As noted earlier, the Graduate Management Admission Council report of geographic trends of GMAT test-takers reported significant increases throughout the world. This reality coupled with numerous relationships already cultivated with university and likely administrative partners has inspired the College of Charleston’s School of Business and Economics to plan to extend the MBA program to several international locations over the upcoming 10-year period. The targeted locations include Taiwan, Hong Kong, China, Singapore, Spain, Switzerland, Turkey, Russia, Dubai and Bahrain.

Faculty teaching in these off-shore programs must be either academically or professionally qualified according to AACSB International standards. When given teaching assignments each instructor will travel to the specific location for a period of eleven days with instruction being delivered the initial Saturday (8 hours) and Sunday (8 hours), as well as the following Friday evening (3 hours), Saturday (8 hours) and Sunday (8 hours). Faculty assistance and student consultation will be available during the non-instructional weekdays (Monday through Thursday). Assignments will be sent ahead of each instructor’s arrival and final exams will be administered by local administrators after

the last class day. The entire class commitment by each instructor will total approximately 40 hours (not including outside-of-class study requirements.) One course will be taught each month, permitting program completion within one year. (This model was successfully used at another institution where the Dean was previously employed.)

All expenses for faculty travel and compensation will be included as an add-on to the College of Charleston on-site tuition. Faculty teaching at these locations will be treated as over-load to regular semester teaching loads. All of these off-shore programs will be entirely self-supported by tuition revenue.

**Final Comment**

The College of Charleston's School of Business and Economics respectfully requests initial permission to begin planning an MBA program. We have proven that there is strong demand for our proposed fast-track, full-time (and day time) graduate degree. To accomplish the mission of our School, it is incumbent that we offer a greater choice of graduate programs to our community residents and others. It is important that we begin the program in the Fall rather than the Spring since it operates on an annual basis, beginning either in the Summer (for the preparatory boot camp) or Fall (for all admitted students).